

OMX Nordic Exchange Copenhagen
Nikolaj Plads 6
1007 Copenhagen K, Denmark

Date: 05.08.2008
Our ref.: The Executive Board
Telephone: 9633 5000

Company announcement no. 08.2008

Interim report for the first half year of 2008

In spite of credit crisis and tough headwinds on the financial markets during the past year, Nordjyske Bank has managed to maintain its favourable development and its good results.

The result before taxes of DKK 90 million leads to a return on equity of 17 %.

- Net interest receivable increased by 10 % to a total of DKK 136 million.
- Fees and commissions, net, have been reduced by DKK 8 million to DKK 44 million.
- Core income increased by DKK 3 million to a total of DKK 195 million.
- Costs as budgeted increased by DKK 6 million to a total of DKK 108 million.
- Core income before write-down of DKK 87 million.
- No commitments on the more speculative property market.
- Still no write-down on lending, etc.
- Profit after taxes DKK 69 million compared with DKK 76 million the previous year.
- The management of the bank considers the result to be satisfactory.

The expectations for all of 2008 are maintained.

The bank still expects a core income before write-downs of between DKK 140 and 160 million – compared with the realised DKK 153 million in 2007.

Company
registration
no.
(CVR)
3082
8712

Apart from the write-down item on lending, where no material changes to the write-downs compared with the first six months are expected, the total result will be affected by the total annual translation adjustment of listed securities etc., for which the adjustment as at 30 June this year amounted to a profit of DKK 3 million.

Business volume and balance sheet

During the past year, the bank's lending has increased by DKK 720 million to a total of DKK 5.4 billion – corresponding to a 15 % growth. During the same period, deposits (exclusive of deposits in pooled schemes) have increased by DKK 586 million, or 17 %, to a total of DKK 4.0 billion. The development in pooled deposits has been affected by an ongoing change in the bank's pension pool schemes to individual deposits with investment agreements.

The total booked business volume – the sum of deposits, loans and guarantees – has increased during the past year by DKK 624 million to a total of DKK 11.5 billion at the end of June this year – an increase of 6 %. Add to this that the bank's Finance Department administers assets totalling almost DKK 6.0 billion. Including asset administration, the bank's total business volume with its client's amounts to almost DKK 18.0 billion.

The balance sheet total has been increased by DKK 771 million to a total of DKK 7.9 billion.

Summary of income statement (in million DKK)

	2008 1/1 – 30/6 6 mth	2007 1/1 – 30/6 6 mth	2007 1/1 – 31/12 12 mth
Net interest receivable, etc.	136	123	245
Fees and commissions, etc., net	44	52	93
Net interest and fee income	180	175	338
Other operating income	15	17	22
Core income	195	192	360
Costs	108	102	207
Core income before write-downs, etc.	87	90	153
Write-down on loans and other receivables	0	5	13
Basic income	87	95	166
Translation adjustment of listed securities etc.	3	8	12
Pre-tax profit	90	103	178
Profit after tax	69	76	139

Core income before write-down of DKK 87 million.

Together with the recession in the domestic economy, the international crisis has had a visible effect on the financial markets in the shape of:

- scarce liquidity, equalling more expensive liquidity and a higher rate of interest for both deposits and lending in the financial institutions
- marked decreases in share and bond prices. Not least financial assets have been under pressure.

Net interest income has during the first six months increased by DKK 13 million, or 10 % compared with the same period in 2007 – to a total of DKK 136 million.

Compared with the first six months of 2007, fees and commissions, etc., net have decreased by DKK 8 million to a total of DKK 44 million. This decrease was predominantly caused by a lower level of activity within asset management and trade in securities – a development which has been caused by the difficult conditions on the stock exchange markets.

As part of the bank's strategic development, and with a view to strengthening the bank's staff resources, a number of training and development activities have been initiated during the first six months of 2008. Together with a minor increase in the number of employees, this is the most important reason for the increase in costs of 5 % to a total of DKK 108 million.

The core income before write-down of DKK 87 million corresponds to the expectations stated by the bank in connection with the publication of the interim financial report for the first quarter of 2008.

No commitments on the more speculative property market.

Together with the international credit crisis, the socio-economic development has led to a reduction in property prices and a subsequent slowdown in the property market. The result has not failed to show, as a number of property development companies and property investment companies are facing financial difficulties.

Losses and potential losses on large players within this highly risky and highly cyclical – and therefore more speculative segment of the property market – are the consequences of the setback on the property market. Nordjyske Bank has no commitments with this segment of the property market.

The bank carries out continual assessments of the quality of lending and deposits with a view to calculating the need for write-down and reversal. During the first six months of 2008, new write-downs of DKK 16 million have been carried out, whereas DKK 11 million have been reversed. The net write-down of DKK 5 million is covered by interest received on the amounts written down, so that the bank's result for the first six months is only to a limited extent affected by write-downs on lending and deposits. The net write-down for the first six months of 2008 amounts to DKK 0.3 million. During the same period last year, net write-downs of DKK 5 million were reversed.

Difficult conditions on the stock exchange markets

Because of the international credit crisis, the share market has during the past year been characterised by a negative development. Combined with an increase in interest rates during the past few months, this has led to a capital loss for the bank's portfolio of listed bonds and shares of DKK 23 million.

In the spring, the bank entered into an agreement with Nykredit about the final settlement in connection with Nykredit's previous purchase of the bank's shares in Totalkredit. In this connection, an extraordinary amount of DKK 26 million has been taken to income as capital gain during the first half year.

Thus, the total translation adjustment of securities amounts to a net income of DKK 3 million. In comparison, the first half year of 2007 saw a positive translation adjustment of securities of DKK 8 million.

A satisfactory pre-tax result of DKK 90 million.

The pre-tax result of DKK 90 million leads to a return on equity of 17 %.

The management of the bank considers the result satisfactory.

Statement of changes in equity

(in million DKK)

	2008	2007
	1/1 - 30/6	1/1 - 30/6
	6 mth	6 mth
Equity, at the beginning of the year	1.037	912
Net profit or loss for the period, after tax	69	76
Net regarding purchase/sale of treasury shares	21	4
Paid dividend	-20	-20
Equity at the end of the year, including net profit or loss for the period	1.065	972

Capital structure and equity ratio

The bank's capital adequacy (solvency) is calculated by means of the standard methods for the calculation of credit risks outside the trading portfolio, together with market risks. The operational risks are measured by means of the so-called basic indicator method. As of 30 June 2008, the bank's solvency ratio amounts to 12.2 after inclusion of the net profit or loss for the period for in the core capital.

Financial risks

The bank's credit risk is distributed among a large number of minor commitments. The total gearing of loans is moderate – 5.1 times the bank's equity. Including guarantees, the total credit gearing amounts to 6.1 times the equity. Please note in this connection that the bank does not have and has not had positions in financial instruments related to the so-called subprime loans, and that the bank does not have any loans or guarantees in the more speculative property market.

The bank is only to a limited extent exposed to changes in the interest level and fluctuations in the exchange rates. At the end of June 2008, the bank's interest risk, i.e. the loss/gain the bank risks to suffer/obtain by a change in the effective interest rate of 1 percentage point, amounted to DKK 5.0 million, and the currency risk (expressed by indicator 2) amounted to 565,000 DKK.

Liquidity

It is the bank's general policy to finance its loans through normal deposits with the bank and equity – and to obtain additional liquidity reserves through long-term senior loans. The bank thus aims at not having to finance loans by means of short-term loans on the money market or by large time deposits obtained outside the bank's normal clientele.

As it appears from the notes 6 and 8, the bank has a comfortable liquidity situation. The bank's short-term money market loans are covered by short-term money market positions with the Danish central bank, and the long-term funding requirement has been secured by senior loans to an amount of DKK 1.2 billion with a time to maturity of 2 – 4 years. Time deposits, cf. note 9, have a limited and stable size of 9 – 10 % of the bank's deposits, exclusive of deposits in pooled schemes.

Uncertainties associated with recognition and measurements

The result for the first half year of 2008 is not affected by any unusual circumstances. And after the end of the period, no events have occurred which will have a material influence on the net profit or loss for the period, assets and liabilities or the financial position as these were at the end of June 2008.

It is the opinion of the management that – apart from a minor uncertainty in connection with the calculation of the group write-downs on lending based on a rating model developed continually through backtest etc. – there is no uncertainty regarding recognition and measurement.

Consolidated statement

Nordjyske Bank owns the entire share capital of Sæbygård Skov A/S. The subsidiary's result for the first half year of 2008 has been included in the bank's income statement under the item "result of investments in associates and affiliated companies".

As the subsidiary's business is immaterial in relation to the bank, no consolidated report has been prepared.

Accounting policies

The interim report of the bank has been prepared in accordance with the Financial Business Act and with conditions and guidance issued by the Danish Financial Supervisory Authority. These stipulations are "consistent" with international accounting standards set up by IASB (International Accounting Standards Board).

The accounting policies used are unchanged compared with the previous financial year.

Key figures, two years

(in million DKK)

Income statement:

Net interest income
Fees and commissions, etc., net
Net interest and fee income

Result of investments in associates and affiliated companies
Other operating income, etc. *)

Core income

Staff and administration costs
Other operating costs, etc.

Costs

Core income before write-downs on loans

Write-down on loans

Basic income

Translation adjustment for listed securities and extraordinary capital gain regarding sector shares *)

Pre-tax profit

Profit after tax

Total translation adjustments, included in the items marked *)

Balance sheet:

Total assets
Loans
Guarantees
Deposits
Equity

	1st six months 2008	1st six months 2007	As of 31/12 2007
Net interest income	135.8	122.9	245
Fees and commissions, etc., net	43.7	51.7	93
Net interest and fee income	179.5	174.6	338
Result of investments in associates and affiliated companies	0.0	0.0	0
Other operating income, etc. *)	14.6	17.2	22
Core income	194.1	191.8	360
Staff and administration costs	105.6	99.4	201
Other operating costs, etc.	2.3	2.9	6
Costs	107.9	102.3	207
Core income before write-downs on loans	86.2	89.5	153
Write-down on loans	0.3	- 5.0	- 13
Basic income	85.9	94.5	166
Translation adjustment for listed securities and extraordinary capital gain regarding sector shares *)	3.6	8.8	12
Pre-tax profit	89.5	103.3	178
Profit after tax	69.5	75.8	139
Total translation adjustments, included in the items marked *)	15.3	23.4	28
Total assets	7,898	7,127	7,565
Loans	5,406	4,686	5,082
Guarantees	1,123	1,720	1,817
Deposits	4,932	4,431	4,550
Equity	1,065	972	1,037

Key figures, two years:

	1st six months 2008	1st six months 2007	All of 2007
Pre-tax profit / average equity % p.a.	17.0	22.0	18.3
Profit after tax / average equity % p.a.	13.2	16.1	14.3
Costs in % of core income	55.6	53.3	57.5
Income / cost ratio, DKK	1.83	2.06	1.92
Solvency ratio	12.2	10.4	10.1
Capital base before deduction in relation to weighted assets	16.8	16.0	15.2
Interest rate risk	0.6	1.0	0.2
Currency position	61.6	135.9	87.5
Currency risk	0.1	0.1	0.1
Loans in relation to deposits, %	112.3	109.0	114.6
Loans in relation to equity	5.1	4.8	4.9
Increase in loans for the period, %	6.4	7.0	16.1
Surplus in relation to legal requirements for liquidity	60.4	40.7	42.6
Total of major commitments			
– in relation to capital base after deductions	66.3	90.3	111.1
– in relation to capital base prior to deductions	33.6	23.4	14.0
Net write-down percentage p.a.	0.1	0.0	– 0.1
Accumulated write-down percentage	2.0	2.2	1.9
The Nordjyske Bank share:			
Earnings per share p.a.	17.3	18.8	17.5
Share price, share p.a.	133.0	220.0	182.0
Book value, share p.a.	136.6	121.4	130.5
Share price / net profit or loss for the year per share (P/E)	7,7	11,7	10,4
Share price/book value per share	0,97	1,81	1,39
Employees at the end of the year, calculated as fulltime employees	259	256	258

The expectations for 2008 as a whole

In the light of the realised result for the first half year of 2008 and the expectations for the remaining six months of the financial year, the bank upholds expectations for the whole of 2008, which were published previously in connection with the publication of the bank's result for the first quarter of 2008. The core income before write-downs on loans etc., is still expected to be unchanged at between DKK 140 and 160 million, compared with the realised DKK 153 million in 2007.

Apart from the item write-down on loans, where no material changes to the write-downs compared with the first half year are expected, the total result will be affected by the total translation adjustment of listed securities, etc., for which the adjustment as at 30 June this year amounted to a gain of DKK 3.6 million.

Finance calendar for 2008

17. November 2008

Publication of interim report for 9 months of 2008.

For any further comments, please contact the bank's Managing Director, Jens Ole Jensen, on 9633 5000.

Yours sincerely

Hans Jørgen Kaptain Jens Ole Jensen
Chairman of the Board Managing Director

Appendices:

Income statement, balance sheet, notes and statement by the board of directors and executive board, a total of 8 pages.

Income statement

	note	1/1 - 30/6 2008 DKK 1,000	1/1 - 30/6 2007 DKK 1,000	All of 2007 DKK 1,000
Interest income	1	237,350	192,081	405,853
Interest expenses	2	105,178	71,073	162,420
Net interest income		132,172	121,008	243,433
Dividends etc.		5,292	2,747	2,807
Fees and commission income	3	45,000	53,339	96,704
Fees and commission expenses		1,305	1,685	3,259
Net interest and fee income		181,159	175,409	339,685
Translation adjustments	4	+ 13,719	+ 22,566	+ 26,460
Other operating income		2,927	2,663	5,637
Staff and administration costs	5	105,644	99,378	201,415
Write downs and depreciation on intangible assets and property, plant and equipment		2,197	2,574	5,149
Other operating expenses		112	375	677
Write-downs on loans and receivables, etc.		302	+ 5,018	+ 13,574
Result of investments in associates and affiliated companies		- 64	- 4	+ 161
Pre-tax profit		89,486	103,325	178,276
Tax		20,000	27,561	39,054
Profit after tax		69,486	75,764	139,222

Balance sheet

		As of 30/6 2008 DKK 1,000	As of 30/6 2007 DKK 1,000	As of 31/12 2007 DKK 1,000
	note			
ASSETS				
Cash balance and demand deposits at central banks		160,456	40,783	65,335
Receivables from credit institutions and central banks	6	672,593	793,578	733,841
Loans and other receivables at and other amounts owing at fair value	7	9,648	9,784	9,879
Loans and other receivables at amortised cost	7	5,396,620	4,676,463	5,072,210
Bonds at fair value		400,265	257,373	344,598
Shares, etc.		216,233	187,536	202,952
Investments in associates		1.000	1.000	1.000
Equity investments in affiliated companies		8,743	8,643	8,808
Assets related to pooled schemes		823,971	982,608	926,526
Land and buildings in total		124,413	90,746	125,162
– Investment properties		33,561	19,322	33,561
– Owner-occupied properties		90,852	71,424	91,601
Other property, plant and equipment		4,674	5,384	5,545
Deferred tax assets		0	5,000	4,000
Temporary assets		2,963	2,937	1,603
Other assets		76,611	65,082	64,015
Total assets		7,898,190	7,126,917	7,565,474

Balance sheet

		As of 30/6 2008 DKK 1,000	As of 30/6 2007 DKK 1,000	As of 31/12 2007 DKK 1,000
	note			
LIABILITIES:				
Payables				
Payables to credit institutions and central banks	8	1,784,410	1,547,734	1,866,127
Deposits and other payables	9	3,978,131	3,392,322	3,521,444
Deposits in pooled schemes		954,016	1,038,237	1,028,268
Issued bonds at amortised cost		13	0	13
Current tax liabilities		4,943	28,466	946
Other liabilities		95,216	138,796	95,975
Prepayments and deferred income		28	33	27
Total debts		6,816,757	6,145,588	6,512,800
Provisions				
Provisions for pensions and similar		11,613	7,464	11,927
Provisions for deferred tax		2,600	0	0
Provisions for losses on guarantees		1,504	1,855	3,120
Total provisions		15,717	9,319	15,047
Subordinated debt				
Subordinated debt		1,067	0	1,067
Total subordinated debt		1,067	0	1,067
Equity				
Share capital		80,400	80,400	80,400
Revaluation reserve		19,459	4,333	19,460
Other reserves		498	397	562
Retained earnings		964,292	886,880	936,138
Total equity		1,064,649	972,010	1,036,560

Total liabilities	<u>7,898,190</u>	<u>7,126,917</u>	<u>7,565,474</u>
Notes			
	1/1 - 30/6 2008 DKK 1,000	1/1 - 30/6 2007 DKK 1,000	All of 2007 DKK 1,000
1. Interest income			
Receivables from credit institutions and central banks *)	12,799	13,354	30,218
Loans and other receivables *)	209,339	170,149	356,517
Bonds	10,570	4,889	12,821
Total derivative financial instruments	4,516	3,357	5,906
Other interest income	<u>126</u>	<u>332</u>	<u>391</u>
Total interest income	<u>237,350</u>	<u>192,081</u>	<u>405,853</u>
*)Of which interest income from actual purchase and repurchase activities:			
Receivables with credit institutions and central banks	0	0	0
Loans and other receivables	<u>0</u>	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>	<u>0</u>
2. Interest expenses			
Payables to credit institutions and central banks	39,280	26,912	62,526
Deposits and other payables *)	65,798	44,087	99,466
Subordinated debt	24	0	2
Other interest expenses	<u>76</u>	<u>74</u>	<u>426</u>
Total interest expenses	<u>105,178</u>	<u>71,073</u>	<u>162,420</u>
*)Of which interest income from actual purchase and repurchase activities:			
Payables to credit institutions and central banks	0	0	0
Deposits and other payables	<u>0</u>	<u>0</u>	<u>0</u>

	0	0	0
3. Fees and commission income			
Securities trading and custody account	18,052	27,202	48,591
Payment services	4,488	4,376	8,820
Loan transaction fees	8,232	8,162	14,692
Guarantee commission	8,319	7,718	14,922
Other fees and commission	5,909	5,881	9,679
	<u>45,000</u>	<u>53,339</u>	<u>96,704</u>

Notes

1/1 - 30/6 2008 DKK 1,000	1/1 - 30/6 2007 DKK 1,000	All of 2007 DKK 1,000
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4. Translation adjustments

Loans and other receivables at fair value	- 231	- 282	- 187
Bonds	- 14,653	- 1,640	- 14
Shares, etc.	25,916	21,431	16,823
Investment properties	0	28	5,908
Currency	1,859	3,996	5,310
Derivative financial instruments	2,455	- 127	359
Assets related to pooled schemes	- 69,425	2,174	- 23,815
Deposits in pooled schemes	67,798	- 3,014	22,076
Total translation adjustments	<u>+ 13,719</u>	<u>+ 22,566</u>	<u>+ 26,460</u>

5. Staff and administration costs

Salaries and remuneration to the Board of Directors,
Executive Board and Committee of Shareholders

Executive board	1,467	1,574	2,924
Executive Board, registration of pension obligations	0	0	773
Board of Directors	810	485	1,005
Committee of Shareholders	152	111	284
	<u>2,429</u>	<u>2,170</u>	<u>4,986</u>
Personnel costs:			
Wages and salaries	51,794	48,587	97,789

Pension	5,326	5,213	10,325
Social security expenses, etc.	5,355	5,323	10,815
	<u>62,475</u>	<u>59,123</u>	<u>118,929</u>
Other administrative expenses	<u>40,740</u>	<u>38,085</u>	<u>77,500</u>
Total staff and administration costs	<u>105,644</u>	<u>99,378</u>	<u>201,415</u>

No special incentive

schemes have been set up for members of the bank's management. Pension commitments for the Executive Board have been disclosed in the accounts.

Average number of fulltime employees

<u>259</u>	<u>254</u>	<u>255</u>
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Notes

	As of 30/6 2008 DKK 1,000	As of 30/6 2007 DKK 1,000	As of 31/12 2007 DKK 1,000
6. Receivables from credit institutions and central banks			
Demand deposits	20,618	17,249	29,407
Time to maturity			
- up to and including three months	588,715	736,478	669,731
Between 3 months and 1 year	0	0	0
Between 1 year and 5 years	39,227	0	11,727
- over 5 years	<u>24,033</u>	<u>39,851</u>	<u>22,976</u>
Receivables from credit institutions and central banks, total	<u>672,593</u>	<u>793,578</u>	<u>733,841</u>
Of this receivables from central banks	<u>588,715</u>	<u>736,478</u>	<u>569,731</u>

7. Write-down on loans and other receivables

Individual write-downs

Beginning	121,993	127,116	127,116
Write-downs during the period	15,408	14,250	47,229
Reversal of write-downs made during previous financial years	8,515	15,155	47,606
Final loss, previously written down	6,497	973	4,746
End	<u>122,389</u>	<u>125,238</u>	<u>121,993</u>
Grouped write-downs			
Beginning	10,470	17,112	17,112
Write-downs during the period	0	0	0
Reversal of write-downs made during previous financial years	868	0	6,642
Final loss, previously written down	0	0	0
Other changes	0	0	0
End	<u>9,602</u>	<u>17,112</u>	<u>10,470</u>

Notes

	As of 30/6 2008 DKK 1,000	As of 30/6 2007 DKK 1,000	As of 31/12 2007 DKK 1,000
8. Payables to credit institutions and central banks			
On demand	360,211	250,675	292,541
Time to maturity			
– up to and including three months	223,737	99,863	372,830
Between 3 months and 1 year	0	0	0
Between 1 year and 5 years	1,199,198	1,196,550	1,200,756
– over 5 years	<u>1,264</u>	<u>646</u>	<u>0</u>
Payables to credit institutions and central banks			
Total	<u>1,784,410</u>	<u>1,547,734</u>	<u>1,866,127</u>
9. Deposits and other payables			
On demand	2,534,365	2,559,271	2,486,501
Time to maturity			
– up to and including three months	386,615	373,086	395,000
Between 3 months and 1 year	562,720	167,387	247,803
Between 1 year and 5 years	<u>136,306</u>	<u>75,893</u>	<u>81,274</u>

- over 5 years	358,125	216,685	310,866
Deposits and other payables, total	3,978,131	3,392,322	3,521,444
Divided into categories			
- on demand	2,501,921	2,527,438	2,457,572
- at notice	516,690	94,085	187,846
- time deposits	397,372	369,155	374,593
- special deposits	562,148	401,644	501,433
Deposits and other payables, total	3,978,131	3,392,322	3,521,444
10. Contingent liabilities			
Total guarantees, etc.	1,123,191	1,720,108	1,817,205
Other commitments	1,770	1,799	1,799
Mortgaged assets:			
Bonds mortgaged as security for payables to the Danish central bank	7,990	7,958	7,986

Statement by the Board of Directors and Executive Board

On today's date we have approved the interim report for the period 1 January – 30 June 2008 for Nordjyske Bank A/S.

The interim report has been prepared in accordance with the Financial Business Act and has also been prepared in accordance with additional Danish disclosure requirements regarding interim reports for listed financial companies.

We consider the accounting policies selected to be suitable so that the annual report true and fair view of the bank's assets, liabilities and financial position, as well as the result.

The interim report has not been audited or reviewed, but the independent auditors have verified that the conditions for on going recognition of the earnings for the period in the core capital have been met.

Frederikshavn, 5 August 2008

The Executive Board

Jens Ole Jensen
Managing Director

Director

/Bjarne Haugaard
Deputy Managing

Board of Directors

Hans Jørgen Kaptain

Erik Broholm Andersen

Oluf Andersen

Per Lykkegaard Christensen

Tina Hansen

Hanne Karlshøj

Henrik Lintner

Arne Ugilt

Sten Uggerhøj