Accounts and notes 2015

NSB Group

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Income statement

	Notes	2015	2014
Operating revenue	5	**15,372**	**15,336**
Payroll and related expenses	22	6,710	6,975
Depreciation and impairment	27	1,450	1,624
Other operating expenses	28	5,114	5,064
Total operating expenses		**13,274**	**13,663**
Share of loss(-)/profit of joint ventures	10	148	102
Share of loss(-)/profit in associates	9	32	45
Unrealised value change investment property	8	536	181
Operating profit		**2,814**	**2,001**
Financial posts			
Financial income	29	407	381
Financial expenses	29	-572	-661
Net financial expenses - pensions	23	-54	-76
Unrealised fair value changes	30	69	-48
Net financial items		**-150**	**-404**
Profit before income tax		2,664	1,597
Income tax expense	21	-506	-88
PROFIT FOR THE YEAR		**2,158**	**1,509**
Attributable to			
Non-controlling interest		9	4
Equity holders		2,149	1,505
TOTAL		**2,158**	**1,509**
OTHER COMPREHENSIVE INCOME			
Profit for the year		2,158	1,509
Items that will not be reclassified to profit or loss			
Deviation retirement benefit obligations	23	-2	-735
Tax related to items that will not be reclassified	21	-12	198
Items that can be reclassified in net income in later items			
Change in value of reclassification of investment property	8	18	1
Currency translation differences		40	3
Tax related to items that are not reclassified	21	-4	-1
Total comprehensive income for the year		**2,198**	**975**
Attributable to			
Non-controlling interest		9	4
Equity holders		2,189	971
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**2,198**	**975**

Overview financial position

	Notes	31.12.15	31.12.14
ASSETS			
Intangible assets	6	87	64
Property, plant and equipment	7	14,499	14,415
Investment property	8	4,622	4,206
Investments in associates	9	200	186
Financial assets		146	97
Total non-current assets		**19,554**	**18,968**
Investment in joint ventures	10	555	681
Inventories	11	1,424	1,437
Assets held for sale	12	640	42
Trade and other receivables	13	2,167	1,800
Derivative financial assets	15	2,546	2,252
Financial assets	16	348	387
Cash and bank deposits	18	1,602	2,284
Total current assets		**9,282**	**8,883**
TOTAL ASSETS		**28,836**	**27,851**

	Notes	31.12.15	31.12.14
EQUITY AND LIABILITIES			
Ordinary shares and share premium	19	5,144	5,144
Restricted equity - revalued investment property		2,244	1,976
Retained earnings		2,447	1,286
Non-controlling interest		3	-6
Total equity		**9,838**	**8,400**
Borrowings	20	10,387	9,926
Deferred income tax liabilities	21	1,139	716
Retirement benefit obligations	23	2,345	2,552
Provisions for other liabilities and charges	25	104	114
Total long term liabilities		**13,975**	**13,308**
Trade and other payables	24	3,060	3,302
Tax payable	21	154	4
Borrowings	20	1,534	2,495
Derivative financial instruments	15	275	342
Total short term liabilities		**5,023**	**6,143**
TOTAL EQUITY AND LIABILITIES		**28,836**	**27,851**

Oslo, 24th of February 2016

Kai Henriksen
Chairman of the Board

Jan Audun Strand

Kjerstin Fyllingen

Bjarne Borgersen

Wenche Teigland

Rolf Jørgensen

Åsne Havnelid

Audun Sør-Reime

Geir Isaksen
CEO

Cash flow statement for the Group

	Notes	2015	2014
Profit for the year before income tax expense		2,664	1,597
Depreciation and impairment in the income statement	27	1,450	1,642
Gain/loss on sale of property, PPE and investment property		-63	-467
Net changes to obligations and retirement benefit obligations	23	-207	-540
Net changes to provisions for other liabilities and charges	25	-10	-31
Net unrealised fair value changes	30	-594	-126
Interest items	29	-119	19
Shares of profit/loss (-) from associated and joint ventures	9, 10	-180	-147
Changes to working capital		-708	-609
Net cash flow from operating activities		**2,233**	**1,338**
Acquisition of subsidiaries less cash acquired	34	-44	-23
Sale of property and buss operations		187	1,671
Loans paid to/from single purpose/joint ventures	9	102	-148
Purchase of PPE and investment property	7, 8	-2,148	-2,302
Proceeds from sale of PPE and investment property		132	84
Grants	7	190	0
Dividends received	29	152	81
Net cash flow from investment activities		**-1,429**	**-637**
Proceeds from borrowings		1,800	2,289
Repayment of borrowings		-2,579	-1,451
Dividends paid to company's shareholders	19	-753	-515
Dividends paid to non-controlling interest owners		-	-3
Net cash flow from financial activities		**-1,532**	**320**
NET CHANGE IN CASH AND BANK DEPOSITS FOR THE PERIOD		**-728**	**1,021**
Cash and bank deposits as at the beginning of the period	18	2,284	1,248
Foreign exchange gain/loss on cash and bank deposits		46	15
CASH AND BANK DEPOSITS AS AT THE END OF THE PERIOD	18	**1,602**	**2,284**

Development in equity

2015	Notes	Ord. shares and share premium	Restricted equity, value changes	Acc. currency translation	Retained earnings	Non-contr. interest	Total
Equity 1st of January 2015	19	5,144	1,976	3	1,283	-6	8,400
Profit for the interim period		-	391	-	1,759	9	2,159
Changes to fund due to value changes		-	-136	-	136	-	-
From other comprehensive income		-	13	39	-13	-	39
Change in income tax rate	21	-	-	-	-7	-	-7
Dividends paid		-	-	-	-753	-	-753
EQUITY 31ST OF DECEMBER 2015		**5,144**	**2,244**	**42**	**2,405**	**3**	**9,838**

2014	Notes	Ord. shares and share premium	Restricted equity, value changes	Acc. currency translation	Retained earnings	Non-contr. interest	Total
Equity 1st of January 2014	19	5,536	1,700	-	704	1	7,941
Profit for the interim period		-	132	-	1,373	4	1,509
Changes to non-controlling interest		-	-	-	9	-8	1
Changes to fund due to value changes		-	143	-	-143	-	-
From other comprehensive income		-	1	3	-537	-	-533
Dividends paid		-392	-	-	-123	-3	-518
EQUITY 31ST OF DECEMBER 2014		**5,144**	**1,976**	**3**	**1,283**	**-6**	**8,400**

Notes

All figures in the report are in MNOK.

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35. Events after the balance sheet date

The consolidated financial statements were approved by the Board of Directors on 24th of February 2016.

Note 1

1 General information and summary of important accounting principles

GENERAL INFORMATION
Norges Statsbaner AS (NSB AS) and its subsidiaries (NSB-Group) run operations in the following areas:

- Passenger transportation by train and bus
- Freight transportation by train
- Real estate operations
- Train maintenance

Additionally, the Group has its own insurance function which is organized in a separate Captive, Finse Forsikring AS.

The NSB-Group has its main office in Oslo.

All the shares for NSB AS are owned by the Norwegian Ministry of Transport and Communication.

The financial statements for 2015 were approved by the Board of Directors 24th of February 2015.

All numbers in the report are in MNOK, unless otherwise stated.

BASIS OF PREPARATION
The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations as approved by the EU.

The most important accounting principles which are utilized in the preparation of the Group financial statements are described below. These principles are utilized consistently for all periods that are presented, unless otherwise specifically stated.

The consolidated financial statements have been prepared under the historical cost convention with the exception of financial derivatives, certain financial assets and financial liabilities and investment property which are valued at fair value.

The Group adopts the going concern basis in preparing its consolidated financial statements.

IMPORTANT ASSUMPTIONS AND ACCOUNTING ESTIMATES
Application of the Group accounting principles implies that the management must exercise judgment through use of estimates and assumptions. Estimates and assumptions are continuously evaluated and are based on historical experience combined with expectations on future events that are probable at the time of evaluation.

Areas where the use of assumptions and estimates are material for the Group accounts:

Investment property measured at fair value
When estimating investment property at fair value one uses estimates and assumptions. The level of yield/return on equity and the lease rate of the market are the most important factors. The change of these factors can result in material changes in recognized income/expense and the balance sheet value of investment property. A sensitivity analysis showing the effects when these assumptions are changed, is presented in the note for investment property.

Financial assets and liabilities at fair value
The Group has long-term debt, financial derivatives and certain financial assets, that are accounted for using fair value. The estimates are mainly based on observed prices, which change over time. Changes in assumptions will lead to changes on the balance sheet as well as affecting the income statement.

Fixed assets
The Group continues to evaluate expected useful life and expected residual value on fixed assets. This is of importance for annual depreciation. Furthermore, the Group considers the value on its fixed assets and whether write downs are necessary. These considerations involve a great deal of judgment. See the note on fixed assets for a description of impairment tests and related sensitivity analysis.

Estimated impairment of goodwill
The Group performs tests annually to assess impairment on goodwill. Recoverable amount is determined through calculations of value of use determined by use of estimates. Refer to the note on intangible assets for a description of impairment tests and corresponding sensitivity evaluations.

Estimated provisions for contract losses
The Group conducts tests annually to evaluate provisions for contract losses, where there are negative operating profits and therefore indications of impairment. For property, plant and equipment that are used in these contracts, an impairment test is performed first, as mentioned above. Then the present value of future cash flow for each separate contract is measured. These evaluations involve a large degree of judgment. We refer to the note on Provisions for a further description.

Retirement benefit obligation
The Group has considerable liabilities related to employees' pension rights regarding defined pension benefit plans. Calculations show that the Group must determine economic and demographic assumptions. Changes to assumptions can result in considerable effects on the calculated liabilities on future retirement benefit expenses. For more information on pensions and for a more detailed description on what assumptions are used, see the retirement benefit obligation note to the financial statements.

Included in the note is a sensitivity analysis that shows how sensitive the calculations are in relation to central assumptions. Actuarial deviations related to such changes are included in other comprehensive income with a direct effect to equity, after deducting deferred tax.

Accrual of revenue
Parts of the Groups' revenue come from a sales and fare cooperation with other transport operators. These revenues are accrued based on counting the number of travels, composition of type of tickets sold and experiences from prior periods. These evaluations entail a significant degree of judgment and use of estimates.

CONSOLIDATION PRINCIPLES
The Group financial statements show the total financial result and the total financial position for the parent company and its subsidiaries.

Subsidiaries
Subsidiaries are companies where the Group has actual control. Control occurs when the Group as an investor has the ability to influence variable yield that the Group has a right to or is exposed to.

Subsidiaries are consolidated from the time the Group obtain control and are excluded from consolidation when control ceases to exist.

Transactions with non-controlling owners in subsidiaries are treated as equity transactions.

Note 1

Joint ventures and associates
Joint ventures are companies or entities where NSB has joint control with one or several other investors. The Group has considerable shares in single purpose companies for development of real estate projects that are considered to be joint venture.

Share of associates are companies where NSB has considerable, but not controlling influence. Normally, considerable influence is defined as having an ownership between 20 % and 50 % of the voting rights.

Ownership in both joint ventures and associates are accounted for using the equity method of accounting.

Acquisitions
The acquisition method of accounting applies to business combinations. Compensation is measured at fair value on the transaction date which is when risk and control is transferred and will normally coincide with the implementation date. An allocation of the acquisition price is based on fair value of assets and liabilities acquired. Additional value that cannot be allocated to identifiable assets and liabilities are allocated to goodwill. If fair value of identifiable assets and liabilities is higher than consideration given, the excess is charged to income.

The principles on how to recognize acquisition of associates and joint ventures are the same as for acquisition of subsidiaries.

SEGMENT INFORMATION
NSB reports its operating segments according to how Group management, which is the operating decision-maker, adopt, follow-up and evaluates decisions.

CURRENCY
Functional currency and presentation currency
The NSB-Group financial statements are presented in Norwegian kroner and all numbers are in MNOK, which is both the functional currency and presentation currency for the parent company.

The NSB-Group operates mainly in Norway, as well as in Sweden and Denmark. Income statements and balance sheets from Group entities with a functional currency different from the presentation currency are converted accruing currency translation differences directly to equity through other comprehensive income.

Transactions
Operating income and –expenses, purchases as well as financing expenses are mainly in the following currencies: NOK, SEK, DKK, CHF and EUR. Transactions in foreign currency are re-calculated to the functional currency at the transaction date. Foreign exchange gains and losses from such transactions and from the translation of foreign currencies are recognised in the income statement.

Public grants
Public grants are systematically recognized in the income statement in the accounting periods the company include the expenses that the grants are meant to compensate. Public grants that are related to assets are accounted for net, through the grant being treated as a reduction of the amount included on the balance sheet.

REVENUE
The Group's revenues come mainly from sale of passenger- and freight transport services as well as lease and sale of real property.

Sale of transport services
Sale of services, including public purchase of passenger traffic services, is included in the accounting period the services are delivered.

Lease and sale of real property
Revenue from lease of real property is accrued over the length of the lease agreement.

Revenue from sale of property is recognized in the period where risk and control is transferred to the buyer. As a main rule this means that the revenue is recognized on the acquisition date.

Construction and development of commercial- and residential buildings
It's the building's character and buyer's ability to influence the final project that will determine whether revenue recognition will be according to IAS 11 construction contracts or IAS 18 revenue. For property constructed where the purchaser has significantly influenced outcome, an expected gain, according to IAS 11, has been included according to the rate of completion.

Dividends
Dividends received from companies other than subsidiaries, associates and joint ventures are recognized on the date when the decision was made by the distributing company.

PROPERTY, PLANT AND EQUIPMENT
Property, plant and equipment (PPE) and operating related property is shown at cost less subsequent depreciation. Cost includes expenditure which is directly attributable to the acquisition of the items such that it's ready for use.

Subsequent costs are included in the asset's carrying amount when it is probable that future economic benefits will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Borrowing costs accrued during construction of PPE, are capitalized until the asset is ready for intended use.

Depreciation on other assets is calculated using the straight-line method to allocate the cost of each asset to its residual value over its estimated useful life, as follows:

Railroad vehicle	10 – 30 years
Buses	5 – 12 years
Buildings	10 – 50 years
Other fixed assets	5 – 30 years

Land and residential buildings are not depreciated.

The fixed assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Gains and losses on disposals are included in the income statement and are determined by the difference between the sales price and the balance sheet value.

Fixed assets classified as assets for sale are recognised at the lower of balance sheet value and fair value deducted sales cost if balance sheet value is mainly recovered by a sales transaction and when a sale is considered to be probable.

PROPERTY
General
The Group's property portfolio consists of operating related property (IAS 16), investment property (IAS 40) and development property (IAS 2).

There is a close and compound relation between operating property (IAS 16) and investment property (IAS 40) with several combined properties.

Note 1

For combined buildings that may be sectioned for sale, each separate section and part of the property is evaluated separately.

Areas that change character from operating property or development property to investment property or the other way around must be reclassified. Reclassification will occur at the moment when there is a changed purpose and use of the actual property on a permanent basis.

Operating related property
Property used within the Group's operations are considered as operating related property in accordance with IAS 16 and are treated in compliance with PPE as described above.

Investment property
Investment property consists of property (land, building or both) that are owned for the purpose to achieve a long-term yield from rental income, increase in fair value or both. Property that the Group leases out to the external market on commercial terms and long-term basis, are classified as investment property and are considered in accordance with IAS 40.

First time measurement at cost and inclusion of costs on the balance sheet complies with the principles for PPE and operating related property as described above. Further measurement of investment property is at fair value. Fair value corresponds with estimated market value used in a possible sales transaction between two independent parties. The values are estimated using external appraisers at each balance sheet date. The fair value determination is based on each separate property expected discounted future cash flow with individual risk adjusted yield.

Value changes due to changes in market value of investment property are continuously charged to the income statement and are presented on a separate line in the operating profit. Value changes due to reclassifications from developmental property are charged to the income statement. Value changes due to reclassification from operating related property are charged to other comprehensive income.

Developmental property
Property where the intention is to develop and then sell is categorized as development property (IAS 2), even if the properties are temporarily leased on short-term agreements.

Developmental property for sale is valued at the lower of acquisition cost and net realizable value in accordance with IAS 2.

Acquisition cost consists of purchase price for properties, as well as project related expenses to develop each property. Project related expenses mainly include expenses up until it is regulated and made ready for sale including salaries, external consultants, etc. Incurred borrowing costs that are directly related to the development of the property are capitalized in accordance with IAS 23. Net realizable value is estimated selling price less costs related to the completion.

The portfolio of developmental property available for sale is separated and is followed up as separate projects. The separation is based on the separate property's geographical location.

IMPAIRMENT
Intangible assets as well as property, plant and equipment that depreciate are considered for impairment when there are indications that future earnings cannot justify balance sheet value.

Goodwill and intangible assets with indefinite useful life are not subject to depreciation, but are tested annually for impairment.

Impairment is recognized if the carrying amount is higher than the recoverable amount. The recoverable amount is the higher of fair value less selling costs and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each reporting date, one considers the possibilities for a reversal of prior impairments (except goodwill).

POSSIBLE CONTRACT LOSSES
The Group's activity results in entering into long-term public contracts for delivery of public transportation. For several of the contracts, the Group assumes part of the risk for the development in several cost areas (for example salaries, interest and fuel) without any income adjustment. This could result in contract losses if future remaining costs are higher than estimated revenues.

Before a provision is performed for contracts that may result in losses according to IAS 37, an evaluation is completed in accordance with IAS 36 (see section for impairment above). Then the Group measures continuously the present value of future expected cash flow from operational activities in each separate contract, where estimated payments consists of all future unavoidable operating costs including wear on assets. The provision is limited to the lower of continuing the contract or to go out of the contract. The provision is reversed over the remaining life of the contract.

DERIVATIVES AND FINANCIAL INSTRUMENTS
The Group uses swaps to secure interest rates and currency on long-term debt to ensure predictability, and to hedge energy prices to obtain the lowest possible price and predictability in prices.

The Group does not use hedge accounting. Derivative financial instruments are recognised at fair value on the date a derivative contract is entered into and are subsequently measured at fair value. Changes in fair value on derivative contracts entered into as debt instruments are included in net financial income, while derivative contracts related to electric power are included as other operating expenses.

FINANCIAL ASSETS HELD FOR TRADING PURPOSES
A financial asset is classified as held for trading purposes if its primary reason for acquiring is to result in gains due to short-term changes in fair value.

Fair value of listed investments is based on its last registered value. If the market for the security is not active or if it concerns a security that is not listed, the Group uses evaluation methods to determine fair value.

INVENTORY
Inventory is valued at the lower of acquisition cost and net realizable value. Acquisition cost is calculated using the average price method.

The cost of finished goods and work in progress comprises of design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). Incurred borrowing costs that are directly related to the acquisition or manufacture of the goods, is included in the cost price of the goods.

Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

RECEIVABLES
Receivables include trade receivables and are initially measured at original value which is also considered to be fair value.

Note 1

For subsequent measurement receivables are considered at amortised cost using the effective interest method, less provisions for probable losses. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

CASH AND BANK DEPOSITS
Cash and bank deposits including restricted tax withholdings and restricted bank deposits in Finse Forsikring are specified in note 18.
If bank overdrafts are utilized, it will be included in borrowings under current liabilities.

BORROWINGS/LOANS
The initial recognition for loans is fair value adjusted for directly related transaction costs.

In the following accounting periods, the loans are, as a rule, measured at amortized cost using the effective interest method such that the effective interest is equal throughout the life of the loan.

The Group has several bonds that have associated interest- and currency swaps. Where measurement and reporting at fair value show more relevant information because inconsistent measurement of loans and associated interest swap is eliminated, or to a certain degree reduced, this principle is used in the financial statements. Choice of principle is made at the time of each separate loan raised and is binding throughout the term of the loan.

TAX
Income tax expense for a period consists of tax payable and deferred tax.

Deferred income tax is calculated on all temporary differences between tax- and book values as well as tax effect of net losses carry forwards. Deferred income tax is determined using tax rates and tax laws that apply on the balance sheet date. Deferred tax asset that are expected to be utilized are included on the balance sheet.

Deferred income tax asset and liability are offset when there is a legally enforceable right to offset, and it is related to income taxes levied by the same taxation authority for (i) the same taxable entity or (ii) for separate taxable entities where the intention is to settle taxable positions on a net basis.

RETIREMENT BENEFIT OBLIGATIONS
The companies in the Group operate various pension schemes; both defined benefit plans and defined contribution plans.

Defined benefit pension plans are schemes where the employer commits to periodical pension benefits to the employee when he/she retires. The pension payment will mainly depend on number of years in the plan, compensation level at retirement age and the size of the benefits from the national insurance scheme.

The liability recognized on the balance sheet is the present value of the defined benefit pension plan at the balance sheet date, less the fair value of plan assets at the balance sheet date. The defined pension liability is calculated annually by an independent actuary using the projected unit credit method. The cost of pension contributions and net interest rate on the defined benefit pension plan obligation is included in net income.

Changes to the pension plan benefits (plan changes) are expensed or recognized as income continuously in the income statement. Actuarial deviations that are caused by new information and changes to the actuarial assumptions are included instantly, through other comprehensive income.

Defined contribution plans are pension plans under which the employer pays contributions towards the employees' future pension without further obligations after the contribution is paid. The payments are included in the income statement as payroll and related expense.

PROVISIONS
Provisions for environmental restoration, restructuring costs and legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise of termination of contracts and employee termination payments. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

Provisions are measured at the present value of the expected expenditure required to settle the present obligation. The discount rate used to determine the present value reflects current market assessments of the time value of money and the increases specific to the liability. The increase in the provision due to passage of time is recognized as interest expense.

OTHER SHORT-TERM DEBT
Other short-term debts include trade payable and are initially measured at original value which is also considered to be fair value. At later measurement dates, trade receivables will be considered at amortized cost by using the effective interest method.

LEASES
Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

Leases where the Group mainly has all the risk and return are classified as financial lease. When entering an agreement, the financial lease is included on the balance sheet at the lower of the assets fair value and current value of future lease value. The lease payments are divided between liabilities and financial items. Property, plant and equipment are depreciated using the linear method.

DIVIDEND DISTRIBUTION
The dividend distribution to the company's shareholders is recognised as a liability in the Group's financial statements when the dividend is approved by the General Assembly.

FAIR VALUE ESTIMATION
The Group measures several financial assets and obligations as well as investment property at fair value. For classification of fair value, the Group uses a system that reflects the significance of the input that is utilized in the preparation with the following divisions:

Level 1
Fair value is measured using quoted prices from active markets for identical assets and obligations.

Level 2
Fair value is decided by using input based on other observable factors; either direct (price) or indirect (derived from prices) rather than noted prices (used in level 1) for the asset or obligation.

Note 1

Level 3
Fair value is measured using inputs that are not based on observable market data.

Financial assets and obligations were classified in level 1, 2 or 3. The company's investment property is classified in level 3.

Changes in accounting principles, new standards and interpretations

The Group has not implemented any new accounting standards or made changes to accounting principles in 2015.

New standards and interpretations not yet taken effect and not yet implemented
The Group has elected not to early adopt any standards or interpretations that have an adoption date after the balance sheet date. Below is an overview of the most central Standards that have been adopted by the IASB, but not the EU.

IFRS 9 FINANCIAL INSTRUMENTS
replaces parts of IAS 39 which deals with accounting, classification and measurement of financial assets and liabilities, hedge accounting, measurement at amortized cost and impairment of financial assets. The last phases were completed by the IASB in the fall of 2014. The standard takes mandatory effect on 1st of January 2018.

IFRS 15 REVENUE RECOGNITION
In the spring of 2014, the IASB adopted a new standard for revenue recognition. The standard establishes a framework for recognition and measurement of revenue based on a fundamental principle that recognition of revenue reflects the transfer of ownership of goods and services to the customer. The standard takes mandatory effect on 1st of January 2018.

Neither IFRS 9 nor IFRS 15 are approved by the EU.

Preliminary assessments indicate that the standards will not result in considerable effects for the Group.

IASB has also adopted several small changes and clarifications in several different standards where the changes have not yet been implemented.

It is not expected that any of these changes will have considerable effect for the Group.

Note 2

2 Shares in subsidiaries

Subsidiaries	Established-/ acquisition-date	Registered office	Votes and profit share	Equity	Profit/ loss
Nettbuss AS	1st of December 1996	Oslo	100 %	250	-49
Rom Eiendom AS	18th of December 1998	Oslo	100 %	4,372	960
NSB Trafikkservice AS	1st of October 2001	Oslo	55 %	-15	11
Finse Forsikring AS	1st of December 2001	Oslo	100 %	278	55
CargoNet AS	1st of January 2002	Oslo	100 %	175	-22
Mantena AS	1st of January 2002	Oslo	100 %	67	20
NSB Gjøvikbanen AS	1st of April 2005	Oslo	100 %	35	17
Svenska Tågkompaniet AB	1st of January 2007	Gävle	100 %	59	10
Tømmervogner AS[1]	31st of December 2008	Oslo	45 %	7	-
Banestasjoner AS	2nd of January 2002	Oslo	100 %	-	-
TOTAL				**5,228**	**1,002**

[1] *Remaining shares are owned by CargoNet AS.*

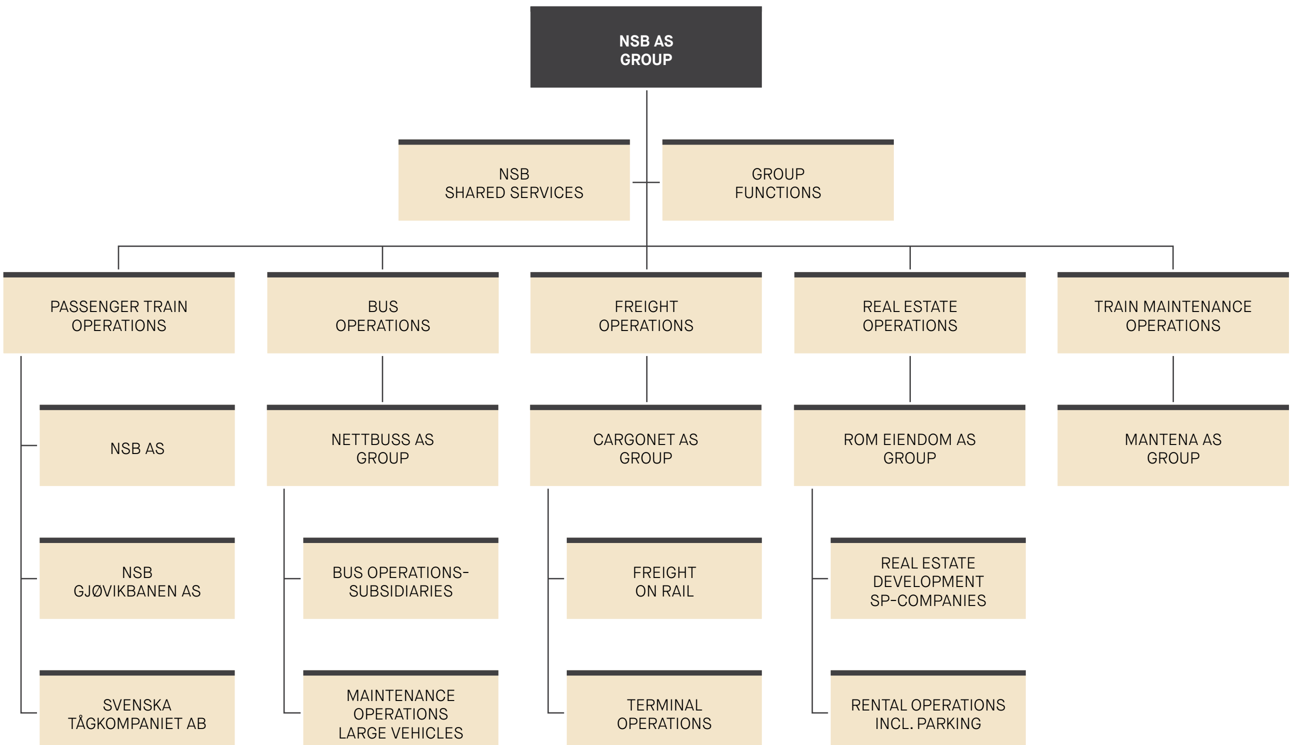
100 % of the equity in the accounts is included as at 31.12.2015.

Note 3

2 Aksjer i datterselskap

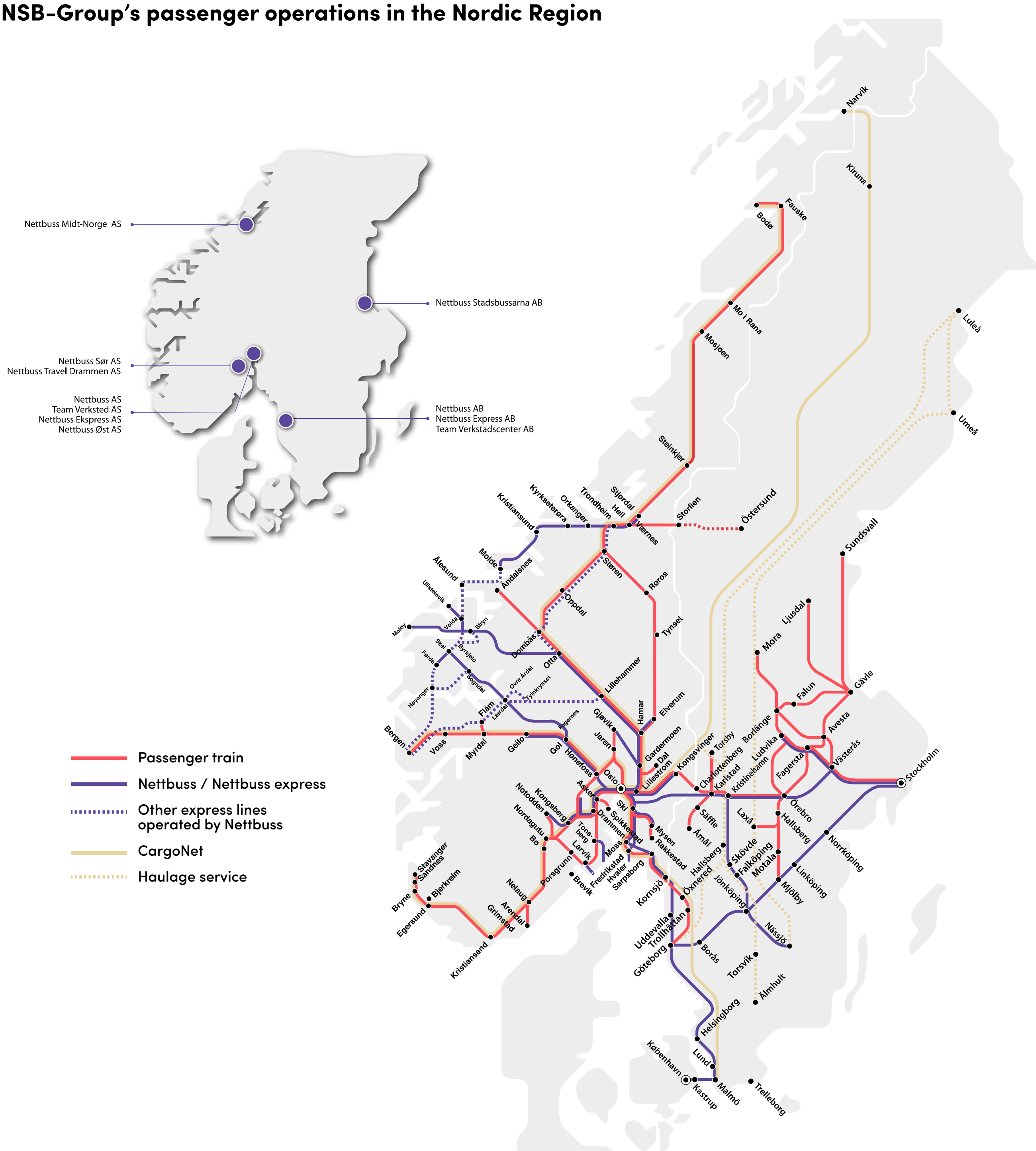
Tabellen viser morselskapets direkte eide investeringer. Konsernet består i tillegg av selskaper og eierinteresser i indirekte eie.

Datterselskap	Etablerings-/ anskaffelses- tidspunkt	Kontor- adresse	Stemme-/ res.andel	Bokført egen- kapital	Årets resultat
Nettbuss AS	søndag 1. desember 96	Oslo	100 %	-	-
Rom Eiendom AS	fredag 18. desember 98	Oslo	100 %	-	-



Note 4

4 NSB-Group's passenger operations in the Nordic Region



Note 5

5 Segment information

Segment information
At 31st of December 2015, the Group has its main activities in the following segments:

(1) Passenger train: passenger train operations
(2) Bus: passenger bus operations
(3) Freight: freight train operations
(4) Train maintenance: workshop and maintenance of freight- and passenger trains
(5) Real estate: rental and development of property

Segment assets in the tables below consist mainly of property, plant and equipment, intangible assets, inventories, derivatives that are mainly used for hedging towards future transactions, trade assets and other assets and cash, while deferred tax asset, investments and derivatives held for sale or used for hedging for borrowings are not included.

2015 (MNOK)	Passenger train	Bus	Freight	Train mainten.	Real estate	Group
External operating revenue	7,406	5,570	1,087	350	962	15,372
Internal operating revenue	128	13	9	1,017	225	-
Operating revenue	**7,534**	**5,583**	**1,096**	**1,367**	**1,187**	**15,372**
Operating expenses	5,655	4,828	967	1,304	452	11,824
Depreciation, impairment	704	589	41	25	91	1,450
Total operating cost	**6,359**	**5,417**	**1,008**	**1,329**	**543**	**13,274**
Share of profit/loss in joint ventures	22	-	-	-	126	148
Share of profit/loss in associates	11	6	1	13	1	32
Unrealized value changes, investment property	-	-	-	-	536	536
PROFIT FOR THE YEAR	**1,208**	**172**	**89**	**51**	**1,307**	**2,814**
Segment assets	**12,461**	**4,087**	**915**	**727**	**9,411**	**26,290**
Investments	**1,219**	**370**	**8**	**22**	**613**	**2,211**

2014 (MNOK)	Passenger train	Bus	Freight	Train mainten.	Real estate	Group
External operating revenue	6,934	5,883	1,015	278	1,207	15,336
Internal operating revenue	153	24	17	1,089	254	-
Operating revenue	**7,087**	**5,907**	**1,032**	**1,367**	**1,461**	**15,336**
Operating expenses	5,673	5,148	1,077	1,298	380	12,039
Depreciation, impairment	793	659	46	30	96	1,624
Total operating cost	**6,466**	**5,807**	**1,123**	**1,328**	**476**	**13,663**
Share of profit/loss in joint ventures	21	-	-	1	80	102
Share of profit/loss in associates	17	20	1	7	-	45
Unrealized value changes, investment property	-	-	-	-	181	181
PROFIT FOR THE YEAR	**659**	**120**	**-90**	**47**	**1,246**	**2,001**
Segment assets	**12,659**	**4,060**	**588**	**360**	**8,025**	**25,599**
Investments	**1,273**	**430**	**3**	**18**	**636**	**2,302**

Note 5 | 6

Analysis of operating income by category	2015	2014
Transport revenue	13,498	13,442
Sales revenue	570	603
Other revenue	1,304	1,291
TOTAL	**15,372**	**15,336**

Most of the Group operations are in Norway. The Group also has some operations in Sweden and Denmark.

Information on important customers
The Group has one customer that constitutes more than 10 % of operating income. The Government's public purchase from the NSB-Group is included in note 32.

6 Intangible assets

	Goodwill		Other		Total	
	2015	2014	2015	2014	2015	2014
At 1st of January						
Accumulated acquisition cost	57	222	18	117	75	339
Accumulated amortization and impairments	-	-158	-12	-110	-12	-268
TOTAL	**57**	**64**	**6**	**7**	**63**	**71**
Year ended 31st of December						
Opening net book value	57	64	6	7	63	71
Exchange differences	-	-	1	-	1	-
Acquisition	24	2	-	-	24	2
Disposals at acquisition cost	-	-168	-	-99	-	-267
Accumulated depreciation disposals	-	168	-	99	-	267
Impairments	-	-9	-	-	-	-9
Amortization and depreciation	-	-	-1	-1	-1	-1
TOTAL	**81**	**57**	**6**	**6**	**87**	**63**
At 31st of December						
Accumulated acquisition cost	81	57	21	18	102	75
Accumulated amortization and impairments	-	-	-15	-12	-15	-12
TOTAL	**81**	**57**	**6**	**6**	**87**	**63**

Goodwill is exclusively in the Nettbuss Group.

Impairment test of Goodwill
Impairment of goodwill is annually evaluated by comparing the carrying amount to its recoverable amount.

The Group has been through an evaluation and selection process of the natural cash-generating units (CGU) connected to each acquisition.

There are goodwill on the following CGU's as at 31.12.15:

Team Verksted Sør AS
Team Verksted Vest AS
E18 Lastebilservice AS
Flybuss i Trøndelag
Helges Bil AS
Fjeldhus Motor AS

The calculated recoverable amount of a CGU unit is based on what value the asset will add to operations. Liquidity prognosis' are based on next year's budget for the next 5 year period. The cash flows from the tender period are limited to the end of the agreement-/tender period. For the commercial agreements, the cash flows after the first five years utilize the estimated growth rates presented below.

Assumptions used when calculating recoverable amounts

Growth rate[1]	2.50 %
Discount rate[2]	7.00 %

[1] *Weighted average growth used to derive cash flows past the budgeting period.*
[2] *Interest rate before tax used to discount the cash flows.*

These assumptions have been used for the analysis of each cash-generating unit within the business segment. Management determines budgeted net cash flows based on the past performance and its expectations of market development. The weighted average growth rate used is consistent with the forecasts included in industry reports. The discount rates used are pre-tax and reflects specific risks relating to the relevant segments. The recoverable amounts from the CGU based on usage value are higher than the balance sheet values. Assuming other assumptions remain constant, the sensitivity calculations regarding an increase in the interest level of 2 % of the goodwill amount on the balance sheet will be reduced by MNOK 2.5.

7 Property, plant and equipment

At 1st of January 2015	Machinery and equipment	Trans-portation	Land and buildings	Partially delivered trains	Under construc-tion	Total
Accumulated acquisition cost	2,577	23,184	2,782	354	365	29,262
Accumulated depreciation	-2,157	-11,792	-898	-	-	-14,847
TOTAL	**420**	**11,392**	**1,884**	**354**	**365**	**14,415**
Year ended 31st of December 2015						
Opening net book value	420	11,392	1,884	354	365	14,415
Exchange differences	1	65	-	-	-	66
Acquisition of subsidiary	7	-	28	-	-	35
Accumulated depr. Acq. of subsidiary	-2	-	-1	-	-	-3
Additions	16	292	7	625	742	1,682
Disposals at acquisition cost	-545	-827	-20	-	-	-1,392
Accumulated depreciation disposals	536	801	15	-	-	1,352
Grants*	-32	-158	-	-	-	-190
Transfers within PPE	141	822	27	-362	-628	-
Transfers to investment property	-	-	-10	-	-24	-34
Transfers to/from development property	-	-	20	-	-2	18
Depreciations	-154	-1,177	-98	-	-	-1,429
Impairments	-1	-19	-1	-	-	-21
TOTAL	**387**	**11,191**	**1,851**	**617**	**453**	**14,499**
At 31st of December 2015						
Accumulated acquisition cost	2,152	23,428	2,827	617	453	29,477
Accumulated depreciation	-1,765	-12,237	-976	-	-	-14,978
TOTAL	**387**	**11,191**	**1,851**	**617**	**453**	**14,499**

**For the period 2002-2015, NSB AS received government grants to reimburse for new trains to be used in eastern Norway, (Oslo package 2), as well as grants for the on-board equipment ERTMS (European Rail Traffic Management System).*

Note 7

At 1st of January 2014	Machinery and equipment	Trans-portation	Land and buildings	Partially delivered trains	Under construc-tion	Total
Accumulated acquisition cost	2,650	22,569	3,110	386	395	29,110
Accumulated depreciation	-1,922	-11,273	-858	-	-	-14,053
TOTAL	**728**	**11,296**	**2,252**	**386**	**395**	**15,057**
Year ended 31st of December 2014						
Opening net book value	728	11,296	2,252	386	395	15,057
Exchange differences	-	5	-	-	-	5
Acquisition of subsidiary	-12	-332	-393	-	-	-737
Accumulated depr. Acq. of subsidiary	6	126	14	-	-	146
Additions	20	402	5	432	926	1,785
Disposals at acquisition cost	-165	-637	-63	-	-	-865
Accumulated depreciation disposals	32	596	55	-	-	683
Transfers within PPE	84	1,167	109	-464	-896	-
Transfers to investment property	-	-	-14	-	-6	-20
Transfers to/from development property	-	-	28	-	- 54	-26
Depreciations	-264	-1,218	-104	-	-	-1,586
Impairments	-9	-13	- 5	-	-	-27
TOTAL	**420**	**11,392**	**1,884**	**354**	**365**	**14,415**
At 31st of December 2014						
Accumulated acquisition cost	2,577	23,184	2,782	354	365	29,262
Accumulated depreciation	-2,157	-11,792	-898	-	-	-14,847
TOTAL	**420**	**11,392**	**1,884**	**354**	**365**	**14,415**
Depreciation period	5 - 30 years	5 - 30 years	3 - everlast.			

Note 8

8 Investment property

Summary of investment property valued at fair value

Date	31. Dec. 15	31. Aug. 15	30. Apr. 15	31. Dec. 14	31. Aug. 14	30. Apr. 14	31. Dec. 13
Value (MNOK)	4,622	4,880	4,526	4,206	3,895	4,468	4,238

Overview of value changes to investment property	2015	2014
Balance sheet value 1st of January	4,206	4,238
Reclassification from property, plant and equipment	10	49
Disposals	-641	-783
Additions /investments	493	520
Value changes due to change in market value	536	181
Value changes when reclassifying	18	1
BALANCE SHEET VALUE AT THE END OF THE PERIOD	**4,622**	**4,206**

Fair value
Investment properties in the property portfolio are measured at fair value on the balance sheet date. Fair value is the amount each property may be sold for in an arm's length transaction between well informed, independent parties.

Valuation methodology
Value of the portfolio is primarily determined by using a valuation model for estimating fair value. As an addition an external market valuation is conducted for a representative sample of the portfolio. A reliability interval for an acceptable deviation between the two valuation methods is predetermined. Any deviation beyond the reliability interval set for each property is analysed for identification of the cause and assessing whether there are factors that may cause significant deviation in the estimated fair value of the total portfolio.

Primary valuation to estimate fair value of the total portfolio
Valuation according to the primary valuation models at year end is undertaken with the assistance of external appraisers. For smaller properties with annual rentals below 150 TNOK an internal valuation has been performed based on a simplified yield calculation.

Estimating the fair value for primary valuations models is calculated on the basis of future operating cash flows decreased by ownership costs discounted to present value within a defined time period.

The valuation is made on the basis of a summary of all leases in conjunction with floor-space lists and lists of vacancies on each property. Contractual rent forms the basis for on-going contracts, whereas after the expiration of the lease contract is estimated at the market price. For the remainder of the buildings expected life is assumed the perpetual market rent reduced by owners cost for all areas. For space not rented at the reporting date a market rate is estimated from the time it is expected that the space is rented out. Market rent for each property is considered based on the property's location and level of standard.

Required return on equity reflects the market risk in the valuation model. Real return requirement is calculated based on the 10-year government bonds rate, the banks' spreads, premiums on bank margins and property-specific risk. This represents prime location in Oslo. In addition, consideration is given to property specific risk such as geographical location in relation to a metropolitan area (city/district), local area (centre/hub), type of property (office/warehouse/shop), the standard of the building, tenancy and risk of vacant properties.

Market assessment – secondary valuation of selected properties
As a supplement to the primary valuation there is an external market valuation performed for a selection of 10 properties that collectively represent 45.2 % of the portfolio value at year-end. Selection is made on a rolling basis throughout the year and amounts collected constitute to about 65.1 %.

Value development and sensitivity
For the year there are net positive changes identified in the market value for the Group's investment property of 536 MNOK, which is included in net profits as of 31st of December.

Estimated fair value is especially sensitive for changes to the return on equity demand/yield and assumptions in the development for leases.

The following sensitivity analysis has been performed:

Note 8 | 9

Changes in assumptions	Changes in fair value	Percentage change
Reduction of 25 basis points on 1. yrs direct yield	247	-5 %
Increase of 25 basis points on 1. yrs direct yield	-223	-5 %
Increase of future rental agreements under contract by 5%	261	6 %

Overview of rental income and expenses	2015	2014
Rental income from investment property	254	255
Direct operating costs from investment properties that generated rental income during the year	-107	-74
Direct operating costs from investment property that did not generate rental income during the year	-6	-4
TOTAL	**141**	**177**

9 Investments in associates

	2015	2014
Book value 1st of January	186	99
Acquisition of associates	-	79
Disposals/ -sale of associates	-12	-25
Share of profit/loss	33	45
Currency translation difference	5	1
Other equity movements	-12	-13
NET BOOK VALUE 31ST OF DECEMBER	**200**	**186**

Share of profit/loss is after tax, non-controlling interests and dividends paid.

Investments in associates at 31.12.15 include goodwill of 0 MNOK (39 MNOK).

Profit/loss, assets and liabilities of its associates, all of which are unlisted, are as follows:

Note 9

2015	Registered office	Assets	Liabilities	Revenues	Profit/ loss	% Int. held
Oslo S Parkering AS	Oslo	112	69	41	24	25 %
Nordlandsbuss AS	Bodø	166	129	292	2	34 %
Interoperabilitetstjenester AS	Oslo	22	18	19	-	33 %
Strømstad-Tanum Buss AB	Tanumshede	25	22	50	-	40 %
Peer Gynt Tours AS	Oslo	11	6	79	-	34 %
Tunnelbanan Technik Stockholm AB	Stockholm	223	78	602	26	50 %
Minibuss 247 AS	Våler	22	14	68	2	49 %
Larsens Last og Buss AS	Sande	9	7	28	1	49 %
Sjøholt Last og Buss AS	Ørskog	6	5	15	1	49 %
Fjord Tours AS	Bergen	42	18	47	13	43 %
Keolis Danmark AS	Glostrup	967	698	1,012	11	25 %
TOTAL		**1,605**	**1,064**	**2,253**	**80**	

2014	Registered office	Assets	Liabilities	Revenues	Profit/ loss	% Int. held
Oslo S Parkering AS	Oslo	113	72	37	21	25 %
Ålmhults Terminal AB	Ålmhult	-	-	-	-	33 %
Nordlandsbuss AS	Bodø	201	167	284	-	34 %
Interoperabilitetstjenester AS	Oslo	23	20	18	-	33 %
Roslagståg AB	Gävle	16	-	-	3	40 %
Strømstad-Tanum Buss AB	Tanumshede	37	35	51	-	40 %
Peer Gynt Tours AS	Oslo	10	6	81	-	34 %
Tunnelbanan Technik Stockholm AB	Stockholm	206	99	577	7	50 %
Minibuss 247 AS	Våler	22	16	58	2	49 %
Real Rail AB	Stockholm	-	-	143	2	40 %
Larsens Last og Buss AS	Sande	7	5	25	2	49 %
Sjøholt Last og Buss AS	Ørskog	5	3	15	1	49 %
Fjord Tours AS	Bergen	39	16	43	12	43 %
TOTAL		**679**	**439**	**1 332**	**50**	

Note 10

10 Investment in Joint ventures

	2015	2014
Book value 1st of January	681	650
Acquisition of joint venture	6	-
Disposals/ -sale of joint venture	-141	-25
Share of profit/loss	116	102
Other equity movements	-107	-46
NET BOOK VALUE 31ST OF DECEMBER	**555**	**681**

The NSB Group's interest in joint ventures is as follows:

Joint ventures:	Year of acquisition	Registered office	Votes and profit share	Equity	Profit/ loss our share	Book value 31st of December
Oslo S Utvikling AS	2000	Oslo	33 %	1,471	13	3,383
Alf Bjerckes vei 30 AS	2000	Oslo	50 %	-	2	-
Grefsen Utvikling AS	2000	Bærum	50 %	154	35	435
Alfheim Bolig AS	2006	Oslo	50 %	1	-	1
Bellevue Utvikling AS	2006	Fredrikstad	50 %	21	4	23
Strandsonen Utvikling AS	2007	Hamar	50 %	20	-	7
Jessheim Byutvikling AS	2007	Ullensaker	50 %	134	32	230
Lilleelva Parkering AS	2011	Oslo	50 %	15	1	33
Jernbanebrygga AS	2011	Skien	50 %	13	-	28
Lagårdsveien Utvikling AS	2012	Oslo	50 %	2	-	11
Trondheim Stasjonssenter AS	2013	Trondheim	40 %	10	-	10
Gjøvik Utvikling AS	2013	Gjøvik	50 %	23	2	27
Hokksund Vest Utvikling AS	2013	Oslo	50 %	4	-	6
Flåm Utvikling AS	2013	Aurland	50 %	56	23	83
Sjøsiden Moss AS	2015	Moss	50 %	6	-	6
TOTAL				**1,930**	**112**	**4,283**

Note 10

The amounts below show the Group's share of assets and liabilities as well as revenue and expenses in joint ventures.

	2015	2014
Assets		
Non-current assets	88	192
Current assets	1,489	1,315
TOTAL	**1,577**	**1,507**
Liabilities		
Long term liabilities	550	351
Short term liabilities	473	475
TOTAL	**1,023**	**826**
NET ASSETS	**554**	**681**
Income/expenses		
Operating revenue	227	389
Operating expenses	-78	-287
PROFITS	**149**	**102**

Description of operations:

Real estate operations
The Groups joint ventures consist of development and sale of property projects in cooperation with other external operators which are organized in single purpose companies. The largest of these is Oslo S Utvikling AS (OSU) which is a development company founded with a purpose to construct properties in Bjørvika in Oslo. The activity in the company is related to commercial properties, residential properties and infrastructure projects. Through the development company Grefsen Utvikling AS a large area at Grefsen in Oslo is being developed. The project consists of approx. 1,000 residences and is one of Norways largest. Also, there are large development projects at Jessheim and Fredrikstad.

Passenger train operations
Flåm Utvikling
For 17 years, Flåm Utvikling has operated the tourism product Flåmsbana with NSB AS as a supplier of train transport services. Flåm Utvikling conducts product development, sales, marketing, customer relationship management and brand development of Flåmsbana, as well as the foundation for commercial year-round operations of Flåmsbana. Flåmsbana is the country's first year-round.

Note 11 | 12 | 13

11 Inventory and developmental property

	2015	2014
Components	723	570
Not completed parts	9	22
Completed parts	20	2
TOTAL INVENTORY	**752**	**594**
Inventory developmental property for sale	672	843
TOTAL INVENTORY DEVELOPMENTAL PROPERTY AND COMPONENTS	**1,424**	**1,437**

12 Assets held for sale

Assets held for sale consists of properties with a book value of MNOK 640 (MNOK 42).

Properties held for sale are properties where the sales process has been initiated and the actual sale is expected to be completed in 2016.

13 Trade and other receivable

	2015	2014
Trade receivables	1,391	955
Less: provision for impairment of receivables	-18	-23
Trade receivables - net	1 373	932
Prepayments	666	456
Other receivables	128	412
TOTAL TRADE AND OTHER RECEIVABLES	**2,167**	**1,800**

The carrying amounts of the trade receivables, prepayments and other receivables approximate their fair value.
Trade receivables include mainly freight revenue, rental revenue and non-calculated public purchase amounts due from counties.

Maturity of receivables:	2015	2014
Matured receivables on balance sheet date	125	190
Matured between 0 - 2 mnths ago	96	153
Matured between 2 - 6 mnths ago	22	6
Matured more than 6 mnths ago	7	31

Note 14

14 Financial risk management

CAPITAL MANAGEMENT
The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. The Group manages some of its excess liquidity in interest bearing products like deposits, commercial papers and bonds, according to guidelines prepared by the Board of Directors. The Board adopts principles for the main course of risk management and gives guidelines for specific risk areas. In accordance with the guidelines' demand of security, spread of risk and liquidity, NSB will maximize the return of the managed capital.

The Group invests its excess liquidity in stocks and interest bearing products as for example, certificates and bonds with short-term remaining life.

FINANCIAL RISK FACTORS
The Group's activities results in various types of financial risk: market risk (foreign exchange-, interest rate-, and price risk), credit risk and liquidity risk. The Group's risk management policy focuses on the capital markets unpredictability and strives to minimize the potential negative effects on the Group's financial results. The Group uses financial derivatives to hedge certain risks.

Risk management is carried out by a centralized Group treasury department. Group treasury identifies, evaluates, and hedges financial risk in co-operation with the Group's operating units.

MARKET RISK
Foreign exchange risk
Foreign currency exchange risk due to fluctuations of the foreign currency rates will result in changes to the Group's income statement, balance sheet or cash flows.

The Group operates in the Nordic region and makes purchases from foreign suppliers and is therefore exposed to foreign currency exchange risk. The Group minimizes its foreign currency exchange risk by entering into agreements in NOK, as it has when purchasing new trains. The goal is to be predictable regarding future payments measured in NOK.

All debt in foreign currency is secured through foreign exchange swaps and changes in value are offset by fair value change to the derivatives. The Group is therefore not exposed to foreign currency exchange risk on debt instruments.

The Group has certain investments in foreign subsidiaries, whose net assets are exposed to foreign currency exchange risk. This risk has been evaluated to not be of any significance.

Interest rate risk
Interest rate risk is the risk for the fair value of the financial instrument or future cash flows to fluctuate due to changes in the market rate.

The Group is exposed to changes in interest rates. The parent company uses interest rate swaps to reduce interest rate risk and to achieve preferred duration on its debt portfolio. The goal is to reduce risk related to possible future interest rate increases, and create more predictability regarding future interest payments. Guidelines have been established to regulate the share of loans that should be interest rate regulated within a twelve month time frame, and for the duration of the portfolio.

Swaps entered into create risk for change to booked fair value when measuring against long term interest level.

Sensitivity evaluations as at 31.12.2015
Interest rate risk is calculated using the Group's long term loans with corresponding interest rate swaps. By changing the rate by 50 basis points, interest rate risk results in a calculated risk of fair value change of 52 MNOK (2014: 79 MNOK).

Since the Group doesn't have any considerable interest bearing assets, the Group's net income and cash flow from operations is not affected by changes to the market rate.

Other price risk
The Group is exposed to price risk related to electricity and diesel used for the transport- and real estate operations. The Group hedges future electricity and diesel prices. The goal for certain companies is to achieve predictable prices over time, while other units want to achieve the lowest possible price.

The Group's ability to create value in the developmental property portfolio is dependent of changes in demand for housing and commercial space. The Group seeks to reduce risk regarding each separate development projects by establishing single purpose companies together with professional partners, where realization of the project begins after a defined number of units have been sold. The Group's development portfolio consists mainly of attractive, centrally located properties that result in the Group being less exposed to small changes in demand.

LIQUIDITY RISK
Liquidity risk is the potentially lack of ability to timely pay ones daily economic obligations.

NSB's management monitors the Group liquidity reserve (consists of borrowing facilities and cash equivalents) through rolling prognosis based on the Group's expected cash flow.

NSB reduces liquidity risk related to maturity of financial obligations through spreading the maturity structure, access to several financing sources in Norway and internationally, as well as sufficient liquidity to cover planned operating-, investing-, and refinancing needs without borrowing new debt within a time frame of 12 months. Liquidity consists of bank deposits, certificates and committed lines of credit and NSB's revolving credit facility on 2,000 MNOK which expires in April 2017.

NSB has a high credit rating. Standard & Poor's and Moody's have given NSB credit ratings on long term debt of AA- (stable) and Aa2 (stable) respectively.

Note 14

This table shows future maturities for the Group's liabilities as at 31.12.2015:

Liquidity risk	< 1 year	1-2 years	2-5 years	> 5 years
Short term liabilities	3,060	-	-	-
Borrowings	1,535	3,031	3,785	3,570
New trains	827	1,318	172	-
Property, plant and equipment	1,038	86	-	-

CREDIT RISK

Credit risk is the potential loss that an external part cannot meet its financial obligations to NSB. The Group's exposure to credit risk is mainly related to each separate customer.

Passenger train- and bus operations mainly sell its services on a cash basis. Credit is given to public authorities through long term agreements. Revenue from freight operations is divided between medium sized customers whose financial development is tracked through updated credit assessments. Other subsidiaries have its parent company as their main customer. The Group is therefore to a small degree exposed to credit risk.

NSB is exposed to credit risk through placement of excess liquidity with issuers of debt securities. The parent company has framework established for credit exposure against sectors and institutions based on credit assessments.

NSB has risk against its counterparties in the interest- and currency derivatives. NSB focuses on counterparty risk in its financial transactions.

NSB assesses maximum credit risk to be the following:	2015	2014
Cash and bank deposits	1,602	2,284
Certificates (placements)	348	387
Financial derivatives	2,546	2,252
Trade receivable and other short term receivables	2,167	1,800
TOTAL	**6,663**	**6,723**

The credit risk is reduced by diversifying exposure on several counterparties. Counterparty rating is closely monitored. The demand is that the counterparty should have at least an A-rating from S&P or equivalent rating from an international rating agency. The respondent risk is constantly monitored. NSB AS has agreements that regulate judicial set-off calculations in a bankruptcy situation (ISDA agreements) with 19 banks.

Excess liquidity is placed in Norwegian bonds and certificates with short term maturity. Guidelines are established for credit exposure against several sectors, and certain sectors also have guidelines based on credit assessments.

For the wholly-owned subsidiary Finse Forsikring AS the Board of Directors has approved extended limits in relation to placement of surplus liquidity. The company has made investments in four listed mutual funds on the Oslo Exchange; "Skagen Global"," Nordea Internasjonale aksjer", "Storebrand Global Quant Equity" and "Delphi kombinasjon".

The presentation shows the effect on the income statement before tax with the specification of the decline in value compared to the values at the balance sheet date. Portfolio risk by a decline in value of 38 % gives a calculated risk of - 20 MNOK (45 % -31 MNOK). This evaluation and determination of percentage for a decline in value has been reached in accordance with the Financial Supervisory Authority of Norway's regulations on reporting of stress tests for insurance companies and pension companies.

Note 15 | 16

15 Derivatives

	2015		2014	
	Assets	Liabilities	Assets	Liabilities
Interest rate swaps	2,546	-253	2,252	-331
Energy swaps	-	-22	-	-11
TOTAL	**2,546**	**-275**	**2,252**	**-342**

The Group does not use hedge accounting, fair value changes of derivatives are charged on a continuous basis to the income statement. Derivatives are classified as current assets or contractual obligations. The energy contracts relate to both hedging of electricity and diesel prices.

Changes in fair value of derivatives:	**2015**	**2014**
This period's change in fair value:	362	757
Accumulated change in fair value:	2,271	1,910

Interest rate and foreign exchange swaps
The notional principal amounts of the outstanding interest rate swaps contracts at 31st of December 2015 were 8,717 MNOK (2014: 10,381 MNOK). At 31st of December 2015, the fixed interest rates vary from 3.97 % to 5.25 % (3.97 % to 5.25 %) and the floating rates are mainly 6M NIBOR + margin.

16 Other financial assets at fair value through profit or loss

Listed securities	**2015**	**2014**
Stocks and other listed equity securities – Europe	52	68
Bonds and certificates	296	319
TOTAL	**348**	**387**

Fair value is based on changes to original interest rate, currency exchange (at recording time) in relation to market interest rate, currency exchange rates at the balance sheet date.

Effective interest rate on short term placements in the bank was 1.6 % at 31st of December 2015 (2014: 2.2 %) and the placements has an average maturity of 84 days.

Effective interest rate on short term placements were 2.5 % as at 31st of December 2015 (2014: 3.0 %).

Changes in fair values of listed securities at fair value	**2015**	**2014**
This period's change in fair value	-11	9
Accumulated change in fair value	14	25

Note 17

17 Financial instruments by category

Assets at 31st of December	Loans and receivables		Assets at fair value through profit and loss		Total	
Year	2015	2014	2015	2014	2015	2014
Financial fixed assets	146	97	-	-	146	97
Derivative financial instruments	-	-	2,546	2 252	2,546	2,252
Trade and other receivables (excl. prepayments)	1,501	1 344	-	-	1,501	1,344
Financial assets at fair value through profit or loss	-	-	348	387	348	387
Cash and bank deposits	1,602	2 284	-	-	1,602	2,284
TOTAL	**3,249**	**3 725**	**2,894**	**2 639**	**6,143**	**6,364**

Liabilities at 31st of December	Liabilities at fair value through profit and loss		Other financial liabilities at amort. cost		Total	
Year	2015	2014	2015	2014	2015	2014
Borrowings (excl. Financial lease liabilities)	8,613	9 107	3,308	3 315	11,921	12,422
Financial lease liabilities	-	-	-	-	-	-
Derivative financial instruments	275	342	-	-	275	342
Trade and other payables excl. statutory liabilities	-	-	2,833	3 090	2,833	3,090
TOTAL	**8,888**	**9 449**	**6,141**	**6 405**	**15,029**	**15,854**

Financial assets at fair value through profit and loss as at 31st of December 2015

Financial assets at fair value through profit or loss:	Level 1	Level 2	Level 3	Total
Derivatives used for hedging	-	2,546	-	2,546
Financial assets available-for-sale:				
- Debt instruments	52	296	-	348
TOTAL ASSETS	**52**	**2,842**	**-**	**2,894**
Borrowings and accrued interest	-	8,613	-	8,613
Derivatives used for hedging	-	275	-	275
TOTAL LIABILITIES	**-**	**8,888**	**-**	**8,888**

Financial assets at fair value through profit and loss as at 31st of December 2014

Financial assets at fair value through profit or loss:	Level 1	Level 2	Level 3	Total
Derivatives used for hedging	-	2,252	-	2,252
Financial assets available-for-sale:				
- Debt instruments	68	319	-	387
TOTAL ASSETS	**68**	**2,571**	**-**	**2,639**
Borrowings and accrued interest	-	9,107	-	9,107
Derivatives used for hedging	-	342	-	342
TOTAL LIABILITIES	**-**	**9,449**	**-**	**9,449**

Note 18 | 19 | 20

18 Cash and bank deposits

	2015	2014
Cash and bank deposits	1,602	2,284

Includes restricted funds of 162 MNOK (2014: 154 MNOK).
Furthermore, there are restricted funds of 147 MNOK (2014: 119 MNOK) in Finse Forsikring AS.

19 Share capital and share premium

	No. of shares	Ordinary shares	Share premium (MNOK)	Total (MNOK)
Shares at 1st of January 2015	3,685,500	3,685,500	1,458	5,144
Shares at 31st of December 2015	3,685,500	3,685,500	1,458	5,144

There is only one class of shares, each share with a par value of NOK 1,000,-. There have been no changes to capital in 2015.

There was a payment of dividends for the accounting year 2014 at 753 MNOK. The proposal for dividends for 2015 is 1,079 MNOK.
The decision will be made at the General Assembly in 2016.

20 Borrowings

Non-current	31.12.15	31.12.14
Bonds measured at fair value	7,079	6,612
Bonds measured at amortized cost	3,243	3,243
Other non-current borrowings, incl. financial lease	65	71
TOTAL	**10,387**	**9,926**
Current		
Current share of non-current borrowings	730	2,193
Other current borrowings	804	302
Total	1,534	2,495
TOTAL BORROWINGS	**11,921**	**12,421**

Nominal value of long-term borrowings per 31.12.2015: 7,911 MNOK (2014: 8,466 MNOK).

Nominal value of long-term interest bearing debt	31.12.15	31.12.14
1st of January	8 466	8,353
Changes during the year	-555	113
31ST OF DECEMBER	**7 911**	**8,466**

Fair value on bondes measured at amortized cost is MNOK 3,705 (2014: 3,717 MNOK).

The Group has not utilized available bank overdraft facilities.

All existing bond issues have been completed under the Euro Medium Term Note loan programme (EMTN-Programme). The EMTN programme is a loan-documentation that NSB utilizes when bonds are issued. The EMTN-programme does not contain any financial covenants, except for an optional clause that requires that the State of Norway shall own 100 % of NSB.

NSB has a multicurrency revolving credit facility of 2,000 MNOK with a covenant that demands a minimum equity share of 20 %.

Note 20

Fair value of the credit margin on bonds is based on market observations from banks and the price/exchange NSB bonds in the second-hand market.

The exposure of the Group`s borrowings to interest changes and the contractual dates at the balance sheet dates are as follows:

Borrowings and hedgings		**2015**	**2014**
6 months or less		2,553	3,718
More than 6 months		-	-
Non-current borrowings expire in:		**2015**	**2014**
Between 1 and 2 years		3,032	601
Between 2 and 5 years		3,785	3,878
Over 5 years		3,570	5,447
Effective interest rate at the balance sheet date:		**2015**	**2014**
Bonds	NOK	3.32	3.51
Other borrowings	NOK	7.25	7.25
	SEK	1.88	2.22

Calculated effective interest rate includes the effect of interest rate swaps. The Group has swapped all exposure in CHF to NOK.

The carrying amounts of the non-current borrowings approximate their fair value.

Changes in fair value on non-current borrowings:	**2015**	**2014**
This periods change in fair value	285	814
This periods change in fair value from the spread	-	-
Accumulated change in fair value	2,482	2,197

The carrying amounts of the Group's borrowings are denominated in the following currencies:	**2015**	**2014**
NOK	5,151	4,670
SEK	45	53
CHF	6,725	7,698
TOTAL	**11,921**	**12,421**

The Group has the following undrawn borrowing facilities:	**2015**	**2014**
Floating interest rate		
- Expiring within one year	50	50
- Expiring beyond one year	2,000	2,000
TOTAL	**2,050**	**2,050**

The facilities expire within one year is a bank overdraft related to NSB-Group bank account system.
The credit is for one year at the time and is renewed annually. NSB`s long term revolving credit facility which expires in April 2017.

Note 20 | 21

The Group also leases plant and equipment where the leasing agreements give the lessee the right to cancel the agreement. Future accumulated minimum payments related to cancellable leasing agreements are as follows:

	2015	2014
Expiring within 1 year	220	243
Expiring between 1 and 5 years	518	616
Expiring beyond 5 years	244	255
TOTAL	**982**	**1 114**

21 Deferred income tax/income tax expense

Income tax expense	2015	2014
Current income tax payable	218	95
Changes in deferred tax	288	-7
TOTAL INCOME TAX EXPENSE	**506**	**88**

Tax payable on the balance sheet are as follows:	2015	2014
Current payable tax expense	154	4
TAX PAYABLE ON THE BALANCE SHEET	**154**	**4**

Reconciliation between nominal and actual tax expense rate:	2015	2014
Net income before tax	2,664	1,597
Expected income tax using the nominal tax rate (27 %)	713	429
Tax effect of the following items:		
Other permanent differences related to investm. (exemption method)	-3	-240
Other non-deductible expenses	1	9
Other non-taxable income	-74	-2
Fiscal loss concerning unrecognized deferred tax assets	-13	-7
Change in already recognized downgrade of deferred tax asset	-	-16
Effect of change in income tax rate	-114	-
Insufficient tax provision prior years	-4	-21
Fiscal loss concerning unrecognised deferred tax assets	-	-66
Other items	-	2
Income tax expense	**506**	**88**
Effective tax rate	**19 %**	**6 %**

Note 21

Spesification of the tax effect of temporary differences and losses carried forward:

Deferred income tax asset and liabilities are offset when there is a legally enforced right to offset current tax assest against current tax liabilities and when the deferred income taxes relate to the same tax authority. The offset amounts are as follows:

2015	Book value 01.01.	Exchange diff.	Acqui-sition of sub-sidiary	Income statement charge	Charge to other compre-hensive income	Effect due to change in income tax rate charged directly to equity	Tax effect Group contri-bution	Book value 31.12.
Benefit (+) / Liability (-)								
Fixed assets	-5,347	-1	-17	-229	-	-	-	-5,594
Financial assets	-	-	-	8	-	-	-	8
Inventories	11	-	-	-1	-	-	-	10
Receivables	27	-	-	-6	-	-	-	21
Value changes to investment property	-1,626	-	-	-536	-18	-	-	-2,180
Value changes to financial current assets	147	-	-	-77	-	-	-	70
Retirement benefit obligations	2,581	-	-	-326	2	-	-	2,257
Provisions for other liabilities and charges	147	-	-	-23	-	-	-	124
(Gains)/losses	-269	-	-	-193	-	-	-	-462
Losses carried forward	832	29	-	54	-	-	-232	683
Other	1,222	-	-97	-293	-	1	-4	829
Total gross temporary differences	-2,275	28	-114	-1,622	-16	1	-236	-4,234
Off-balance sheet deferred tax benefits	-365	-28	-	65	-	-	-	-328
Net temporary differences	**-2,640**	**-**	**-114**	**-1,557**	**-16**	**1**	**-236**	**-4,562**
Net deferred tax asset/liability 27%	**-716**	**-**	**-31**	**-420**	**-3**	**-**	**-63**	**-1,233**
Effect from changes in tax rate	-	-	-	114	-13	-7	-	94
Net deferred tax asset/liability on the balance sheet	**-716**	**-**	**-31**	**-306**	**-16**	**-7**	**-63**	**-1,139**

Note 21

2014	Book value 01.01.	Exchange diff.	Acqui-sition of sub-sidiary	Income statement charge	Charge to other compre-hensive income	Effect due to change in income tax rate charged directly to equity	Tax effect Group contri-bution	Book value 31.12.
Benefit (+) / Liability (-)								
Fixed assets	-5,206	1	68	-210	-	-	-	-5,347
Inventories	2	-	-	9	-	-	-	11
Receivables	-12	-	-	39	-	-	-	27
Value changes to investment property	-1,631	-	-	5	-	-	-	-1,626
Value changes to financial current assets	80	-	-	64	-	3	-	147
Retirement benefit obligations	2,473	-	-	-585	724	-31	-	2,581
Provisions for other liabilities and charges	148	-	-2	1	-	-	-	147
Impairments	61	-	-	-61	-	-	-	-
(Gains)/losses	-150	-	-	-119	-	-	-	-269
Losses carried forward	697	-	-	420	-	-	-285	832
Other	844	-	-30	199	10	33	166	1,222
Total gross temporary differences	-2,694	1	36	-238	734	5	-119	-2,275
Off-balance sheet deferred tax benefits	-656	-	-	296	-	-5	-	-365
Net temporary differences	**-3,352**	**1**	**36**	**58**	**734**	**-**	**-119**	**-2,640**
Net deferred tax asset/liability 27%	**-901**	**-**	**13**	**7**	**198**	**-**	**-33**	**-716**

Deferred income tax assets	**2015**	**2014**
Deferred income tax assets to be recovered after more than 12 months	1,069	1,401
Deferred income tax assets to be recovered within 12 months	9	4
TOTAL	**1,078**	**1,405**

Deferred tax liabilities	**2015**	**2014**
Deferred income tax liabilities to be recovered after more than 12 months	-2,197	-2,058
Deferred income tax liabilities to be recovered within 12 months	-20	-63
TOTAL	**-2,217**	**-2,121**
TOTAL DEFERRED INCOME TAX LIABILITY (NET)	**-1,139**	**-716**

Deferred tax assets regarding forwarded fiscal loss are recognized when it is probable that the Group will utilize the losses towards future taxable surplus. The Group did not recognize deferred income tax assets of 65 MNOK (80 MNOK) in respect of losses amounting to 296 MNOK (365 MNOK).

Note 22 | 23

22 Payroll and related expenses

	2015	2014
Wages and salaries, including employment taxes	6,432	6,395
Pension costs – defined contribution plans (note 23)	110	124
Pension costs – defined benefit plans (note 23)	138	371
Other employee benefit expenses	30	85
TOTAL	**6,710**	**6,975**

Benefits for Chief Executive Officer and key management are referred to in the note for related-party transactions (note 32).

	2015	2014
Average man-labour year*	10,438	10,996
Number of employes at 31st Dec.	12,668	12,989

**The calculation is based on a weighted average based on the true number of man-labour year throughout the year.*

23 Retirement benefit obligations and similar obligations

General
The Group has pension arrangements related to age-disability- and bereaved benefits for spouses and children. Below is a further description of type of arrangements and how these are organized.

Defined benefit pension plan
The companies in the Group have several collective pension agreements that are handled by the Norwegian Public Service Pension Fund (SPK) or insurance companies that for the Norwegian companies satisfies the demands according to the law on public pension. The arrangement covers benefits from the pension basis up to 12G and results in a age- and disablity pension of 66 % of the pension basis when fully vested. The obligations connected to these agreements covers 5,617 active members, and 3,984 retirees. The retirement benefit plans entitle defined future services that mainly are dependent on the number of contribution years and wage level at the time of retirement. The pension benefits received are coordinated with the National Insurance scheme and will also be dependent on its benefits paid out.

The companies have, through tariff agreements, retirement benefit obligations in affiliation with Early Retirement Pension Regulated by Contract (AFP). Obligations through this agreement cover 5,617 active members.

The additional defined benefit pension plan agreement for top leadership is not funded and will be paid through operations.

Other arrangements in Norway and Sweden
Additionally, there are defined contribution plans in Norway that covers 5,030 employees.

All of the Groups' employees in Sweden have pension rights and the companies' obligations are funded in a Multiemployer plan that covers 860 active members.

The plan is a Multiemployer plan and the employer is responsible for the benefits until they have completely covered the payments. According to the statement from Redovisningsrådet this is a performance based settlement. It has so far not been possible to obtain sufficient information to calculate and allocate obligations and assets from this plan, and therefore is treated as a defined contribution plan. The companies have not received actuary estimates for any of the fiscal year from 2007 until today. This is a problem connected to most companies with a retirement benefit obligation with the Multiemployer plan in Sweden.

In the tables below, employment taxes (notional numbers) are included in both gross obligations and this year's expense.

Note 23

Specification of net defined benefit pension plan obligations	2015	2014
Present value of earned pension rights for funded collective pension plans	11,024	10,854
Fair value of plan assets	-8,746	-8,386
Present value of unfunded obligations	2,278	2,468
Unrecognised actuarial losses	67	84
NET PENSION OBLIGATION ON THE BALANCE SHEET	**2,345**	**2,552**
Changes in pension retirement obligations:		
Book value net pension obligation 1st of January	2,552	2,465
This years' actuarial deviations	1	656
This years net return on assets/increase in obligation	350	315
Net financial items in the acount	54	78
Acquisitions /disposal of operations during the year	-	1
Curtailments	-25	6
Payments to plan	-330	-969
Plan changes during the year	-257	-
BOOK VALUE 31ST OF DECEMBER	**2,345**	**2,552**
Pension expenses included in the accounts, defined benefit pension plan		
Present value of current pension earnings	398	374
Effects due to plan changes	-257	-
Employee contribution	-3	-3
Total return on pension plan, incl. in payroll and related expenses – see note 22	138	371
Total financial items in the accounts	**54**	**76**
TOTAL PENSION EXPENSES DEFINED BENEFIT PENSION PLAN	**192**	**447**
Defined contribution plan		
Employer's contribution, included as payroll and related expense – see note 22	110	124
DEFINED CONTRIBUTION PLAN	**302**	**571**

Sensitivity analysis with change in central assumptions
The table below shows estimates for potential effects with change in assumptions that significantly affects the defined benefit pension plans in Norway. Actual results may substantially differ from these estimates.

	Discount rate		Salary growth rate		Increase in G	
	1 %	-1 %	1 %	-1 %	1 %	-1 %
Increase (+)/decrease (-) this period's net pension expense in %	(23-25 %)	21-23 %	21-23 %	(14-16 %)	12-14 %	(8-10 %)
Increase (+)/decrease (-) net pension obligation at 31.12. in %	(12-14%)	16-18 %	6-8 %	(4-6 %)	9-11 %	(7-9 %)

The Population is affected by a high pensioner population and high average age on participants that affects the sensitivity analysis.

Note 23

The last few years' development in pension expenses and pension obligations shows the following:

	2015	2014	2013	2012	2011	2010
Income statement						
Present value of current pension earnings	398	371	351	420	351	320
Plan changes during the year	-257	-	-364	-	-	-
Recognized actuarial gains	-3	-	-	-	67	-163
Total cost in the income statement	138	371	-13	420	418	157
Total financial items in the accounts	54	76	72	-7	9	5
TOTAL PENSION COST	**192**	**447**	**59**	**413**	**427**	**162**
Financial position						
Total obligations	11,091	10,938	10,039	9,781	10,333	8,910
Pension assets	-8,746	-8,386	-7,574	-7,238	-6,821	-6,521
Total net pension obligations	2,345	2,552	2,465	2,543	3,512	2,389
Non-recognised actuarial losses	-	-	-	-	-2,624	-1,435
NET PENSION LIABILITY	**2,345**	**2,552**	**2,465**	**2,543**	**888**	**954**

Financial assumptions (defined benefit plans)

	2015	2014	2013	2012	2011	2010
Discount rate	2.70 %	2.80 %	3.90 %	3.80 %	2.80 %	3.80 %
Expected return on plan assets	2.70 %	2.80 %	3.90 %	3.80 %	4.00 %	4.60 %
Average salary growth	2.60 %	2.95 %	3.70 %	3.70 %	3.30 %	3.50 %
G-regulation	2.40 %	2.70 %	3.50 %	3.50 %	3.20 %	3.75 %
Corridor: % of max (PBO, pension assets)	0.00 %	0.00 %	0.00 %	0.00 %	10.00 %	10.00 %
Annual reg. of pension increases	1.65 %	1.95 %	2.75 %	2.75 %	2.45 %	3.00 %
Average social security tax	14.10 %	14.10 %	14.10 %	14.10 %	14.10 %	14.10 %

Explanation to selected assumptions 31st of December 2015
The discount rate has been set at 2.7 % and is determined with basis in preferential bonds (OMF). The OMF-market has been assessed to represent a deep and liquid marked with relevance to maturities that qualifies to be used as a reference for interest rate according to IAS 19.

Salary adjustments for Norwegian schemes is mainly calculated as the total of expected real salary growth of 0.7 % and inflation of 1.9 %.

Regulation of pensions during disbursement mainly follows average salary growth (equivalent to G regulation) less a fixed factor of 0.75.

For the demographic factors, the tariffs K2013 and IR 73 has been used for determination of mortality rate and disability risk.

The effect of the transition to K2013 has resulted in actuarial deviations of approximately MNOK 505, which is an increase in the retirement benefit obligation as at 31.12.2015.

Male 19 years
Female 22 years

Actuarial deviations in 2015 are mainly due to changes in economic parameters

Note 23 | 24 | 25

The Group is affected through its defined benefit contribution plans by several factors due to uncertainties in assumptions and future development. The most central factors are described as follows:

Expected longevity
The Group has assumed an obligation to pay pension to the employees for as long as they live. An increase in life expectancy among members results in an increased obligation for the Group.

Yield risk
The Group is affected by a reduction in actual yield on the pension assets, which will cause an increase to obligations for the Group.

Inflation- and salary growth risk
The Group's pension obligation has risk related to both inflation and salary development, even though the salary development is closely related to inflation. Higher inflation and salary development than what is used in the pension calculations, result in increased obligation for the Group.

24 Trade and other payables

	2015	2014
Trade payables	501	591
Social security and other taxes	227	213
Other current liabilities	2,332	2,498
TOTAL	**3,060**	**3,302**

The amount due to related parties is in 2015: 16 MNOK (10 MNOK).

Book value of trade and other payables corresponds to fair value. Other current liabilities include pre-paid revenue, accrued payroll and related expenses as well as other accrued expenses.

25 Provisions for other liabilities and charges

Provisions for other liabilities 2015	**Environ-ment. Pollution**	**Reorgani-zation obligation**	**Contract losses**	**Other**	**Total**
At 1st of January	50	38	34	4	126
Change in provision during the year	-	-6	28	2	24
Used during the year	-16	-7	-12	-	-35
TOTAL	**34**	**25**	**50**	**6**	**115**

Provisions for other liabilities 2014	**Environ-ment. Pollution**	**Reorgani-zation obligation**	**Contract losses**	**Other**	**Total**
At 1st of January	61	39	63	-	163
Change in provision during the year	-	8	-6	4	6
Used during the year	-11	-9	-23	-	-43
TOTAL	**50**	**38**	**34**	**4**	**126**

Analysis of total provisions:	**2015**	**2013**
Non-current liabilities	104	114
Current liabilities	11	12
TOTAL	**115**	**126**

Note 25 | 26 | 27

Severance – reorganization liability
In connection with formation of NSB AS the company acquired a liability to refund pay for employees who are laid off due to redundancy before 1st of January 2005. NSB was however compensated with a limited calculated amount, which is included as a reorganization obligation in other long-term debt on the balance sheet.

Work related injuries
Compensation for work related injuries which occurred during the period from 1st of January 1990, until the formation of NSB BA 1st of December 1996 are covered by the company. To account for these estimated liabilities, accruals have been made for both expectations of cases currently being handled and justifiable cases not yet reported.

Environmental pollution
As a train and workshop operator as well as a real estate owner, the NSB-Group has a considerable responsibility for pollution which occurs due to operations. A quantification of any known liabilities is accrued for on a continuous basis. The accrual is reversed based on actual cost as the clean-up processes.

Polluted ground – land sold
Creosote pollution has been discovered on some occasions when selling land. When NSB BA was formed the pollution was known but not the extent. No accruals were made since NSB BA was not the polluter.

Polluted ground – developmental land
Examination of the ground indicates environmental liabilities. When identifying developmental projects, costs are taken into consideration when ground is prepared. This includes costs related to polluted soil which is included in the project cost.

Preserved buildings – maintenance liability
If preserved buildings are used commercially, running maintenance is done. If preserved buildings are not used commercially accruals are made for future maintenance, unless it is likely that the maintenance is covered by future tenants or owners.

Legal disputes
The NSB-Group is involved in legal disputes. Accruals are made for disputes where it appears to be a probable and qualified risk of losing.

26 Contract losses

There have been accruals of 28 MNOK for future contract losses in the bus operations.

For provisions on losses on tenders in the bus operations, see note 27 for further information.

27 Depreciation, amortization and impairment

	2015	2014
Depreciation current assets (note 7)	1,429	1,586
Impairment non-current assets (note 7)	20	27
Depreciation intangible assets (note 6)	1	2
Impairment intangible assets (note 6)	-	9
TOTAL	**1,450**	**1,624**

Property, plant and equipment and contract losses
This year's impairments are related to buses used in operations under official contract.

Operating revenue is mainly related to long term tender contracts which means significant investments in property, plant and equipment (PPE). In the presentation of the accounts as at 31st of December 2015 an evaluation of the value of the Groups' PPE is performed, where there might be an indica-tion of permanent impairment (IAS 36).

To test the balance sheet value, calculations using utility value have been performed. Utility value is calculated for every cash flow generating unit (CGU). Calculation of utility value has been performed on the tenders where there is an indication of permanent impairment on PPE.

The utility value is calculated as present value of expected future cash flows for each tender. Revenue from the contracts and expected operating expenses, including overhead that are possible to allocate to each separate CGU, are included in the contracts' lifespan in the future cash flows. At the end of the contract, a repurchase value on the buses is included, based on experiences or rest value guarantees from suppliers. Included in the contracts the contracting entity has options for an extension of the contracts. In the evaluations of the contracts, it's assumed that these options are

Note 27 | 28

exercised and are included in the cash flows. Impairments are undertaken if the balance sheet value is lower than the recoverable amount. The recoverable amount is the higher of fair value less sales costs and utility value.

In addition to evaluating balance sheet values according to IAS 36, the contracts are also evaluated for any additional provisions according to IAS 37. In these evaluations the Group measure continuously present value of future expected cash flows from operational activities in each separate contract, where estimated payments include all future inevitable operating expenses that are to be expected. The provision is limited to the lower amount of either to continue or exit the contract. The provision is reversed over the remaining life of the contract.

In the future cash flows that include evaluations according to IAS 36 and IAS 37, the following main assumptions are used:

Growth rate of	2.5 %	
Discount rate	7.0 %	evaluations according to IAS 36
Borrowing rate	3.5 %	evaluations according to IAS 37

Sensitivity
To describe the uncertainty that are included in the calculations of impairments according to IAS 36, sensitivity analysis on chosen factors in the calculation have been performed. A sensitivity analysis has been performed on the contracts where an impairment of property, plant and equipment has occurred.

Discount rate
A change in discount rate of +/- 1 % -points will result in different changes to present value for the different contracts. The overview below show what effects a change in discount rate have for the contracts that have shown a need for impairment to property, plant and equipment.

Discount rate Change in factors	**Change in present value**	**Actual accumulated impairment**	**Estimated accumulated impairment***
Interest rate +1%	-4,781	-37,918	-39,388
Interest rate -1%	5,031	-37,918	-37,918

EBITDA Change in factors	**Change in present value**	**Actual accumulated impairment**	**Estimated accumulated impairment***
EBITDA + 1 MNOK per contract	10,112	-37,918	-40,575
EBITDA - 1 MNOK per contract	-10,075	-37,918	-37,918

** Actual accumulated impairment affected by evaluations of market value of buses.*

28 Other expenses

	2015	**2014**
Sales- and overhead expenses	1,116	1,177
Energy used in operations	835	961
Repair and maintenance, machinery rental, property expenses	1,478	1,478
Other operating expenses	1,685	1,448
TOTAL	**5,114**	**5,064**
Auditing fees (excluding VAT):		
Auditing	5	5
Other services*	1	2
TOTAL	**6**	**7**

** relates to support to prepare financial statements, tax returns as well as additional service regarding investment property.*

Note 29 | 30 | 31

29 Financial income and expenses

	2015	2014
Interest income	320	335
Other financial income	31	23
Net foreign exchange gains	56	23
TOTAL FINANCIAL INCOME	**407**	**381**
Interest expense	-538	-617
Other financial expenses	-18	-31
Net foreign exchange losses	-16	-13
TOTAL FINANCIAL EXPENSES	**-572**	**-661**
Net financial expenses - pensions	**-54**	**-76**
Unrealised value changes	**69**	**-48**
TOTAL FINANCIAL ITEMS	**-150**	**-404**

30 Unrealised fair value changes

The table below shows unrealised value changes in assets, liabilities and derivatives valued at fair value:

	2015	2014
Unrealized value changes investment property	536	181
Unrealized value changes reclass. Inv. Property - other compr. Income	18	1
TOTAL UNREALIZED VALUE CHANGES INVESTMENT PROPERTY	**554**	**182**
Unrealized value changes derivatives used for hedging	373	757
Unrealized value changes bonds	-294	-814
Unrealized value changes market placements	-10	9
TOTAL UNREALIZED VALUE CHANGES FINANCIAL ITEMS	**69**	**-48**
Total unrealized value changes income statement	605	133
Total unrealized value changes other comprehensive income	18	1
TOTAL UNREALIZED VALUE CHANGES OTHER COMPREHENSIVE INCOME	**623**	**134**

31 Leases

	2015	2014
Lease of machinery/equipment, not incl. on the balance sheet	147	136
Lease of property (external)	213	141
TOTAL	**360**	**277**

Note 32

32 Related party transactions

NSB has the following related parties:

Owner
As the owner of NSB, the Ministry of Transport and Communication is a related party. In addition, other businesses owned by the Ministry of Transport and Communication will also be a related party to NSB.

Companies within the same Group
All subsidiaries, associates and joint ventures as noted in notes 2, 9 and 10 as well as other Group companies that are related parties to these companies will be a related party to NSB.

Board of Directors and key management
Persons that are key management or on the Board of Directors are also related party to NSB.

Below is an overview of transactions, balances and guarantees to related parties:

	2015	2014
Sale of goods and services:		
Public purchase of passenger traffic services	3,081	2,996
Sales of other goods and services	497	450
TOTAL	**3,578**	**3,446**
Sale of goods and services	453	449

Year-end balances arising from sales/purchases of goods/services:

	2015	2014
Receivables:		
Associated companies	1	87
Entities owned by the Ministry of Transportation	126	131
TOTAL	**127**	**218**
Debts		
Other companies in the Group	44	1
Entities owned by the Ministry of Transportation	8	7
TOTAL	**52**	**8**
Loans to related parties		
Other companies in the Group	64	30
TOTAL	**64**	**30**

There are no borrowings from related parties.

Guarantees
NSB AS has guaranteed for the pension obligations in case Nettbuss AS no longer would exist, which means that the transferring agreement of 1974 can be used. The consequence is that Nettbuss AS cannot make changes in its pension without first getting approval from the Board of Directors of NSB AS.

NSB AS has issued a guarantee of 40 MSEK on behalf of its fully owned subsidiary Svenska Tågkompaniet AB for licensing to operate trains in Värmland in Sweden.

NSB AS has issued a guarantee of 150 MSEK on behalf of its fully owned subsidiary Svenska Tågkompaniet AB related to a contract with Norrtåg AB.
Mantena AS has counterguaranteed towards an external part a guarantee of 200 MSEK.
MSEK 100 for Skånetrafiken in connection with Mantena winning the maintenance contract for Pågatåg in Skåne in Sweden.

Sale to related parts
ROM Eiendom has sold its remaining properties in Bjørvika to the partially owned, joint venture company Oslo S Utvikling AS. There will be a total of 102,917 m^2 developed on these properties, about 25 % will be commercial property and 75 % residential property. The sales price for the option properties is 543 MNOK. Estimated gain for the NSB Group that is recognized is 285 MNOK.

Note 32

Compensation for members of the Board and key management (Figures in TNOK)

Board members	Title	2015	2014
Kai Henriksen	Chairman of the board (from June 2014)	411	193
Bjarne Borgersen	Vice chairman of the board	311	301
Wenche Teigland	Member of the board	243	235
Tore Heldrup Rasmussen	Member of the board (until November 2015)	209	205
Åsne Havnelid	Member of the board (from June 2014)	206	97
Audun Sør-Reime	Staff representative	808	915
Rolf Jørgensen	Staff representative	273	200
Jan Audun Strand	Staff representative	663	214
Ingeborg Moen Borgerud	Chairman of the board (until June 2014)	-	239
Erlend Helle	Member of the board (until June 2014)	-	114
TOTAL		**3,124**	**2,713**

All employees are included in the collective pension agreement. The agreement premium is not included above. For NSB AS the General Meeting has approved a fee for the Chairman of the Board of 416 TNOK, Vice Chairman 251.5 TNOK and the other board members 207 TNOK each. In addition, fees for members of the audit committee with 63.5 TNOK for the leader, and 38 TNOK for each of the other members, and the compensation committee with 11 TNOK for the leader and 5 TNOK for each member. Fees for the staff representatives include their wages as an employee.

2015 **Group management** (Figures in TNOK)	Title	Salary	Variable salary	Other benefits	Total benefits payed	Calcul. Pension expence*
Geir Isaksen	Chief Executive Officer	3,655	861	186	4,702	774
Tom Ingulstad	CEO, Director of Passenger Train	1,876	200	98	2,174	1,247
Kjell Haukeli	Chief Financial Officer	1,461	340	98	1,899	1,481
Ståle Rooth	Executive Vice President HR, IT and Legal	1,717	413	126	2,256	-
Erik Røhne	Director Strategy and BD	1,715	371	126	2,212	-
Arne Veggeland	General Manager Nettbuss	1,854	413	126	2,393	654
Arne Fosen	General Manager CargoNet	2,081	-	126	2,207	666
Petter Eiken	General Manager Rom Eiendom (member until aug -15)	1,678	500	95	2,273	-
Tomm Otto Bråten	General Manager Mantena (member until aug -15)	1,130	213	84	1,427	-
TOTAL		**17,167**	**3,311**	**1,065**	**21,543**	**4,822**

** Calculated pension expenses for executives are related to pension arrangements in addition to collective arrangements, for further description see point d) in the text below.*

2014 **Group management** (Figures in TNOK)	Title	Salary	Variable salary	Other benefits	Total benefits payed	Calcul. Pension expence
Geir Isaksen	Chief Executive Officer	3,586	574	190	4,350	829
Tom Ingulstad	CEO, Director of Passenger Train	1,869	200	102	2,171	1,894
Kjell Haukeli	Chief Financial Officer	1,373	219	102	1,694	576
Ståle Rooth	Executive Vice President HR, IT and Legal	1,647	385	125	2,157	-
Erik Røhne	Director Strategy and BD	1,603	-	109	1,712	-
Arne Veggeland	General Manager Nettbuss	1,799	220	126	2,145	1,205
Arne Fosen	Vice CEO NSB (to jan-14) GM CargoNet (from mar-14)	1,968	427	122	2,517	2,376
Are Kjensli	General Manager CargoNet (to feb -14)	1,657	-	202	1,859	799
Petter Eiken	General Manager Rom Eiendom (from mar-14)	1,793	-	117	1,910	-
Jørn Seljelid**	General Manager Rom Eiendom (to feb-14)	372	-	3	375	-
Tomm Otto Bråten	General Manager Mantena (from sept -14)	567	-	40	607	-
Ole Edvardsen	General Manager Mantena (til aug -14)	1,152	-	64	1,216	502
TOTAL		**19,386**	**2,025**	**1,302**	**22,713**	**8,181**

*** Jørn Seljelid was the stand-in as CEO in Rom Eiendom until Petter Eiken was appointed.*

Note 32

Determination of salary and other benefits to executives:

Main principles for executive salaries in NSB
Principles on salary for executives in NSB AS and its subsidiaries are determined by the Board of Directors. Annually, the Board performs an evaluation on the CEO salary and other compensation and the principles of executive compensation.

The CEO determines the compensation to the other members of the Group management according to adopted executive compensation principles.

Executive compensation in NSB is determined using the following main principles:

- Executive compensation is to be competitive, but NSB will not be a leader in the market in regards to compensation when compared to equivalent companies. To ensure this, an annual external compensation evaluation on central executive positions is performed.
- NSB shall attract and keep skillful leaders. The total compensation to executives in NSB will reflect their responsibility level of management, results and development and take into consideration the size and complexity of the operations. The compensation must not be in the nature of or such a scope that will impair the Groups' reputation.
- The executive compensation can consist of fixed salary and additional compensation, including fringe benefits, bonus, severance and pension. The fixed salary shall always be the main part of the total compensation.
- The executive compensation scheme must be transparent, and in accordance with the principles for corporate governance, as well as the state guidelines for executive compensation.
- The compensation system is to be perceived as understandable and acceptable both internal and external.
- The compensation system is to be adequately flexible so that adjustments can be made if the needs change.

Elements in executive compensation
The starting point for the compensation is the total level of fixed salary and other benefits.

a) Fixed salary
The fixed salary is the main element in the compensation arrangement of the executives in NSB. The fixed salary will be competitive, but not be market leading. The fixed salary is to be assessed once a year. At employment of executives, the grandfather-principle is to be utilized, which will be discussed among executive above that level before the candidate is given an offer. The CEO is to consult the Chairman of the Board before the employment and determination of such members of executives. No executives are compensated for any Board participation within the NSB-Group.

b) Fringe benefits
Executives are offered fringe benefits that are common for such positions. Examples of this are free phone, free internet service, car compensation and free newspapers.

c) Variable salary
NSB has bonus arrangements for executives. The CEO has a bonus arrangement, based on the Groups' profit and individual bonus criteria determined by the Board of Director's. The maximum bonus is 4 months salary. Other executives have annual and individual adapted bonus agreements limited to 3 months salary.

The arrangement in NSB is based on the following principles:

- The variable salary will be based on defined and measurable criteria. Several relevant criteria are to be applied.
- There will be a strong connection between the goals for the variable salary and the goals of the company.
- The bonus criteria will be based on conditions the executive can influence, either directly or through the group of executives he/she is part of.
- The bonus arrangement must be transparent and simple to understand.

The CEOs' bonus criteria for 2015 are based on achievement within profits and customer satisfaction, as well as implementation of strategy- and improvement work within the Group. A prerequisite for the bonus is that the Group achieves a yield on capital employed of at least 5 %.

d) Pension
All employees are members in a collective pension arrangement.

The CEO's pensionable age is 67 years. He has a collective pension arrangement. The arrangement carries rights to a pension of maximum 12 G. On top of that, the CEO has a defined contribution plan of 30 % of the fixed salary over 12 G, entered into in 2011.

NSB has prior entered into pension agreement with executives, which entitles them to a 60 % pension compensation level of their pension earned from the age of 62. This operating pension arrangement was closed as of 1st of January 2008. When new executives are hired the State's guidelines for executive compensation are used, and the pension terms for executives are equal to other employees.

e) Severance arrangements
In his employment agreement the CEO has the right to 6 months of severance and benefits when leaving involuntarily. Any other salary in this severance period will reduce the severance compensation. Severance agreements for executives in the subsidiaries are in accordance with the agreement of the CEO. If the CEO decides to leave the position, there will be no severance payment.

Where there are agreements regarding severance with other executives, will total salary including severance not exceed 12 months of fixed salary. Severance arrangements will not be utilized when the cessation of employment is voluntary.

There were no severance payments made during 2015 for executives that exceeded 12 month fixed salary.

Completion of the principles for salary and compensation for executives in the NSB-Group in the previous accounting year
The executive compensation policy for 2015 has been completed in accordance with abovementioned guidelines. The CEOs fixed salary was adjusted by 3.3 % to 3,558 TNOK in 2015. Received bonus was 861 TNOK for results achieved in 2014.

33 Contingencies

The group has contingent liabilities in respect of legal claims arising in the ordinary course of business. It is not anticipated that any material liabilities will arise from the contingent liabilities other than those provided for.

Examination of the Group's properties and land indicates environmental obligations. When identifying developmental projects, costs are taken into consideration when ground is prepared.

Note 33 | 34 | 35

During incorporation of NSB BA in 1996 the company statutory transferred properties belonging to the administration company NSB. The process of the statutory transfer is not yet fulfilled. For some of the transfers concerning sold properties the approval of the Norwegian National Rail Administration has been required.

The Nettbuss Group is involved in disputes that may be tried in the court system. Disputes where the outcome may have a significant effect are:

Nettbuss is involved in a dispute with Aust Agder county. According to a resolution in ESA, the county is required to pay back parts of the grant received. The parties disagree on how to calculate the consequence of the ESA resolution. The company's opinion assesses the calculation of the wrongfully received grant to be of no significance in amount and has made an accrual of 1.7 million kroner which is equivalent to the offer Nettbuss has given to Aust Agder county.

Additionally, Aust Agder county has through arbitration and summons in Aust Agder district court claimed repayment of parts of the grants received in addition to the resolution in ESA. Nettbuss will contest the basis for these cases and has assessed there are no preponderance to show there will be any obligations related to these.

34 Business combinations

2015
E 18 Lastebilservice AS
Fjeldhus Motor AS

2014

Helges Bil AS

The table below shows the allocation of the purchase amount on acquired assets and liabilities

	2015	2014
Consideration paid	49	7
Total value of new subsidiary	49	7

Identified assets and liabilities on the balance sheet recognized from the acquisition:	2015	2014
Cash and bank deposits	5	1
Property, plant and equipment	33	-
Inventories	6	5
Trade and other receivables	13	3
Trade and other payables	-20	-4
Borrowings	-7	-
Deferred tax asset on excessive value on PPE	-5	-
Total net identifiable assets	**25**	**5**
Goodwill	24	2
TOTAL	**49**	**7**

35 Events after the balance sheet date

There are no material events which have occurred after the balance sheet date that will affect the Groups' profit and position.

NSB AS

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Income Statement

	Notes	2015	2014
Operating revenue	4	**6,946**	**6,561**
Payroll and related expenses	17	2,415	2,469
Depreciation and impairment	21	700	784
Other operating expenses	22, 25	2,747	2,767
Total operating expenses		**5,862**	**6,020**
Operating profit		**1,084**	**541**
Financial posts			
Financial income	23	1,413	1,253
Financial expenses	23	-590	-656
Net financial expenses - pensions	18, 23	-32	-48
Unrealised fair value changes	23, 24	115	-51
Net financial items		**906**	**498**
Profit before income tax		**1,990**	**1,039**
Income tax expense	16	-267	-92
PROFIT FOR THE YEAR		**1,723**	**947**
Attributable to			
Equity holders		**1,723**	**947**
Other Comprehensive Income			
Profit for the year		1,723	947
Items that will not be reclassified to profit or loss			
Deviation retirement benefit obligations	18	-63	-383
Tax related to items that will not be reclassified	16	6	103
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**1,666**	**667**
Attributable to			
Equity holders		**1,666**	**667**

Overview Financial Position

	Notes	31.12.15	31.12.14
ASSETS			
Property, plant and equipment	5	9,258	8,929
Investments in subsidiaries	2	3,086	5,860
Investments in associates	6	12	12
Financial assets	12	2	2
Loans to group companies	9, 26	5,984	3,717
Total non-current assets		**18,342**	**18,520**
Investment in joint ventures	7	5	5
Inventories	8	582	476
Trade and other receivables	9	617	593
Derivative financial assets	11	2,546	2,252
Cash and bank deposits	13	1,349	2,032
Total current assets		**5,099**	**5,358**
TOTAL ASSETS		**23,441**	**23,878**

	Notes	31.12.15	31.12.14
EQUITY AND LIABILITIES			
Ordinary shares and share premium	14	5,144	5,144
Retained earnings		1,705	817
Total equity		**6,849**	**5,961**
Borrowings	15	10,321	9,856
Deferred income tax liabilities	16	765	556
Retirement benefit obligations	18	1,410	1,490
Provisions for other liabilities and charges	20	51	71
Total long term liabilities		**12,547**	**11,973**
Trade and other payables	19	2,184	3,122
Tax payable	16	77	-
Borrowings	15	1,534	2,494
Derivative financial instruments	11	250	328
Total short term liabilities		**4,045**	**5,944**
TOTAL EQUITY AND LIABILITIES		**23,441**	**23,878**

Oslo, 24th of February 2016

Kai Henriksen
Chairman of the Board

Jan Audun Strand

Kjerstin Fyllingen

Bjarne Borgersen

Wenche Teigland

Rolf Jørgensen

Åsne Havnelid

Audun Sør-Reime

Geir Isaksen
CEO

Cash Flow Statement

	Notes	2015	2014
Profit for the year before income tax expense		1,990	1,039
Depreciation and impairment in the income statement	21	700	784
Gain/loss on sale of assets		-	127
Net changes to obligations and retirement benefit oblig.	18	-143	-443
Net changes to provisions for other liabilities and charges	20	-20	-20
Net unrealised fair value changes	23, 24	-115	51
Interest items		-947	-677
Changes to working capital		-1,023	1,004
Net cash flow from operating activities		**442**	**1,865**
Acquisition of subsidiaries	2	2,738	-4,500
Loans paid to/from single purpose/joint ventures	6	-	-
Purchase of PPE	5	-1,219	-1,278
Proceeds from sale of PPE	5	-	1
Grants from public sources	5	190	-
Dividends received	23	901	698
Net cash flow from investment activities		**2,610**	**-5,079**
Conversion loans to subsidiaries	2	-	4,453
Increase in loans to subsidiaries	15	-2,450	-991
Repayment of loans from subsidiaries	15	219	471
Proceeds from borrowings	15	1,800	2,297
Repayment of borrowings	15	-2,562	-1,450
Group contributions paid to subsidiaries		-	-14
Dividends paid to company's shareholders	14	-753	-515
Net cash flow from financial activities		**-3,746**	**4,251**
NET CHANGE IN CASH AND BANK DEPOSITS FOR THE PERIOD		**-694**	**1,037**
Cash and bank deposits as at the beginning of the period	13	2,032	993
Foreign exchange gain/loss on cash and bank deposits		11	2
CASH AND BANK DEPOSITS AS AT THE END OF THE PERIOD	**13**	**1,349**	**2,032**

Development in Equity

2015	Notes	Ord. shares and shares premium	Retained earnings	Total
Equity 1st of January 2015	14	5,144	817	5,961
Profit for the interim period		-	1,723	1,723
From other comprehensive income		-	-57	-57
Change for income tax rate	16	-	-25	-25
Dividends paid		-	-753	-753
EQUITY 31ST OF DECEMBER 2015		**5,144**	**1,705**	**6,849**

2014	Notes	Ord. shares and shares premium	Retained earnings	Total
Equity 1st of January 2014	14	5,536	273	5,809
Profit for the interim period		-	947	947
From other comprehensive income		-	-280	-280
Dividends paid		-392	-123	-515
EQUITY 31ST OF DECEMBER 2014		**5,144**	**817**	**5,961**

Notes

All figures in the report are in MNOK.

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The consolidated financial statements were approved by the Board of Directors on 24th of February 2016.

Note 1 | 2 | 3 | 4

1 General information and summary of important accounting principles

We refer to note 1 in the NSB Group annual report, with the exception of the following:
- method for incorporation of associated companies and joint ventures.

Associated companies and joint ventures in NSB AS
Ownership in companies where NSB AS has considerable, but not controlling influence, and ownership in joint venture companies, are treated using the
cost method of accounting. Considerable influence is considered to be where the company owns between 20 % and 50 % of the voting shares.

2 Shares in subsidiaries

See note 2 in NSB Group report.

3 NSB-Group's passenger operations in the Nordic Region

See note 3 in NSB Group report.

4 Segment information

NSB AS has only one operating segment - passenger train.

	2015	2014
Analysis of operating income by category		
Transport revenue	6,636	6,243
Other revenue	310	318
TOTAL	**6,946**	**6,561**

Information on important customers
The Group has one customer that constitutes more than 10 % of operating income. The Government's public purchase from the NSB-Group is included in note 26.

Note 5

5 Property, plant and equipment

	Machinery and equipm.	Trans-portation	Partially delivered trains	Under construc-tion	Total
At 1st of January 2015					
Accumulated acquisition cost	1,403	15,708	354	189	17,654
Accumulated depreciation	-1,226	-7,499	-	-	-8,725
TOTAL	**177**	**8,209**	**354**	**189**	**8,929**
Year ended 31st of December 2015					
Opening net book value	177	8,209	354	189	8,929
Additions	-	-	626	593	1,219
Grant from public sources*	-32	-158	-		-190
Disposals at acquisition cost	-401	-232	-	-	-633
Accumulated depreciation disposals	401	232	-	-	633
Transfers within PPE	132	822	-363	-591	-
Depreciations	-98	-602	-	-	-700
TOTAL	**179**	**8,271**	**617**	**191**	**9,258**
At 31st of December 2015					
Accumulated acquisition cost	1,102	16,140	617	191	18,050
Accumulated depreciation	-923	-7,869	-	-	-8,792
TOTAL	**179**	**8,271**	**617**	**191**	**9,258**
At 1st of January 2014					
Accumulated acquisition cost	1,449	14,603	385	126	16,563
Accumulated depreciation	-1,022	-6,979	-	-	-8,001
TOTAL	**427**	**7,624**	**385**	**126**	**8,562**
Year ended 31st of December 2014					
Opening net book value	427	7,624	385	126	8,562
Additions	-	-	432	846	1,278
Disposals at acquisition cost	-127	-62	-	-	-189
Accumulated depreciation disposals	1	61	-	-	62
Transfers within PPE	81	1,165	-463	-783	-
Depreciations	-205	-579	-	-	-784
TOTAL	**177**	**8,209**	**354**	**189**	**8,929**
At 31st of December 2014					
Accumulated acquisition cost	1,403	15,708	354	189	17,654
Accumulated depreciation	-1,226	-7,499	-	-	-8,725
TOTAL	**177**	**8,209**	**354**	**189**	**8,929**
Depreciation period	5 - 30 years	5 - 30 years	3 - everlast.		

**For the period 2002-2015, NSB AS received government grants to reimburse for new trains to be used in eastern Norway (Oslo package 2), as well as grants for the on-board equipment ERTMS (European Rail Traffic Management System).*

Note 6 | 7 | 8

6 Investments in associates

	2015	2014
Book value 1st of January	12	12
NET BOOK VALUE 31ST OF DECEMBER	**12**	**12**

Profit/loss, assets and liabilities of its associates, all of which are unlisted, are as follows:

2015	Registered office	Assets	Liabilities	Revenues	Profit/ loss	% Int. held
Oslo S Parkering AS	Oslo	112	69	41	24	25 %
Interoperabilitetstjenester AS	Oslo	22	18	19	-	33 %
Fjord Tours AS	Bergen	42	18	47	13	43 %
TOTAL		**176**	**105**	**107**	**37**	

2014	Registered office	Assets	Liabilities	Revenues	Profit/ loss	% Int. held
Oslo S Parkering AS	Oslo	113	72	37	21	25 %
Interoperabilitetstjenester AS	Oslo	23	20	18	0	33 %
Fjord Tours AS	Bergen	39	16	43	12	43 %
TOTAL		**175**	**108**	**98**	**33**	

7 Investments in joint ventures

	2015	2014
Book value 1st of January	5	10
Equity transactions	-	-5
NET BOOK VALUE 31ST OF DECEMBER	**5**	**5**

NSB AS interest in joint ventures is as follows:

	Year of acquisition	Registered office	Votes and profit share	Equity	Profit/loss	Book value 31st of December
Flåm Utvikling AS	2013	Aurland	50 %	56	45	82

Description of operations:

Flåm utvikling
Flåm Utvikling has for 16 years, along with NSB AS as a provider of train transport services, operated the tourism product; the Flåm line. Flåm Utvikling is to conduct product development, sale, marketing, customer management, and brand development of the Flåm line, as well as develop the foundation for commercial operations of the Flåm line all year-round. The Flåm line is the country's first complete all year-round mountain/fjord destination.

8 Inventory components

	2015	2014
Components	582	462
Not completed parts	-	14
TOTAL INVENTORY	**582**	**476**

Note 9 | 10

9 Trade and other receivable

	2015	2014
Trade receivables	44	63
Group internal trade receivables	43	31
Less: provision for impairment of receivables	-4	-7
Trade receivables - net	**83**	**87**
Prepayments	463	293
Other receivables	71	213
TOTAL TRADE AND OTHER RECEIVABLES	**617**	**593**
Loans to group companies	5,984	3,717
TOTAL	**6,601**	**4,310**

The carrying amounts of the trade receivables, prepayments and other receivables approximate their fair value.
Trade receivables include mainly passenger train income.

Maturity of receivables:	2015	2014
Matured receivables on balance sheet date	17	27
Matured between 0 - 2 mnths ago	14	16
Matured between 2 - 6 mnths ago	2	1
Matured more than 6 mnths ago	2	9

10 Financial risk management

Liquidity risk	< 1 year	1-2 years	2-5 years	> 5 years
Short term liabilities	2,184	-	-	-
Borrowings	1,533	3,003	3,760	3,558
New trains	827	1,318	172	-
Property, plant and equipment	245	86	-	-

NSB assesses maximum credit risk to be the following:	2015	2014
Cash and bank deposits	1,349	2,032
Financial derivatives	2,546	2,252
Trade receivable and other short term receivables	617	593
TOTAL	**4,512**	**4,877**

Note 11 | 12

11 Derivatives

	2015		2014	
	Assets	Liabilities	Assets	Liabilities
Interest rate & currency swaps	2,546	-250	2,252	-328

The company does not use hedge accounting, fair value changes of derivatives are charged on a continuous basis to the income statement. Derivatives are classified as current assets or contractual obligations.

Changes in fair value of derivatives:	2015	2014
This period's change in fair value:	371	768
Accumulated change in fair value:	2,296	1,925

Interest rate and foreign exchange swaps
The notional principal amounts of the outstanding interest rate swaps contracts at 31st of December 2015 were 8,703 MNOK(2014: 10,365 MNOK). At 31st of December 2014, the fixed interest rates vary from 3.97 % to 4.64 % (3.97 % to 4.64 %) and the floating rates are mainly 6M NIBOR + margin.

12 Financial instruments by category

Assets	Loans and receivables		Assets at fair value through profit and loss		Total	
Year	2015	2014	2015	2014	2015	2014
Financial fixed assets	2	2	-	-	2	2
Derivative financial instruments	-	-	2,546	2,252	2,546	2,252
Trade and other receivables (excl. prepayments)	6,138	4,017	-	-	6,138	4,017
Cash and bank deposits	1,349	2,032	-	-	1,349	2,032
TOTAL	**7,489**	**6,051**	**2,546**	**2,252**	**10,035**	**8,303**

Liabilities	Liabilities at fair value through profit and loss		Other financial liabilities at amortised cost		Total	
Year	2015	2014	2015	2014	2015	2014
Borrowings (excl. Financial lease liabilities)	8,611	9,106	3,244	3,244	11,855	12,350
Derivative financial instruments	250	328	-	-	250	328
Trade and other payables excl. statutory liabilities	-	-	2,095	3,027	2,095	3,027
TOTAL	**8,861**	**9,434**	**5,339**	**6,271**	**14,200**	**15,705**

The following table presents the company's assets and liabilities that are measured at fair value at 31st of December 2015:

	Level 1	Level 2	Level 3	Total
Derivatives used for hedging	-	2,546	-	2,546
TOTAL ASSETS	**-**	**2,546**	**-**	**2,546**
Borrowings and accrued interest	-	8,611	-	8,611
Derivatives used for hedging	-	250	-	250
TOTAL LIABILITIES	**-**	**8,861**	**-**	**8,861**

The following table presents the company's assets and liabilities that are measured at fair value at 31st of December 2014:

	Level 1	Level 2	Level 3	Total
Derivatives used for hedging	-	2,252	-	2,252
TOTAL ASSETS	**-**	**2,252**	**-**	**2,252**
Borrowings and accrued interest	-	9,106	-	9,106
Derivatives used for hedging	-	328	-	328
TOTAL LIABILITIES	**-**	**9,434**	**-**	**9,434**

Note 13 | 14 | 15

13 Cash and bank deposits

	2015	2014
Cash and bank deposits	1,349	2,032

Includes restricted funds of 108 MNOK (2014: 101 MNOK).

14 Share capital and share premium

See note 19 in NSB Group report.

15 Borrowings

Non-current	2015	2014
Bonds	7,078	6,612
Bonds measured at amortized cost	3,243	3,244
Total	**10,321**	**9,856**

Current	2015	2014
Current share of non-current borrowings	730	2,193
Other current borrowings	804	301
Total	1,534	2,494
TOTAL BORROWINGS	**11,855**	**12,350**

Nominal value of long-term interest bearing debt	2015	2014
1st of January	8,396	8,261
Changes during the year	-550	135
31ST OF DECEMBER	**7,846**	**8,396**

Fair value on bondes measured at amortized cost is MNOK 3,742 as at 31.12.2015 (2014: 3,717 MNOK).

All existing bond issues have been issued under the Euro Medium Term Note loan programme (EMTN-Programme). The EMTN programme is a loan-documentation that NSB utilizes when bonds are issued. The EMTN-programme does not contain any financial covenants, except for an optional clause that requires that the State of Norway shall own 100 % of NSB.

NSB has a multicurrency revolving credit facility of 2,000 MNOK with a covenant that demands a minimum equity share of 20 %.

Fair value of the credit margin on bonds is based on market observations from banks and the price/exchange NSB bonds in the second-hand market.

The exposure of the Group`s borrowings to interest changes and the contractual dates at the balance sheet dates are as follows:

Borrowings and swaps	2015	2014
6 months or less	2,501	3,665

Non-current borrowings expire in:	2015	2014
Between 1 and 2 years	3,003	576
Between 2 and 5 years	3,760	3,845
Over 5 years	3,558	5,435

Note 15 | 16

Effective interest rate at the balance sheet date:

		2015	2014
Bonds	NOK	3.32	3.51

Calculated effective interest rate includes the effect of interest rate swaps. The Group has swapped all exposure in CHF.

The carrying amounts of the non-current borrowings approximate their fair value.

Changes in fair value on non-current borrowings:	**2015**	**2014**
This periods change in fair value	285	814
Accumulated change in fair value	2,482	2,197

The carrying amounts of the Group`s borrowings are denominated in the following currencies:	**2015**	**2014**
NOK	5,130	4,652
CHF	6,725	7,698
TOTAL	**11,855**	**12,350**

The Group has the following undrawn borrowing facilities:	**2015**	**2014**
Floating interest rate		
- Expiring within one year	50	50
- Expiring beyond one year	2,000	2,000
TOTAL	**2,050**	**2,050**

The facilities expire within one year is a bank overdraft related to NSB-Group bank account system.
The credit is for one year at the time and is renewed annually. NSB`s long term revolving credit facility which expires in April 2017.

16 Deferred income tax/income tax expense

Income tax expence	**2015**	**2014**
Current income tax payable	77	-
Change in deferred tax	190	92
TOTAL INCOME TAX EXPENSE	**267**	**92**

Tax payable on the balance sheet are as follows:	**2015**	**2014**
Current payable tax expense	77	-
TAX PAYABLE ON THE BALANCE SHEET	**77**	**-**

Note 16

Reconciliation between nominal and actual tax expense rate:	**2015**	**2014**
Net income before tax	1,990	1,039
Expected income tax using the nominal tax rate (27 %)	537	281
Tax effect of the following items:		
Other non-taxable income	-173	-195
Effect of change in income tax rate	-97	-
Insufficient tax provision prior years	-	6
Income tax expense	**267**	**92**
Effective tax rate	**13 %**	**9 %**

Spesification of the tax effect of temporary differences and losses carried forward:
Deferred income tax asset and liabilities are offset when there is a legally enforced right to offset current tax assest against current tax liabilities and when the deferred income taxes relate to the same tax authority. The offset amounts are as follows:

2015	**Book value 01.01**	**Effect of change i acco-unting principle**	**Income statement charge**	**Charge to other compre-hensive income**	**Effect due to change in income tax rate charged directly to equity**	**Tax effect Group contri-bution**	**Book value 31.12**
Benefit (+) / Liability (-)							
Fixed assets	-4,940	-	-281	-	-	-	-5,221
Inventories	5	-	-	-	-	-	5
Receivables	6	-	-7	-	-	-	-1
Value changes to financial current assets	317	-	-88	-	-	-	229
Retirement benefit obligations	1,490	-	-218	63	-	-	1,335
Provisions for other liabilities and charges	73	-	-19	-	-	-	54
(Gains)/losses	-27	-	5	-	-	-	-22
Losses carried forward	457	-	-199	-	-	-258	-
Other	561	-	-	-	-	-	561
Total gross temporary differences	-2,058	-	-807	63	-	-258	-3,060
Net temporary differences	**-2,058**	**-**	**-807**	**63**		**-258**	**-3,060**
Net deferred tax asset/liability 27%	**-556**	**-**	**-218**	**17**	**-**	**-69**	**-826**
Effect from changes in tax rate	-	-	97	-11	-25	-	61
Net deferred tax asset/liability on the balance sheet	**-556**	**-**	**-121**	**6**	**-25**	**-69**	**-765**

Note 16 | 17

2014	Book value 01.01.	Effect of change i acco-unting prin-ciple	Income state-ment charge	Charge to other compre-hensive income	Effect due to change in income tax rate charged directly to equity	Tax effect Group contri-bution	Book value 31.12.
Benefit (+) / Liability (-)							
Fixed assets	-4,598	-	-342	-	-	-	-4,940
Inventories	-	-	5	-	-	-	5
Receivables	4	-	2	-	-	-	6
Value changes to financial current assets	260	-	57	-	-	-	317
Retirement benefit obligations	1,755	-205	-443	383	-	-	1,490
Provisions for other liabilities and charges	129	-	-56	-	-	-	73
(Gains)/losses	-38	-	11	-	-	-	-27
Losses carried forward	31	-	448	-	-	-22	457
Other	561	-	-	-	-	-	561
Total gross temporary differences	-1,896	-205	-318	383	-	-22	-2,058
Net temporary differences	**-1,896**	**-205**	**-318**	**383**	**-**	**-22**	**-2,058**
Net deferred tax asset/liability 27%	**-512**	**-55**	**-86**	**103**	**-**	**-6**	**-556**

Deferred income tax assets	**2015**	**2014**
Deferred income tax assets to be recovered after more than 12 months	565	785
TOTAL	**565**	**785**

Deferred tax liabilities	**2015**	**2014**
Deferred income tax liabilities to be recovered after more than 12 months	-1,329	-1,340
Deferred income tax liabilities to be recovered within 12 months	-1	-1
TOTAL	**-1,330**	**-1,341**
TOTAL DEFERRED INCOME TAX LIABILITY (NET)	**-765**	**-556**

17 Payroll and related expenses

	2015	**2014**
Wages and salaries, including employment taxes	2,340	2,227
Pension costs – defined benefit plans (note 18)	47	213
Other employee benefit expenses	28	29
TOTAL	**2,415**	**2,469**

Benefits for Chief Executive Officer and key management are referred to in the note for related-party transactions (note 26).

	2015	**2014**
Average man-labour year*	3,064	3,041
Number of employees at 31st Dec.	3,509	3,468

**The calculation is based on a weighted average based on the true number of man-labour year throughout the year.*

Note 18

18 Retirement benefit obligations and similar obligations

General
The Group has pension arrangements related to age-disability- and bereaved benefits for spouses and children.
Below is a further description of type of arrangements and how these are organized.

Defined benefit pension plan
The companies in the Group have several collective pension agreements that are handled by the Norwegian Public Service Pension Fund (SPK) or insurance companies that for the Norwegian companies satisfies the demands according to the law on public pension. The arrangement covers benefits from the pension basis up to 12G and results in a age- and disablity pension of 66 % of the pension basis when fully vested. The obligations connected to these agreements covers 3,154 active members and 1,825 retirees. The retirement benefit plans entitle defined future services that mainly are dependent on the number of contribution years and wage level at the time of retirement. The pension benefits received are coordinated with the National Insurancescheme and will also be dependent on its benefits paid out.

The companies have, through tariff agreements, retirement benefit obligations in affiliation with Early Retirement Pension Regulated by Contract (AFP). Obligations through this agreement cover 3,154 active members.

The additional defined benefit pension plan agreement for top leadership is not funded and will be paid through operations.

In the tables below, employment taxes (notional numbers) are included in both gross obligations and this year's expense.

Specification of net defined benefit pension plan obligations	**2015**	**2014**
Present value of earned pension rights for funded collective pension plans	6,408	6,270
Fair value of plan assets	-5,051	-4,844
Present value of unfunded obligations	1,357	1,426
Present value of accrued pension liabilities for defined benefit plan in unfunded obligations	53	64
NET PENSION OBLIGATION ON THE BALANCE SHEET	**1,410**	**1,490**

Changes in pension retirement obligations:	**2015**	**2014**
Book value net pension obligation 1st of January	1,490	1,548
This years' actuarial deviations	48	331
This years net return on assets/increase in obligation	184	177
Net financial items in the account	32	48
Curtailments	-2	-
Payments to plan	-179	-614
Plan changes during the year	-163	-
BOOK VALUE 31ST OF DECEMBER	**1,410**	**1,490**

Pension expenses included in the accounts, defined benefit pension plan	**2015**	**2014**
Present value of current pension earnings	210	213
Employee contribution	-163	-
Total return on pension plan, incl. in payroll and related expenses – see note 17	47	213
Total financial items in the accounts	**32**	**48**
Total pension expenses defined benefit pension plan	**79**	**261**

Note 18

Sensitivity analysis with change in central assumptions
The table below shows estimates for potential effects with change in assumptions that significantly affects the defined benefit pension plans in Norway. Actual results may substantially differ from these estimates.

	Discount rate		Salary growth rate		Increase in G	
	1 %	-1 %	1 %	-1 %	1 %	-1 %
Increase (+)/decrease (-) this period's net pension expense in %	(23-25%)	21-23%	24-26%	(14-16%)	12-14%	(7-9%)
Increase (+)/decrease (-) net pension obligation at 31.12. in %	(12-14%)	16-18%	6-8%	(5-7%)	8-10%	(6-8%)

The Population is affected by a high pensioner population and high average age on participants that affects the sensitivity analysis.

The last few years' development in pension expenses and pension obligations shows the following:

	2015	2014	2013	2012	2011	2010
Income statement						
Present value of current pension earnings	47	213	233	228	178	157
Plan changes during the year	-	-	-205	-	-	-
Changes and deviations in estimates allocated to net income	-	-	-	-	25	-54
Total cost in the income statement	47	213	28	228	203	103
Total financial items in the accounts	32	48	42	-3	6	2
TOTAL FINANCIAL ITEMS IN THE ACCOUNTS	**79**	**261**	**70**	**225**	**209**	**105**
Financial position						
Total obligations	6,461	6,334	6,437	5,365	5,577	4,779
Pension assets	-5,051	-4,844	-4,889	-3,926	-3,751	-3,569
Total net pension obligations	1,410	1,490	1,548	1,439	1,826	1,210
Non-recognised actuarial losses	-	-	-	-	1 426	381
NET PENSION OBLIGATION AT THE FINANCIAL POSITION	**1,410**	**1,490**	**1,548**	**1,439**	**3 252**	**1 591**

Financial assumptions (defined benefit plans)

	2015	2014	2013	2012	2011	2010
Discount rate	2.70 %	2.80 %	3.90 %	3.80 %	2.80 %	3.80 %
Expected return on plan assets	2.70 %	2.80 %	3.90 %	3.80 %	4.00 %	4.60 %
Average salary growth	2.60 %	2.95 %	3.45 %	3.70 %	3.30 %	3.50 %
G-regulation	2.40 %	2.70 %	3.50 %	3.50 %	3.20 %	3.75 %
Corridor: % of max (PBO, pension assets)	0.00 %	0.00 %	0.00 %	0.00 %	10.00 %	10.00 %
Annual reg. of pension increases	1.65 %	1.95 %	2.75 %	2.75 %	2.45 %	3.00 %
Average social security tax	14.10 %	14.10 %	14.10 %	14.10 %	14.10 %	14.10 %

Note 18 | 19

Explanation to selected assumptions 31st of December 2015
The discount rate has been set at 2.7 % and is determined with basis in preferential bonds (OMF). The OMF-market has been assessed to represent a deep and liquid marked with relevance to maturities that qualifies to be used as a reference for interest rate according to IAS 19.

Salary adjustment for Norwegian arrangements are mainly calculated as the sum of expected nominal salary growth of 0.7 % (incl career salary increase) and inflation of 1.9 % with some individual adjustments. Regulation of pensions during disbursements mainly follows average salary growth (equivalent to G-regulation) less a fixed factor of 0.75.

For the demographic factors, the tariffs K2013 and IR 73 has been used for determination of mortality rate and disability risk.

Average remaining life expectancy for a person retiring when he/she turns 65 years old will according to K2013 be:

Male	19 years
Female	22 years

Risk evaluation of defined benefit contribution plans
The company is affected through its defined benefit contribution plans by several factors due to uncertainties in assumptions and future development. The most central factors are described as follows:

Expected longevity
The company has assumed an obligation to pay pension to the employees for as long as they live. An increase in life expectancy among members results in an increased obligation for the company.

Yield risk
The company is affected by a reduction in actual yield on the pension assets, which will cause an increase to obligations for the company.

Inflation- and salary growth risk
The company's pension obligation has risk related to both inflation and salary development, even though the salary development is close related to inflation. Higher inflation and salary development than what is used in the pension calculations, result in increased obligation for the company.

19 Trade and other payables

	2015	2014
Trade payables	180	209
Group internal trade payables	1,374	2,035
Social security and other taxes	88	96
Other current liabilities	542	782
TOTAL	**2,184**	**3,122**

The amount due to related parties is in 2014: 8 MNOK (6 MNOK).

Book value of trade and other payables corresponds to fair value.
Other current liabilities include pre-paid revenue, accrued payroll and related expenses as well as other accrued expenses.

Note 20

20 Provisions for other liabilities and charges

Provisions for other liabilities 2015	Environ-ment. Pollution	Reorgani-zation obligation	Other	Total
At 1st of January	41	29	1	71
Change in provision during the year	-	3	-	3
Used during year	-16	-7	-	-23
TOTAL	**25**	**25**	**1**	**51**

Provisions for other liabilities 2014	Environ-ment. Pollution	Reorgani-zation obligation	Other	Total
At 1st of January	52	38	1	91
Change in provision during the year	-	-	-	-
Used during year	-11	-9	-	-20
TOTAL	**41**	**29**	**1**	**71**

Analysis of total provisions:	2015	2014
Non-current liabilities	51	71

Severance – reorganization liability
In connection with formation of NSB AS the company acquired a liability to refund pay for employees who are laid off due to redundancy before 1st of January 2005. NSB was however compensated with a limited calculated amount, which is included as a reorganization obligation in other long-term debt on the balance sheet.

Work related injuries
Compensation for work related injuries which occurred during the period from 1st of January 1990, until the formation of NSB BA 1st of December 1996 are covered by the company. To account for these estimated liabilities, accruals have been made for both expectations of cases currently being handled and justifiable cases not yet reported.

Environmental pollution
As a train operator, the company has a considerable responsibility for pollution which occurs due to operations. A quantification of any known liabilities is accrued for on a continuous basis. The accrual is reversed based on actual cost as the clean-up processes. Known liabilities are quantified and a provision made in the accounts. Best estimate is used.

Polluted ground – land sold
Creosote pollution has been discovered on some occasions when selling land. When NSB BA was formed the pollution was known but not the extent. No accruals were made since NSB BA was not the polluter.

Legal disputes
NSB AS is involved in legal disputes, where some of them will be tried in court. Accruals are made for disputes where it appears to be a probable and qualified risk of losing.

Note 21 | 22 | 23

21 Depreciation, amortization and impairment

	2015	2014
Depreciation current assets (note 5)	700	784
TOTAL	**700**	**784**

22 Other expenses

	2015	2014
Sales- and overhead expenses	687	710
Energy used in operations	158	177
Repair and maintenance, machinery rental, property expenses	343	308
Other operating expenses	1,559	1,572
TOTAL	**2,747**	**2,767**
Auditing fees (excluding VAT):		
Auditing	1	1
Other services	1	1
TOTAL	**2**	**2**

23 Financial income and expenses

	2015	2014
Interest income	498	529
Dividend	31	698
Group contribution	870	22
Net foreign exchange gains	14	4
Total financial income	**1,413**	**1,253**
Interest expense	-567	-637
Other financial expenses	-16	-14
Net foreign exchange losses	-7	-5
TOTAL FINANCIAL EXPENSES	**-590**	**-656**
Net financial expenses - pensions	**-32**	**-48**
Unrealised value changes	**115**	**-51**
TOTAL FINANCIAL ITEMS	**906**	**498**

Note 24 | 25 | 26

24 Unrealised fair value changes

The table below shows unrealised value changes in assets, liabilities and derivatives valued at fair value:

	2015	2014
Unrealized value changes derivatives used for hedging	373	757
Unrealized value changes bonds	-294	-814
Unrealized value changes intercompany loans	36	6
TOTAL UNREALIZED VALUE CHANGES FINANCIAL ITEMS	**115**	**-51**

25 Leases

	2015	2014
Lease of machinery/equipment, not incl. on the balance sheet	2	2
Lease of property (external)	55	12
TOTAL	**57**	**14**

26 Related party transactions

NSB has the following related parties:

Owner
As the owner of NSB, the Ministry of Transport and Communication is a related party. In addition, other businesses owned by the Ministry of Transport and Communication will also be a related party to NSB.

Companies within the same Group
All subsidiaries, associates and joint ventures as noted in notes 2, 6 and 7 as well as other Group companies that are related parties to these companies will be a related party to NSB.

Board of Directors and key management
Persons that are key management or on the Board of Directors are also related party to NSB.

Below is an overview of transactions, balances and guarantees to related parties:

	2015	2014
Sale of goods and services:		
Public purchase of passenger traffic services	3,013	2,919
Sales of other goods and services	178	396
Sales to other companies within the Group	171	-
TOTAL	**3,362**	**3,315**
Purchases of goods and services:	177	1 417

Note 26 | 27 | 28

Intercompany balances with related parties as a result of buying and selling of goods and services:

	2015	2014
Receivables:		
Group internal trade receivables	42	31
Associated companies	1	1
Entities owned by the Ministry of Transportation	1	1
TOTAL	**44**	**33**
Debts		
Group internal trade payables	1,374	2,041
Other companies in the Group	1	1
Entities owned by the Ministry of Transportation	7	5
TOTAL	**1,382**	**2,047**
Loans to related parts		
Other companies in the Group	5,984	3 717

There are no borrowings from related parties.

Guarantees
NSB AS has guaranteed for the pension obligations in case Nettbuss AS no longer would exist, which means that the transferring agreement of 1974 can be used. The consequence is that Nettbuss AS cannot make changes in its pension without first getting approval from the Board of Directors of NSB AS.

NSB AS has issued a guarantee of 40 MSEK on behalf of its fully owned subsidiary Svenska Tågkompaniet AB for licensing to operate trains in Värmland in Sweden.

NSB AS has issued a guarantee of 150 MSEK on behalf of its fully owned subsidiary Svenska Tågkompaniet AB related to a contract with Norrtåg AB.

Compensation for members of the Board and key management
See note 32 in NSB Group report.

27 Contingencies

See note 33 in NSB Group report.

28 Events after the balance sheet date

See note 35 in NSB Group report.

Statement from the Board and CEO regarding the annual report 2015

The Board of Directors confirm that to the best of our knowledge the condensed set of Group financial statements and the financial statements for the parent company for the period 1. January 2015 to 31. December 2015 have been prepared in accordance with IFRS as determined by EU, with requirements of supplementary information in the Accounting Act, and that the information in the accounts give a true and fair view of the company's and Group's assets, liabilities, debt, financial position and profit or loss as a whole.

The Board of Directors confirm that the annual report give a true and fair view of the development, profit and position for the company and the Group, as well as a description of the most central risk- and uncertainty factors the company and the Group faces.

Oslo, 24th of February 2016

Kai Henriksen
Chairman of the Board

Bjarne Borgersen

Wenche Teigland

Kjerstin Fyllingen

Åsne Havnelid

Audun Sør-Reime

Rolf Jørgensen

Jan Audun Strand

Geir Isaksen
CEO

Auditor's report

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Translation from the original Norwegian version

To the Annual Shareholders' Meeting of Norges Statsbaner AS

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of Norges Statsbaner AS, which comprise the financial statements of the parent company and the financial statements of the group. The financial statements of the parent company and the financial statements of the group comprise an overview financial position as at 31 December 2015, and the income statement, statement of development in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Board of Directors and the Managing Director's Responsibility for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by EU, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Deloitte.

Opinion

In our opinion, the financial statements are prepared in accordance with the law and regulations and give a true and fair view of the financial position of Norges Statsbaner AS and of the group as at 31 December 2015, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by EU.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report and the statement on Corporate Governance and Corporate Social Responsibility

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors report concerning the financial statements and in the statement on Corporate Governance and Corporate Social Responsibility, the going concern assumption and the proposal for the allocation of the profit is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 24 February 2016
Deloitte AS

Aase Aa. Lundgaard
State Authorised Public Accountant (Norway)

Translation has been made for information purposes only