

Norske  
tog

# Quarterly report Q3 2020



## About Norske Tog

The purpose of the company is to **procure, own** and **manage** rolling stock, to be used mainly for the provision of rail passenger transport as a public service obligation. The company's rolling stock is to be offered on non-competitive terms. The company also has an advisory function to the Norwegian state.

Norske Tog AS is owned by the Ministry of Transport and Communications, and is a category 3 company. This means that the state ownership is based on sectoral policy, and that the company has targets for efficient operations in relation to this.

This quarterly report has not been audited.

### Highlights, 3rd quarter 2020

- The delivery of Flirt train set 74 was completed in September with no delays despite the ongoing pandemic. This train set will be used on regional services.
- Norske Tog has secured a new supplier of IT operations, and is no longer part of Vy in terms of IT operations.

### Financial indicators

Financial indicators (MNOK)	As at Q3 2020	As at Q3 2019	2019
Profit/loss from operations	227	303	392
Pre-tax profit	80	210	285
Profit/loss for the period	62	164	222
Net cash flow	174	-1,571*	-638
Working capital	259	233	1,232
Equity	3,127	2,998	3,065
Equity ratio	26.8%	24.0%	22.5%
Return on equity**	2.1%	7.7%	7.8%

\* The negative net cash flow is due to an advance payment on trains and the repayment of loans as of the third quarter. The lending facility which was taken on during Q4 2018 was used to repay debt due for payment during the first and second quarters of 2019

\*\* Return on book equity is for the last 12 months

## Economic development in Norske tog

For the 3rd quarter of 2020, Norske Tog has a net profit after tax of MNOK 40 (MNOK 57). Compared with the same period last year, this is a decrease of MNOK 17, which is primarily due to higher depreciation (MNOK 5), lower revenues (MNOK 5) and somewhat higher costs.

The result gives a rolling 12-month return on book equity of 2.1 per cent. In the long-term, the goal is to deliver a rolling 12-month return of 5 per cent.

The main reason for the slightly lower return during this period is that Norske Tog is expending significant resources on future train procurements. Norske Tog is helping to boost the railway sector by means of these investments. Norske Tog's annual return will fluctuate in line with the scale of planned investment projects.

Revenue growth is expected in the coming years from deliveries of new Flirt trains. These will replace old vehicles.

### Change in financial indicators Q3 2019 to Q3 2020

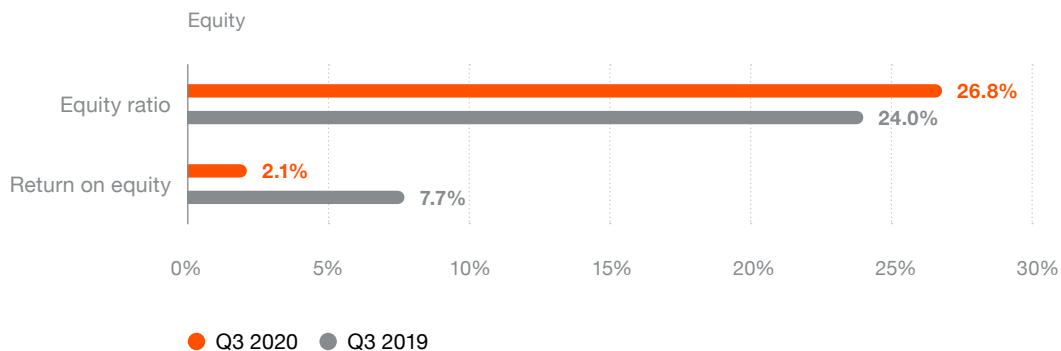
Sales analysis

	Q3 2020	Q3 2019
Leasing income	309	314
Other operating income	0	0

Leasing income decreased by MNOK 5 compared to the third quarter of 2019. The main reason for reduced leasing income is twofold:

Firstly, the book value of the trains was reduced due to monthly depreciation. This is due to income being calculated from the book value of the trains. The average ages of vehicles is increasing, and there are higher operating costs associated with older vehicles. This entails higher levels of maintenance on older vehicles without significant lease income.

Secondly, during the spring and summer of 2019 there was a stoppage of several months' duration in deliveries of the new Flirt trains. This stoppage was in accordance with the contract in place.



The equity ratio for Norske Tog increased from 24.0 per cent in the third quarter of 2019 to 26.8 per cent in the third quarter of 2020. This is mainly due to the repayment of loans in CHF in February 2020, which were recognised at fair value and so reduced outstanding debt.

### Financing

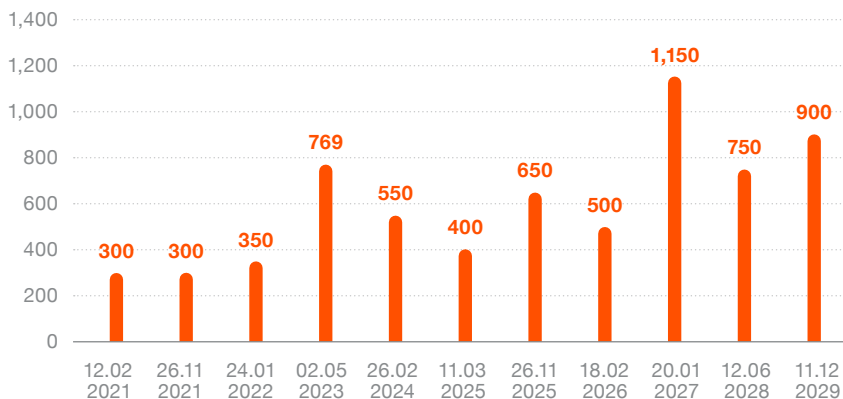
Norske Tog has good creditworthiness. Standard & Poor’s has given the company a credit rating for long-term borrowing of A+ (stable).

The company borrows through the Euro Medium Term Note (EMTN) programme. The EMTN-programme does not include any financial requirements, but there is an ownership clause stipulating that the state must own 100 per cent of Norske Tog.

As at 30.09.2020, the company has bond loans for MNOK 300 maturing over the next 12 months. The company plans to refinance this amount in 2021.

### Noncurrent liabilities

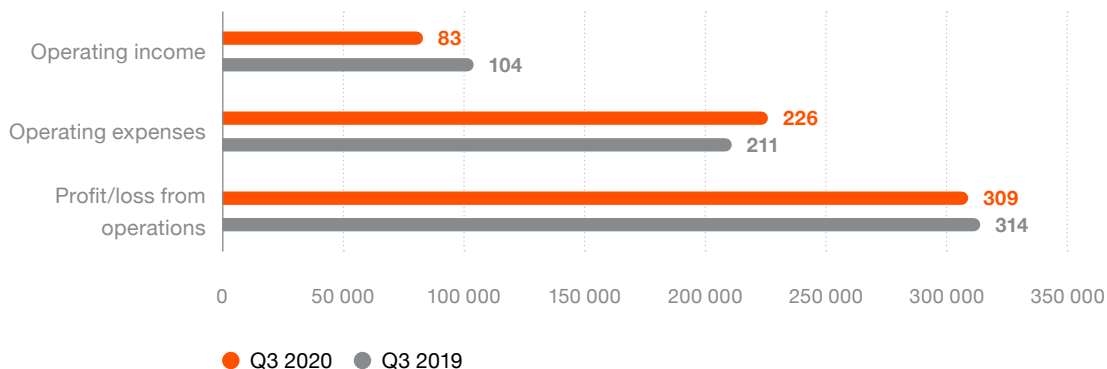
Amounts outstanding in MNOK



**Profit/loss**

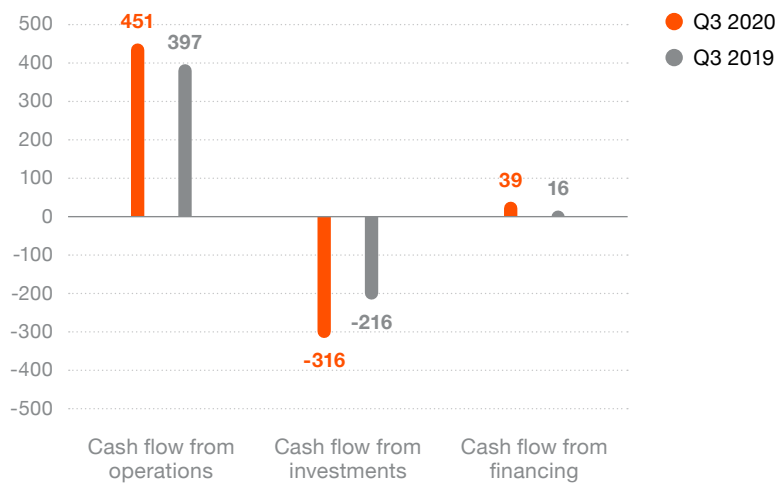
**Profit/loss, 3rd quarter**

All figures in MNOK



**Cash flow**

**Cash flow, 3rd quarter**



Net cash flow from operations is MNOK 451 (397). Net cash flows used for investments total MNOK 316 (216), with the funds mainly used to purchase new trains.

# Risk

## Financial risk

The company's overall risk management plan focuses on the unpredictability of the capital markets and seeks to minimise the potential negative impact on the company's financial performance. The company uses financial derivatives to hedge against changes in interest and exchange rates.

Norske Tog takes out loans in the markets and currencies that provide the most favourable conditions overall. Loans in foreign currency are converted to NOK through combined interest rate and currency swaps to minimise currency risk in financial management. If agreements for major purchases are entered into in foreign currencies, the currency risk is hedged over the term of the agreement.

The average age of vehicles is increasing. There are higher operating costs associated with older vehicles. This entails higher levels of maintenance on older vehicles without significant lease income.

Norske Tog is exposed to interest rate changes. The company uses interest rate swaps to reduce interest rate risk and to achieve the desired interest structure for the debt. Changes in interest rates during the second quarter due to the ongoing Covid-19 pandemic have thus had little effect on average rates of interest for the company.

According to its objectives, borrowing requirements in the next 12-month period should be covered through free cash flow and established credit facilities.

Norske Tog has developed a framework for issuing green bonds. In 2020, the company will produce a detailed report on the green investment projects to be financed and the actual environmental and climate impact of these.

Infection prevention measures implemented by the authorities by means of recommendations not to travel on public transport have resulted in reduced revenues for the operators. Rescue packages from the state have contributed to Norske Tog still receiving lease income. In the event that any operators encounter financial difficulties due to ongoing low passenger numbers, there is a risk that Norske Tog will lose revenue.

## Operational risk

Systematic analyses of operational risk and any economic consequences are carried out. Based on the risk analyses, control activities have been established to reduce identified risks, including automated controls and audits and extended follow-up analyses related to specific risk areas.





## Significant events

In September, Norske Tog received the last of a total of 40 Flirt type 74 train sets from Stadler. Type 74 sets are used on regional services. This train set was delivered according to schedule despite the ongoing pandemic. There are a further 25 Flirt train set deliveries outstanding. 14 of these are of the T76 type which can operate using both electricity and diesel. These are due to be used on the Trønder Line, the Meråker Line and the Røros Line.

During the third quarter, Norske Tog finalised its IT transition to a new operating supplier. This was the final stage in the process to separate Norske Tog's IT systems from Vy, and there are no remaining dependencies between the companies.

## Outlook

In 2021, Norske Tog plans to launch a competition to procure new long-distance trains that will operate on the Dovre Line, the Sørland Line, the Bergen Line and the Nordland Line, and which may eventually be used on regional services and services to Sweden. These new trains will replace the current long-distance trains which are approaching the end of their technical life expectancy, and they will enhance the provision of rail services in line with the Norwegian Railway Directorate's passenger growth forecast. The first delivery of new long-distance trains is likely to take place in 2025. The first eight long-distance trains are due to enter operation on the Bergen Line. The new long-distance trains will replace the current type 7 rolling stock, which are now 40 years old.

As part of the work relating to the new long-distance trains, the Norwegian Railway Directorate published a concept selection assessment relating to new long-distance trains during the third quarter. In this assessment, the Norwegian Railway Directorate recommends that new trains should be procured to provide long-distance services between the Norwegian regions. The Directorate recommends that half of the current trains are replaced by new ones over the course of five years. The Directorate also believes that all long-distance rolling stock should be replaced over the course ten years.

### Events after the closing date

There have been no significant events after the closing date beyond those discussed in this report.



## Conclusion

This quarterly report has been prepared in accordance with the requirements in IAS 34 Interim Financial Reporting.

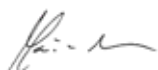
In the best judgement of the Board of Directors and the CEO, the report reflects significant transactions conducted with related parties in the current period and the most important risk factors facing the business in the coming period.

In the best judgement of the Board of Directors and the CEO, the financial statements for the third quarter of 2020 have been prepared in accordance with applicable accounting standards, and the information in the financial statements gives a accurate picture of the company's assets, liabilities and financial position and overall results at the end of the period, as well as a fair overview of important events during the reporting period and their influence on the financial statements. The financial statements for the third quarter have not been audited by the company's auditor.

Oslo, 24 November 2020



Annette Malm Justad  
Chair of the Board



Marianne Abeler  
Board Member



Espen Opedal  
Board Member



Vidar Larsen  
Board Member



Øystein Risan  
CEO

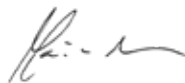
# Income Statement

All numbers in TNOK	Notes	3 <sup>rd</sup> quarter 2020	3 <sup>rd</sup> quarter 2019	Year to date 2020	Year to date 2019	Year 2019	Last 12 months
<b>Operating revenue</b>	2	309,020	314,116	922,996	942,391	1,256,002	1,236,607
Payroll and related expenses		9,604	9,110	33,587	29,857	51,034	54,764
Depreciation and impairment		180,019	174,570	535,233	527,506	702,417	710,144
Other operating expenses		36,750	26,864	126,929	81,968	110,775	155,736
<b>Total operating expenses</b>		<b>226,373</b>	<b>210,544</b>	<b>695,749</b>	<b>639,331</b>	<b>864,226</b>	<b>920,644</b>
<b>Operating profit</b>		<b>82,647</b>	<b>103,572</b>	<b>227,247</b>	<b>303,060</b>	<b>391,776</b>	<b>315,963</b>
<b>Financial posts</b>							
Financial income		23,460	40,163	84,300	118,533	138,144	103,911
Financial expenses		-55,282	-73,567	-189,285	-221,401	-278,667	-246,551
Net financial expenses - pensions		-	-	-	-	-900	-900
Unrealised fair value changes	1	984	3,032	-42,641	9,772	34,163	-18,250
<b>Net financial items</b>		<b>-30,838</b>	<b>-30,372</b>	<b>-147,626</b>	<b>-93,096</b>	<b>-107,260</b>	<b>-161,790</b>
<b>Profit before income tax</b>		<b>51,809</b>	<b>73,200</b>	<b>79,620</b>	<b>209,964</b>	<b>284,518</b>	<b>154,174</b>
Income tax expense		11,398	16,104	17,516	46,192	62,636	33,960
<b>Profit for the period</b>		<b>40,411</b>	<b>57,096</b>	<b>62,104</b>	<b>163,772</b>	<b>221,882</b>	<b>120,214</b>
Attributable to							
Equity holders		40,411	57,096	62,104	163,772	221,882	120,214
<b>Other comprehensive income</b>							
Profit for the year		40,411	57,096	62,104	163,772	221,882	120,214
<b>Items that will not be reclassified to profit or loss</b>							
Deviation retirement benefit obligations		-	-	-	-	10,646	10,646
Tax related to items that will not be reclassified		-	-	-	-	-2,342	-2,342
<b>Total comprehensive income for the period</b>		<b>40,411</b>	<b>57,096</b>	<b>62,104</b>	<b>163,772</b>	<b>230,186</b>	<b>128,518</b>
Attributable to							
Equity holders		40,411	57,096	62,104	163,772	230,186	128,518

## Overview financial position

All numbers in TNOK	Notes	30.09.2020	31.09.2020	31.12.2019
<b>Assets</b>				
Property, plant and equipment	3	10,747,093	10,375,540	10,608,420
<b>Total non-current assets</b>		<b>10,747,093</b>	<b>10,375,540</b>	<b>10,608,420</b>
Trade and other receivables		15,379	2,675	32,096
Derivative financial assets		579,033	1,294,998	1,235,475
Cash and bank deposits		315,983	800,980	1,733,834
<b>Total current assets</b>		<b>910,395</b>	<b>2,098,653</b>	<b>3,001,405</b>
<b>Total assets</b>		<b>11,657,488</b>	<b>12,474,193</b>	<b>13,609,825</b>
<b>Equity and liabilities</b>				
Ordinary shares and share premium		2,400,000	2,400,000	2,400,000
Retained earnings		726,888	598,369	664,784
<b>Total equity</b>		<b>3,126,888</b>	<b>2,998,369</b>	<b>3,064,784</b>
Borrowings	4	7,069,481	6,855,390	7,196,235
Deferred tax obligation		742,632	706,329	725,115
Retirement benefit obligations		27,774	31,079	29,130
Other accruals		39,695	8,729	8,420
<b>Total long term liabilities</b>		<b>7,879,582</b>	<b>7,601,527</b>	<b>7,958,900</b>
Trade and other payables		160,337	227,515	47,609
Borrowings	4	448,649	1,641,460	2,530,792
Derivative financial instruments		42,032	5,323	7,739
<b>Total short term liabilities</b>		<b>651,018</b>	<b>1,874,297</b>	<b>2,586,140</b>
<b>Total equity and liabilities</b>		<b>11,657,488</b>	<b>12,474,193</b>	<b>13,609,825</b>

Oslo, 24. November 2020


Annette Malm Justad  
Chair of the Board

Marianne Abeler  
Board Member

Espen Opedal  
Board Member

Vidar Larsen  
Board Member

Øystein Risan  
CEO

## Cash flow statement

All numbers in TNOK	3 <sup>rd</sup> quarter 2020	3 <sup>rd</sup> quarter 2019	Year to date 2020	Year to date 2019	Year 2019
Profit for the period before income tax expense	51,809	73,200	79,621	209,964	284,518
Net financial items	-4,890	6,119	141,509	170,015	107,260
Depreciation and impairment in the income statement	180,019	174,570	535,233	527,506	702,417
Net changes to obligations and retirement benefit oblig.	-455	-376	-1,356	-1,217	6,580
Changes to working capital	224,740	143,903	160,720	84,768	-124,868
<b>Net cash flow from operating activities</b>	<b>451,223</b>	<b>397,416</b>	<b>915,727</b>	<b>991,036</b>	<b>975,907</b>
Purchase of PPE	-316,189	-215,624	-673,907	-1,008,429	-1,416,220
<b>Net cash flow from investment activities</b>	<b>-316,189</b>	<b>-215,624</b>	<b>-673,907</b>	<b>-1,008,429</b>	<b>-1,416,220</b>
Interest paid on borrowings	-2,816	-19,299	-243,063	-271,443	-303,324
Interest income	7,707	13,181	101,554	101,429	117,869
Other financial items	33,735	22,306	-707	-83,777	-12,389
Proceeds from borrowings	-	-	-	-	1,300,000
Repayment of borrowings	-	-	-1,517,500	-1,300,000	-1,300,000
<b>Net cash flow from financial activities</b>	<b>38,626</b>	<b>16,188</b>	<b>-1,659,716</b>	<b>-1,553,791</b>	<b>-197,844</b>
<b>Net change in cash and bank deposits for the period</b>	<b>173,660</b>	<b>197,981</b>	<b>-1,417,896</b>	<b>-1,571,184</b>	<b>-638,157</b>
Cash and bank deposits as at the beginning of the period	141,980	602,939	1,733,834	2,372,091	2,372,091
Foreign exchange gain/loss on cash and bank deposits	343	61	46	73	-100
<b>Cash and bank deposits as at the end of the period</b>	<b>315,983</b>	<b>800,980</b>	<b>315,983</b>	<b>800,980</b>	<b>1,733,834</b>

\* This line shows the change in trade and other receivables as well as changes in accounts payable and other current liabilities (adjusted for changes in current and long term liabilities arising from IFRS 16 Leases).

Financial items have been deducted from operating activities in 2020. The same has been done for the 3<sup>rd</sup> quarter in 2019 for comparison purposes.

## Development in equity

<b>30.09.2020 (All numbers in TNOK)</b>	<b>Ordinary shares</b>	<b>Share premium</b>	<b>Retained earnings</b>	<b>Total</b>
Equity 1 <sup>st</sup> of January 2020	100,000	2,300,000	664,784	3,064,784
Profit for the year	-	-	62,104	62,104
From other comprehensive income	-	-	-	-
<b>Equity 30<sup>th</sup> of September 2020</b>	<b>100,000</b>	<b>2,300,000</b>	<b>726,888</b>	<b>3,126,887</b>

<b>30.09.2019 (All numbers in TNOK)</b>	<b>Ordinary shares</b>	<b>Share premium</b>	<b>Retained earnings</b>	<b>Total</b>
Equity 1 <sup>st</sup> of January 2019	100,000	2,300,000	434,598	2,834,598
Profit for the year	-	-	163,772	163,772
From other comprehensive income	-	-	-	-
<b>Equity 30<sup>th</sup> of September 2019</b>	<b>100,000</b>	<b>2,300,000</b>	<b>598,370</b>	<b>2,998,370</b>

<b>2019 (All numbers in TNOK)</b>	<b>Ordinary shares</b>	<b>Share premium</b>	<b>Retained earnings</b>	<b>Total</b>
Equity 1 <sup>st</sup> of January 2019	100,000	2,300,000	434,599	2,834,599
Profit for the year	-	-	221,882	221,882
From other comprehensive income	-	-	8,303	8,303
<b>Equity 31<sup>st</sup> of December 2019</b>	<b>100,000</b>	<b>2,300,000</b>	<b>664,784</b>	<b>3,064,784</b>

# Notes – reporting information

## **Policies and accounting principles**

The financial statements for Norske Tog AS have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations from the IFRS Interpretation Committee (IFRIC) as adopted by the EU.

The financial statements have been prepared on the historical cost principle, except for financial derivatives and some financial assets and liabilities which are measured at fair value.

The company has noncurrent liabilities, financial derivatives and some financial assets recognised at fair value. The calculation of fair value uses estimates based mainly on observable prices which can change over time. Changed assumptions will result in changes in

recognised values with the differences reported through profit/loss.

The interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. The interim financial statements must be viewed in conjunction with the company's most recent annual report, which contains a full description of the company's accounting principles.

The tax expenses for the period are based on the nominal tax rate in Norway. Accounting principles applied for 2020 are consistent with the accounting principles used for the financial statements in 2019.

## **Measurement of fair value**

The company measures several financial

assets and liabilities at fair value. For the classification of fair value, the company uses a system which reflects the significance of the input used to make the measurements, broken down as follows:

### **Level 1**

Fair value is measured using quoted prices from active markets for identical assets or liabilities.

### **Level 2**

Fair value is determined from input based on other observable factors, either direct (price) or indirect (derived from prices), than the quoted price (used in level 1) for the asset or liability.

### **Level 3**

Fair value is measured using input which is not based on observable market data.



## 1. Unrealised changes in value

The breakdown of unrealized changes in the value of assets, liabilities and derivatives measured at fair value is shown below.

Unrealised fair value changes	3 <sup>rd</sup> quarter 2020	3 <sup>rd</sup> quarter 2019	Year to date 2020	Year to date 2019	31.12.2019
Unrealised value changes derivatives used for hedging	1,966	162,530	-659,049	103,333	35,341
Unrealised value changes bonds	-983	-159,498	616,407	-93,561	-1,177
<b>Total unrealised value changes financial items</b>	<b>983</b>	<b>3,032</b>	<b>-42,642</b>	<b>9,772</b>	<b>34,164</b>

## 2. Sales analysis by category

Norske tog AS has only one operating segment – leasing of trains.

Analysis of operating income by category	3 <sup>rd</sup> quarter 2020	3 <sup>rd</sup> quarter 2019	Year to date 2020	Year to date 2019	Year 2019	Last 12 months
Leasing revenue	309,020	313,999	922,213	941,997	1,255,228	1,235,444
Other revenue	-	117	783	394	774	1,163
<b>Total</b>	<b>309,020</b>	<b>314,116</b>	<b>922,996</b>	<b>942,391</b>	<b>1,256,002</b>	<b>1,236,607</b>

### Information on key customers

The company has three customers for leasing of passenger rolling stock; Vy AS, Go-Ahead AS and SJ AS, which accounts for 100 per cent of the leasing income.

### 3. Property, plant and equipment

	Machinery and equipm.	Transportation	Partially delivered trains	Under construction	Right-to-use other assets	Total
<b>At 1<sup>st</sup> of January 2020</b>						
Accumulated acquisition cost	47,880	11,730,461	978,076	15,373	10,824	12,782,614
Accumulated depreciation	-41,867	-2,131,031	-	-	-1,296	-2 174,194
<b>Total</b>	<b>6,013</b>	<b>9,599,430</b>	<b>978,076</b>	<b>15,373</b>	<b>9,528</b>	<b>10,608,420</b>

<b>3<sup>rd</sup> quarter 2020</b>						
Opening net book value	6,013	9,599,430	978,076	15,373	9,528	10,608,420
Additions	-	-	229,263	408,703	35,940	673,907
Transfers within PPE	182	729,237	-376,529	-352,889	-	-
Depreciations	-1,291	-531,173	-	-	-2,769	-535,233
<b>Total</b>	<b>4,904</b>	<b>9,797,493</b>	<b>830,810</b>	<b>71,187</b>	<b>42,699</b>	<b>10,747,093</b>

<b>At 30<sup>th</sup> of September 2020</b>						
Accumulated acquisition cost	48,062	12,459,698	830,810	71,187	46,764	13,456,520
Accumulated depreciation	-43,158	-2,662,204	-	-	-4,065	-2,709,427
<b>Total</b>	<b>4,904</b>	<b>9,797,493</b>	<b>830,810</b>	<b>71,187</b>	<b>42,699</b>	<b>10,747,093</b>

	Machinery and equipm.	Transportation	Partially delivered trains	Under construction	Right-to-use other assets	Total
<b>At 1<sup>st</sup> of January 2019</b>						
Accumulated acquisition cost	46,693	10,803,140	480,053	15,287	-	11,345,173
Accumulated depreciation	-36,385	-1,424,995	-	-	-	-1,461,380
<b>Total</b>	<b>10,308</b>	<b>9,378,145</b>	<b>480,053</b>	<b>15,287</b>	<b>-</b>	<b>9,883,793</b>

<b>3<sup>rd</sup> quarter 2019</b>						
Opening net book value	10,308	9,378,145	480,053	15,287	-	9,883,793
Implementation effect IFRS 16	-	-	-	-	10,824	10,824
Additions	-	-	771,641	236,788	-	1,008,429
Transfers within PPE	713	462,943	-249,434	-214,221	-	-
Depreciations	-4,913	-521,622	-	-	-972	-527,506
<b>Total</b>	<b>6,108</b>	<b>9,319,466</b>	<b>1,002,260</b>	<b>37,853</b>	<b>9,852</b>	<b>10,375,540</b>

<b>At 30<sup>th</sup> of September 2019</b>						
Accumulated acquisition cost	47,406	11,266,083	1,002,260	37,853	10,824	12,364,426
Accumulated depreciation	-41,298	-1,946,617	-	-	-972	-1,988,887
<b>Total</b>	<b>6,108</b>	<b>9,319,466</b>	<b>1,002,260</b>	<b>37,853</b>	<b>9,852</b>	<b>10,375,540</b>

	<b>Machinery and equipm.</b>	<b>Transportation</b>	<b>Partially delivered trains</b>	<b>Under construction</b>	<b>Right-to-use other assets</b>	<b>Total</b>
<b>At 1<sup>st</sup> of January 2019</b>						
Accumulated acquisition cost	46,693	10,803,140	480,053	15,287	-	11,345,173
Accumulated depreciation	-36,385	-1,424,995	-	-	-	-1,461,380
<b>Total</b>	<b>10,308</b>	<b>9,378,145</b>	<b>480,053</b>	<b>15,287</b>	<b>-</b>	<b>9,883,793</b>
<b>Annual accounts 2019</b>						
Opening net book value	10,308	9,378,145	480,053	15,287	-	9,883,793
Implementation effect IFRS 16	-	-	-	-	10,824	10,824
Additions	-	-	960,198	456,022	-	1,416,220
Transfers within PPE	1,187	916,924	-462,175	-455,936	-	-
Depreciations	-5,482	-695,639	-	-	-1,296	-702,417
<b>Total</b>	<b>6,013</b>	<b>9,599,430</b>	<b>978,076</b>	<b>15,373</b>	<b>9,528</b>	<b>10,608,420</b>
<b>At 31<sup>st</sup> of December 2019</b>						
Accumulated acquisition cost	47,880	11,720,064	978,076	15,373	10,824	12,772,217
Accumulated depreciation	-41,867	-2,120,634	-	-	-1,296	-2,163,797
<b>Total</b>	<b>6,013</b>	<b>9,599,430</b>	<b>978,076</b>	<b>15,373</b>	<b>9,528</b>	<b>10,608,420</b>

## 4. Financial instruments

### Measurement of fair value

A comparison of the recognized values and the fair value of the company's interest-bearing debt is given below:

<b>Interest bearing debt – long term</b>	<b>30.09.2020</b>	<b>30.09.2019</b>	<b>31.12.2019</b>
Bonds measured at fair value	1,526,105	2,362,014	1,352,859
Bonds measured at amortized cost	5,543,376	4,493,376	5,843,376
<b>Total interest bearing debt – long term</b>	<b>7,069,481</b>	<b>6,855,390</b>	<b>7,196,235</b>
<b>Interest bearing debt – short term</b>	<b>30.09.2020</b>	<b>30.09.2019</b>	<b>31.12.2019</b>
Bonds measured at fair value	448,649	1,641,460	2,530,792
Bonds measured at amortized cost	-	-	-
<b>Total interest bearing debt – short term</b>	<b>448,649</b>	<b>2,287,661</b>	<b>2,530,792</b>
<b>Total interest bearing debt</b>	<b>7,576,652</b>	<b>8,981,138</b>	<b>9,727,027</b>
<b>Nominal values</b>	<b>30.09.2020</b>	<b>30.09.2019</b>	<b>31.12.2019</b>
Bonds measured at fair value	768,750	2,336,250	2,286,250
Bonds measured at amortized cost	5,843,376	4,493,376	5,843,376
<b>Total interest bearing debt – nominal values</b>	<b>6,612,126</b>	<b>6,829,626</b>	<b>8,129,626</b>

<b>Financial assets and liabilities at fair value through profit or loss as at 30<sup>th</sup> of September 2020:</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Derivatives	-	579,033	-	579,033
<b>Total assets</b>	-	<b>579,033</b>	-	<b>579,033</b>
Borrowings and accrued interest	-	1,569,010	-	1,569,010
Derivatives	-	42,032	-	42,032
<b>Total liabilities</b>	-	<b>1,611,042</b>	-	<b>1,611,042</b>

<b>Financial assets and liabilities at fair value through profit or loss as at 30<sup>th</sup> of September 2019:</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Derivatives	-	1,294,998	-	1,294,998
<b>Total assets</b>	-	<b>1,294,998</b>	-	<b>1,294,998</b>
Borrowings and accrued interest	-	3,925,377	-	3,925,377
Derivatives	-	5,323	-	5,323
<b>Total liabilities</b>	-	<b>3,930,700</b>	-	<b>3,930,700</b>

<b>Financial assets and liabilities at fair value through profit or loss as at 31<sup>st</sup> of December 2019:</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Derivatives	-	1,235,475	-	1,235,475
<b>Total assets</b>	-	<b>1,235,475</b>	-	<b>1,235,475</b>
Borrowings and accrued interest	-	3,803,926	-	3,803,926
Derivatives	-	7,739	-	7,739
<b>Total liabilities</b>	-	<b>3,811,665</b>	-	<b>3,811,665</b>

At 30. September, the fair value of bonds issued at amortised cost is 5 843 MNOK (30. September 2019: 4 493 MNOK).

All existing bond loan issues have been taken out under the Euro Medium Term Note (EMTN) programme. The EMTN programme does not include any financial covenants, but has an optional ownership clause stipulating that the State should own 100 per cent of Norske Tog AS. All bond loans are classified at level 2.

The fair value of the credit margin on bond loans is based on market observations from banks and the pricing/valuation of the bonds in the secondary market.

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