

## **Interim Report 2<sup>nd</sup> quarter 2008**

### **Nordea Bank Norge Group**

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*Nordea Bank Norge is part of the Nordea Group. Nordea's vision is to be the leading Nordic bank, acknowledged for its people, creating superior value for customers and shareholders. We are making it possible for our customers to reach their goals by providing a wide range of products, services and solutions within banking, asset management and insurance. Nordea has around 10 million customers, approx. 1,300 branch offices and a leading netbanking position with 4.9 million e-customers. The Nordea share is listed on the OMX Nordic Exchange in Stockholm, Helsinki and Copenhagen.*

[www.nordea.com](http://www.nordea.com)

## Key figures

### Income statement

	Jan-Jun 2008	Jan-Jun 2007	Change %	Q2 2008	Q2 2007	Change %	Q1 2008	Change %
NOKm								
Net interest income	3,563	2,927	22	1,807	1,540	17	1,756	3
Net fee and commission income	696	838	-17	364	455	-20	332	10
Net gains/losses on items at fair value	417	196	113	467	86	443	-50	1,034
Equity method	-9	27	-133	34	10	240	-43	179
Other income	197	31	535	109	14	679	88	24
<b>Total operating income</b>	<b>4,864</b>	<b>4,019</b>	<b>21</b>	<b>2,781</b>	<b>2,105</b>	<b>32</b>	<b>2,083</b>	<b>34</b>
Staff costs	-1,344	-1,318	2	-657	-670	-2	-687	-4
Other expenses	-857	-884	-3	-419	-439	-5	-438	-4
Depreciation of tangible and intangible assets	-55	-50	10	-30	-25	20	-25	20
<b>Total operating expenses</b>	<b>-2,256</b>	<b>-2,252</b>	<b>0</b>	<b>-1,106</b>	<b>-1,134</b>	<b>-2</b>	<b>-1,150</b>	<b>-4</b>
<b>Profit before loan losses</b>	<b>2,608</b>	<b>1,767</b>	<b>48</b>	<b>1,675</b>	<b>971</b>	<b>73</b>	<b>933</b>	<b>80</b>
Loan losses	-43	5		7	-16		-50	
Disposals of tangible and intangible assets	0	9		0	3		0	
<b>Operating profit</b>	<b>2,565</b>	<b>1,781</b>	<b>44</b>	<b>1,682</b>	<b>958</b>	<b>76</b>	<b>883</b>	<b>90</b>
Income tax expense	-701	-441	59	-445	-219	103	-256	74
<b>Net profit for the period</b>	<b>1,864</b>	<b>1,340</b>	<b>39</b>	<b>1,237</b>	<b>739</b>	<b>67</b>	<b>627</b>	<b>97</b>

### Business volumes, key items

	30 Jun 2008	30 Jun 2007	Change %	31 Mar 2008	Change %
NOKbn					
Loans and receivables to the public	394.3	337.9	17	370.8	6
Deposits and borrowings from the public	206.5	203.6	1	213.1	-3
of which savings deposits	55.1	51.4	7	58.4	-6
Equity	24.6	21.3	15	23.4	5
Total assets	491.1	420.4	17	443.8	11

### Ratios and key figures

	Jan-Jun 2008	Jan-Jun 2007	Q2 2008	Q2 2007	Q1 2008
Earnings per share (EPS), NOK	3.38	2.43	2.24	1.34	1.14
EPS, rolling 12 months up to period end, NOK	6.09	5.31	6.09	5.31	5.19
Equity per share <sup>1,3</sup> , NOK	44.68	38.61	44.68	38.61	42.46
Shares outstanding <sup>1,3</sup> , million	551	551	551	551	551
Return on equity, %	15.8	12.9	20.6	14.1	10.9
Cost/income ratio, %	46	56	40	54	55
Tier 1 capital ratio <sup>1,2</sup> , %	7.0	6.6	7.0	6.6	7.0
Total capital ratio <sup>1,2</sup> , %	9.1	8.8	9.1	8.8	9.3
Tier 1 capital <sup>1,2</sup> , NOKm	23,282	20,168	23,282	20,168	21,298
Risk-weighted amounts <sup>1,2</sup> , NOKbn	334	305	334	305	314
Number of employees (full-time equivalents) <sup>1</sup>	3,347	3,231	3,347	3,231	3,331

<sup>1</sup> End of period.

<sup>2</sup> Including the result for the six first months. Figures for Q2 2007 has been adjusted compared to previous reporting and is presented according to Basel II. According to Norwegian FSA rules (excluding the unaudited result for the period): Tier 1 capital NOK 21,418m (30 June 2007: NOK 18,828m), capital base NOK 28,545m (30 June 2007: NOK 25,480m), Tier 1 capital ratio 6.4% (30 June 2007: 6.2%), total capital ratio 8.5% (30 June 2007: 8.4%).

<sup>3</sup> See note 7.

Throughout this report, "Nordea Bank Norge" and "NBN" refer to the parent company Nordea Bank Norge ASA, business identity code 911 044 110, with its subsidiaries. The registered office of the company is in Oslo. Nordea Bank Norge ASA is a wholly owned subsidiary of Nordea Bank AB (publ), the listed parent company of the whole Nordea Group. The business operations of the Nordea Group have been organised in the following business areas, all of which operate across national boundaries: Nordic Banking, Institutional & International Banking and Capital Markets & Savings. In addition the Nordea Group has the following group functions: People & Identity, Banking Products & Group Operations, Group Corporate Center and Group Credit & Risk Control.

The consolidated interim report of Nordea Bank AB (publ) embraces all the activities of the Nordea Group and provides the most complete and fair view. This statutory interim report covers the operations of the legal entity Nordea Bank Norge ASA with its subsidiaries.

## Nordea Bank Norge Group

### Result summary first half year 2008

The strong revenue growth and high business activity in the customer areas Nordic Banking and Institutional and International Banking continued in the first half year of 2008. Total income and profit before loan losses were maintained at high levels for the Nordea Group, despite negative impact from volatile and weakened financial markets.

All Nordea's growth initiatives are developing according to plan. The strong growth in net interest income continued. This was supported by positive trends in lending particularly in the corporate segment. Income growth is driven by volume growth in combination with increased lending margins to corporate customers as well as a continued high activity level in the customer-driven capital markets operations.

At the same time, the weak equity markets have resulted in declining net fee and commission income and the increased interest rate levels in the money markets have negatively impacted the result in Nordea's Treasury operations.

Total income the first half year of 2008 increased by 21% to NOK 4,864m compared to the same period in 2007. The increase in total income the first half year of 2008 underlines Nordea's resilience in volatile markets and also shows the strength of the customer operations with the large and broad customer base and the strength in the organic growth strategy. Total expenses were stable compared to the first six months last year. Operating profit was NOK 2,565m, an increase of 44% compared to the same period in 2007. The credit quality of the loan portfolio remains strong, shown by a minor increase in impaired loans and loan losses of NOK 43m compared to positive loan losses of NOK 5m first half year of 2007. Net profit before loan losses was NOK 2,608m, up 48% from same period last year. Net profit amounted to NOK 1,864m, corresponding to a return on equity of 15.8%. The cost/income ratio was 46%. The negative impact on the result specifically from the credit market turmoil has continued to be limited.

#### **Income**

The first half year of 2008 was characterised by continued lending volume growth. Total income increased by 21% to NOK 4,864m. Lending margins have stabilised on a higher level compared to last year, while deposit margins have been reduced slightly in corporate segments, but increased on household deposits the last twelve months.

There has been continuously high activity and growth in underlying business the first six months of 2008. Gross interest income increased by 39% and gross interest expenses went up by 46%. Net interest income increased by 22% compared to the first half year of 2007. The

growth is a combination of higher lending volumes and increased lending margins that more than compensated the lower deposit margins in corporate the last twelve months. Total lending to the public increased by 17% the last year to NOK 394bn at end of June 2008. Deposits increased by 1% to NOK 207bn at end of this period. The fierce competition on saving bank accounts has had a negative effect this quarter. The shift in the pricing of risk gives opportunities for higher margins in all markets. In the corporate segment, lending margins have increased, reflecting changed market conditions, higher funding cost and normalising pricing of risk.

Deposit margins are down in corporate segments compared to same period last year, however margins in household deposits increased. The income side in 2007 was strongly influenced by the frequent increases of interest rate from the Central Bank. In 2007, the Central Bank raised the interest rate seven times; while so far in 2008 there have been two raises of a total 50 basis points to 5.75%, both in second quarter. Combined with the requirement that all private customers shall have six weeks notice before change of interest, these changes have had a temporarily negative effect on lending margins in particular, affecting the first half year of 2007 more than the same period in 2008. However, the increase in June will also affect the third quarter margins on household lending due to the time lag effect described above.

Net commission income decreased by NOK 142m, or 17% to NOK 696m mainly due to reduced income in all areas, combined with increased provision expense related to cards.

Net gains/losses on items at fair value increased by 113% to NOK 417m mainly related to increased gains on interest related products as well as reversal of previous recognised unrealised losses in Treasury and positive fair value adjustments on interest related products in Treasury and Markets. Net gain from FX related products decreased by 2% to NOK 127m, while the equity market was still weak and contributed with NOK 143m compared to NOK 161m the same period last year, including reclassification of received dividends as commented in Note 1 Accounting Principles.

The loss from equity method on associated companies was NOK -9m.

Other income increased from NOK 31m to NOK 197m compared with last year. The increase is mainly due to booked income of NOK 167,5m related to the case against Ernst & Young auditors regarding compensation for the loss of NOK 200m in connection with Sponsorservice AS. The case was closed in second quarter and the final result from Borgarting Lagmannsrett which ended at NOK 134m plus interest, has been recognised completely in 2008.

### **Expenses**

Total expenses were stable at NOK 2,256m compared to the same period in 2007. Staff cost increased by 2% to NOK 1,344m. The increase is due to higher number of FTEs combined with ordinary wage increases, combined with lower pension expense compared to the same period last year.

The number of FTEs was 3,347; an increase of 116 or 3.6% compared to the end of June 2007. The increase is in line with the growth ambitions in Nordea Bank Norge, particularly in Nordic Banking and Institutional & International Banking.

Other expenses decreased by 3% to NOK 857m. Higher business volumes have resulted in an increase in transaction and sales-related expenses, while there is a reduction of IT-expenses and consultancy fees.

Depreciation increased by 10% and ended at NOK 55m.

### **Loan losses**

Loan losses ended at NOK 43m, compared to net positive loan losses of NOK 5m the same period last year. The increase mainly derives from new provisions in Construction, Trade & Services and Manufacturing combined with recoveries in Real estate and Shipping, and reversals within Agriculture & Fishing industry.

### **Taxes**

The effective tax rate for the first half year of 2008 was 27.3% compared to 24.8% in the same period last year.

### **Net profit**

Net profit increased by 39% to NOK 1,864m which corresponds to a return on equity of 15.8% compared to 12.9% in the first half year of 2007.

### **Second quarter 2008**

Overall, the second quarter was exceptionally strong. Total income increased by 32% compared to the same quarter last year. Compared to the first quarter of 2008, the increase was 34%. Total expenses were lower both compared to the same quarter last year and the first quarter this year.

### **Income**

Total income in the second quarter ended at NOK 2,781m, up 32% compared to the same quarter last year. The main increase was seen in net interest income, which increased by 17% due to higher lending volumes and increased lending margins in most segments compared to the same quarter last year. However, margin on household mortgage lending was reduced in the second quarter compared to the same quarter last year, which also was a particularly good quarter since NBN increased the interest by 50bp while the Norwegian Central Bank only increased by 25bp. The timing effect due to six weeks notice is the main reason

why the household mortgage margin was lower in the second quarter this year compared to the first quarter. Total lending to the public increased by 17% to NOK 394bn compared to same period last year and by 6% compared to last quarter. Nordea has benefited from its relative strength in the market and has strengthened the market position with core customers in particular within Corporate Merchant Banking, where loans to public increased by 32% the last twelve months.

The other large increase the second quarter was on net gains/losses on items at fair value. This income line increased by NOK 381m compared to the same quarter last year. The increase is mostly related to gains on interest related instruments. In Treasury, reversal of NOK 73m on unrealised losses from the first quarter was recognised, and the fair value adjustment of interest related instruments both in Treasury and Markets were positive. In addition, Markets has held large holdings of short-positions in Norwegian government bonds in May and June giving high return due to the interest increase.

### **Expenses**

Compared to the second quarter last year total expenses decreased by 2% to NOK 1,106m. Staff costs decreased by 2% and other expenses were down 5% to NOK 419m mainly due to lower IT-expenses.

### **Loan losses**

Net loan losses were positive by NOK 7m in the second quarter compared to NOK -16m last year.

### **Taxes**

The effective tax rate in the second quarter was 26.5%.

### **Net profit**

Compared to the second quarter 2007, net profit increased by 67% to NOK 1,237m corresponding to a return on equity of 20.6% compared to 14.1% same quarter last year and 10.9% the first quarter this year.

### **Credit portfolio**

Total lending increased at the end of June 2008 by 17% to NOK 394bn compared to one year ago. The share of private customer lending was 40.4%. Within private customer lending, mortgage loans accounted for 95.2%. There was no major change in the composition of the corporate loan portfolio during the quarter. Real estate management remains the largest industry exposure in the credit portfolio and amounts to NOK 77.1bn, representing 19.6% of the total lending portfolio. The credit quality in the well diversified lending portfolio remained strong.

### **Capital position and capital management**

At the end of June 2008, risk-weighted assets (RWA) for NBN-group increased to NOK 334.3bn compared to NOK 304,7bn one year ago and NOK 314.2bn at end of March 2008. The increase is explained by volume increases in the

balance sheet. The Tier 1 capital ratio was 7.0% including the result for the first quarter. The total capital ratio was 9.1%.

When applying the Norwegian FSA definition, excluding the net profit for the first half year, Tier 1 capital ratio for NBN-group was 6.4% and the total capital ratio 8.5%.

For NBN ASA the risk-weighted assets according to transition rules amounted to NOK 301.6bn (equals 90% of NOK 335.1bn) compared to NOK 274.2bn (95% of NOK 288.4bn). Exclusive of the net profit, total capital ratio was 8.7% and Tier 1 capital ratio was 6.5%.

During 2008, Nordea Group has an ongoing approval process for its internal rating based (IRB) models for its Retail credit portfolio. RWA after full implementation of Basel II are expected to be 35% lower than in Basel I.

### **New Group organisation from 1 June 2008**

Nordea's Group organisation was revised from 1 June 2008, following the next steps in the development of the Group's operating model.

To further strengthen customer-orientation and local market focus and teamwork, a new position as national Head of Banking responsible for customer relations has been established in each of the four Nordic markets reporting to the Head of Nordic Banking.

Product development and product management will be enhanced by the establishment of a new product area, Capital Markets & Savings.

High quality and efficiency in product deliveries, technology and support will be targeted in the new combined product and operations area, Banking Products & Group Operations.

### **Outlook 2008**

Signs of slowing international economic growth, particularly in the US and in large parts of Europe, are

becoming increasingly apparent. The Nordic economies have so far been relatively resilient in the face of the international slowdown, but the uncertainty has gradually increased.

Nordea Group's lending growth is expected to be lower in the remaining part of the year, but still at a high level. Corporate lending margins are expected to increase further.

Consensus for international equity markets continues to be fairly negative and therefore, Nordea Group does not foresee any significant improvement in commission income in the medium term.

In view of the uncertainty of Nordic growth prospects, the development in equity markets and the volatile financial markets, the uncertainty as to Nordea Group's outlook has increased correspondingly. Nordea Group still expects customer areas to deliver a growth for the full year 2008 according to plans.

Nordea Group previously has communicated an expected growth in the risk-adjusted profit of 5-10%. Nordea Group now expects to deliver a growth of approx. 5%. However, the development in the financial markets will to a high extent determine whether the growth in risk-adjusted profit for Nordea Group will be somewhat above or below 5%. Nordea Bank Norway is expected to contribute to the growth.

Cost growth for Nordea Group for 2008 is expected to be somewhat higher than the growth rate in 2007.

The overall quality of the credit portfolio of Nordea Group remains strong, only the Baltic countries show increased impaired loans although from a very low level. For the second half of 2008, Nordea Group expects only somewhat higher net loan loss charges than in the first half of the year.

## Quarterly development

	Q2	Q1	Q4	Q3	Q2	Jan-Jun	Jan-Jun
NOKm	2008	2008	2007	2007	2007	2008	2007
Net interest income	1,807	1,756	1,671	1,548	1,540	3,563	2,927
Net fee and commission income (note 1)	364	332	398	379	455	696	838
Net gains/losses on items at fair value	467	-50	45	67	86	417	196
Equity method	34	-43	-19	5	10	-9	27
Other income	109	88	17	7	14	197	31
<b>Total operating income</b>	<b>2,781</b>	<b>2,083</b>	<b>2,112</b>	<b>2,006</b>	<b>2,105</b>	<b>4,864</b>	<b>4,019</b>
General administrative expenses (note 2):							
Staff costs	-657	-687	-611	-686	-670	-1,344	-1,318
Other expenses	-419	-438	-483	-406	-439	-857	-884
Depreciation of tangible and intangible assets	-30	-25	-31	-27	-25	-55	-50
<b>Total operating expenses</b>	<b>-1,106</b>	<b>-1,150</b>	<b>-1,125</b>	<b>-1,119</b>	<b>-1,134</b>	<b>-2,256</b>	<b>-2,252</b>
<b>Profit before loan losses</b>	<b>1,675</b>	<b>933</b>	<b>987</b>	<b>887</b>	<b>971</b>	<b>2,608</b>	<b>1,767</b>
Loan losses	7	-50	40	60	-16	-43	5
Disposals of tangible and intangible assets	0	0	4	7	3	0	9
<b>Operating profit</b>	<b>1,682</b>	<b>883</b>	<b>1,031</b>	<b>954</b>	<b>958</b>	<b>2,565</b>	<b>1,781</b>
Income tax expense	-445	-256	-227	-262	-219	-701	-441
<b>Net profit for the period</b>	<b>1,237</b>	<b>627</b>	<b>804</b>	<b>692</b>	<b>739</b>	<b>1,864</b>	<b>1,340</b>
Earnings per share (EPS), NOK	2.24	1.14	1.46	1.26	1.34	3.38	2.43
EPS, rolling 12 months up to period end, NOK	6.09	5.19	5.14	5.31	5.31	6.09	5.31
<b>Note 1 Net fee and commission income</b>	<b>Q2</b>	<b>Q1</b>	<b>Q4</b>	<b>Q3</b>	<b>Q2</b>	<b>Jan-Jun</b>	<b>Jan-Jun</b>
NOKm	2008	2008	2007	2007	2007	2008	2007
Asset Management commissions	7	7	9	9	10	14	21
Life insurance	13	14	15	15	16	27	38
Brokerage	24	22	27	32	27	46	50
Custody	34	33	30	34	31	67	59
Deposits	10	8	9	11	10	18	16
Total savings related commissions	88	84	90	101	94	172	184
Payments	115	116	121	114	116	231	230
Cards	164	163	179	187	173	327	315
Total payment commissions	279	279	300	301	289	558	545
Lending	38	7	20	17	22	45	40
Guarantees and documentary payments	19	24	33	37	41	43	90
Total lending related commissions	57	31	53	54	63	88	130
Other commission income	112	90	132	108	163	202	261
<b>Fee and commission income</b>	<b>536</b>	<b>484</b>	<b>575</b>	<b>564</b>	<b>609</b>	<b>1,020</b>	<b>1,120</b>
Payment expenses	-151	-129	-155	-161	-130	-280	-236
Other commission expenses	-21	-23	-22	-24	-24	-44	-46
<b>Fee and commission expenses</b>	<b>-172</b>	<b>-152</b>	<b>-177</b>	<b>-185</b>	<b>-154</b>	<b>-324</b>	<b>-282</b>
<b>Net fee and commission income</b>	<b>364</b>	<b>332</b>	<b>398</b>	<b>379</b>	<b>455</b>	<b>696</b>	<b>838</b>
<b>Note 2 General administrative expenses</b>	<b>Q2</b>	<b>Q1</b>	<b>Q4</b>	<b>Q3</b>	<b>Q2</b>	<b>Jan-Jun</b>	<b>Jan-Jun</b>
NOKm	2008	2008	2007	2007	2007	2008	2007
Staff	658	687	611	686	670	1,345	1,318
of which variable salaries	45	55	46	58	72	100	135
Information technology <sup>1</sup>	106	142	160	132	137	248	273
Marketing	31	29	36	16	25	60	57
Postage, telephone and office expenses	38	34	38	37	38	72	78
Rents, premises and real estate expenses	98	98	108	96	95	196	189
Other	145	135	141	125	144	280	287
<b>Total</b>	<b>1,076</b>	<b>1,125</b>	<b>1,094</b>	<b>1,092</b>	<b>1,109</b>	<b>2,201</b>	<b>2,202</b>

<sup>1</sup> Refers to IT operations, service expenses and consultant fees. Total IT-related costs including staff etc were NOK 138m in Q2 2008 (Q2 2007: NOK 169m).

## Segment reporting

Customer areas									Other				Group	
Customer responsible units	Nordic Banking		Inst. & International Banking		Other customer operations		Total customer areas		Group Corporate Centre		Group Functions and Eliminations		NBN konsernet	
	Jan - Jun		Jan - Jun		Jan - Jun		Jan - Jun		Jan - Jun		Jan - Jun		Jan - Jun	
Income statement, NOKm	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Net interest income	2,586	2,137	547	505	-65	-6	3,068	2,636	382	190	113	101	3,563	2,927
Net fee and commission income	643	634	227	231	-128	14	742	879	6	5	-52	-46	696	838
Net gains/losses on items at fair value	402	331	165	80	-227	-237	340	174	71	10	6	12	417	196
Profit from companies accounted for under the equity method	0	0	-9	27	0	0	-9	27	0	0	0	0	-9	27
Other income	39	14	-1	1	45	57	83	72	168	0	-54	-41	197	31
<b>Total operating income</b>	<b>3,670</b>	<b>3,116</b>	<b>929</b>	<b>844</b>	<b>-375</b>	<b>-172</b>	<b>4,224</b>	<b>3,788</b>	<b>627</b>	<b>205</b>	<b>13</b>	<b>26</b>	<b>4,864</b>	<b>4,019</b>
Staff costs	-672	-633	-72	-70	-471	-488	-1,215	-1,191	-15	-9	-114	-118	-1,344	-1,318
Other expenses	-1,181	-1,094	-139	-134	389	328	-931	-900	-40	-77	114	93	-857	-884
Depreciation of tangible and intangible assets	-20	-20	0	0	-34	-29	-54	-49	0	0	-1	-1	-55	-50
<b>Total operating expenses</b>	<b>-1,873</b>	<b>-1,747</b>	<b>-211</b>	<b>-204</b>	<b>-116</b>	<b>-189</b>	<b>-2,200</b>	<b>-2,140</b>	<b>-55</b>	<b>-86</b>	<b>-1</b>	<b>-26</b>	<b>-2,256</b>	<b>-2,252</b>
Loan losses	-19	15	5	19	-28	-29	-42	5	0	0	-1	0	-43	5
Disposals of tangible and intangible assets	0	0	0	0	0	8	0	8	0	0	0	1	0	9
<b>Operating profit</b>	<b>1,778</b>	<b>1,384</b>	<b>723</b>	<b>659</b>	<b>-519</b>	<b>-382</b>	<b>1,982</b>	<b>1,661</b>	<b>572</b>	<b>119</b>	<b>11</b>	<b>1</b>	<b>2,565</b>	<b>1,781</b>
<b>Balance sheet, NOKbn</b>														
Loans and receivables to the public	330	281	64	57	1	1	395	339	0	0	-1	-1	394	338
Other assets	5	4	4	3	37	34	46	41	75	62	-24	-21	97	82
<b>Total assets</b>	<b>335</b>	<b>285</b>	<b>68</b>	<b>60</b>	<b>38</b>	<b>35</b>	<b>441</b>	<b>380</b>	<b>75</b>	<b>62</b>	<b>-25</b>	<b>-22</b>	<b>491</b>	<b>420</b>
Deposits and borrowings from the public	156	153	56	53	1	1	213	207	0	1	-6	-4	207	204
Other liabilities	24	19	10	12	38	32	72	63	209	143	-22	-11	259	195
<b>Total liabilities</b>	<b>180</b>	<b>172</b>	<b>66</b>	<b>65</b>	<b>39</b>	<b>33</b>	<b>285</b>	<b>270</b>	<b>209</b>	<b>144</b>	<b>-28</b>	<b>-15</b>	<b>466</b>	<b>399</b>
Equity/economic capital	13	10	4	3	0	0	17	13	1	0	7	8	25	21
<b>Total liabilities and equity</b>	<b>193</b>	<b>182</b>	<b>70</b>	<b>68</b>	<b>39</b>	<b>33</b>	<b>302</b>	<b>283</b>	<b>210</b>	<b>144</b>	<b>-21</b>	<b>-7</b>	<b>491</b>	<b>420</b>
RAROCAR, %	22	17	28	31			19	16					15	12
<b>Other segment items, NOKm</b>														
Capital expenditure	30	21	8	7	0	0	38	28	3	1	17	17	58	46

## Geographical segments

In accordance with prevailing rules, the secondary segment reporting shows Nordea's operations divided into the geographical areas where the Group operates. NBN operates only to a minor extent outside Norway, consequently, in accordance with IAS 14 no information is given regarding the secondary segment.



## Income statement

NOKm	Note	Q2 2008	Q2 2007	Jan-Jun 2008	Jan-Jun 2007	Full year 2007
<b>Operating income</b>						
<i>Interest income</i>		6,807	5,108	13,272	9,560	21,125
<i>Interest expense</i>		-5,000	-3,568	-9,709	-6,633	-14,979
Net interest income		1,807	1,540	3,563	2,927	6,146
<i>Fee and commission income</i>		536	609	1,020	1,120	2,259
<i>Fee and commission expense</i>		-172	-154	-324	-282	-644
Net fee and commission income		364	455	696	838	1,615
Net gains/losses on items at fair value	2	467	86	417	196	308
Profit from companies accounted for under the equity method		34	10	-9	27	13
Other operating income		109	14	197	31	55
<b>Total operating income</b>		<b>2,781</b>	<b>2,105</b>	<b>4,864</b>	<b>4,019</b>	<b>8,137</b>
<b>Operating expenses</b>						
General administrative expenses:						
Staff costs		-657	-670	-1,344	-1,318	-2,615
Other expenses		-419	-439	-857	-884	-1,773
Depreciation, amortisation and impairment charges of tangible and intangible assets		-30	-25	-55	-50	-108
<b>Total operating expenses</b>		<b>-1,106</b>	<b>-1,134</b>	<b>-2,256</b>	<b>-2,252</b>	<b>-4,496</b>
Loan losses	3	7	-16	-43	5	105
Disposals of tangible and intangible assets		0	3	0	9	20
<b>Operating profit</b>		<b>1,682</b>	<b>958</b>	<b>2,565</b>	<b>1,781</b>	<b>3,766</b>
Income tax expense		-445	-219	-701	-441	-930
<b>Net profit for the period</b>		<b>1,237</b>	<b>739</b>	<b>1,864</b>	<b>1,340</b>	<b>2,836</b>
<b>Attributable to:</b>						
Shareholders of Nordea Bank Norge ASA		1,237	739	1,864	1,340	2,836
<b>Total</b>		<b>1,237</b>	<b>739</b>	<b>1,864</b>	<b>1,340</b>	<b>2,836</b>
Earnings per share, NOK		2.24	1.34	3.38	2.43	5.14



## Balance sheet

NOKm	Note	30 Jun 2008	31 Dec 2007	30 Jun 2007
<b>Assets</b>				
Cash and balances with central banks		6,185	15,204	683
Loans and receivables to credit institutions	4	30,649	19,284	24,882
Loans and receivables to the public	4	394,314	360,219	337,941
Interest-bearing securities		32,135	29,322	31,416
Financial instruments pledged as collateral		2,464	1,218	548
Shares		4,237	2,086	9,369
Derivatives	6	1,208	668	1,332
Fair value changes of the hedged items in portfolio hedge of interest rate risk		0	72	-1
Investments in associated undertakings		885	616	629
Intangible assets		293	263	155
Property and equipment		252	270	255
Deferred tax assets		1,127	1,131	903
Other assets		14,538	9,084	10,250
Prepaid expenses and accrued income		2,780	2,163	2,056
<b>Total assets</b>		<b>491,067</b>	<b>441,600</b>	<b>420,418</b>
<b>Liabilities</b>				
Deposits by credit institutions		213,872	161,790	157,025
Deposits and borrowings from the public		206,503	217,771	203,591
Debt securities in issue		7,474	7,744	6,154
Derivatives	6	2,246	2,145	3,426
Fair value changes of the hedged items in portfolio hedge of interest rate risk		209	121	3
Current tax liabilities		243	1,176	504
Other liabilities		22,198	16,443	16,480
Accrued expenses and prepaid income		4,506	2,034	2,993
Provisions		18	7	31
Retirement benefit obligations		2,054	2,160	2,170
Subordinated liabilities		7,109	7,422	6,754
<b>Total liabilities</b>		<b>466,432</b>	<b>418,813</b>	<b>399,131</b>
<b>Equity</b>				
	7			
Share capital		3,860	3,860	3,860
Share premium account		953	953	953
Retained earnings		19,822	17,974	16,474
<b>Total equity</b>		<b>24,635</b>	<b>22,787</b>	<b>21,287</b>
<b>Total liabilities and equity</b>		<b>491,067</b>	<b>441,600</b>	<b>420,418</b>
Assets pledged as security for own liabilities		29,072	36,307	31,323
Contingent liabilities		4,023	19,743	29,356
Commitments excluding derivatives		160,170	147,959	138,074
Derivative commitments		306,609	238,919	223,472

## Statement of recognised income and expense

NOKm	Jan-Jun 2008	Jan-Jun 2007	Full year 2007
Currency translation differences during the period	-6	-2	-6
Net income recognised directly in equity	-6	-2	-6
Net profit for the period	1,864	1,340	2,836
<b>Total recognised income and expense for the period</b>	<b>1,858</b>	<b>1,338</b>	<b>2,830</b>
<b>Attributable to:</b>			
Shareholders of Nordea Bank Norge ASA	1,858	1,338	2,830
<b>Total</b>	<b>1,858</b>	<b>1,338</b>	<b>2,830</b>

## Cash flow statement

NOKm	Jan-Jun 2008	Jan-Jun 2007	Full year 2007
<i>Operating activities</i>			
Operating profit	2,565	1,781	3,766
Adjustments for items not included in cash flow	1,804	734	267
Income taxes paid	-1,633	-1,293	-1,342
Cash flow from operating activities before changes in operating assets and liabilities	2,736	1,222	2,691
Changes in operating assets and liabilities	-6,249	1,004	17,277
Cash flow from operating activities	-3,513	2,226	19,968
<i>Investing activities</i>			
Acquisition of group undertakings	-278	0	-48
Dividend from associated undertakings	0	50	50
Property and equipment	-25	-23	-63
Intangible assets	-50	-16	-106
Cash flow from investing activities	-353	11	-167
<i>Financing activities</i>			
Issued/amortised subordinated liabilities	-313	-386	282
Other changes in equity	-16	0	0
Dividend paid	0	-1,000	-1,000
Cash flow from financing activities	-329	-1,386	-718
<b>Cash flow for the period</b>	<b>-4,195</b>	<b>851</b>	<b>19,083</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>24,584</b>	<b>5,501</b>	<b>5,501</b>
Exchange rate difference	9	0	0
<b>Cash and cash equivalents at end of period</b>	<b>20,398</b>	<b>6,352</b>	<b>24,584</b>
<b>Change</b>	<b>-4,195</b>	<b>851</b>	<b>19,083</b>
<b>Cash and cash equivalents</b>	<b>30 Jun</b>	<b>30 Jun</b>	<b>31 Dec</b>
The following items are included in cash and cash equivalents (NOKm):	<u>2008</u>	<u>2007</u>	<u>2007</u>
Cash and balances with central banks	6,185	683	15,204
Loans and receivables to credit institutions, payable on demand	14,213	5,669	9,380

Cash comprises legal tender and bank notes in foreign currencies. Balances with central banks consist of deposits in accounts with central banks and postal giro systems under government authority, where the following conditions are fulfilled:

- the central bank or the postal giro system is domiciled in the country where the institution is established
- the balance on the account is readily available at any time.

Loans and receivables to credit institutions, payable on demand include liquid assets not represented by bonds or other interest-bearing securities.

# Notes to the financial statements

## Note 1 Accounting policies

Nordea's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) endorsed by the EU.

These statements are presented in accordance with IAS 34 "Interim Financial Reporting".

## Changed accounting policies and presentation

The accounting policies, basis for calculations and presentation are, in all material aspects, unchanged in comparison with the Annual Report 2007, except for the presentation of received dividends in the income statement.

Dividends received from group undertakings and associated companies are recognised on the separate income line "Dividends" in the parent company. In the group, dividends from group undertakings are eliminated and dividends from associated undertakings are reclassified to "Investments in associated undertakings". All other received dividends are recognised as "Net gains/losses on items at fair value". Comparative figures have been restated accordingly.

The impact on the income statement in the second quarter 2008 and on the comparative figures is disclosed in the table below.

NOKm	Q2 2008		Q2 2007		Jan-Jun 2008		Jan-Jun 2007		Full year 2007	
	Re-stated	Pre-policy change	Re-stated	Pre-policy change	Re-stated	Pre-policy change	Re-stated	Pre-policy change	Re-stated	Pre-policy change
Net gains/losses on items at fair value	467	450	86	69	417	376	196	179	308	289
Dividends	-	17	-	17	-	41	-	17	-	19

## Exchange rates

	Jan-Jun 2008	Jan-Dec 2007	Jan-Jun 2007
<b>EUR 1 = NOK</b>			
Income statement (average)	7.9524	7.9979	8.1369
Balance sheet (at end of period)	8.0130	7.9600	7.9700
<b>USD 1 = NOK</b>			
Income statement (average)	5.2002	5.8443	6.1224
Balance sheet (at end of period)	5.0850	5.4000	5.9000
<b>SEK 1 = NOK</b>			
Income statement (average)	0.8480	0.8661	0.8823
Balance sheet (at end of period)	0.8458	0.8444	0.8614
<b>DKK 1 = NOK</b>			
Income statement (average)	1.0663	1.0766	1.0920
Balance sheet (at end of period)	1.0744	1.0668	1.0709

**Note 2 Net gains/losses on items at fair value**

NOKm	Q2 2008	Q2 2007	Jan-Jun 2008	Jan-Jun 2007	Full year 2007
Shares/participations and other share-related instruments	101	115	143	161	287
Interest-bearing securities and other interest-related instruments	337	-92	147	-94	-271
Other financial instruments	-2	0	0	0	17
Foreign exchange gains/losses	31	63	127	129	275
<b>Total</b>	<b>467</b>	<b>86</b>	<b>417</b>	<b>196</b>	<b>308</b>

**Note 3 Loan losses**

NOKm	Q2 2008	Q2 2007	Jan-Jun 2008	Jan-Jun 2007	Full year 2007
<b>Loan losses divided by class, net</b>					
Loans and receivables to credit institutions	0	0	0	0	0
- of which write-offs and provisions	0	0	0	0	-10
- of which reversals and recoveries	0	0	0	0	10
Loans and receivables to the public	9	-14	-34	31	111
- of which write-offs and provisions	-60	-62	-172	-139	-280
- of which reversals and recoveries	69	48	138	170	391
Off-balance sheet items <sup>1</sup>	-2	-2	-9	-26	-6
- of which write-offs and provisions	-5	-5	-12	-29	-33
- of which reversals and recoveries	3	3	3	3	27
<b>Total</b>	<b>7</b>	<b>-16</b>	<b>-43</b>	<b>5</b>	<b>105</b>

**Specification of loan losses**

Changes of allowance accounts in the balance sheet	-14	-18	-67	0	65
- of which Loans and receivables	-12	-15	-58	28	71
- of which Off-balance sheet items <sup>1</sup>	-2	-3	-9	-28	-6
Changes directly recognised in the income statement	21	2	24	5	40
- of which realised loan losses	-9	-3	-12	-7	-21
- of which realised recoveries	30	5	36	12	61
<b>Total</b>	<b>7</b>	<b>-16</b>	<b>-43</b>	<b>5</b>	<b>105</b>

<sup>1</sup> Included in Provisions in the balance sheet.

**Note 4 Loans and receivables and their impairment**

	Total		
	30 Jun 2008	31 Dec 2007	30 Jun 2007
NOKm			
Loans and receivables, not impaired	424,801	379,408	362,930
Impaired loans and receivables:	1,029	958	882
- Performing	735	347	281
- Non-performing	294	611	601
<b>Loans and receivables before allowances</b>	<b>425,830</b>	<b>380,366</b>	<b>363,812</b>
Allowances for individually assessed impaired loans	-497	-468	-502
- Performing	-129	-121	-131
- Non-performing	-368	-347	-371
Allowances for collectively assessed impaired loans	-370	-395	-487
<b>Allowances</b>	<b>-867</b>	<b>-863</b>	<b>-989</b>
<b>Loans and receivables, carrying amount</b>	<b>424,963</b>	<b>379,503</b>	<b>362,823</b>

  

	Credit institutions			The public		
	30 Jun 2008	31 Dec 2007	30 Jun 2007	30 Jun 2008	31 Dec 2007	30 Jun 2007
NOKm						
Loans and receivables, not impaired	30,649	19,284	24,892	394,152	360,124	338,038
Impaired loans and receivables:	0	0	0	1,029	958	882
- Performing	0	0	0	735	347	281
- Non-performing	0	0	0	294	611	601
<b>Loans and receivables before allowances</b>	<b>30,649</b>	<b>19,284</b>	<b>24,892</b>	<b>395,181</b>	<b>361,082</b>	<b>338,920</b>
Allowances for individually assessed impaired loans	0	0	0	-497	-468	-502
- Performing	0	0	0	-129	-121	-131
- Non-performing	0	0	0	-368	-347	-371
Allowances for collectively assessed impaired loans	0	0	-10	-370	-395	-477
<b>Allowances</b>	<b>0</b>	<b>0</b>	<b>-10</b>	<b>-867</b>	<b>-863</b>	<b>-979</b>
<b>Loans and receivables, carrying amount</b>	<b>30,649</b>	<b>19,284</b>	<b>24,882</b>	<b>394,314</b>	<b>360,219</b>	<b>337,941</b>

  
**Reconciliation of allowance accounts for impaired loans**

	Credit institutions		The public		Total		Total
	Individually assessed	Collectively assessed	Individually assessed	Collectively assessed	Individually assessed	Collectively assessed	
<b>Loans and receivables, NOKm</b>							
<b>Opening balance at 1 Jan 2008</b>	<b>0</b>	<b>0</b>	<b>-468</b>	<b>-395</b>	<b>-468</b>	<b>-395</b>	<b>-863</b>
Provisions	0	0	-143	-18	-143	-18	-161
Reversals	0	0	61	42	61	42	103
<b>Changes through the income statement</b>	<b>0</b>	<b>0</b>	<b>-82</b>	<b>24</b>	<b>-82</b>	<b>24</b>	<b>-58</b>
Allowances used to cover write-offs	0	0	55	0	55	0	55
Currency translation differences	0	0	-1	0	-1	0	-1
<b>Closing balance at 30 Jun 2008</b>	<b>0</b>	<b>0</b>	<b>-496</b>	<b>-371</b>	<b>-496</b>	<b>-371</b>	<b>-867</b>
<b>Opening balance at 1 Jan 2007</b>	<b>0</b>	<b>0</b>	<b>-546</b>	<b>-517</b>	<b>-546</b>	<b>-517</b>	<b>-1,063</b>
Provisions	0	-10	-81	-44	-81	-54	-135
Reversals	0	0	-82	80	-82	80	-2
<b>Changes through the income statement</b>	<b>0</b>	<b>-10</b>	<b>-163</b>	<b>36</b>	<b>-163</b>	<b>26</b>	<b>-137</b>
Allowances used to cover write-offs	0	0	212	0	212	0	212
Currency translation differences	0	0	-1	0	-1	0	-1
<b>Closing balance at 30 Jun 2007</b>	<b>0</b>	<b>-10</b>	<b>-498</b>	<b>-481</b>	<b>-498</b>	<b>-491</b>	<b>-989</b>

Note 4, continued

#### Allowances and provisions

NOKm	30 Jun 2008	31 Dec 2007	30 Jun 2007
Allowances for items in the balance sheet	-867	-863	-989
Provisions for off balance sheet items	-18	-7	-30
<b>Total allowances and provisions</b>	<b>-885</b>	<b>-870</b>	<b>-1,019</b>

#### Key ratios

	30 Jun 2008	31 Dec 2007	30 Jun 2007
Impairment rate, gross <sup>1</sup> , %	0.2	0.3	0.2
Impairment rate, net <sup>2</sup> , %	0.1	0.1	0.1
Total allowance rate <sup>3</sup> , %	0.2	0.2	0.3
Allowance rate, impaired loans <sup>4</sup> , %	48.3	48.9	56.9
Non-performing loans and receivables, not impaired <sup>5</sup> , NOKm	492	332	312

<sup>1</sup> Individually assessed impaired loans and receivables before allowances divided by total loans and receivables before allowances, %.

<sup>2</sup> Individually assessed impaired loans and receivables after allowances divided by total loans and receivables before allowances, %.

<sup>3</sup> Total allowances divided by total loans and receivables before allowances, %.

<sup>4</sup> Allowances for individually assessed impaired loans and receivables divided by individually assessed impaired loans and receivables before allowances, %.

<sup>5</sup> Past due loans and receivables, not impaired due to future cash flows (included in Loans and receivables, not impaired).

#### Note 5 Classification of financial instruments

NOKm	Loans and receivables	Held for trading	Assets at fair value	Derivatives used for hedging	Available for sale	Total
<b>Financial assets</b>						
Cash and balances with central banks	6,185					6,185
Loans and receivables to credit institutions	21,772		8,877			30,649
Loans and receivables to the public	394,314					394,314
Interest-bearing securities		32,135				32,135
Financial instruments pledged as collateral		2,464				2,464
Shares		4,174			63	4,237
Derivatives		841		367		1,208
Other assets	1,205		13,325			14,530
Prepaid expenses and accrued income	2,780					2,780
<b>Total 30 Jun 2008</b>	<b>426,256</b>	<b>39,614</b>	<b>22,202</b>	<b>367</b>	<b>63</b>	<b>488,502</b>
Total 31 Dec 2007	390,440	33,306	15,512	0	60	439,318
Total 30 Jun 2007	375,811	42,336	0	270	59	418,476

NOKm	Held for trading	Liabilities at fair value	Derivatives used for hedging	Other financial liabilities	Total
<b>Financial liabilities</b>					
Deposits by credit institutions		16,272		197,600	213,872
Deposits and borrowings from the public		472		206,031	206,503
Debt securities in issue				7,474	7,474
Derivatives	2,008		238		2,246
Fair value changes of the hedged items in portfolio hedge of interest rate risk	23			186	209
Other liabilities	7,155	13,021		1,751	21,927
Accrued expenses and prepaid income				3,889	3,889
Subordinated liabilities				7,109	7,109
<b>Total 30 Jun 2008</b>	<b>9,186</b>	<b>29,765</b>	<b>238</b>	<b>424,040</b>	<b>463,229</b>
Total 31 Dec 2007	6,921	19,245	276	388,225	414,667
Total 30 Jun 2007	7,175	0	276	388,973	396,424

## Note 6 Derivatives

Fair value NOKm	30 Jun 2008		31 Dec 2007		30 Jun 2007	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
<b>Derivatives held for trading</b>						
Interest rate derivatives	186	408	87	573	155	460
Equity derivatives	142	715	47	148	378	404
Foreign exchange derivatives	355	802	124	984	47	1,804
Other derivatives	83	83	135	135	482	482
<b>Total</b>	<b>766</b>	<b>2,008</b>	<b>393</b>	<b>1,840</b>	<b>1,062</b>	<b>3,150</b>
<b>Derivatives used for hedging</b>						
Interest rate derivatives	367	68	252	176	270	172
Foreign exchange derivatives	75	170	23	129	0	104
<b>Total</b>	<b>442</b>	<b>238</b>	<b>275</b>	<b>305</b>	<b>270</b>	<b>276</b>
<b>Total fair value</b>						
Interest rate derivatives	553	476	339	749	425	632
Equity derivatives	142	715	47	148	378	404
Foreign exchange derivatives	430	972	147	1,113	47	1,908
Other derivatives	83	83	135	135	482	482
<b>Total</b>	<b>1,208</b>	<b>2,246</b>	<b>668</b>	<b>2,145</b>	<b>1,332</b>	<b>3,426</b>
<b>Nominal amount</b>					30 Jun	31 Dec
NOKm					2008	2007
<b>Derivatives held for trading</b>						
Interest rate derivatives					187,929	133,187
Equity derivatives					92,236	-2,028
Foreign exchange derivatives					4,774	86,519
Other derivatives					1,107	1,525
<b>Total</b>					<b>286,046</b>	<b>219,203</b>
<b>Derivatives used for hedging</b>						
Interest rate derivatives					17,159	16,158
Foreign exchange derivatives					3,404	3,558
<b>Total</b>					<b>20,563</b>	<b>19,716</b>
<b>Total nominal amount</b>						
Interest rate derivatives					205,088	149,345
Equity derivatives					92,236	-2,028
Foreign exchange derivatives					8,178	90,077
Other derivatives					1,107	1,525
<b>Total</b>					<b>306,609</b>	<b>238,919</b>
						223,472



## Note 7 Equity

NOKm	Share capital <sup>1</sup>	Share premium account	Retained earnings	Minority interests	Total equity
<b>Opening balance at 1 Jan 2008</b>	<b>3,860</b>	<b>953</b>	<b>17,973</b>	<b>1</b>	<b>22,787</b>
Minority interests (Privatmegleren AS)				3	3
Currency translation differences			-6		-6
<i>Net income recognised directly in equity</i>	<i>0</i>	<i>0</i>	<i>-6</i>	<i>3</i>	<i>-3</i>
Net profit for the period			1,864		1,864
<i>Total recognised income and expense in equity</i>	<i>0</i>	<i>0</i>	<i>1,858</i>	<i>3</i>	<i>1,861</i>
Share-based payments <sup>2</sup>			4		4
Other changes			-17		-17
<b>Closing balance at 30 Jun 2008</b>	<b>3,860</b>	<b>953</b>	<b>19,818</b>	<b>4</b>	<b>24,635</b>

NOKm	Share capital <sup>1</sup>	Share premium account	Retained earnings	Minority interests	Total equity
<b>Opening balance at 1 Jan 2007</b>	<b>3,860</b>	<b>953</b>	<b>16,138</b>	<b>0</b>	<b>20,951</b>
Minority interests (Privatmegleren AS)				1	1
Currency translation differences			-6		-6
<i>Net income recognised directly in equity</i>	<i>0</i>	<i>0</i>	<i>-6</i>	<i>1</i>	<i>-5</i>
Net profit for the period			2,836		2,836
<i>Total recognised income and expense in equity</i>	<i>0</i>	<i>0</i>	<i>2,830</i>	<i>1</i>	<i>2,831</i>
Dividend for 2006			-1,000		-1,000
Share-based payments <sup>2</sup>			5		5
<b>Closing balance at 31 Dec 2007</b>	<b>3,860</b>	<b>953</b>	<b>17,973</b>	<b>1</b>	<b>22,787</b>

NOKm	Share capital <sup>1</sup>	Share premium account	Retained earnings	Minority interests	Total equity
<b>Opening balance at 1 Jan 2007</b>	<b>3,860</b>	<b>953</b>	<b>16,138</b>	<b>0</b>	<b>20,951</b>
Currency translation differences			-3		-3
<i>Net income recognised directly in equity</i>	<i>0</i>	<i>0</i>	<i>-3</i>	<i>0</i>	<i>-3</i>
Net profit for the period			1,340		1,340
<i>Total recognised income and expense in equity</i>	<i>0</i>	<i>0</i>	<i>1,337</i>	<i>0</i>	<i>1,337</i>
Dividend for 2006			-1,000		-1,000
Share-based payments <sup>2</sup>			-1		-1
<b>Closing balance at 30 Jun 2007</b>	<b>3,860</b>	<b>953</b>	<b>16,474</b>	<b>0</b>	<b>21,287</b>

<sup>1</sup> Total shares registered were 551m (31 Dec 2007: 551m, 30 Jun 2007: 551m).

<sup>2</sup> Share based payment is described in Note 1 Accounting policies in the Interim report for Q2 2007.

## Note 8 Capital adequacy

### Capital Base

	30 June *	31 Dec	30 June *
	2008	2007	2007
NOKm			
Tier 1 capital	21,418	21,638	18,828
Total capital base	28,545	29,226	25,480

\* excluding profit. Figures for capital base as of 30 June 2007 are revised.

Capital requirement	30 June 2008 Capital requirement	30 June 2008 RWA	31 Dec 2007 Capital requirement	31 Dec 2007 RWA	30 June** 2007 Capital requirement	30 June** 2007 RWA
NOKm						
<b>Credit risk</b>	<b>21,291</b>	<b>266,137</b>	<b>17,977</b>	<b>224,714</b>	<b>18,427</b>	<b>230,337</b>
IRB foundation	13,327	166,589	10,963	137,036	11,419	142,736
- of which corporate	12,406	155,075	10,337	129,212	10,644	133,047
- of which institutions	763	9,533	553	6,913	702	8,772
- of which other	158	1,981	73	911	73	917
Standardised	7,964	99,547	7,014	87,678	7,008	87,601
- of which retail	6,123	76,542	5,182	64,775	5,513	68,913
- of which sovereign	30	381	28	348	32	396
- of which other	1,810	22,624	1,804	22,555	1,463	18,292
<b>Market risk</b>	<b>643</b>	<b>8,037</b>	<b>418</b>	<b>5,223</b>	<b>653</b>	<b>8,165</b>
- of which trading book, VaR	187	2,342	64	805	94	1,180
- of which trading book, non-VaR	454	5,670	353	4,410	559	6,985
- of which FX, non-VaR	2	25	1	8	0	0
<b>Operational risk</b>	<b>1,115</b>	<b>13,943</b>	<b>993</b>	<b>12,413</b>	<b>1,028</b>	<b>12,844</b>
Standardised	1,115	13,943	993	12,413	1,028	12,844
<b>Sub total</b>	<b>23,049</b>	<b>288,117</b>	<b>19,388</b>	<b>242,350</b>	<b>20,108</b>	<b>251,347</b>
<b>Adjustment for transition rules</b>						
Additional capital requirement according to transition rules	3,691	46,139	6,996	87,455	4,272	53,402
<b>Total</b>	<b>26,740</b>	<b>334,256</b>	<b>26,384</b>	<b>329,805</b>	<b>24,380</b>	<b>304,749</b>

\*\* Figures for adjustment for transition rules as of 30 June 2007 has been revised.

### Capital ratio

	30 June 2008	31 Dec 2007	30 June 2007
Tier I ratio, %, incl profit	7.0	6.6	6.6
Capital ratio, %, incl profit	9.1	8.9	8.8
Tier I ratio, %, excl profit	6.4	..	6.2
Capital ratio, %, excl profit	8.5	..	8.4

### Analysis of capital requirements

Exposure class	Average risk weight (%)	Capital requirement (NOKm)
Corporate	59	12,406
Institutions	23	763
Retail	46	6,123
Sovereign	5	30
Other	31	1,968
<b>Total credit risk</b>	<b>48</b>	<b>21,291</b>

## **Note 9 Risks and uncertainties**

Nordea's revenue base reflects the Group's business with a large and diversified customer base, comprising both household and corporate customers, representing different geographic areas and industries. Nordea has mainly an exposure to the macro-economic and industry specific economic development in the geographical areas in which the Group operates.

Nordea's main risk exposure is credit risk. The Group also assumes market risk, liquidity risk and operational risk. There

is no major change to the risk composition of the Group compared to what is disclosed in 2007 Annual Report.

None of the above exposures and risks is expected to have any significant adverse effect on the Group or its financial position in the next three months.

Within the framework of the normal business operations, the Group faces claims in civil lawsuits and other disputes, most of which involve relatively limited amounts. None of these disputes are considered likely to have any significant adverse effect on the Group or its financial position in the next three months.

## Nordea Bank Norge ASA

### Income statement

NOKm	Q2 2008	Q2 2007	Jan-Jun 2008	Jan-Jun 2007	Full year 2007
<b>Operating income</b>					
<i>Interest income</i>	6,607	4,885	12,876	9,164	20,367
<i>Interest expense</i>	-4,988	-3,541	-9,688	-6,576	-14,896
Net interest income	1,619	1,344	3,188	2,588	5,471
<i>Fee and commission income</i>	539	610	1,024	1,122	2,263
<i>Fee and commission expense</i>	-174	-154	-328	-281	-642
Net fee and commission income	365	456	696	841	1,621
Net gains/losses on items at fair value	455	77	398	183	300
Dividends and group contribution	265	0	265	50	50
Other operating income	112	22	207	46	83
<b>Total operating income</b>	<b>2,816</b>	<b>1,899</b>	<b>4,754</b>	<b>3,708</b>	<b>7,525</b>
<b>Operating expenses</b>					
General administrative expenses:					
Staff costs	-621	-638	-1,274	-1,255	-2,488
Other expenses	-409	-430	-832	-866	-1,738
Depreciation, amortisation and impairment charges of tangible and intangible assets	-28	-24	-51	-47	-100
<b>Total operating expenses</b>	<b>-1,058</b>	<b>-1,092</b>	<b>-2,157</b>	<b>-2,168</b>	<b>-4,326</b>
Loan losses	21	-10	-20	16	117
Disposals of tangible and intangible assets	0	0	0	2	0
<b>Operating profit</b>	<b>1,779</b>	<b>797</b>	<b>2,577</b>	<b>1,558</b>	<b>3,316</b>
Income tax expense	-482	-183	-701	-379	-800
<b>Net profit for the period</b>	<b>1,297</b>	<b>614</b>	<b>1,876</b>	<b>1,179</b>	<b>2,516</b>

# Nordea Bank Norge ASA

## Balance sheet

NOKm	Note	30 Jun 2008	31 Dec 2007	30 Jun 2007
<b>Assets</b>				
Cash and balances with central banks		6,185	15,204	683
Loans and receivables to credit institutions		61,265	48,354	50,375
Loans and receivables to the public		358,383	325,580	307,181
Interest-bearing securities		32,085	29,272	31,366
Financial instruments pledged as collateral		2,464	1,218	548
Shares		4,234	2,085	9,368
Derivatives		1,100	532	1,192
Fair value changes of the hedged items in portfolio hedge of interest rate risk		75	119	82
Investments in associated undertakings		417	139	139
Investments in group undertakings		2,241	2,233	2,183
Intangible assets		237	205	143
Property and equipment		246	264	249
Deferred tax assets		1,205	1,207	931
Other assets		14,466	9,036	10,188
Prepaid expenses and accrued income		2,562	1,979	1,930
<b>Total assets</b>		<b>487,165</b>	<b>437,427</b>	<b>416,558</b>
<b>Liabilities</b>				
Deposits by credit institutions		213,676	161,457	156,990
Deposits and borrowings from the public		206,466	217,750	203,556
Debt securities in issue		6,279	6,544	4,648
Derivatives		2,233	2,062	3,353
Fair value changes of the hedged items in portfolio hedge of interest rate risk		180	86	-30
Current tax liabilities		167	1,096	441
Other liabilities		22,177	16,337	16,415
Accrued expenses and prepaid income		4,242	1,817	2,875
Provisions		18	7	31
Retirement benefit obligations		1,988	2,093	2,107
Subordinated liabilities		7,109	7,421	6,753
<b>Total liabilities</b>		<b>464,535</b>	<b>416,670</b>	<b>397,139</b>
<b>Equity</b>				
	1			
Share capital		3,860	3,860	3,860
Share premium account		953	953	953
Retained earnings		17,817	15,944	14,606
<b>Total equity</b>		<b>22,630</b>	<b>20,757</b>	<b>19,419</b>
<b>Total liabilities and equity</b>		<b>487,165</b>	<b>437,427</b>	<b>416,558</b>
Assets pledged as security for own liabilities		29,072	36,307	31,323
Contingent liabilities		4,023	19,972	29,586
Commitments excluding derivatives		152,651	156,637	145,298
Derivative commitments		298,348	228,356	218,854

# Nordea Bank Norge ASA

## Note 1 Equity

NOKm	Share capital <sup>1</sup>	Share premium account	Reserve for evaluation differences	Retained earnings	Total
<b>Balance at end of year, at 31 Dec 2007</b>	<b>3,860</b>	<b>953</b>	<b>0</b>	<b>15,944</b>	<b>20,757</b>
Currency translation differences				-12	-12
Share based payments <sup>2</sup>				9	9
Net profit for the period				1,876	1,876
<b>Balance at 30 Jun 2008</b>	<b>3,860</b>	<b>953</b>	<b>0</b>	<b>17,817</b>	<b>22,630</b>

NOKm	Share capital <sup>1</sup>	Share premium account	Reserve for evaluation differences	Retained earnings	Total
<b>Balance at end of year, at 31 Dec 2006</b>	<b>3,860</b>	<b>953</b>	<b>1,711</b>	<b>13,420</b>	<b>19,944</b>
Change in accounting policies, implementing IFRS					
- Equity method			-1,711		-1,711
- Fair value Treasury financial instruments				9	9
- Dividend reclassification 2006				1,000	1,000
<b>Balance at end of year, 31 Dec 2006, restated</b>	<b>3,860</b>	<b>953</b>	<b>0</b>	<b>14,429</b>	<b>19,242</b>
Currency translation differences				-1	-1
Dividend 2006				-1,000	-1,000
Share based payments <sup>2</sup>				-1	-1
Net profit for the period, after corrections IFRS				1,179	1,179
<b>Balance at 30 Jun 2007, restated</b>	<b>3,860</b>	<b>953</b>	<b>0</b>	<b>14,606</b>	<b>19,419</b>

<sup>1</sup>Total shares registered were 551,358,576 with face value NOK 7.

<sup>2</sup>Share based payment is described in Note 1 Accounting policies as presented in Interim report for Q2 2007.

Nordea Bank AB (Publ), corporate registration no. 516406-0120, owns 100 per cent of the shares in Nordea Bank Norge ASA.

## STATEMENT BY EXECUTIVE AND SUPERVISORY BOARD

The supervisory and executive boards have today considered and approved the condensed consolidated interim report of Nordea Bank Norge ASA as at 30 June 2008 and for the first half-year 2008 including condensed consolidated comparative figures as at 30 June 2007 and for the first half-year 2007 ("the interim report").

The interim report has been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and additional Norwegian disclosure requirements for interim financial reports of listed and State-owned public limited companies.

We consider the accounting policies applied to be appropriate. Accordingly, the interim report gives a true and fair view of the Group's assets, liabilities, financial position as at 30 June 2008 and as at 30 June 2007 and of the results of the Group's operations and cash flows for the first half-year 2008 and the first half-year 2007.

Oslo, 21 July 2008

Executive board:

Gunn Wærsted  
Managing director

Supervisory board:

Christian Clausen  
Chairman

Carl-Johan Granvik  
Deputy chairman

Hege Yli Melhus

Hege Marie Norheim

Steinar Nickelsen  
Employee representative