

Unaudited



Third quarter report 2008

DnB NOR Boligkreditt AS

Third quarter report 2008

Introduction

DnB NOR Boligkreditt recorded pre-tax operating profits before write-downs of NOK 252.0 million in the third quarter of 2008, compared with NOK 61.5 million in the year-earlier period. Profit for the period came to NOK 181.4 million, up from NOK 44.3 million in the third quarter of 2007. Net gains on financial instruments were NOK 159.0 million, reflecting wider credit margins in the bond markets.

Return on equity was 15.4 per cent in the July through September period of 2008, as against 8.5 per cent in the year-earlier period. Earnings per share were NOK 17.58, an increase from NOK 5.59 in the third quarter of 2007.

DnB NOR Boligkreditt's pre-tax operating profits before write-downs for the January through September period of 2008 were NOK 444.7 million, up from NOK 79.9 million in 2007. After tax, profits totalled NOK 306.5 million, of which net gains on financial instruments represented NOK 237.1 million. Profit after tax was NOK 57.6 million in the corresponding period in 2007.

The core capital ratio of DnB NOR Boligkreditt was 5.7 per cent at end-September 2008, compared with 6.9 per cent at end-December 2007. The capital adequacy ratio of DnB NOR Boligkreditt was 8.6 per cent at end-September 2008, compared with 9.1 per cent at end-December 2007.

During the third quarter of 2008, DnB NOR Boligkreditt acquired residential mortgages from DnB NOR Bank and the Postbanken brand for a total of NOK 32.1 billion.

The company issued new covered bonds for NOK 2.9 billion during the third quarter of 2008.

In DnB NOR's consolidated accounts, DnB NOR Boligkreditt is reported along with the Retail Banking business area.

Income

Income totalled NOK 343.8 million in the third quarter of 2008, up from NOK 98.0 million in the year-earlier period. Income for the January through September period of 2008 came to NOK 686.6 million, an increase from NOK 160.0 million in 2007.

Net interest income

Net interest income came to NOK 178.4 million in the third quarter of 2008, an increase of NOK 105.5 million from the third quarter of 2007. Net interest income for the January through September period of 2008 totalled NOK 430.5 million, up from NOK 140.5 million in the year-earlier period.

Net other operating income

Net other operating income was NOK 165.4 million in the third quarter of 2008, an increase from NOK 25.0 million in the third quarter of 2007. Net other operating income was NOK 256.1 million in the January through September period of 2008, compared with NOK 19.5 million in the year-earlier period. The rise in income mainly reflected net gains on financial instruments, which increased from NOK 17.7 million in 2007 to NOK 237.1 million in 2008. The gains will generally be reversed over the residual maturity of the bonds.

Operating expenses

The company's operating expenses totalled NOK 91.8 million in the third quarter of 2008, an increase of NOK 55.4 million from the year-earlier period. The management fee to DnB NOR Bank

was NOK 83.3 million, up from NOK 32.9 million in the third quarter of 2007. Operating expenses for the January through September period were NOK 242.0 million, compared with NOK 80.1 million in corresponding period of 2007. The management fee to the bank was NOK 225.3 million for the January through September period, an increase from NOK 72.6 million in the year-earlier period. The increase is due to the fact that the fee is calculated on the basis of portfolio volume.

Write-downs on commitments

DnB NOR Boligkreditt recorded write-downs on loans of NOK 19 million in the January through September period of 2008, of which NOK 8 million was recorded in the first quarter and NOK 11 million in the second quarter. The write-downs were all group write-downs based on the DnB NOR Group's calculation model. No individual write-downs were made on the company's loans during the January through September period. The Board of Directors consider the total level of write-downs at end-September 2008 to be satisfactory relative to the quality of the loan portfolio.

Taxes

DnB NOR Boligkreditt's tax charge for the January through September period of 2008 was NOK 119.2 million, with NOK 70.6 million referring to the third quarter of the year. The tax charge is based on an anticipated average tax rate of 28 per cent of the company's pre-tax operating profits.

Balance sheet and assets under management

At end-September 2008, DnB NOR Boligkreditt had a total of NOK 168.8 billion under management, an increase of NOK 112.3 billion or 199 per cent from a year earlier.

Net lending to customers rose by NOK 103.2 billion or 186 per cent over the 12-month period. The increase stems from the sale of new loans and the acquisition of portfolios from DnB NOR Bank and under the Postbanken brand. During the January through September period of 2008, the company acquired residential mortgage portfolios totalling approximately NOK 60 billion from DnB NOR Bank and Postbanken, of which NOK 30.1 billion referred to the Postbanken brand and NOK 2 billion to DnB NOR Bank in the third quarter of 2008.

Since end-December 2007, recorded securities issued have increased by NOK 51.5 billion, from NOK 33.3 billion to NOK 84.8 billion.

Risk and capital adequacy

The company has established guidelines and limits for management and control of the different types of risk. Currency risk is eliminated through the use of financial derivatives. Interest rate and liquidity risk is managed in accordance with stipulations concerning covered bonds in the Financial Institutions Act and guidelines and limits approved by the Board of Directors. The company's overall financial risk is considered to be low.

A management agreement has been entered into with DnB NOR Bank comprising administration, bank production, IT operations and financial and liquidity management. Operational risk is assessed to be low.

Assets are primarily mortgages within 75 per cent of appraised value. Credit risk is assessed to be low. In the opinion

of the Board of Directors, the loan portfolio is of high quality.

The Board of Directors considers the company's total risk exposure to be low.

At end-September 2008, the company's equity totalled NOK 4 782.4 million, of which NOK 4 476.0 million represented core capital. Total primary capital in the company was NOK 6 706.0 million. The core capital ratio was 5.7 per cent, while the capital adequacy ratio was 8.6 per cent. The company's primary capital was strengthened during the third quarter through a subordinated loan of NOK 1 200 million. The company's equity was increased by NOK 1 200 million in October to ensure further growth. The Board of Directors considers the company to be adequately capitalised relative to the risk level in the loan portfolios and other operations.

Market situation

The turmoil in the international capital markets intensified during the third quarter of 2008, and the situation became difficult during October 2008. In order to ease the funding situation for Norwegian banks, the authorities presented measures to help restore calm and confidence in the Norwegian capital market. The government measures opened for extensive long-term funding for the banks through the exchange of government bonds for covered bonds. The measures confirm the significance of portfolio building in DnB NOR Boligkreditt.

Based on developments in international capital markets,

DnB NOR Boligkreditt has come to play a key role in ensuring long-term, favourable funding for the Group, which is reflected in the expansion of the company over the past 12 months.

Prospects for the rest of the year

The measures introduced by the authorities in October 2008 increase the significance of portfolio building in the company through the fourth quarter of 2008 and well into 2009. Group projects have been established which will arrange for all new residential mortgages qualifying for inclusion in DnB NOR Boligkreditt's portfolio to be established directly in the company. There are also plans to accelerate portfolio building through the acquisition of more residential mortgage portfolios from DnB NOR Bank and the Postbanken brand.

Price growth in the Norwegian housing market has stagnated in 2008 after a prolonged upturn, and future price developments in the housing market remain uncertain. The record-high number of homes currently for sale and the great uncertainty regarding the future economic climate could contribute to a further reduction in housing prices later in the autumn. DnB NOR Boligkreditt has a robust loan portfolio with a generally low loan-to-collateral value ratio and is well positioned to withstand a negative trend in the housing market.

Oslo, 31 October 2008

The Board of Directors of DnB NOR Boligkreditt AS

Åsmund Skår
(chairman)

Reidar Bolme

Bjørn Erik Næss

Kristin Normann

Eldbjørg Sture

Øyvind Birkeland
(chief executive officer)

There has been no full or partial audit of the quarterly figures.

The third quarter report has been approved by the Board of Directors in the original Norwegian version. This is an English translation.

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Income statement

							DnB NOR Boligkreditt AS				
							3rd quarter	3rd quarter	January - September		Full year
<i>Amounts in NOK 1 000</i>	Note	2008	2007	2008	2007	2007					
Total interest income	2	2 385 614	683 131	5 748 829	1 611 631	2 658 891					
Total interest expenses	2	2 207 214	610 197	5 318 345	1 471 124	2 445 484					
Net interest income	2	178 400	72 934	430 484	140 507	213 407					
Commissions and fees receivable etc.		6 400	1 677	19 309	1 956	6 791					
Commissions and fees payable etc.		41	13	254	101	125					
Net gains/(losses) on financial instruments at fair value	3	158 970	23 352	237 085	17 685	26 752					
Net other operating income		165 411	25 016	256 140	19 540	33 418					
Total income		343 811	97 950	686 625	160 047	246 825					
Salaries and other ordinary personnel expenses	4	3 034	2 442	9 207	4 332	7 699					
Other expenses	4	88 781	33 973	232 761	75 784	132 370					
Total operating expenses		91 816	36 415	241 968	80 116	140 069					
Write-downs on loans and guarantees	6	-	-	19 000	-	14 000					
Pre-tax operating profit		251 995	61 535	425 657	79 931	92 756					
Taxes		70 559	17 230	119 184	22 381	25 984					
Profit for the period		181 436	44 305	306 473	57 550	66 772					
Earnings per share (NOK)		17.58	5.59	30.99	10.57	8.66					
Diluted earnings per share (NOK)		17.58	5.59	30.99	10.57	8.66					

Balance sheets

						DnB NOR Boligkreditt AS		
						30 Sep.	31 Dec.	30 Sep.
<i>Amounts in NOK 1 000</i>	Note	2008	2007	2007				
Assets								
Lending to and deposits with credit institutions		2 821 535	2 243 726	65 831				
Lending to customers	7	158 819 443	90 005 395	55 614 441				
Financial derivatives		7 073 781	1 583 060	804 590				
Deferred tax assets		-	-	797				
Other assets		35 277	20 509	10 195				
Total assets		168 750 036	93 852 690	56 495 854				
Liabilities and equity								
Loans and deposits from credit institutions		74 519 972	55 100 835	35 712 330				
Financial derivatives		2 179 936	1 002 748	1 065 015				
Securities issued	8	84 767 937	33 305 705	16 785 283				
Payable taxes		119 184	-	3 119				
Deferred taxes		84 289	54 889	-				
Other liabilities		56 966	180 272	55 743				
Subordinated loan capital	9	2 239 308	1 032 270	740 843				
Total liabilities		163 967 592	90 676 719	54 362 333				
Share capital		1 032 000	902 000	792 000				
Other reserves and retained earnings		3 750 444	2 273 971	1 341 521				
Total equity		4 782 444	3 175 971	2 133 521				
Total liabilities and equity		168 750 036	93 852 690	56 495 854				

Statement of changes in equity

DnB NOR Boligkreditt AS					
	Share capital	Share premium reserve	Other equity	Total other reserves and retained earnings	Total equity
<i>Amounts in NOK 1 000</i>					
Balance sheet as at 1 January 2007	685 000	315 000	5 971	320 971	1 005 971
Profit for the period			57 550	57 550	57 550
Share issue 5 February 2007	47 000	423 000	-	540 000	600 000
Share issue 14 May 2007	60 000	540 000	63 521	1 341 521	2 133 521
Balance sheet as at 30 September 2007	792 000	1 278 000	63 521	1 341 521	2 133 521
Profit for the period			9 222	9 222	9 222
Group contribution			(66 772)	(66 772)	(66 772)
Share issue 13 December 2007	110 000	990 000	-	990 000	1 100 000
Balance sheet as at 31 December 2007	902 000	2 268 000	5 971	2 273 971	3 175 971
Profit for the period			306 473	306 473	306 473
Share issue 4 April 2008	130 000	1 170 000	-	1 170 000	1 300 000
Balance sheet as at 30 September 2008	1 032 000	3 438 000	312 444	3 750 444	4 782 444

Cash flow statement

<i>Amounts in NOK 1 000</i>	DnB NOR Boligkreditt AS		
	January - September 2008	2007	Full year 2007
OPERATIONS			
Net payments on loans to customers	8 602 767	(11 759 191)	(8 718 914)
Interest received from customers	5 376 378	1 491 236	2 390 389
Net payments on sales of financial assets for investment or trading	-	-	-
Net receipts on commissions and fees	51 210	191	6 791
Payments to operations	241 968	66 201	223 885
Taxes paid	-	-	3 119
Other receipts	-	-	-
Net cash flow relating to operations	(3 417 147)	13 184 417	10 889 090
INVESTMENT ACTIVITY			
Net payments on the acquisition of fixed assets	-	-	-
Net purchase of loan portfolio	59 960 341	44 347 624	75 482 545
Net cash flow relating to investment activity	(59 960 341)	(44 347 624)	(75 482 545)
FUNDING ACTIVITY			
Net receipts/payments on loans from credit institutions	19 207 726	34 959 403	54 600 835
Net receipts/payments on other short-term liabilities	(46 362)	(72 517)	29 912
Net issue of bonds and commercial paper	47 196 909	(8 124 904)	8 120 976
Issue of subordinated loan capital	1 200 000	380 000	680 000
Redemptions of subordinated loan capital	-	-	-
Repurchase of own shares/share issue	1 300 000	1 070 000	2 170 000
Dividend payments	-	-	-
Net interest payments on funding activity	4 902 975	1 458 345	3 216 869
Net cash flow from funding activity	63 955 298	26 753 637	62 384 854
Net cash flow	577 810	(4 409 570)	(2 208 601)
Cash as at 1 January	2 243 726	4 452 327	4 452 327
Net receipts/payments on cash	577 810	(4 409 570)	(2 208 601)
Cash at end of period	2 821 536	42 757	2 243 726

The cash flow statement shows receipts and payments of cash and cash equivalents during the year. The statement has been prepared in accordance with the direct method and has been adjusted for items that do not generate cash flows, such as accruals, depreciation and write-downs on loans and guarantees. Cash flows are classified as operating activities, investment activities or funding activities. Balance sheet items are adjusted for the effects of exchange rate movements. Cash is defined as cash and deposits with central banks, and deposits with credit institutions with no agreed period of notice.

Key figures

	DnB NOR Boligkreditt AS				
	3rd quarter	3rd quarter	January - September		Full year
	2008	2007	2008	2007	2007
Rate of return/profitability					
1. Return on equity, annualised (%) ¹⁾	15.4	8.5	15.4	4.6	3.7
Financial strength					
2. Core (Tier 1) capital ratio at end of period (%) ²⁾	5.7	7.7	5.7	7.7	6.9
3. Capital adequacy ratio at end of period (%) ²⁾	8.6	10.4	8.6	10.4	9.1
4. Core capital at end of period (NOK million)	4 475 971	2 075 174	4 475 971	2 075 174	3 175 971
5. Risk-weighted volume at end of period (NOK million)	78 168 952	27 066 225	78 168 952	27 066 225	46 069 822
Loan portfolio and write-downs					
6. Write-downs relative to net lending to customers, annualised	0.00	-	0.00	-	0.02
7. Net non-performing and impaired commitments, per cent of net lending	0.00	-	0.00	-	-
8. Net non-performing and impaired commitments at end of period (NOK 1 000) ³⁾	54 231	-	54 231	-	-
Staff					
9. Number of full-time positions at end of period	9	9	9	9	9

Definitions

- 1) Average equity is calculated on the basis of recorded equity.
- 2) Figures for previous periods have been prepared in accordance with rules prevailing on the reporting dates.
- 3) The level of non-performing loans does not give grounds for individual write-downs.

Note 1 – Accounting principles etc.

Accounting principles

The third quarter accounts have been prepared according to IAS 34 – Interim Financial Reporting. A description of the accounting principles applied by the company in preparing the accounts is found in the annual report for 2007.

Note 2 – Net interest income

<i>Amounts in NOK 1 000</i>	DnB NOR Boligkreditt AS				
	3rd quarter 2008	3rd quarter 2007	January - September		Full year
	2008	2007	2008	2007	2007
Interest on loans to and deposits with credit institutions	15 117	15 996	66 254	30 483	47 523
Interest on loans to customers	2 355 185	660 815	5 642 576	1 567 116	2 588 986
Front-end fees etc.	92	2 062	334	2 182	7
Other interest income	15 219	4 258	39 665	11 850	22 375
Total interest income	2 385 614	683 131	5 748 829	1 611 631	2 658 891
Interest on loans and deposits from credit institutions	915 455	412 845	2 316 620	1 026 898	1 661 952
Interest on securities issued	1 246 412	196 660	2 867 459	411 873	735 806
Interest on subordinated loan capital	27 362	9 679	60 995	24 816	36 262
Other interest expenses	17 985	(8 987)	73 272	7 537	11 464
Total interest expenses	2 207 214	610 197	5 318 345	1 471 124	2 445 484
Net interest income	178 400	72 934	430 484	140 507	213 407

Note 3 – Net gains on financial instruments at fair value

<i>Amounts in NOK 1 000</i>	DnB NOR Boligkreditt AS				
	3rd quarter 2008	3rd quarter 2007	January - September		Full year
	2008	2007	2008	2007	2007
Net gains on foreign exchange and financial derivatives	290 470	5 862	575	213 688	232 355
Net gains on financial derivatives, hedging	1 498 165	36 784	(322 778)	36 784	(12 475)
Net gains on fixed rate loans	17 521	3 241	200	(28 493)	(23 413)
Net gains on financial liabilities, hedged items	(1 528 352)	(37 084)	304 284	(37 084)	10 654
Net gains on financial liabilities, other	(118 835)	14 550	254 805	(167 209)	(180 369)
Net gains on financial instruments at fair value	158 970	23 352	237 085	17 685	26 752

Note 4 – Operating expenses

<i>Amounts in NOK 1 000</i>	DnB NOR Boligkreditt AS				
	3rd quarter	3rd quarter	January - September		Full year
	2008	2007	2008	2007	2007
Ordinary salaries	2 422	1 570	6 322	3 054	5 490
Employer's national insurance contributions	483	233	1 052	436	698
Pension expenses	-	555	1 181	649	1 167
Social expenses	130	84	652	193	344
Total salaries and other personnel expenses	3 034	2 442	9 207	4 332	7 699
Fees	87 975	33 610	231 574	73 462	130 351
EDP expenses	-	-	16	1 857	1 375
Postage and telecommunications	18	4	31	7	7
Office supplies	2	8	9	10	16
Marketing and public relations	5	-	19	4	69
Travel expenses	46	218	238	241	293
Other operating expenses	736	133	875	203	259
Other expenses	88 782	33 973	232 761	75 784	132 370
Total operating expenses	91 816	36 415	241 968	80 116	140 069

Last five quarters

<i>Amounts in NOK 1 000</i>	DnB NOR Boligkreditt AS				
	3rd quarter	2nd quarter	1st quarter	4th quarter	3rd quarter
	2008	2008	2008	2007	2007
Ordinary salaries	2 422	1 821	2 079	2 436	1 570
Employer's national insurance contributions	483	253	317	262	233
Pension expenses	0	803	378	518	555
Social expenses	130	131	391	151	84
Total salaries and other personnel expenses	3 034	3 008	3 165	3 367	2 442
Fees	87 975	80 788	62 811	56 406	33 610
EDP expenses	0	7	9	2	-
Postage and telecommunications	18	0	12	-	4
Office supplies	2	2	4	6	8
Marketing and public relations	5	0	14	65	-
Travel expenses	46	130	63	52	218
Other operating expenses	736	59	81	55	133
Other expenses	88 782	80 986	62 994	56 586	33 973
Total operating expenses	91 816	83 994	66 159	59 953	36 415

Note 5 – Number of employees/full-time positions

	DnB NOR Boligkreditt AS				
	3rd quarter	3rd quarter	January - September		Full year
	2008	2007	2008	2007	2007
Number of employees at end of period	9	9	9	9	9
Number of employees calculated on a full-time basis at end of period	9	9	9	9	9

Note 6 – Write-downs on loans

<i>Amounts in NOK 1 000</i>	DnB NOR Boligkreditt AS				
	3rd quarter	3rd quarter	January - September		Full year
	2008	2007	2008	2007	2007
Write-offs	-	-	-	-	-
New individual write-downs	-	-	-	-	-
Total new individual write-downs	-	-	-	-	-
Reassessed individual write-downs	-	-	-	-	-
Total individual write-downs	-	-	-	-	-
Recoveries on commitments previously written off	-	-	-	-	-
Change in group write-downs ¹⁾	-	-	19 000	-	14 000
Write-downs on loans and guarantees	0	0	19 000	0	14 000

1) Based on the DnB NOR Group's calculation model and statistics.

Note 7 – Lending to customers

<i>Amounts in NOK 1 000</i>	DnB NOR Boligkreditt AS		
	30 Sep.	31 Dec.	30 Sep.
	2008	2007	2007
Lending to customers, nominal amount	156 173 158	87 869 975	53 587 649
Individual write-downs	-	-	-
Lending to customers, after individual write-downs	156 173 158	87 869 975	53 587 649
+ Accrued interest and amortisation	545 715	274 775	151 117
- Individual write-downs of accrued interest and amortisation	-	-	-
- Group write-downs	33 000	14 000	-
Lending to customers, at amortised cost	156 685 873	88 130 750	53 738 766
Lending to customers, nominal amount	2 156 566	1 893 238	1 899 347
+ Accrued interest	6 354	5 216	5 218
+ Adjustment to fair value	(29 350)	(23 809)	(28 890)
Lending to customers, classified at fair value	2 133 570	1 874 645	1 875 675
Lending to customers	158 819 443	90 005 395	55 614 441

Note 8 – Securities issued

Covered bonds - listed

							DnB NOR Boligkreditt AS		
<i>Amounts in NOK 1 000</i>							30 Sep.	31 Dec.	30 Sep.
ISIN Code	Nominal value	Currency	Interest	Issued	Matured	2008	2007	2007	
XSO308736023	1 500 000	EUR	Fixed 4.625 %	2007	2012	12 504 966	11 957 952	11 569 503	
NO0010378730	7 000 000	NOK	Fixed 5.550 %	2007	2014	7 000 000	5 000 000	5 000 000	
XS0330848622	1 500 000	EUR	Fixed 4.375 %	2007	2010	12 504 966	11 957 952	-	
CH0034696242	250 000	CHF	Fixed 3.000 %	2007	2012	1 327 136	1 204 593	-	
CH0034696259	250 000	CHF	Fixed 3.375 %	2007	2016	1 327 136	1 204 593	-	
NO0010398431	1 500 000	NOK	Floating 3M Nibor - 0,03%	2007	2010	1 500 000	1 500 000	-	
XS0345378524	50 000	EUR	Floating 3M Euribor + 0,10%	2008	2013	416 832	-	-	
XS0345291081	2 000 000	EUR	Fixed 4.125 %	2008	2013	16 673 288	-	-	
XS0343679220	50 000	EUR	Floating 3M Euribor + 0,08%	2008	2011	416 832	-	-	
XS0342241295	100 000	EUR	Floating 3M Euribor + 0,05%	2008	2011	833 664	-	-	
XS0343839790	8 000 000	JPY	Floating 3M JPY Libor + 0,00%	2008	2011	447 624	-	-	
CH0039334104	200 000	CHF	Fixed 3.385 %	2008	2016	1 061 708	-	-	
NO0010430143	1 600 000	NOK	Fixed 5.500 %	2008	2019	1 600 000	-	-	
XS0363732701	2 000 000	EUR	Fixed 4.500 %	2008	2011	16 673 288	-	-	
XS0377361471	15 000	EUR	Fixed 4.900 %	2008	2013	125 050	-	-	
XS0378505514	5 000 000	JPY	Fixed 2.045 %	2008	2018	279 765	-	-	
XS0383827135	50 000	EUR	Fixed 4.814 %	2008	2015	416 832	-	-	
XS0384439978	50 000	EUR	Floating 6M Euribor + 0,106%	2008	2011	416 833	-	-	
Adjustments						1 040 606	480 615	215 780	
Total securities issued						76 566 526	33 305 705	16 785 283	

Private placements under the bond programme

							DnB NOR Boligkreditt AS		
<i>Amounts in NOK 1 000</i>							30 Sep.	31 Dec.	30 Sep.
ISIN Code	Nominal value	Currency	Interest	Issued	Matured	2008	2007	2007	
-	35 000	EUR	Fixed 4.540 %	2008	2018	291 783	-	-	
-	5 000	EUR	Fixed 4.586 %	2008	2018	41 683	-	-	
-	45 500	EUR	Fixed 4.693 %	2008	2020	379 317	-	-	
-	15 000	EUR	Fixed 4.600 %	2008	2018	125 050	-	-	
-	150 000	EUR	Fixed 5.023 %	2008	2024	1 250 497	-	-	
-	99 000	EUR	Fixed 6.550 %	2008	2015	825 328	-	-	
-	20 000	EUR	Fixed 5.200 %	2008	2018	166 733	-	-	
-	30 000	EUR	Fixed 4.928 %	2008	2023	250 099	-	-	
-	111 000	EUR	Fixed 6.100 %	2008	2015	925 367	-	-	
-	10 000	EUR	Fixed 5.360 %	2008	2018	83 366	-	-	
-	120 000	EUR	Fixed 4.948 %	2008	2022	1 000 397	-	-	
-	40 000	EUR	Fixed 5.070 %	2008	2013	333 466	-	-	
-	15 000	EUR	Fixed 5.075 %	2008	2023	125 050	-	-	
-	20 000	EUR	Fixed 5.510 %	2008	2018	166 733	-	-	
-	20 000	EUR	Fixed 5.910 %	2008	2018	166 733	-	-	
-	15 000	EUR	Fixed 5.170 %	2008	2018	125 050	-	-	
-	20 000	EUR	Fixed 5.065 %	2008	2016	166 733	-	-	
-	20 000	EUR	Fixed 5.575 %	2008	2018	166 733	-	-	
-	15 000	EUR	Fixed 4.985 %	2008	2021	125 050	-	-	
-	10 000	EUR	Fixed 5.450 %	2008	2013	83 366	-	-	
-	15 000	EUR	Fixed 5.415 %	2008	2018	125 050	-	-	
-	120 000	EUR	Fixed 4.903 %	2008	2019	1 000 397	-	-	
-	20 000	EUR	Fixed 5.430 %	2008	2018	166 733	-	-	
Adjustments						110 698	-	-	
Total securities issued						8 201 411	0	0	

Covered bonds

Total listed covered bonds	75 525 920	32 825 090	16 569 503
Total private placements under the bond programme	8 090 713	-	-
Adjustment	1 151 304	480 615	215 780
Total securities issued	84 767 937	33 305 705	16 785 283

Note 8 – Securities issued (continued)

Cover pool

<i>Amounts in NOK 1 000</i>	DnB NOR Boligkreditt AS		
	30 Sep. 2008	31 Dec. 2007	30 Sep. 2007
Pool of eligible loans	118 538 714	36 455 693	17 507 812
Market value of derivatives	4 946 039	413 129	-
Supplementary assets	2 732 679	288 291	-
Total collateralised assets	126 217 432	37 157 113	17 507 812
Over-collateralisation	149 %	112 %	104 %

Note 9 – Subordinated loan capital

Subordinated loan capital

<i>Amounts in NOK 1 000</i>	Nominal	Currency	Interest rate	Issue date	Maturity date	DnB NOR Boligkreditt AS	
						Balance sheet 30 Sep. 2008	Balance sheet 31 Dec. 2007
Term subordinated loan capital	350 000	NOK	3 month Nibor + 35 bp	18.09.2006	18.09.2016	350 000	350 000
Term subordinated loan capital	150 000	NOK	3 month Nibor + 20 bp	10.01.2007	10.01.2017	150 000	150 000
Term subordinated loan capital	230 000	NOK	3 month Nibor + 20 bp	20.02.2007	20.02.2017	230 000	230 000
Term subordinated loan capital	300 000	NOK	3 month Nibor + 75 bp	30.11.2007	30.11.2017	300 000	300 000
Term subordinated loan capital	1 200 000	NOK	3 month Nibor + 152 bp	29.08.2008	29.08.2018	1 200 000	-
Adjustments						9 308	2 270
Total	2 230 000					2 239 308	1 032 270

Note 10 - Capital adequacy

New capital adequacy regulations, Basel II, entered into force on 1 January 2007, see below for further description of DnB NOR Boligkreditt and the DnB NOR Group's implementation of the Basel II regulations.

Primary capital

	DnB NOR Boligkreditt AS	
	30 Sep. 2008	31 Dec. 2007 ²⁾
<i>Amounts in NOK 1 000</i>		
Share capital	1 032 000	902 000
Other equity ¹⁾	3 443 971	2 273 971
Total equity	4 475 971	3 175 971
Deductions		
Deferred tax assets	-	-
Core capital	4 475 971	3 175 971
Perpetual subordinated loan capital	-	-
Term subordinated loan capital	2 230 000	1 030 000
Supplementary capital	2 230 000	1 030 000
Deductions	-	-
Total eligible primary capital	6 705 971	4 205 971
Risk-weighted volume	78 168 952	46 069 822
Minimum capital requirement	6 253 516	3 685 586
Core capital ratio (%)	5.7	6.9
Capital ratio (%)	8.6	9.1

Due to transitional rules, the minimum capital requirement for 2007, 2008 and 2009 cannot be reduced below 95, 90 and 80 per cent respectively in relation to the requirements according to Basel I rules.

Capital adequacy for the second quarter is reported according to the transitional rules.

DnB NOR Boligkreditt AS

	30 Sep.	31 Dec.
	2008	2007 ²⁾
<i>Amounts in NOK million</i>		
Risk-weighted volume, Basel II	16 928 774	8 837 967
Minimum capital requirement, Basel II	1 322 286	707 037
Core capital ratio (%)	27.1	35.9
Capital ratio (%)	40.6	47.6

1) Profit for the period is not included in core capital.

2) Figures for previous periods have been prepared in accordance with rules prevailing on the reporting dates

Note 11 – Information on related parties

Major transactions with related parties:

DnB NOR Bank

DnB NOR Boligkreditt AS is 100 per cent owned by DnB NOR Bank ASA. As part of ordinary business transactions, a large number of banking transactions are entered into between DnB NOR Boligkreditt AS (Boligkreditt) and DnB NOR Bank ASA (the bank), including loans, deposits and financial derivatives used in currency and interest rate risk management. Transactions are carried out on market terms and are regulated in the "Agreement relating to transfer of loan portfolio between DnB NOR Bank ASA and DnB NOR Boligkreditt AS" (the transfer agreement) and the "Contract concerning purchase of management services" (the management agreement).

The transfer agreement regulates the transfer of loan portfolios qualifying as collateral for the issue of covered bonds. During the January through September period of 2008, portfolios transferred from the bank to Boligkreditt totalled NOK 59.9 billion, of which NOK 32.1 billion referred to the third quarter. The transfers are based on market terms.

Pursuant to the management agreement, Boligkreditt purchases services from the bank, including administration, bank production, distribution, customer contact, IT operations, financial and liquidity management. Boligkreditt pays an annual management fee for these services based on the lending volume under management. For new loans approved through the bank's channels, a sales commission for each loan is also paid. The fee paid for the January through September period of 2008 was NOK 225 million.

At end-September 2008, DnB NOR Bank ASA had subscribed for covered bonds issued by DnB NOR Boligkreditt for a total of NOK 1.7 billion.

Vital Forsikring

As part of the company's ordinary investment activity, Vital Forsikring ASA (Vital) has subscribed for covered bonds issued by DnB NOR Boligkreditt. Vital's investments in Boligkreditt are limited to listed covered bonds. Vital's holding of Boligkreditt bonds was valued at NOK 6.3 billion at end-September 2008.

Group contributions

DnB NOR Boligkreditt AS transferred in 2008 group contributions to DnB NOR Bank ASA in the amount of NOK 67 million. DnB NOR Boligkreditt AS is a wholly-owned subsidiary of DnB NOR Bank ASA. The group contributions represent settlement of ordinary year-end adjustments for the 2007 accounting year.

Note 12 - Contingencies

DnB NOR Boligkreditt is party to no legal actions.

Note 13 – Profit and balance sheet trends

Income statement	DnB NOR Boligkreditt AS				
	3rd quarter 2008	2nd quarter 2008	1st quarter 2007	4th quarter 2007	3rd quarter 2007
<i>Amounts in NOK 1 000</i>					
Total interest income	2 385 614	1 904 842	1 458 374	1 047 260	683 131
Total interest expenses	2 207 214	1 791 422	1 319 709	974 360	610 197
Net interest income	178 400	113 420	138 665	72 900	72 934
Commissions and fees receivable etc.	6 400	7 350	5 559	4 835	1 677
Commissions and fees payable etc.	41	185	28	24	13
Net gains on financial instruments at fair value	158 970	50 975	27 140	9 067	23 352
Net other operating income	165 411	58 140	32 671	13 878	25 016
Total income	343 811	171 560	171 336	86 778	97 950
Salaries and other ordinary personnel expenses	3 034	3 008	3 165	3 367	2 442
Other expenses	88 781	80 986	62 994	56 586	33 973
Total operating expenses	91 816	83 994	66 159	59 953	36 415
Write-downs on loans and guarantees	-	11 000	8 000	14 000	-
Pre-tax operating profit	251 995	76 566	97 177	12 825	61 535
Taxes	70 559	21 438	27 210	3 603	17 230
Profit for the period	181 436	55 128	69 967	9 222	44 305
Earnings per share (NOK)	17.58	5.37	7.76	1.02	5.59
Diluted earnings per share (NOK)	17.58	5.37	7.76	1.02	5.59

Balance sheets	DnB NOR Boligkreditt AS				
	30 Sep. 2008	30 June 2008	31 March 2008	31 Dec. 2007	30 Sep. 2007
<i>Amounts in NOK 1 000</i>					
Assets					
Lending to and deposits with credit institutions	2 821 535	3 086 609	204 323	2 243 726	65 831
Lending to customers	158 819 443	124 226 707	93 003 314	90 005 395	55 614 441
Financial derivatives	7 073 781	2 885 905	2 536 685	1 583 060	804 590
Deferred tax assets	-	-	-	-	797
Other assets	35 277	37 752	23 718	20 509	10 195
Total assets	168 750 036	130 236 973	95 768 040	93 852 690	56 495 854
Liabilities and equity					
Loans and deposits from credit institutions	74 519 972	44 490 170	35 865 997	55 100 835	35 712 330
Financial derivatives	2 179 936	2 708 624	752 371	1 002 748	1 065 015
Securities issued	84 767 937	77 251 123	54 597 987	33 305 705	16 785 283
Payable taxes	119 184	48 648	27 210	-	3 119
Deferred taxes	84 289	71 689	54 889	54 889	-
Other liabilities	56 966	35 452	192 891	180 272	55 743
Subordinated loan capital	2 239 308	1 030 201	1 030 757	1 032 270	740 843
Total liabilities	163 967 592	125 635 907	92 522 102	90 676 719	54 362 333
Share capital	1 032 000	1 032 000	902 000	902 000	792 000
Other reserves and retained earnings	3 750 444	3 569 066	2 343 938	2 273 971	1 341 521
Total equity	4 782 444	4 601 066	3 245 938	3 175 971	2 133 521
Total liabilities and equity	168 750 036	130 236 973	95 768 040	93 852 690	56 495 854

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Other sources of information

Annual reports

Annual reports for DnB NOR Boligkreditt AS, the DnB NOR Bank Group and the DnB NOR Group are available on www.dnbnor.com.

Quarterly publications

Quarterly reports are available on www.dnbnor.com

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