

Company Announcement 7th August 2008
(No. 11/2008)

The Group of Sparekassen Faaborg

Interim Report 1st January – 30th June 2008

Result before tax amounts to DKK 98,7 mill.

Result complies with budget.

Return on prime equity capital amounts to 16.8% per annum before tax.

Net interest income increased by 12.2%.

Staff costs and administration expenses increased by 3.1%.

Depreciations on loans etc. amount to DKK 15,4 mill.

Lending increased by 12.3 % and deposits by 10.1%.

Number of shareholders risen by approx. 6% to roughly 10,650 shareholders.

The expected annual result of DKK 210-230 mill. remains unchanged.

Opening of a new branch in Årslev by the end of 2008 or at the beginning of 2009.

Management Report

The result

The Group result for first half-year 2008 amounts to DKK 98,7 mill. before tax. The result corresponds to the expectations expressed in the First Quarter Report 2008 and is therefore considered satisfactory by the management.

The result after tax amounts to DKK 81,9 mill. compared to DKK 131,6 mill. in first half-year 2007. It is necessary - when comparing - to correct for extraordinary income in both periods. In 2008 it has to do with a market value adjustment of DKK 25,7 mill. from the sale of the Totalkredit shares and in 2007 an extraordinary income from returns amounting to approx. DKK 59 mill.

The fine result is based on a continued decent growth in deposits and lending. Deposits including pools have grown by 10.1% to DKK 4,1 bill., lending has grown by 12.3% to DKK 5,8 bill., and contingent liabilities have fallen by 27.4% to DKK 2,7 bill. The fall in contingent liabilities is caused by an amended cooperation agreement with Totalkredit as of 1st April 2008. According to the agreement any losses on Totalkredit-loans arranged by Sparekassen Faaborg will be offset against the periodical commissions, which Sparekassen Faaborg receives from Totalkredit for the loan arrangements. Offset is made until the total realized loss has been covered. The conversion to the offset model means that guarantees against losses amounting to approx. DKK 900 mill. towards Totalkredit are annulled.

Interest, commission, and fee income

The growing business volume has caused that the Group net income from interest, commission, and fees has grown by 9.3 % to DKK 200,2 mill. Net interest income amounts to DKK 156,2 mill. corresponding to an increase of 12.2 %. The increase primarily comes from volume growth in deposits and lending; also the interest margin is slightly increasing. Fee and commission income is more or less the same amounting to DKK 46,3 mill. compared to DKK 47 mill. in first half-year 2007. Return on shares amounts to DKK 2,5 mill. which corresponds to return on shares in a normal year. In first half-year 2007 the returns amounted to DKK 60,9 mill. of which approx. DKK 59 mill. were extraordinary income.

Market value adjustments

The market value adjustments are negative and amount to DKK 2,3 mill. compared to a negative adjustment of DKK 10,4 in the same period in 2007. Bonds have been adjusted by an unrealized loss of DKK 30,6 mill. and shares by a profit of DKK 13,9 mill. As mentioned above the final payment of DKK 25,7 mill. for the Totalkredit shares is included in the market value adjustment.

Costs

Staff costs and administration expenses have risen by DKK 2,9 mill. to DKK 97,5 mill. corresponding to an increase of 3.1% compared to 2007.

Depreciations

Depreciations on lending etc. have been entered as expenditure by DKK 15,4 mill. compared to an income of DKK 0,5 mill. as of 30th June 2007. The solvency of the debtors is still good and until further not very much affected by the problems in the financial markets. Total depreciations and provisions on lending and guarantees amount to DKK 114,5 mill. corresponding to 1.4% of lending and guarantees. Non-interest-bearing loans amount to DKK 52,9 mill. corresponding to 0.6% of total lending and guarantees.

Capital conditions

The Group equity capital as of 30th June 2008 amounts to DKK 1,186 mill. after bringing forward the profit of first half-year of DKK 81,9 mill. The Group solvency percentage is 13.2% as of 30th June 2008. As from 1st January 2008 the Group has made use of the new

methods and principles of the Executive Order on Capital Requirement. In 2007 the Group made use of a number of interim arrangements which the Executive Order allowed for.

In March 2008 the Boards of Directors and Representatives proposed to the General Meeting to reduce the share capital by nominal DKK 4 mill. to DKK 120 mill. The proposal was adopted by the General Meeting. The reduction will take place in July 2008 by annulment of shares of the own holding.

Liquidity

The Group liquidity as of 30th June is 105.5% of the total debt and guarantee liabilities. The requirement of the Danish Financial Business Act, section 152, is 10%. Moreover the Group is in possession of confirmed lending commitments which can be drawn upon if required.

The share and the shareholders

The number of shareholders has grown to 10,650 as of 30th June 2008 corresponding to an increase of about 6%. As of 30th June 2008 the quoted share price was DKK 1,625 compared to a quoted share price of DKK 2,193 as of 31st December 2007. The share price has thus fallen by 25.9%. A dividend of DKK 25 per share paid out in 1st quarter is not included in the return.

Expectations

The result for first half-year complies with the budget. The Group still expects an annual result before market value adjustments, depreciations on loans, and tax in the interval DKK 210-230 mill. The Group expectations are subject to more uncertainty than usual due to the problems in the financial markets and the starting negative effect hereof on the economic growth.

Other information

As from 1st October 2008 the Board of Directors has employed Mr. Claus Sejling, executive bank manager and 42 years old, as joint managing director of Sparekassen Faaborg A/S. The Board of Management will then consist of Preben Lykkegaard and Claus Sejling, Preben Lykkegaard being chairman of the Board of Management.

Sparekassen Faaborg expects to be able to open a new branch in Årslev southeast of Odense by the end of 2008 or at the beginning of 2009.

In first half-year 2008 Fonden for Sparekassen Faaborg has supplemented Sparekassen Faaborg with DKK 10 mill. for partial covering of IT-costs. The subsidy is entered under other operating income.

Nothing, which can affect the result for first half-year 2008, has occurred after closing of the accounts.

Accounting policies

The Interim Report 2008 of the Group is presented in accordance with the IAS 34 Interim Financial Reporting as well as the additional Danish disclosure requirements imposed on interim financial reports. The use of IAS 34 causes that the presentation is more limited than the presentation of a complete annual report and that the value assessment principles of the international accounting standards (IFRS) have been followed. The Interim Report of the Mother Company is presented in accordance with the Executive Order on Financial Reporting by Credit Institutions, Investment Firms and Others.

The accounting policy has been amended as regards subsidies from Fonden for Sparekassen Faaborg. Subsidies are now included in other operating income and not in staff costs and administration expenses. Comparative figures are amended accordingly.

The interim financial report has not been audited or reviewed.

Questions, if any, please contact Mr. Preben Lykkegaard, Managing Director, or Mr. Karsten Jakobsen, Finance Director, on phone no. +45 6361 1800.

Endorsement by the Board of Directors and the Board of Management

Today the Board of Directors and the Board of Management have approved the Interim Report 2008 of the Group of Sparekassen Faaborg A/S.

The Interim Report is presented in accordance with IAS 34, the Danish Financial Business Act as well as the additional disclosure requirements imposed on interim reports in financial enterprises listed on the OMX Nordic Exchange Copenhagen. The Interim Report of Sparekassen Faaborg has not been audited or reviewed. The Board of Directors and the Board of Management consider the accounting policies selected to be appropriate so that the Interim Report presents a true and fair view of the Group and the Mother Company assets, liabilities and financial position as of 30th June 2008 as well as of the result of the activities of the Group and the Mother Company and of the liquidity flow of the Group for the first half-year 2008.

Faaborg on the 7th of August 2008

Preben Lykkegaard Andersen
 Managing Director

Karsten Rossen Jakobsen
 Finance Director

Faaborg on the 7th of August 2008

Christian Ermoose
 Chairman of the Board of Directors

Sten Grønved Nielsen
 Vice-chairman of the Board of Directors

Niels Jørgen Ellegaard
 Board member (elected by the staff)

Henrik Falden
 Board member (elected by the staff)

Helge Rosendahl Hansen
 Board member

Hugo Skov Jakobsen
 Board member

Ole Madsen
 Board member

Steen Staffeldt
 Board member (elected by the staff)

Søren Westerskov
 Board member

The Group of Sparekassen Faaborg in 5 years
(in DKK mill.)

Income statement first half-year in main figures	2008	2007	2006	2005	2004
Net interest income	156	139	119	106	93
Return on shares etc.	2	61	50	6	2
Net fee and commission income	44	44	51	44	37
Net interest and fee income	202	244	220	156	132
Market value adjustments	- 2	- 10	- 8	58	12
Other operating income	13	12	6	2	2
Staff costs and administration expenses	98	95	88	77	67
Other operating items	1	0	0	0	0
Depreciations on loans etc.	15	- 1	3	7	14
Result on capital shares in associated and affiliated companies	0	0	0	0	0
Result before tax	99	152	127	132	63
Tax	17	20	23	36	18
Result first half-year	82	132	104	96	45

Balance sheet as of 30th June in main figures

Lending	5,765	5,133	4,313	3,437	2,751
Securities and capital shares	992	1,009	797	850	866
Deposits inclusive of pool deposits	4,120	3,742	3,429	2,931	2,481
Equity capital	1,186	1,146	929	847	684
Balance-sheet total	7,625	6,930	5,652	4,835	4,342
Contingent liabilities	2,707	3,727	3,532	3,063	2,700

Key figures

Solvency percentage	13.2	13.6	11.0	12.2	12.6
Core capital percentage	10.9	11.1	10.6	11.4	11.6
Return on equity before tax	8.4	13.6	13.8	16.3	9.5
Return on equity after tax	6.9	11.8	11.3	11.9	6.9
Earnings per used DKK	1,86	2,59	2,39	2,52	1,75
Interest rate risk	2.3	3.1	4.8	4.6	5.6
Currency position.....	23.7	28.5	19.7	22.3	33.3
Currency risk	0.0	0.1	0.0	0.1	0.1
Lending compared to deposits	139.9	137.2	125.8	117.3	110.9
Lending compared to equity capital	4.9	4.5	4.6	4.1	4.0
Lending growth	4.4	3.3	10.8	11.4	7.2
Covering proportional to legal claims on liquidity	105.5	105.8	23.7	51.9	68.5
Sum of large accounts	176.2	200.2	224.2	138.4	142.8
Depreciation percentage	0.2	0.0	0.0	0.1	0.3
Average number of employees	230	218	209	196	193

*In 2005 the Group changed the accounting policy in connection with conversion to new accounting rules. Only partial adaptation of the main and key figures for the accounting year 2004 has been made.
In 2008 solvency and core capital percentages are calculated on basis of the new capital requirement rules. No adaptation for the accounting years 2004-2007 has been made.*

Sparekassen Faaborg in 5 years
(in DKK mill.)

Income statement first half-year in main figures	2008	2007	2006	2005	2004
Net interest income	138	122	104	91	78
Return on shares etc.	2	61	50	6	2
Net fee and commission income	37	38	45	40	34
Net interest and fee income	177	221	199	137	114
Market value adjustments	- 4	- 12	- 10	57	11
Other operating income	10	10	4	0	0
Staff costs and administration expenses	84	80	74	65	58
Other operating items	1	0	0	1	2
Depreciations on loans etc.	11	0	2	6	12
Result of capital shares in associated and affiliated companies	12	13	10	10	10
Result before tax	99	152	127	132	63
Tax	17	20	23	36	18
Result first half-year	82	132	104	96	45
Balance sheet as of 30th June in main figures					
Lending	5,644	5,004	4,174	3,291	2,540
Securities and capital share	1,045	1,069	855	931	984
Deposits inclusive of pool deposits	4,103	3,727	3,414	2,917	2,467
Equity capital	1,186	1,146	929	847	684
Balance-sheet total	7,558	6,861	5,558	4,725	4,235
Contingent liabilities	2,652	3,650	3,473	3,022	2,582
Key figures					
Solvency percentage	13.4	13.6	11.0	12.3	13.1
Core capital percentage	11.0	11.1	10.6	11.6	12.1
Return on equity before tax	8.4	13.6	13.8	16.3	9.5
Return on equity after tax	6.9	11.8	11.3	11.9	6.9
Earnings per used DKK	2,02	2,88	2,65	2,83	1,87
Interest rate risk	1.3	2.7	3.5	3.5	4.5
Currency position	24.2	29.0	20.7	22.5	33.2
Currency risk	0.0	0.1	0.0	0.1	0.1
Lending compared to deposits	137.6	134.3	122.3	112.8	103.0
Lending compared to equity capital	4.8	4.4	4.5	3.9	3.7
Lending growth	4.6	3.3	10.7	14.1	20.1
Covering proportional to legal claims on liquidity	106.5	106.3	27.3	56.8	77.4
Sum of large accounts	189.2	203.3	228.0	139.4	142.9
Depreciation percentage	0.1	0.0	0.0	0.1	0.3
Average number of employees	200	188	179	167	166
Interim result per share before tax	84,7	167,3	206,3	208,8	99,6
Interim result per share after tax	70,3	145,2	169,3	152,0	72,0
Book value per share	1,028	948	1,534	1,355	1,082
Quoted price	1,625	2,600	3,325	2,000	1,450
Quoted price/book value	1.58	2.74	2.17	1.80	1.34

In 2005 Sparekassen Faaborg changed the accounting policy in connection with conversion to new accounting rules. Only partial adaptation of the main and key figures for the accounting year 2004 has been made. In 2008 solvency and core capital percentages are calculated on basis of the new capital requirement rules. No adaptation for the accounting years 2004-2007 has been made.

Income Statement First Half-Year
(DKK 1,000)

The Group of Sparekassen Faaborg

Note	First Half-Year		Second Quarter	
	2008	2007	2008	2007
1 Interest income	262,412	217,396	133,128	110,876
2 Interest expenses	106,176	78,122	54,548	42,272
Net interest income	156,236	139,274	78,580	68,604
Return on shares etc.	2,501	60,923	767	543
3 Fee and commission income	46,261	47,032	21,421	22,379
Paid fees and commissions	2,289	3,122	1,245	1,284
Net interest and fee income	202,709	244,107	99,523	90,242
4 Market value adjustments	- 2,291	- 10,409	- 2,589	- 6,139
Other operating income	12,531	13,370	6,307	6,863
5 Staff costs and administration expenses	97,541	94,653	50,033	48,914
Depreciations and write-downs on intangible and tangible assets	1,288	1,228	652	611
Other operating expenses	42	63	20	35
6 Depreciations on loans etc.	15,400	- 466	11,938	- 5,312
7 Outcome on shares in associated and affiliated companies	0	0	0	0
Result before tax	98,678	151,590	40,598	46,718
8 Tax	16,793	19,950	9,044	3,135
Result after tax	81,885	131,640	31,554	43,583
Result per share, DKK	70,3	145,2	27,3	36,0
Depleted result per share, DKK	70,3	145,2	27,3	36,0

Income Statement First Half-Year
(DKK 1,000)

Sparekassen Faaborg - The Mother Company

Note	First Half-Year		Second Quarter	
	2008	2007	2008	2007
1 Interest income	243,456	199,875	123,800	102,138
2 Interest expenses	106,120	77,757	54,619	42,085
Net interest income	137,336	122,118	69,181	60,053
Return on shares etc.	2,501	60,923	767	543
3 Fee and commission income	39,331	40,913	18,149	19,379
Paid fees and commissions	2,041	2,870	1,122	1,119
Net interest and fee income	177,127	221,084	86,975	78,856
4 Market value adjustments	- 4,613	- 12,282	- 5,784	- 7,398
Other operating income	10,210	10,697	5,018	5,284
5 Staff costs and administration expenses	84,090	79,232	42,825	40,492
Depreciations and write-downs on intangible and tangible assets	1,045	1,001	533	510
Other operating expenses	42	63	20	35
6 Depreciations on loans etc.	11,352	194	10,062	- 4,485
7 Outcome on shares in associated and affiliated companies	12,483	12,581	7,829	6,528
Result before tax	98,678	151,590	40,598	46,718
8 Tax	16,793	19,950	9,044	3,135
Result after tax	81,885	131,640	31,554	43,583

Balance Sheet
(DKK 1,000)

Note	The Group			The Mother Company			
	30.06 2008	30.06 2007	31.12 2007	30.06 2008	30.06 2007	31.12 2007	
Assets							
	Cash balance and demand deposits with central banks	223,483	146,536	85,899	223,483	146,536	85,899
9	Outstanding balances with financial institu- tions and central banks	223,566	313,379	360,944	251,521	329,143	406,984
	Lending and outstanding balances at amor- tised cost price	5,765,816	5,133,459	5,523,205	5,643,968	5,004,347	5,396,026
	Bonds at market value	840,288	853,244	879,520	833,597	853,244	872,876
	Shares etc.	148,711	152,587	151,544	148,711	152,587	151,544
	Shares in associated companies	3,315	3,315	3,315	3,315	3,315	3,315
	Shares in affiliated companies	0	0	0	59,860	59,931	50,500
	Assets affiliated to pool schemes	235,325	208,019	228,903	235,325	208,019	228,903
	Intangible assets	430	292	217	0	0	0
	Other material assets	6,352	7,293	6,723	5,728	6,602	6,041
	Current tax assets	25,129	17,282	12,193	20,615	12,143	7,336
	Deferred tax assets	18,708	1,699	18,708	40,380	21,364	40,380
	Provisional acquired assets	9,686	0	0	0	0	0
	Other assets	115,877	86,883	80,698	84,343	58,773	72,339
	Prepayments and accrued income	8,324	6,393	4,438	7,162	5,289	3,582
	Total assets	7,625,010	6,930,381	7,356,307	7,558,008	6,861,293	7,325,725
Liabilities							
Debt							
	Debt to financial institutions and central banks .	1,798,545	1,543,097	1,682,218	1,773,069	1,510,521	1,687,660
	Deposits and other debt	3,884,271	3,533,873	3,800,970	3,867,851	3,519,039	3,786,644
	Deposits in pool schemes	235,325	208,019	228,903	235,325	208,019	228,903
	Other liabilities	265,961	227,826	215,718	252,975	217,936	206,361
	Accruals and deferred income	12,580	12,400	12,981	460	612	640
	Total debt	6,196,682	5,525,215	5,940,790	6,129,680	5,456,127	5,910,208
10	Provisions for liabilities						
	Provisions for deferred tax	0	0	0	0	0	0
	Provisions for loss on guarantees	11,829	28,341	10,833	11,829	28,341	10,833
	Total provisions for liabilities	11,829	28,341	10,833	11,829	28,341	10,833
11	Overlying capital deposits						
	Overlying capital deposits	230,885	230,347	230,381	230,885	230,347	230,381
12	Equity capital						
	Share capital	124,000	124,000	124,000	124,000	124,000	124,000
	Other reserves	21,675	21,675	21,675	21,675	21,675	21,675
	Profit or loss brought forward	1,039,939	1,000,803	997,628	1,039,939	1,000,803	997,628
	Proposed dividend	0	0	31,000	0	0	31,000
	Total equity capital.....	1,185,614	1,146,478	1,174,303	1,185,614	1,146,478	1,174,303
	Total liabilities	7,625,010	6,930,381	7,356,307	7,558,008	6,861,293	7,325,725
13	Contingent liabilities	2,707,340	3,726,559	3,806,664	2,652,084	3,650,082	3,757,963

Equity Capital Statement (DKK 1,000)

	Share capital	Other reserves	Brought forward result	Proposed dividend	Total
Equity capital as of 1st January 2008	124,000	21,675	997,628	31,000	1,174,303
Interim result			81,885		81,885
Total income	0	0	81,885	0	81,885
Distributed dividend				- 31,000	- 31,000
Dividend of own shares			1,904		1,904
Staff shareholding.....			3,133		3,133
Purchase/sale of own shares			- 44,661		- 44,661
Total equity capital movements	0	0	42,311	- 31,000	11,311
Equity capital as of 30th June 2008	124,000	21,675	1,039,939	0	1,185,614
Equity capital as of 1st January 2007	62,000	21,675	962,451	31,000	1,077,126
Interim result			188,472	31,000	219,472
Total income	0	0	188,472	31,000	219,472
Distributed dividend				- 31,000	- 31,000
Bonus share issue	62,000		- 62,000		0
Dividend of own shares			774		774
Staff shareholding.....			3,206		3,206
Purchase/sale own shares			- 95,275		- 95,275
Total equity capital movements	62,000	0	35,177	0	97,177
Equity capital as of 31st December 2007	124,000	21,675	997,628	31,000	1,174,303

Other reserves concern the net revaluation of capital shares in affiliated companies.

Notes
(DKK 1,000)

	The Group		The Mother Company	
	30.06 2008	30.06 2007	30.06 2008	30.06 2007
1 Interest income				
Outstanding balances with financial institutions and central banks	8,486	5,846	9,292	6,302
Lending and other outstanding balances	229,258	191,720	210,018	173,925
Bonds	23,447	19,542	23,237	19,542
Total derived financial instruments	1,126	180	909	105
Hereof: Interest contracts	1,341	175	1,124	100
Currency contracts	- 215	5	- 215	5
Other interest income	95	108	0	1
Total interest income	262,412	217,396	243,456	199,875
2 Interest expenses				
Financial institutions and central banks	37,310	30,404	37,161	29,968
Deposits and other debt	62,656	44,908	62,749	44,979
Overlying capital deposits	6,206	2,800	6,206	2,800
Other interest expenses	4	10	4	10
Total interest expenses	106,176	78,122	106,120	77,757
3 Fee and commission income				
Securities trading and safekeeping	3,929	3,857	3,929	3,857
Transaction of payments.....	5,901	5,037	5,901	5,037
Loan fees	5,446	4,732	5,446	4,732
Guarantee commission	4,824	5,779	4,824	5,779
Other fees and commissions	26,161	27,627	19,231	21,508
Total fee and commission income	46,261	47,032	39,331	40,913
4 Market value adjustments				
Other lending and outstanding balances at market value	776	1,105	0	0
Bonds	- 30,614	- 20,178	- 30,614	- 20,178
Shares	13,929	4,740	13,929	4,740
Currency	422	576	925	116
Currency, interest, share, raw material and other contracts plus derived financial instruments	13,176	3,330	11,127	3,022
Assets affiliated to pool schemes	16,799	8,300	16,799	8,300
Deposits in pool schemes	- 16,799	- 8,300	- 16,799	- 8,300
Other assets	20	18	20	18
Total market value adjustments	- 2,291	- 10,409	- 4,613	- 12,282
5 Staff costs and administration expenses				
Fees and salaries to the Board of Representatives, Directors and Management				
Board of Management	1,811	2,087	1,811	2,087
Board of Directors	215	209	215	209
Total	2,026	2,296	2,026	2,296
Staff costs				
Salaries	47,006	44,709	40,368	38,096
Pensions	4,994	4,595	4,345	3,946
Social security costs	572	412	485	312
Payroll tax etc.....	2,953	2,749	2,826	2,610
Total	55,525	52,465	48,024	44,964
Other administration expenses	39,990	39,892	34,040	31,972
Total staff costs and administration expenses..	97,541	94,653	84,090	79,232

Notes
(DKK 1,000)

	The Group		The Mother Company	
	30.06 2008	30.06 2007	30.06 2008	30.06 2007
6 Depreciations on loans etc. and provisions for guarantees				
Loans individual depreciations				
Depreciation as of 01.01.	79,392	84,254	73,761	76,122
Depreciations as of 30 th June	28,490	20,967	24,895	18,826
Reversed depreciations	- 11,111	- 21,231	- 10,156	- 19,193
Other adjustments	- 375	0	0	0
Final loss, previously depreciated.....	- 3,506	- 3,006	- 2,054	- 800
Depreciation balance as of 30th June	92,890	80,984	86,446	74,955
Loans batched depreciations				
Depreciation as of 01.01.	12,136	15,598	11,722	15,411
Depreciations as of 30 th June	343	954	0	954
Reversed depreciations	- 2,803	- 813	- 2,756	- 626
Depreciation balance as of 30th June.....	9,676	15,739	8,966	15,739
Guarantees individual provisions				
Provision balance as of 01.01.	4,545	15,208	4,545	15,208
Provisions as of 30 th June	5,294	8,063	5,294	8,063
Reversed provisions	- 4,099	- 2,962	- 4,099	- 2,962
Final loss, previously depreciated.....	0	130	0	-130
Provision balance as of 30th June	5,740	20,179	5,740	20,179
Guarantees batched provisions				
Provision balance as of 01.01.	6,288	8,522	6,288	8,522
Reversed provisions (net)	- 116	- 360	- 116	- 360
Provision balance as of 30th June	6,172	8,162	6,172	8,162
Total				
Depreciation and provision balance as of 01.01. ...	102,361	123,582	96,316	115,263
Depreciations/provisions as of 30 th June.....	34,127	29,984	30,189	27,843
Reversed depreciations/provisions	- 18,129	- 25,366	- 17,127	- 23,141
Final loss, previously depreciated	- 3,881	- 3,136	- 2,054	- 930
Depreciation and provision balance as of 30th June	114,478	125,064	107,324	119,035
Lost, not previously depreciated and paid in on pre- viously depreciated debts	- 598	- 5,084	- 1,710	- 4,508
Kept in the income statement	15,400	- 466	11,352	194
7 Outcome on capital shares in associated and affiliated companies				
Outcome on capital shares in affiliated companies	0	0	12,483	12,581
8 Tax				
Company tax percentage in Denmark	25.0	25.0	25.0	25.0
Non-taxable income and expenses	- 8.0	- 11.8	- 8.0	- 11.8
Total	17.0	13.2	17.0	13.2

Notes
(DKK 1,000)

	The Group			The Mother Company		
	30.06 2008	30.06 2007	31.12 2007	30.06 2008	30.06 2007	31.12 2007
9 Outstanding balances with financial institutions and central banks						
Outstanding balances at notice with central banks	0	0	200,000	0	0	200,000
Outstanding balances with financial institutions	223,566	313,379	160,944	251,521	329,143	206,984
Total outstanding balances with financial institutions and central banks	223,566	313,379	360,944	251,521	329,143	406,984
10 Liability provisions						
A number of financial guarantees and irrevocable lending commitments have been given. A provision concerning a guarantee or an irrevocable lending commitment is included if it is likely that the guarantee or the lending commitment will be executed and the amount of the liability can be balanced reliably. Liability provisions are based to the best of the management's judgement of the amount of the liability. Provisions on loss on guarantees consist of a number of minor amounts where it is difficult to determine the exact date of settlement, however, it is expected that they are settled within a period of 5 years from accounting day.						
11 Overlying capital deposits						
Overlying capital deposits	230,885	230,347	230,381	230,885	230,347	230,381
Being included in the basis capital	229,422	228,101	228,865	229,422	228,101	228,865
Conditions for overlying capital deposits:						
Capital at fixed interest-rate	16,306	15,925	15,815	16,306	15,925	15,815
Capital at floating interest-rate	214,579	214,422	214,566	214,579	214,422	214,566
The capital cannot be terminated or converted in the period of validity.						
Overlying capital deposits exceeding 10% of the total overlying capital deposits:						
DKK floating interest-rate expiry 30 th June 2015	40,000	40,000	40,000	40,000	40,000	40,000
DKK floating interest-rate expiry 1 st May 2015 ..	100,000	100,000	100,000	100,000	100,000	100,000
EUR 10 mill. floating interest-rate expiry 1 st May 2015	74,579	74,422	74,566	74,579	74,422	74,566
12 Share capital						
Sparekassen Faaborg's share capital consists of 1,240,000 shares each DKK 100.						
13 Contingent liabilities						
Guarantees etc.	2,627,775	3,639,956	3,729,168	2,642,084	3,640,082	3,747,963
Other contingent liabilities	79,565	86,603	77,496	10,000	10,000	10,000
Total contingent liabilities	2,707,340	3,726,559	3,806,664	2,652,084	3,650,082	3,757,963
Market value of bonds placed with Danmarks Nationalbank as collateral security.....	160,000	0	0	160,000	0	0

Notes
(DKK 1,000)

	The Group			The Mother Company		
	30.06 2008	30.06 2007	31.12 2007	30.06 2008	30.06 2007	31.12 2007

14 Solvency statement

Settled in accordance with the Executive Order on Capital Requirement Rules for financial institutions and certain credit institutions issued by The Danish Financial Supervisory Authority

Equity capital.....	1,185,614	1,146,478	1,174,303	1,185,614	1,146,478	1,174,303
Result year to date/proposed dividend.....	- 81,885	- 131,640	- 31,000	- 81,885	- 131,640	- 31,000
Further deduction in core capital	- 19,138	- 1,991	- 18,925	- 40,380	- 21,364	- 40,380
Core capital after deduction.....	1,084,591	1,012,847	1,124,378	1,063,349	993,474	1,102,923
Supplement/deduction in basis capital.....	229,422	228,101	228,865	229,422	228,101	228,865
Basis capital after deduction	1,314,013	1,240,948	1,353,243	1,292,771	1,221,575	1,331,788
Total weighted items	9,927,279	9,098,519	9,545,215	9,681,926	8,980,634	9,481,582
Core capital (percentage).....	10.9	11.1	11.8	11.0	11.1	11.6
Solvency percentage according to FBA sect. 124	13.2	13.6	14.2	13.4	13.6	14.0
Capital requirements according to FBA sect. 124	37,289	37,211	37,283	37,289	37,211	37,283

15 Incentive schemes

A collective bonus scheme in the shape of bonus shares for all employees has been established for the accounting year 2008. Allotment is made according to specified conditions as to the return on the equity capital before tax compared to other banks listed on the OMX Nordic Exchange Copenhagen. The anticipated costs are included in the income statement as a staff cost in the period of the bonus scheme.

For the accounting year 2007 1,771 bonus shares were allotted in March 2008 at a quoted share price of DKK 1,769 (share price on the day of allotment).

In addition hereto there exists a bonus scheme for managerial employees for the accounting year 2008. The bonus scheme constitutes a total bonus of 2.7% of the Group result before depreciations and tax less DKK 180 mill. A bonus, if any, will be paid out in connection with the General Meeting for the accounting year 2008. The cost is earmarked in the interim report.

A corresponding bonus scheme for the Board of Management has been established and constitutes a total bonus of 1.6% of the Group result after tax. The bonus will be paid out in connection with the General Meeting for the accounting year 2008. The cost is earmarked in the interim report.

In 2007 there existed a bonus scheme on the same conditions where managerial employees obtained a bonus of 2.4% and the Board of Management a bonus of 1.6% calculated on a whole-year basis.

Group overview

Name and domicile	Share capital (DKK 1,000)	Share of ownership in percent	Equity capital end 2007 (DKK 1,000)	Result 2007 (DKK 1,000)
Consolidated subsidiaries:				
Faaborg Finans A/S	5,000	100	5,000	4,931
Finansieringsselskabet Faaborg Formue- forvaltning A/S	19,470	100	40,000	7,301
Bolig Fyn A/S	500	100	500	653
Leasing Fyn Faaborg A/S	5,000	100	5,000	7,407
The subsidiaries are registered in Faaborg-Midtfyn Kommune.				
Associated pro rata consolidated companies				
Leasing Fyn Bank A/S				
Faaborg-Midtfyn Kommune	51,000	33.33	86,973	15,123
Associated not consolidated companies:				
Alutec Holding ApS, Middelfart Kommune	200	49.5	6,700	526

Transactions with closely related parties

Sparekassen is the banking connection for the affiliated companies of the Group and group internal transactions primarily concern interest-rate payments.

All transactions with the above companies are made on market conditions.

Cash flow statement
(DKK 1,000)

	1 st half-year 2008	1 st half-year 2007
Operating activities:		
Result	81,885	131,640
Adjustment for amounts without liquidity effect:		
Depreciations on loans etc.	15,400	- 466
Depreciations and writedowns on intangible and tangible assets	1,288	1,228
Net prepayments and accrued income	- 4,287	- 2,742
Provisions for liabilities	996	4,611
Tax	16,793	19,950
Adjustment for amounts with liquidity effect:		
Paid tax	- 28,650	- 33,363
	83,425	120,858
Net working capital:		
Financial institutions (net)	116,326	16,887
Lending adjusted for annual depreciations etc.	- 258,011	- 164,623
Financial current assets	134	1,927
Other assets and liabilities (net)	35,300	87,842
Deposits and other debt	83,301	122,610
Cash flow from operating activities	60,475	185,301
Investment activities:		
Financial fixed assets	2,699	1,304
Tangible and intangible assets	- 1,130	- 2,162
Cash flow from investment activities	1,569	- 858
Financial activities:		
Overlying capital deposits	504	174,723
Capital movements	- 70,574	- 62,288
Paid return from previous year	- 31,000	- 31,000
Cash flow from financing activities	- 101,070	81,435
Change in liquidity	- 39,026	265,878
Liquidity as of 01.01.	1,326,363	1,047,281
Liquid assets:		
Cash balance and demand deposits with central banks	223,483	146,536
Outstanding balances with financial institutions and central banks	223,566	313,379
Bonds	840,288	853,244
Liquidity as of 30th June	1,287,337	1,313,159