

OMX Nordic Exchange Copenhagen A/S
Nikolaj Plads 6
DK-1007 Copenhagen K

Skjern, the 23rd October 2008

Stock Exchange Announcement no. 20/2008

Third Quarter Report 2008

- Core earnings before share price adjustments and write-downs increased by 27 % to DKK 59.1 million and are thus almost at the same level as for the whole of 2007
- Substantial negative value adjustments and write-downs on loans etc.
- Unchanged business volume
- Loss of DKK - 5.3 million is not satisfactory
- Normal supervisory visit by The Danish Financial Supervisory Authority – after 4 years. The supervisory visit resulted in a positive conclusion
- A solid capital foundation with a strong solvency of 13.3% and an individual solvency requirement of 7.3%
- Good liquidity with terms until 2015, together with a current excess capital adequacy of 95%
- Expectations for the year before value adjustments and write-downs unaltered at DKK 80 - 90 million
- Expectations for the profit or loss for the year are for a smaller, positive profit, though this is dependent on developments within the securities markets.

Yours sincerely,
Skjern Bank

Carsten Thygesen
Chairman of the Board of Directors

Per Munck
Director

Questions should be addressed to Director Per Munck at phone: +45 96 80 13 00 or +45 21 73 30 04.

Summary

During the first three quarters of the year, Skjern Bank has achieved a robust improvement of core operations before value adjustments and write-downs of 27% of almost DKK 60 million:

Core earnings	1.1-30.09	1.1-30.09	1.1-30.09	1.1-30.09	1.1-30.09	1.1-31.12
	2008	2007	2006	2005	2004	2007
Core income	164.266	143.650	132.007	102.394	96.039	191.912
Total costs etc.	105.118	97.069	82.226	67.369	58.603	129.509
Core earnings before value adjustments and write-downs	59.148	46.581	49.781	35.025	37.436	62.403

The increase has led to a base result before value adjustments and write-downs for the first three quarters of the year, which is on the same level as the base result for the whole of 2007. This has been achieved despite the fact that the financial turmoil continues to lead to a reduction in revenue from customers' securities trading.

In the third quarter value adjustments have shown a strong negative development, such that the total unrealised value adjustments for the year's three quarters amount to DKK -32.5 million. The bank has had a relative high exposure in the share market for a number of years, predominately in the major Danish liquid shares (primarily in the C20 index), which has been very profitable in previous years. During the latest period this strategy has been very costly, but the bank has chosen to maintain the strategy with a view to gaining a share of the expected increase in prices when the markets are normalised in the long term.

Write-downs on loans amount to DKK 34.6 million, equivalent to 0.7% of the bank's loans and guarantees.

Profit or loss after the third quarter amounts to DKK -5.3 million, which is not satisfactory.

Normal supervisory visit by The Danish Financial Supervisory Authority

4 years after the latest supervisory visit, the Danish Financial Supervisory Authority carried out a normal supervisory visit during week 41. In the credit area, the Danish Financial Supervisory Authority reviewed approx. 35% of the bank's total loan and guarantee portfolio, which led to a smaller reversal of undertaken write-downs. It is especially positive that the review of approx. 75% of the bank's total exposure in property did not give rise to comments.

Furthermore, the bank was assessed as having a good control environment within all areas, including credit, market risks, IT and money laundering etc.

The bank's individual capital adequacy amounts to 7.3% against the minimum statutory requirement of 8%. Solvency, determined in accordance with accounting, was 13.3% at the end of the quarter.

Financial summary

Amounts in DKK 1000	1.1- 30.09 2008	1.1- 30.09 2007	1.1- 30.09 2006	1.1- 30.09 2005	1.1- 30.09 2004	1.1- 31.12 2007
Profit and loss account						
Net income from interest	119.426	102.209	92.437	71.268	69.969	135.246
Div. on shares and other holdgs.	8.007	3.788	3.039	1.055	1.120	3.909
Charges and commissions (net)	35.802	37.033	35.999	29.529	24.023	51.541
Net inc. from int. & charges	163.235	143.030	131.475	101.852	95.112	190.696
Value adjustments	-32.533	16.554	21.760	33.496	14.239	7.920
Other ordinary income	1.031	620	532	542	927	1.216
Staff costs and administrative expenses	101.158	93.424	78.180	63.277	55.319	129.356
Depreciation of intangible and tangible assets	3.960	3.645	4.046	4.092	3.284	153
Write-downs on loans etc. (net)	34.623	14.277	-857	430	9.922	19.439
Profit on holdings in associated and affiliated companies	295	1.848	187	107	-116	1.687
Operating profit	-7.713	50.706	72.585	68.198	41.637	52.571
Taxes	-2.371	10.202	23.356	18.166	13.213	9.320
Profit for the period	-5.342	40.504	49.229	50.032	28.424	43.251
Balance sheet as per summary						
	30.09 2008	30.09 2006	30.09 2005	30.09 2004	30.09 2003	31.12 2007
Total assets	5.109.514	4.982.487	3.818.212	2.631.136	2.233.989	5.358.137
Loans and other debtors	3.758.572	3.784.359	2.973.023	1.912.159	1.679.162	3.919.134
Guarantees etc.	1.195.075	1.567.337	1.508.618	1.356.298	960.340	1.718.261
Bonds	404.576	238.003	171.647	97.042	92.646	253.271
Shares etc.	192.880	220.853	178.585	141.141	96.162	213.388
Deposits	2.478.172	2.646.924	2.043.040	1.954.666	1.654.182	2.677.096
Subordinated capital investments	195.000	120.000	145.000	50.000	50.000	220.000
Capital funds	504.161	539.431	413.520	367.449	283.877	536.276
Capital Base	640.681	581.567	467.561	298.073	289.693	686.180
Total weighted items	4.822.176	4.947.829	4.238.069	2.908.371	2.370.546	5.090.524

FINANCIAL RATIOS (3rd quarter)	2008	2007	2006	2005
(figures in pct.)				
Solvency ratio	13,3	11,8	11,0	12,8
Core capital ratio	11,2	11,5	9,8	10,9
Legal solvency requirement	8,0	8,0	8,0	8,0
Calculated solvency requirement	7,3	8,3	n/a	n/a
Return on own funds before tax	-1,5	9,4	18,3	19,7
Return on own funds after tax	-1,0	7,5	12,4	14,5
Earning/expense ratio in DKK	0,95	1,5	1,9	2,0
Interest rate risk	0,9	1,0	0,3	0,8
Foreign currency position	4,7	4,5	10,3	19,1
Foreign currency risk	0,0	0,0	0,0	0,1
Advances against deposits	156,2	146,1	148,5	101,4
Statutory liquidity surplus	94,8	52,3	23,6	50,0
Total large commitments	103,7	150,8	165,9	99,2
Accumulated impairment ratio	2,2	1,5	1,4	1,9
Impairment ratio for the period	0,7	0,3	0,0	-0,2
Increase in loans etc. for the period	-4,1	20,2	43,1	11,3
Ratio between loans etc. and capital funds	7,5	7,0	7,2	5,2
(value pr share 100 DKK)				
Earnings per share (result period)	-25,2	190,1	238,1	266,1
Book value pr share	2.439	2.457	2.200	1.955
Market value/earning per share	-50,3	18,8	17,6	11,9
Market value/book value	0,52	1,46	1,91	1,62

Management's review

Since the beginning of the year Skjern Bank has ascertained a minor fall in its business volume to approx. DKK 7.4 billion, which is primarily due to the altered cooperation agreement with Totalkredit, after which the bank shall no longer provide guarantees for the customers' raising of mortgage loans with Totalkredit.

As a result of the turmoil on the financial markets, the bank made a strategic decision during the first quarter to dampen the bank's lending activities with a view to attaining a better balance between the deposit and loan volumes.

The purpose of this was – and continues to be – to reduce dependence on funding from financial institutions at home and abroad. Since the turn of the year, total loans have been reduced by approx. 4% to approx. DKK 3,750 million while deposits have been reduced by almost DKK 200 million to approx. DKK 2,500 million as a result of competition. It should also be taken into account that the growth in financial guaranties has amounted to approx. DKK 150 million, which is related to customers' raising of loans in foreign currencies.

The bank's exposure in the property sector has been calculated at 22% of total loans and guarantees. The majority of these loans have been provided to finance residential rental properties in Northern Germany and in Denmark, where the investors have contributed significant equity and where the rental income can service the debt in the properties. The bank has not financed tax-driven property investment projects.

The bank wishes to reduce exposure in the property segment, which is why the transition of bank financing to mortgage credit loans and mortgage bank loans will subsequently take place.

In general the bank will continue to positively contribute to the provision of both private and business customers' requirements for financing.

The bank's loan and guarantee debtors distributed on segments constitutes as of 30 September 2008:

	30/9 2008	30/6 2008	31/12 2007	31/12 2006
Public authorities	3,36%	2,44%	0,53%	0,21%
Agriculture etc.	13,38%	12,90%	13,96%	13,80%
Manufacturing and primary business, electricity-, gas, water- and heating plants	5,07%	5,21%	3,80%	3,92%
Building and constructions	3,34%	4,02%	4,00%	3,77%
Wholesale and retail trade, catering- and hotel trade	9,71%	9,81%	7,03%	7,19%
Carrying trade, storage- and communication service	1,25%	1,16%	0,99%	1,18%
Credit- and financial intermediation and insurance business	7,54%	7,83%	6,47%	8,59%
Real-estate administration, real- estate-agent and service business	21,99%	22,43%	22,50%	18,68%
Private persons	34,35%	34,19%	40,72%	42,66%

As named above, the Danish Financial Supervisory Authority has reviewed the bank's exposure in the property sector. The review, which did not give rise to any comments, covered 75% of the total exposure. This review further strengthens the bank's conviction that the exposure in the German property market in particular is particularly justifiable from a credit viewpoint. It should also be noted that the German property market has not experienced the price

turbulence that has been experienced in e.g. Denmark, in as far as the German market has been and continues to be stable and positive.

The bank's net interest income has increased by 17% to almost DKK 120 million. This is a highly satisfactory development.

Commissions and fees

Despite continuing falling income from securities trading, it is highly positive that the bank has more or less succeeded in maintaining the income from fees and commissions. The transaction-based income from securities trading is reduced by approx. 1/3 to approx. DKK 12.5 million, which is however to some degree offset by the growth in the transaction-based income from loan and guarantee businesses, so that the total fee and commission income is reduced by approx. DKK 1.6 million to DKK 39 million.

Net interest and fee earnings have thus increased by DKK 20 million to DKK 163 million, equivalent to a satisfactory 14%.

Costs

Staff and administration costs amounted to DKK 101 million against DKK 93.4 million in 2007, which is an increase of 8%. Cost development is thus significantly lower than in recent years, which were affected by extraordinary conditions.

The number of employees is 156 against 135, and the establishment of the Hellerup branch with 8 employees is the largest single activity here.

The Hellerup branch continues the good and healthy development that has characterised it since its establishment. In crucial areas the branch is ahead of the 2008 budget and based on this it is expected that the branch will contribute to the bank's earnings earlier than expected.

Depressed securities market

Value adjustments in the third quarter have shown a strong negative development, where the unrealised value adjustments have alone amounted to DKK -25 million. This means that for the three first quarters of the year, value adjustments total DKK -32.5 million. This is a result of the bank's relatively strong exposure in major Danish liquid shares, primarily in the C20 index. During recent years the bank has gained significant earnings from its exposure in this area, but this year it must be recognised that this strategy has been particularly costly.

It has however been decided to maintain the exposure with a view to achieving a positive adjustment when the market is normalised.

Compared to last year, the impact of the value adjustments amounts to as much as DKK 49 million, in that the negative adjustment for the year of DKK 32.5 million should be viewed in the light of a positive adjustment of DKK 16.5 million in 2007.

Increased write-downs

During the first three quarters of the year, the bank undertook write-downs amounting to DKK 34.6 million, corresponding to 0.7% of total loans and guarantees.

Of these, actual realised losses make up DKK 10.5 million, which is above the level for recent years, but is not unusual seen in a historical perspective. The extent is however clearly higher than was expected at the start of the year.

It should be noted that the write-downs are distributed on a large number of client relations, including transactions with both private and business clients in different sectors. In particular, it should be noted that there are no subprime or similar types of write-downs as the bank does not have such assets just as there are no write-downs on commitments outside of Denmark.

The bank does not have any exposure toward Iceland.

In the current year the bank's share of major commitments is reduced in that the financial ratio "the total of large commitments" is reduced from 150 to 103. Therefore, when viewed relatively, a large spread in the bank's total loan and guarantee portfolio has been achieved.

Non-accrual loans etc. total DKK 37.7 million, equivalent to approx. 0.7% of the total loans and guarantees before write-downs.

The Danish Financial Supervisory Authority's recently completed review covered a credit review of approx. 35% of the bank's total loans and guarantees. The review meant that the bank was obliged to carry out a reversal of undertaken write-downs to a value of approx. DKK 0.3 million.

Slide in prices and write-downs negatively impact the results

The total profit/loss for the period can hereafter be calculated as DKK -7.7 million against DKK 50.7 million in 2007. After tax the net results for the period amounts to DKK -5.3 million.

The net results have been negatively impacted by DKK 67 million from value adjustments and write-downs on loans etc.

The result is not satisfactory.

Strongly improved solvency

The bank's equity is calculated at DKK 504 million against DKK 539 million in 2007. The change is primarily due to an increased holding of own shares, which are not recognised in the equity in accordance with current regulations.

Following the addition of subordinated debt of DKK 195 million, the bank's capital base at the end of the quarter was DKK 640.6 million.

Solvency is determined as 13.3% against 11.8% last year. Core capital is 11.2%.

The individually calculated solvency requirement is determined as 7.3%. The minimum statutory requirement is however 8%.

The bank has thereby a solid capital foundation with a considerable excess capital adequacy in relation to the necessary capital.

Liquidity

The liquidity situation is also stable with a significant excess capital adequacy of 94.8% against 52.3% in 2007.

On a daily basis the bank manages the liquidity solely through the use of pledged facilities with financial institutions with terms until 2015. It must however be acknowledged that the credit crisis has led to liquidity equalisation between financial institutions being somewhat harder than previously. The bank has though always been able to achieve a comfortable excess capital adequacy without utilising the short day-to-day money market.

The Danish National Bank's pledged loan opportunities have not been utilised.

It can however be clearly ascertained that as we write the recently introduced liquidity legislation – the governmental financial guarantee/The Private Contingency Association – has meant that liquidity once again flows between the Danish banks.

To reduce dependency on liquidity from other financial institutions, the bank has implemented a range of initiatives to achieve a better relation between total deposits and loans.

The Skjern Bank share

Skjern Bank's more than 13,000 shareholders have this year – together with almost all other shareholders in Denmark and abroad – had to ascertain very significant share price adjustments for their shares. With a price at the start of the year of 590 and a price of 255 at the end of the third quarter, the negative return, including dividend, amounted to 56%.

Good practice in relation to professional advice

During the third quarter Skjern Bank has participated in a sample survey which the Danish Financial Supervisory Authority has conducted in a number of randomly selected banks across the country. The aim of the survey was to examine whether the rules of good practice for advice on property were followed in a range of professional advice situations.

The survey was conducted in the Esbjerg branch of the bank and it can with satisfaction be ascertained that the bank's advisers fully lived up to all the conditions with regard to the rules of good practice for the important property sector.

The governmental financial guarantee/The Private Contingency Association

Skjern Bank participates in the governmental financial guarantee/The Private Contingency Association, which we see as a thought-out and functional agreement that one must expect to significantly contribute to stabilising the financial sector. The agreement means i.e. that all customers in Danish banks have complete security for their deposits.

Growth strategy – on a lower level

The bank's objective is to follow a strategy of controlled organic growth. As a consequence of this, the organisation has been adapted in recent years so that continued growth could be properly managed. This organisation has now been carried out so that the bank is equipped with the competencies required to meet the challenges, which has just been confirmed by the Danish Financial Supervisory Authority's review.

However, the current economic forecasts mean that the bank's continued growth strategy will hardly be able to be fulfilled in the tempo that was previously expected within the foreseeable future. In the light of this, resource consumption will now be adapted to the improvement of the bank's rate of cost and total earnings.

Expectations

The first three quarters of the year have been challenging for the bank in a number of areas. The operating profit achieved is therefore not satisfactory.

There are though reasons for satisfaction with the marked improvement in the core earnings before value adjustments and write-downs, the solid solvency, and The Danish Financial Supervisory Authority's overall review of the bank. Based upon this the bank's board of directors and the executive board have a positive view of the future.

Expectations for the profit or loss for the year as a whole are for a smaller, positive profit, though this is dependent on developments on the financial markets.

Transactions with related parties

During the first three quarters of the year there have been no major transactions between Skjern Bank and the bank's related parties.

Accounting policies

The bank's accounting policies remain unchanged compared with the 2007 annual report.

The quarterly report has not been audited, just as no review has been undertaken.

This document is an unauthorised translation of the Danish original.
In the event of any inconsistencies the Danish version shall apply.

Profit and loss account 1st January - 30th September

	2008	2007	31.12.07
	DKK 1.000	DKK 1.000	DKK 1.000
Interest receivable	260.071	200.469	276.073
Interest payable	140.645	98.260	140.827
Net income from interest	119.426	102.209	135.246
Dividend on shares and other holdings	8.007	3.788	3.909
Charges and commissions receivable	38.975	40.628	56.365
Charges and commissions payable	3.173	3.595	4.824
Net income from interest and charges etc.	163.235	143.030	190.696
Value adjustments	-32.533	16.554	7.920
Other ordinary income	1.031	620	1.216
Staff costs and administrative expenses	101.158	93.424	129.356
Depreciation of intangible and tangible assets	3.960	3.645	153
Write-downs on loans etc. (net)	34.624	14.277	19.439
Profit on holdings in associated and affiliated companies	295	1.848	1.687
Profit on ordinary activities before tax	-7.714	50.706	52.571
Tax	-2.372	10.202	9.320
Profit for the period	-5.342	40.504	43.251

Balance sheet as per 30th September

	2008	2007	31.12.07
	DKK 1.000	DKK 1.000	DKK 1.000
Assets			
Cash in hand and claims at call on central banks	34.439	137.638	105.808
Claims on credit institutions and central banks	540.225	477.044	736.666
Loans and other debtors at amort. cost price	3.758.572	3.784.359	3.919.134
Bonds at current value	404.576	238.003	253.271
Shares etc.	192.880	220.853	213.388
Holdings in associated enterprises	2.855	2.048	3.273
Holdings in affiliated enterprises	0	2.005	0
Land and buildings (total)	91.267	66.363	73.218
Investment properties	7.586	8.224	7.586
Domicile properties	83.681	58.139	65.632
Other tangible assets	10.630	6.470	8.139
Current tax assets	19.673	15.155	14.327
Deferred tax assets	1.928	0	0
Assets temporarily acquired	239	239	239
Other assets	52.230	31.935	30.246
Prepayments and accrued income	0	375	428
Total assets	5.109.514	4.982.487	5.358.137
As security for clearing etc. the bank has mortgaged bonds from its total bond holding to the Danish National Bank to a total market price of	0	0	0

Balance sheet by 30th September, continued

	2008	2007	31.12.07
	DKK 1.000	DKK 1.000	DKK 1.000
Liabilities			
Debt			
Debt to credit institutions and central banks	1.798.427	1.582.720	1.836.943
Deposits and other debts	2.478.172	2.646.924	2.677.095
Bonds issued at amortised cost	28.700	1.797	3.445
Actual tax liabilities	0	0	0
Other liabilities	104.478	75.600	81.615
Accruals and deferred income	406	3.200	124
Total debt	4.410.183	4.310.241	4.599.222
Provisions for commitments			
Provisions for deferred tax	170	7.815	1.639
Provisions for loss on guarantees	0	5.000	1.000
Total provisions for commitments	170	12.815	2.639
Subordinated capital investments	195.000	120.000	220.000
Capital funds			
Share capital	22.560	22.560	22.560
Aggregate revaluation reserves	2.293	2.293	2.293
<i>Revaluation reserves</i>	2.293	2.293	2.293
Other reserves	480	90.476	480
<i>Statutory reserves</i>	480	481	480
<i>Other reserves</i>	0	89.995	0
Retained earnings	478.828	424.102	510.943
Total capital funds	504.161	539.431	536.276
<i>of which proposed dividend</i>	0	0	5.640
Total liabilities	5.109.514	4.982.487	5.358.137

Contingent liabilities			
Guarantees etc.			
Finance guarantees	426.778	223.746	271.334
Guarantees against losses on mortgage credit loans	23.145	488.815	513.000
Registration and conversion guarantees	530.875	627.278	731.277
Other guarantees	214.277	227.498	202.650
Total guarantees	1.195.075	1.567.337	1.718.261
Other contingent liabilities			
Other liabilities	17.662	17.356	17.356
Irrevocable credit-undertakings	76.015	0	0
Total other contingent liabilities	93.677	17.356	17.356

Notes as per 30th September

	2008	2007
	DKK 1.000	DKK 1.000
Interest receivable		
Claims on credit institutions and central banks	20.121	11.703
Loans and other debtors etc.	226.801	180.854
Bonds	10.281	7.647
Total other financial instruments	2.884	227
of which		
Foreign exchange contracts	2.991	-79
Interest-rate contracts	-107	306
Other interest receivable	-16	38
Total interest receivable	260.071	200.469
Of which income from genuine purchase and resale transactions included	0	0
Interest payable		
Credit institutions and central banks	61.031	38.468
Deposits	69.839	54.506
Subordinated capital investments	125	67
Subordinated capital investments	9.471	5.203
Other interest payable	179	16
Total interest payable	140.645	98.260
Of which income from genuine sale and repurchase transactions included	0	0
Charges and commissions receivable		
Securities trading and custodies	12.550	18.973
Payment management	3.555	3.591
Charges from loan applications	9.702	5.628
Commissions on guarantees	10.339	9.689
Other charges and commissions	2.829	2.747
Total charges and commissions receivable	38.975	40.628
Value adjustments		
Bonds	-16.460	-259
Shares	-18.450	13.411
Foreign currency	3.133	3.806
Other financial instruments	-756	-404
Total value adjustments	-32.533	16.554
Staff costs and administrative expenses		
Salaries and remuneration of board of dir., managers etc.		
Board of managers	1.814	1.560
Board of directors	406	395
Board of representatives	0	2
Total salaries and remunerations of board etc.	2.220	1.957

Notes 30th September, continued

	2008	2007
	DKK 1.000	DKK 1.000
Staff costs		
Wages and salaries	47.899	39.033
Pensions	5.183	4.118
Social security costs and payroll tax	4.993	4.379
Total staff costs	58.075	47.530
Other administrative expenses	40.863	43.937
Total staff costs and administrative expenses	101.158	93.424
Number of employees		
Average number of employees during the year until now converted into full-time employees	156,7	135,0
Individual write-downs on loans etc.		
Write-downs as per beginning of the year	82.632	65.347
Write-downs during the period (net)	29.028	16.562
Reverse entry - write-downs made in previous years	-4.050	-3.815
Individual write-downs on loans etc. at 30.06.2008	107.610	78.094
Group write-downs on loans etc.		
Write-downs as per beginning of the year	828	0
Write-downs during the period (net)	3.697	0
Reversal during the year	0	0
Group write-downs on loans etc. at 30.06.2008	4.525	0
Group-provisions on guarantees		
Group-provisions beginning of the year	1.000	5.000
Group-provisions during the year	0	0
Reversal during the year	1.000	0
Group-provisions on guarantees at 30.06.2008	0	5.000
Loans etc. with suspended calc. of interest		
Total Loans etc. with suspended calc. of interest	37.709	19.777
Profit on holdings in associated and affiliated companies		
Profit on holdings in associated companies	295	1.852
Profit on holdings in affiliated companies	0	-4
Total Profit on holdings in associated and affiliated companies	295	1.848

Notes 30th September, continued

	2008	2007
	DKK 1.000	DKK 1.000
Profit brought forward		
Profit brought forward beginning of the year	510.943	402.518
Distribution of dividend (net)	5.288	4.635
Trade with own shares during the year (net)	-21.485	-14.285
Profit for the period	-5.342	40.504
Profit carried forward by 30th September	478.828	424.102
Share Capital		
Number of Shares at DKK 20 each	1.128.000	1.128.000
Share Capital	22.560	22.560
Own capital shares		
Number of shares (pcs.)	94.398	30.348
Nominal value hereof	1.888	607
Market value hereof	24.071	21.699
Own shares proportion of share capital (per cent)	8,4%	2,7%

Statement by the board of directors and executive board

We have today considered and approved the third quarter report for the period 1 January – 30 September 2008 for Skjern Bank A/S.

The report has been prepared in accordance with the Danish Financial Business Act, including the executive order on the financial reports of credit institutions and investment companies etc., and additional Danish disclosure requirements regarding interim financial reports for listed banks.

We consider the accounting policies selected to be suitable so that the third quarter report presents a true and fair view of the bank's assets, liabilities and financial position, as well as the interim profit or loss.

We consider the management's review to contain a fair review of the development of the bank's activities and financial conditions together with a description of the most significant risks and elements of uncertainty, which may affect the company.

Skjern, the 23rd October 2008

Skjern Bank A/S
Per Munck
Director

The board of directors:

Carsten Thygesen, Chairman
Jens Christian Ostensen, Deputy Chairman
Børge Lund Hansen
Holger Larsen
Lars Andresen
Metha Thomsen