

Nordic Exchange Copenhagen  
Nikolaj Plads 6  
DK-1007 Copenhagen K

Skjern, the 14th August 2008

**Stock Exchange Announcement no. 17/2008**

**Six-monthly report for Skjern Bank 2008**

- Basic earnings increased by 25 % to DKK 39.9 million.
- A continued high level of activity despite a marked drop in clients' trade in securities.
- Lending operations measured as direct loans and facilitation of foreign loans increased by 10.5 %.
- The scope of activities remained at a high level.
- Negative value adjustments as a result of financial instability reduce the result before tax by DKK 23 million compared with the record level of last year.
- Write-downs increased but actual losses remained unchanged.
- Unchanged expectations for an annual result of DKK 80-90 million before value adjustments, write-downs and tax.

Yours sincerely,  
Skjern Bank

Carsten Thygesen  
Chairman of the Board of Directors

Per Munck  
Director

Any questions should be addressed to Director Per Munck at phone: +45 9680 1300 or +45 2173 3004.

## Summary

During the first six months of 2008, Skjern Bank achieved a marked improvement of primary operations. The result of primary operations before value adjustments and write-downs thus increased by 25 % to DKK 39.9 million.

The increase in primary operations is detailed below:

	<b>1.1 - 30.06 2008</b>	<b>1.1 - 30.06 2007</b>	<b>1.1 - 30.06 2006</b>	<b>1.1 - 30.06 2005</b>	<b>1.1 - 30.06 2004</b>	<b>1.1 - 31.12 2007</b>
Core earnings						
Core income	110.429	96.502	88.912	71.978	63.374	191.912
Total costs etc.	70.494	66.129	57.172	43.581	39.597	129.509
<b>Core earnings before write-downs</b>	<b>39.935</b>	<b>30.373</b>	<b>31.740</b>	<b>28.397</b>	<b>23.777</b>	<b>62.403</b>

The improvement was achieved despite the depressed financial market causing a considerable reduction in clients' trade in securities and thus in transaction-based income in this area. The positive development is to some extent the result of product development that has created a better product mix in the loan portfolio.

However, the negative development on the financial markets was bound to impact on the value adjustments of the bank's security portfolio with a DKK 5.7 million reduction compared with last year's positive value adjustments of DKK 17.7 million. This external factor unfortunately impacts on the result before tax, which amounts to DKK 17.4 million compared with DKK 45.2 million for the previous year.

## 5 years in summary

Amounts in 1000 DKK	<b>1.1 - 30.06 2008</b>	<b>1.1 - 30.06 2007</b>	<b>1.1 - 30.06 2006</b>	<b>1.1 - 30.06 2005</b>	<b>1.1 - 30.06 2004</b>	<b>1.1 - 31.12 2007</b>
<b>Profit and loss account</b>						
Net income from interest	79.366	66.467	59.349	49.887	44.286	135.246
Dividend on shares and other holdings	4.422	3.717	2.997	1.055	1.087	3.909
Charges and commissions (net)	25.857	25.914	26.209	20.683	17.226	51.541
<b>Net income from int. and charges</b>	<b>109.645</b>	<b>96.098</b>	<b>88.555</b>	<b>71.625</b>	<b>62.599</b>	<b>190.696</b>
Value adjustments	-5.699	17.691	15.652	19.429	9.035	7.920
Other ordinary income	784	404	357	353	775	1.216
Staff costs and administrative expenses	67.854	63.699	54.464	41.120	37.583	129.356
Depreciation of intangible and tangible assets	2.640	2.430	2.708	2.461	2.014	153
Write-downs on loans etc. (net)	17.117	4.674	-1.012	7.093	4.521	19.439
Profit on holdings in associated and affiliated companies	295	1.811	121	-1	49	1.687
<b>Operating result</b>	<b>17.414</b>	<b>45.201</b>	<b>48.525</b>	<b>40.732</b>	<b>28.340</b>	<b>52.571</b>
Taxes	4.354	9.235	13.587	11.405	8.947	9.320
<b>Profit for the period</b>	<b>13.060</b>	<b>35.966</b>	<b>34.938</b>	<b>29.327</b>	<b>19.393</b>	<b>43.251</b>
<b>Balance as per 30th June</b>						
	<b>30.06 2008</b>	<b>30.06 2007</b>	<b>30.06 2006</b>	<b>30.06 2005</b>	<b>30.06 2004</b>	<b>31.12 2007</b>
summary						
Total assets	5.382.837	4.777.206	3.643.315	2.584.991	2.203.582	5.358.137
Loans and other debtors	3.940.592	3.660.994	2.754.087	1.824.228	1.634.196	3.919.134
Guarantees etc.	1.319.166	1.561.297	1.516.648	1.259.790	1.004.477	1.718.261
Bonds	434.210	244.518	151.691	96.237	57.883	253.271
Shares etc.	211.833	226.618	169.737	110.716	97.879	213.388
Deposits	2.679.583	2.640.286	2.129.627	1.895.891	1.632.687	2.677.096
Subordinated capital investments	195.000	120.000	145.000	50.000	50.000	220.000
<b>Capital funds</b>	<b>527.574</b>	<b>539.064</b>	<b>397.316</b>	<b>354.837</b>	<b>278.001</b>	<b>536.276</b>
<b>Capital Base</b>	<b>656.088</b>	<b>582.860</b>	<b>468.530</b>	<b>348.418</b>	<b>293.018</b>	<b>686.180</b>
Total weighted items	5.502.640	4.791.737	3.899.962	2.764.529	2.311.636	5.090.524

<b>FINANCIAL RATIOS (half Year)</b>	2008	2007	2006	2005	2004
(figures in pct.)					
Solvency ratio	11,9	12,2	12,0	12,6	12,7
Core capital ratio	10,2	11,9	10,6	11,5	11,0
Return on own funds before tax	3,3	9,4	12,5	12,0	10,7
Return on own funds after tax	2,5	7,5	9,0	8,7	7,5
Earning/expense ratio in DKK	1,20	1,64	1,86	1,82	1,63
Interest rate risk	1,0	0,8	0,8	0,6	0,1
Foreign currency position	13,1	7,4	6,1	18,1	11,4
Foreign currency risk	0,0	0,0	0,0	0,0	0,3
Advances against deposits	150,8	141,4	132,2	96,2	105,9
Statutory liquidity surplus	92,5	45,4	50,1	73,5	55,3
Total large commitments	107,5	171,9	129,6	81,3	76,1
Accumulated impairment ratio	1,9	1,4	1,5	2,0	3,8
Impairment ratio for the period	0,3	0,1	0,0	0,2	0,3
Increase in loans etc. for the year	0,5	16,3	32,6	4,9	9,3
Ratio between loans etc. and capital funds	7,5	6,8	6,9	5,4	5,8
(value pr share 100 DKK)					
Earnings per share (result period)	61,2	173,9	185,8	156,0	106,5
Book value pr share	2.474	2.444	2.113	1.772	1.433
Rate on Copenhagen Stock Exchange	2.000	4.150	4.100	3.250	2.150
Market value/earning per share	32,7	23,9	22,1	20,8	20,2
Market value/book value	0,81	1,70	1,94	1,83	1,50

### Management report

In the circumstances, Skjern Bank maintained a high level of activity during the first six months of 2008. Total business activities calculated as the sum of loans, deposits and guarantees amounted to DKK 7.9 billion at the end of the first six months, which is unchanged compared with last year and slightly lower than at the end of 2007. The main reason for the reduction in business activities since the turn of the year is, however, that loss guarantees for DKK 511 million in favour of Totalkredit were discontinued as a result of a new collaboration model with Totalkredit.

The increase in the bank's loan activities has been dampened strategically. The bank continues to aim for balanced growth in loan activities and in the past year, loans increased by 7.6% to DKK 3.9 billion, which is marginally higher than at the beginning of 2008. This increase in loans should, however, be seen in the context of the development in financial guarantees, as this is where loans in foreign currency contracted by our clients have been booked. Loans and financial guarantees amounted to a total of DKK 4,345 million as at 30 June 2008 compared with DKK 3,895 million the previous year. The increase of DKK 450 million, corresponding to an increase of 11.5% is therefore more indicative of the development in loan activities.

The bank's exposure to the property sector has been calculated at 22% of total loans and guarantees. These loans were primarily granted as finance for rental properties in Denmark and northern Germany with solid rental incomes to service the bank loans. The borrowers have invested considerable amounts of equity in the individual properties and it can also be informed that the bank has not financed tax-driven property investment projects.

As a result of the development in the rate of interest, bank finance is currently being converted to mortgage bank finance, which is expected to result in a reduction of the bank's exposure to the property market.

Skjern Bank's loans and guarantees distributed on sectors and branches amount to at 30 June 2008:

Public authorities	2,44%
Agriculture etc.	12,90%
Manufacturing and primary business, electricity-, gas, water- and heating plants	5,21%
Building and constructions	4,02%
Wholesale and retail trade, catering- and hotel trade	9,81%
Carrying trade, storage- and communication service	1,16%
Credit- and financial intermediation and insurance business	7,83%
Real-estate administration, real-estate-agent and service business	22,43%
Private persons	34,19%

Deposits, which amounted to DKK 2.7 billion at the end of the six months, are unchanged compared with the year-end figure and represent a modest increase compared with the previous year. As a result of the discontinuation of the DKK 500 million guarantees to Totalkredit, guarantees have been reduced to DKK 1.3 billion.

In the light of the rise in interest rates, the continued high level of activity in the bank has resulted in an increase in Skjern Bank's net income from interest of 19% to DKK 79.4 million. This is a very satisfactory development that has been achieved despite continued strong competition. Concerted efforts to develop the bank's products and an improved product mix in the loan portfolio have also contributed positively to the development.

**Income maintained despite drop in security trading**

Income from fees and commission was also maintained at the high level that prevailed in 2007. It is noteworthy that the bank succeeded in replacing the drop in transaction-based income from the trade in securities by income from other business activities. As a result, Skjern Bank's income from fees and commission during the first six months amounted to DKK 28.2 million, which is largely unchanged from the same period the previous year.

The total net income from interest and fees thus amounts to DKK 109.6 million for the first six months, corresponding to an increase of 14%.

**Downward trend in costs**

Staff and administration expenses during the first six months amounted to DKK 67.9 million, corresponding to an increase of 6.5%. This reflects a downward trend in costs compared with the previous years, but in turn the trend was influenced by a number of extraordinary circumstances, including the bank's 100th anniversary and refurbishment of the bank's head office.

The costs include a considerable increase in staff from 134 to 154 expressed as full-time employees.

The development in the bank's costs should also be seen in the light of the opening of the bank's new branch in Hellerup. The operating result for the Hellerup branch is of course influenced by establishment costs, and the result from the branch is therefore negative for the first six months of the year. On the other hand, it is good news that the Hellerup branch, which opened in February 2008, shows very healthy development and is expected to become a valuable asset for Skjern Bank within the expected running-in period.

During the first six months, the bank initiated a strategic optimisation of the organisation. This process will continue for the next six months with a focus on improving efficiency and savings.

**Change in write-downs**

During the first six months, Skjern Bank undertook write-downs in the amount of DKK 17.1 million, corresponding to 0.3% of total loans and guarantees.

Of this figure, actual losses for the period amounted to DKK 6.5 million, which is at a par with actual losses of previous years. As a result of the reversal of provisions for write-downs made in the past and the very positive market trend in general, the write-downs in recent years have led to an atypical, positive write-down result.

The required write-downs for the six-month period amounted to 0.3%, which is not unusual, seen in an historical perspective. Actual losses for the bank are expected to remain moderate.

As at 30th June 2008 Skjern Bank has written down all transactions where objective criteria indicate the potential for loss. In that context, 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.

None of the write-downs involve transactions of a sub-prime nature, as Skjern Bank does not have such assets on its books.

**A depressed financial market results in negative value adjustments**

Currently, the main negative factor for the bank's profit development is the negative development on the financial markets. During the first six months, the bank had to record a negative value adjustment of its securities of DKK 5.7 million compared with a gain of DKK 17.7 million for the same period the previous year. This impacts on the result with as much as DKK 23.4 million compared with the first six months of the previous year.

**A drop in share prices impacts negatively on the result**

Based on the above, the total result before tax for the first six months of 2008 can be calculated at DKK 17.4 million as against DKK 45.2 million for the previous year. After taxes calculated at DKK 4.4 million, the net six-monthly result is DKK 13.1 million compared with DKK 36.0 million the previous year.

**Early repayment causes a slight reduction in solvency ratio**

Calculated in accordance with applicable rules, Skjern Bank's equity as at 30 June 2008, amounts to a total of DKK 528 million as against DKK 539 million the previous year. This change is primarily due to an increased holding of own shares that cannot legally be included in the equity.

The profit for the first six months therefore yields a return on equity of 6.6% per annum before tax and 5.0% per annum after tax.

After the addition of subordinate debt of DKK 195 million, Skjern Bank's capital base at the end of the first six months amounted to DKK 656 million. This corresponds to a solvency ratio of 11.9% compared with 12.2% at the same time the previous year.

The main reason for the reduction in solvency ratio is that Skjern Bank in May 2008 decided on an early repayment of subordinate debt of DKK 25 million after a five-year term. The reason for this decision is that the bank – in the light of otherwise satisfactory equity and cash resources – considered it too expensive in terms of interest to maintain the subordinate debt for another three years on the terms of interest agreed in 2003 when the subordinate debt was contracted.

**Excellent capital and liquidity reserves**

A calculation of Skjern Bank's solvency requirements in accordance with the new Basel II rules indicates that the bank has excellent capital reserves with a solvency ratio of 11.9% and a core capital ratio of 10.2%.

The bank is also well equipped in terms of liquidity with a considerable excess solvency compared with the legal requirement of 92.5%, as against 45.4% at the end of the first six months of 2007.

**The Skjern Bank share**

By the end of the first six months of 2008, Skjern Bank recorded shareholder number 13,000, which shows that there still is considerable interest in becoming a shareholder in the bank.

Unfortunately, the bank's shareholders experienced a drop in the share price in the past year, which seems rather incongruous in the light of the bank's financial development.

Since the turn of the year, the share price has dropped by approx. 30% and the bank's shares are currently traded at a price that corresponds to just under 80% of the intrinsic value. This means that you can buy one Danish krone worth of the bank's equity for less than 80 pennies.

This low price applies to most Danish banks and is considered a result of the generally very turbulent financial markets and the fact that large foreign international banks have had to report considerable losses as a result of the sub-prime crisis. Danish financial institutions have not been part of this sub-prime crisis but their share prices have nevertheless been hard hit.

**New domicile for Varde branch**

In May, Varde branch moved into the new building at Bøgevej 2. The bank therefore now has a very central location in the city, which has already been felt in the form of increased attention to Skjern Bank in the Varde area.

**Expectations**

The increase in basic earnings for the first six months is expected to continue at the same level for the remaining six months, and the expectations to the whole financial year remain unchanged with basic earnings expected to be in the range of DKK 80-90 million.

The high degree of uncertainty regarding the development on the financial markets may continue to impact on the bank's value adjustments. This is the main reason why specific expectations to the bank's result before tax for the 2008 financial year cannot be expressed; however, the result for the remaining six months is expected to be markedly better than for the first six months.

The bank advised at an earlier stage that it had decided to establish a branch in Aarhus in the near future. The bank continues to work on this project but it is currently not considered realistic to establish a branch in the bank's property on Kystvejen in the current year.

**Transactions with close business partners**

There were no major transactions between Skjern Bank and the bank's close business partners during the first six months of 2008.

**Accounting practices**

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

The six-monthly report has not been audited.

**Financial calendar 2008**

23 October: report for the first 9 months of the year.

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



**Profit and loss 1st January to 30th June**

	<b>2008</b> DKK 1.000	<b>2007</b> DKK 1.000	<b>31.12.07</b> DKK 1.000
Interest receivable	170.488	126.866	276.073
Interest payable	91.122	60.399	140.827
<b>Net income from interest</b>	<b>79.366</b>	<b>66.467</b>	<b>135.246</b>
Dividend on shares and other holdings	4.421	3.717	3.909
Charges and commissions receivable	28.156	28.321	56.365
Charges and commissions payable	2.298	2.407	4.824
<b>Net income from interest and charges</b>	<b>109.645</b>	<b>96.098</b>	<b>190.696</b>
Value adjustments	-5.699	17.691	7.920
Other ordinary income	783	404	1.216
Staff costs and administrative expenses	67.854	63.699	129.356
Depreciation of intangible and tangible assets	2.640	2.430	153
Write-downs on loans etc. (net)	17.117	4.674	19.439
Profit on holdings in associated and affiliated companies	295	1.811	1.687
<b>Profit on ordinary activities before tax</b>	<b>17.413</b>	<b>45.201</b>	<b>52.571</b>
Tax	4.353	9.235	9.320
<b>Profit for the financial year</b>	<b>13.060</b>	<b>35.966</b>	<b>43.251</b>

**Balance by 30th June**

	<b>2008</b>	<b>2007</b>	<b>31.12.07</b>
	DKK 1.000	DKK 1.000	DKK 1.000
<b>Assets</b>			
Cash in hand and claims at call on central banks	63.507	175.523	105.808
Claims on credit institutions and central banks	565.548	353.003	736.666
Loans and other debtors at amortised cost price	3.940.592	3.660.994	3.919.134
Bonds at current value	434.210	244.518	253.271
Shares etc.	211.833	226.618	213.388
Holdings in associated enterprises	2.856	2.048	3.273
Holdings in affiliated enterprises	0	1.969	0
Land and buildings (total)	89.527	60.187	73.218
Investment properties	7.586	8.211	7.586
Domicile properties	81.941	51.976	65.632
Other tangible assets	10.546	5.493	8.139
Actual tax assets	15.320	16.122	14.327
Assets temporarily acquired	239	239	239
Other assets	48.659	30.117	30.246
Prepayments and accrued income	0	375	428
<b>Total assets</b>	<b>5.382.837</b>	<b>4.777.206</b>	<b>5.358.137</b>
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 by 30th June, continued**

	<b>2008</b> DKK 1.000	<b>2007</b> DKK 1.000	<b>31.12.07</b> DKK 1.000
<b>Liabilities</b>			
<b>Debt</b>			
Debt to credit institutions and central banks	1.852.611	1.388.401	1.836.943
Deposits and other debts	2.679.583	2.640.286	2.677.095
Bonds issued at amortised cost	28.700	1.797	3.445
Actual tax liabilities	0	0	0
Other liabilities	97.194	71.370	81.615
Accruals and deferred income	536	3.473	124
<b>Total debt</b>	<b>4.658.624</b>	<b>4.105.327</b>	<b>4.599.222</b>
<b>Provisions for commitments</b>			
Provisions for deferred tax	1.639	7.815	1.639
Provisions for loss on guarantees	0	5.000	1.000
<b>Total provisions for commitments</b>	<b>1.639</b>	<b>12.815</b>	<b>2.639</b>
<b>Subordinated capital investments</b>	<b>195.000</b>	<b>120.000</b>	<b>220.000</b>
<b>Capital funds</b>			
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	502.241	423.735	510.943
<b>Total capital funds</b>	<b>527.574</b>	<b>539.064</b>	<b>536.276</b>
<i>of which proposed dividend</i>	0	0	5.640
<b>Total liabilities</b>	<b>5.382.837</b>	<b>4.777.206</b>	<b>5.358.137</b>
<b>Contingent liabilities</b>			
<b>Guarantees etc.</b>			
Finance guarantees	404.276	234.025	271.334
Guarantees against losses on mortgage credit loans	23.290	496.400	513.000
Registration and conversion guarantees	679.260	267.779	731.277
Other guarantees	212.340	563.093	202.650
<b>Total guarantees</b>	<b>1.319.166</b>	<b>1.561.297</b>	<b>1.718.261</b>
<b>Other contingent liabilities</b>			
Other liabilities	17.662	17.356	17.356
Irrevocable credit-undertakings	31.676	0	0
<b>Total other contingent liabilities</b>	<b>49.338</b>	<b>17.356</b>	<b>17.356</b>

**Notes 30th June**

	<b>2008</b> DKK 1.000	<b>2007</b> DKK 1.000
<b>Interest receivable</b>		
Claims on credit institutions and central banks	13.883	7.390
Loans and other debtors etc.	149.569	115.463
Bonds	5.556	3.806
Total other financial instruments	1.480	169
of this		
Foreign exchange contracts	1.702	-38
Interest-rate contracts	-222	207
Other interest receivable	0	38
<b>Total interest receivable</b>	<b>170.488</b>	<b>126.866</b>
Of which income from genuine purchase and resale transactions included	0	0
<b>Interest payable</b>		
Credit institutions and central banks	39.445	24.644
Deposits	45.052	32.262
Bonds issued	83	46
Subordinated capital investments	6.542	3.431
Other interest payable	0	16
<b>Total interest payable</b>	<b>91.122</b>	<b>60.399</b>
Of which income from genuine sale and repurchase transactions included	0	0
<b>Charges and commissions receivable</b>		
Securities trading and custodies	9.405	12.940
Payment management	2.375	2.408
Charges from loan applications	7.159	4.587
Commissions on guarantees	7.130	6.303
Other charges and commissions	2.087	2.083
<b>Total charges and commissions receivable</b>	<b>28.156</b>	<b>28.321</b>
<b>Value adjustments</b>		
Bonds	-6.061	875
Shares	-565	15.883
Foreign currency	1.157	1.541
Other financial instruments	-230	-608
<b>Total value adjustments</b>	<b>-5.699</b>	<b>17.691</b>
<b>Staff costs and administrative expenses</b>		
<b>Salaries and remuneration of board of dir., managers etc.</b>		
Board of managers	1.206	1.011
Board of directors	271	263
Board of representatives	0	2
<b>Total salaries and remunerations of board etc.</b>	<b>1.477</b>	<b>1.276</b>

**Notes 30th June, continued**

	<b>2008</b> DKK 1.000	<b>2007</b> DKK 1.000
<b>Staff costs</b>		
Wages and salaries	31.587	25.876
Pensions	3.307	2.673
Social security costs and payroll tax	3.180	2.937
<b>Total staff costs</b>	<b>38.074</b>	<b>31.486</b>
Other administrative expenses	28.303	30.937
<b>Total staff costs and administrative expenses</b>	<b>67.854</b>	<b>63.699</b>
<b>Number of employees</b>		
Average number of employees during the 1st half of the year converted into full-time employees	154,0	134,0
<b>Individual write-downs on loans etc.</b>		
Write-downs as per beginning of the year	82.632	65.347
Write-downs during the period (net)	17.276	6.220
Reverse entry - write-downs made in previous years	-2.566	-3.173
<b>Individual write-downs on loans etc. at 30<sup>th</sup> June 2008</b>	<b>97.342</b>	<b>68.394</b>
<b>Group write-downs on loans etc.</b>		
Write-downs as per beginning of the year	828	0
Write-downs during the period (net)	2.905	0
Reversal during the year	0	0
<b>Group write-downs on loans etc. at 30<sup>th</sup> June 2008</b>	<b>3.733</b>	<b>0</b>
<b>Group-provisions on guarantees</b>		
Group-provisions beginning of the year	1.000	5.000
Group-provisions during the year	0	0
Reversal during the year	1.000	0
<b>Group-provisions on guarantees at 30<sup>th</sup> June 2008</b>	<b>2.000</b>	<b>5.000</b>
<b>Loans etc. with suspended calc. of interest</b>		
Total Loans etc. with suspended calc. of interest by 30th June	26.023	20.663
<b>Profit on holdings in associated and affiliated companies</b>		
Profit on holdings in associated companies	295	1.852
Profit on holdings in affiliated companies	0	-41
<b>Total Profit on holdings in associated and affiliated companies</b>	<b>295</b>	<b>1.811</b>

**Notes 30th June, continued**

	<b>2008</b> DKK 1.000	<b>2007</b> DKK 1.000
<b>Profit brought forward</b>		
Profit brought forward beginning of the year	510.943	402.518
Distribution of dividend (net)	5.288	4.635
Trade with own shares in the first half year (net)	-16.474	-10.114
The Result for the first half year	13.060	35.966
<b>Profit carried forward by 30th June</b>	<b>502.241</b>	<b>423.735</b>
<b>Share Capital</b>		
Number of Shares at DKK 20 each	1.128.000	1.128.000
<b>Share Capital</b>	<b>22.560</b>	<b>18.800</b>
<b>Own capital shares</b>		
Number of shares (pcs.)	79.177	25.195
Nominal value hereof	1.584	504
Market value hereof	31.671	20.912
Own shares proportion of share capital (per cent)	7,0%	2,2%

**Endorsement of the six-monthly report by the management**

We have today discussed and approved the interim report for the period 1st January – 30th June 2008 for Skjern Bank A/S.

The six-monthly report was prepared in accordance with the Danish Financial Services Act ("Lov om finansiel virksomhed"), including the executive order on financial reports for credit institutions and stock broker companies, etc, and additional Danish requirements to interim reports for financial institutions listed on the stock exchange.

We consider the chosen accounting practices to be appropriate and that the six-monthly report gives a correct impression of the bank's assets, liabilities, financial position and result as at the end of the first six months of 2008.

We consider the management report to contain a correct presentation of the development in the bank's activities and financial conditions and a description of the main risks and uncertainties that may affect the bank.

The six-monthly report has not been audited.

**Skjern, the 14th August 2008**

Skjern Bank A/S  
Per Munck  
Director

The Board:

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