

Company Announcement
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Executive Board:
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Interim financial report

1 January – 30 June 2007

Disclaimer:

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Management's review

Group financial highlights DKK'000	H1 2007	H1 2006	FY 2006	H1 2005	H1 2004*	H1 2003*
Net interest and fee income	67.7	64.7	129.7	59.5	52.3	43.7
Value adjustments	10.9	3.8	16.5	-2.7	5.5	5.1
Staff costs and administrative expenses	-45.7	-45.1	-89.0	-40.2	-33.2	-29.2
Impairment losses on loans and receivables, etc	-8.1	-5.6	-8.8	0.8	-4.8	-7.7
Profit before tax	23.5	19.6	49.7	16.0	18.7	11.2
Loans	1,681	1,398	1,528	1,124	848	710
Equity	284	258	277	244	233	190
Total assets	2,262	1,992	2,110	1,615	1,350	1,262

Group financial ratios

Capital adequacy ratio, %	12.1	11.2	11.6	10.3	13.3	14.0
Core capital ratio, %	7.7	8.6	8.6	10.7	13.8	12.9
Return on equity before tax for the period, %	8.4	7.7	18.8	6.6	8.3	6.3
Return on equity after tax for the period, %	6.7	5.7	14.6	4.6	6.1	4.4
Operating income over operating expenses, DKK	1.42	1.38	1.49	1.39	1.47	1.29
Interest rate risk, %	1.2	1.5	1.7	1.8	1.9	2.4
Currency position, %	10.5	11.0	9.2	7.0	9.3	13.9
Currency risk, %	0.0	0.0	0.0	0.0	0.0	0.0
Loans in ratio to deposits	118,2	110,2	113,0	102,2	90,3	81,9
Loans in ratio to equity	5.9	5.4	5.5	4.5	3.5	3.2
Loan growth for the period, %	10.0	13.2	23.7	32.6	19.4	7.3
Excess liquidity in relation to statutory requirements of liquidity, %	15.7	15.1	13.3	35.6	94.8	41.2
Total of substantial commitments, %	105.1	103.7	100.4	57.3	55.1	45.5
Impairment ratio for the period, %	0.3	0.2	0.3	0.0	0.3	0.6
Earnings per share for the period, DKK	10.2	7.7	21.2	6.5	6.9	4.4
Equity value per share, DKK	159	139	150	129	117	103
Price/earnings per share for the period, DKK	28.3	33.0	14.0	31.7	19.7	25.0
Price/equity value per share, DKK	1.8	1.8	1.9	1.6	1.2	1.1

* Comparative figures for financial instruments, including loans, have not been restated for 2003 and 2004 to reflect the Executive Order on Financial Reports for Financial Credit Institutions and Investment Companies, etc (the Executive Order on Financial Reports) implemented in 2005.

Management's review

Development in activities and finances

The pre-tax profit for the period amounts to DKK 23.5m against DKK 19.6m for H1 2006. This performance is materially affected by the total business volume – in terms of sum of loans, deposits and guarantees – having improved in all fields. The Bank's total business volume is DKK 4,626m against DKK 4,080m at 30 June 2006, a rise of 13%.

Net interest and fee income amounts to DKK 67.7m compared with DKK 64.7m in H1 2006. Both interest income and interest expenses have been impacted by general changes in interest rates in H1 2007. Particularly the Bank's deposit product "Variabel Højrente" (account with a floating high-interest rate) that was open to deposits in February had an adverse effect on interest expenses. The rise in fee and commission income occurred primarily in guarantee commission, foreign business and commission from investment funds.

Value adjustments amount to DKK 10.9m against DKK 3.8m in H1 2006. This major improvement is attributable to total capital gains of DKK 11.7m on the Bank's portfolio of shares.

Staff costs and administrative expenses total DKK 45.7m against DKK 45.1m in H1 2006.

Impairment losses on loans and receivables, etc amount to DKK 8.1m compared with DKK 5.6m in H1 2006. The increase has been caused by a major one-off impairment loss relating to a manufacturing business where the basis for the sale of its products no longer exists. Other impairment losses are small and do not vary from those previously forecasted.

Loans are up by 20% from DKK 1,398m to DKK 1,681m. Deposits have gone up by 12% from DKK 1,289m to DKK 1,446m. Guarantees have gone up by 8% from DKK 1,393m to DKK 1,499m.

The Bank's equity is up from DKK 258m to DKK 284m.

For purposes of hedging the Bank's loans in ratio to deposits, DKK 50m in subordinated capital was raised at 1 May 2007 in cooperation with Nykredit Bank of Copenhagen in addition to the Bank's natural liquidity.

Skælskør Bank has in the last six months carried through a LEAN project on the home loan line. One of the results of this is that the Bank is going to set up a branch service centre in Slagelse. When fully run in, the resources of about five year-round employees will be freed. These employees will form part of the Bank's staff of customer advisers.

It has been decided that the Bank will continue the LEAN project in other product lines, which will lead to cost savings in coming years.

The new business centre for remotely located customers has now been established in temporary premises in connection with the Bank's Slagelse branch. The business centre which primarily serves customers living outside western Zealand is currently experiencing much activity.

Particular factors affecting developments

A number of new accounting provisions were adopted in 2005. In particular, these changes have implied significant changes in valuation (measurement) of loans. The Bank has worked on establishing a data model designed to ensure compliance with the new financial reporting requirements. The work has been impeded by the necessary supporting computer systems not yet being fully available to the Bank. So the Bank has had to establish alternative systems to comply with regulations. The Bank currently works on improving the principles applying to group-based impairment losses, in particular. As the Bank does not have data going far enough back in time this implies that the calculation of the value of group-based impairment losses is subject to some degree of uncertainty. Management believes, however, that the Bank fully complies with the rules of the Executive Order on Financial Reports so that uncertainty is immaterial to the annual report.

The Bank has in cooperation with Bankernes EDB-central initiated the implementation of the necessary systems and processes to ensure correct accounting treatment in future. The Bank estimates that Bankernes EDB Central will have a solution ready for group-based impairment losses in early 2008.

Unusual circumstances

It is no secret that a case is pending with the Competition Appeals Tribunal against Skælskør Bank and six other banks. The case concerns alleged agreed pricing and division of the market among the relevant banks.

We have lodged an appeal because we have not at any time made agreements – or for that matter coordinated efforts – about any of the allegations made by the Competition Council. The

only mistake we have made is an unfortunate wording in our cooperation agreement which could have been corrected with a little guidance by the Competition Authority.

The Supervisory Board of Skælskør Bank has decided to adjust the Bank's organisation to become more capable of decisive action, and furthermore a succession process has been initiated as the Bank has engaged Robert Grønlund, LLM, as administrative manager. The present administrative manager, Marianne Hansen, will continue as finance manager of the Bank.

Outlook for all of 2007

The outlook for all of 2007 in the annual report for 2006 was that performance would go down by around DKK 3.8m on profit for 2006. Our outlook for 2007 remains unchanged. We still expect a profit on the order of DKK 42-46m.

Special assumptions and uncertainties

Please refer to the discussion of particular factors that may also affect performance for all of 2007.

Related party transactions

The Bank has had the following related party transactions in H1 2007.

	<u>H1 2007</u>	<u>H1 2006</u>
Administration	15	63
The Bank's deposits from subsidiaries	5.766	5.969
The Bank's loans to subsidiaries	8.586	11.266

All related party transactions have been conducted on an arm's length basis.

Please also see note 13 which contains a specification of all related party transactions for H1 2007.

Statement by Management

We have today presented the interim report of Skælskør Bank for the period 1 January – 30 June 2007.

The interim report has been prepared in accordance with IAS 34 in respect of the semi-annual consolidated financial statements, the Executive Order on the application of International Financial Reporting Standards for companies subject to the Danish Financial Business Act in respect of the semi-annual parent financial statements as well as additional Danish disclosure requirements for interim reports of listed financial companies.

We consider the applied accounting policies appropriate for the interim report to provide a true and fair view of the Group's and the Parent's assets, equity and liabilities and financial position at 30 June 2007 as well as of their activities and the consolidated cash flows for H1 2007.

The interim report has not been audited or reviewed by the Bank's auditors.

Skælskør, 22 August 2007

Carsten Roth
Chief Executive Officer

Peter Melchior
Chairman of the Supervisory Board

Income statement 1 January – 30 June 2007

Group	Note	H1 2007 DKK'000	H1 2006 DKK'000	FY 2006 DKK'000
Interest income	3	69,768	51,640	114,021
Interest expenses	4	-26,514	-13,509	-32,424
Net interest income		43,254	38,131	81,597
Dividends from shares, etc		1,343	627	654
Fees and commissions income		25,403	27,588	50,825
Ceded fees and commission expenses		-2,317	-1,613	-3,390
Net interest and fee income		67,683	64,733	129,686
Value adjustments	6	10,855	3,816	16,459
Other operating income		420	2,980	4,940
Staff costs and administrative expenses	7	-45,743	-45,106	-88,970
Depreciation, amortisation and impairment losses relating to intangible assets and property, plant and equipment		-1,668	-1,228	-3,692
Other operating expenses		0	-1	0
Impairment losses on loans and receivables, etc	8	-8,073	-5,589	-8,770
Profit from investments in subsidiaries and associates		0	0	0
Profit before tax		23,474	19,605	49,653
Income taxes		-4,673	-5,202	-11,223
Profit for the period		18,801	14,403	38,430
Earnings per share (EPS)		10.5	7.7	21.2
Diluted earnings per share (DEPS)		10.5	8.0	21.2

Balance sheet at 30 June 2007

Group	Note	30/6 2007 DKK'000	30/6 2006 DKK'000	31/12 2006 DKK'000
Cash and demand deposits with central banks		28,374	50,618	29,586
Receivables from credit institutions and central banks		139,659	125,852	149,956
Loans and other receivables at amortised cost		1,681,023	1,397,772	1,527,899
Bonds at fair value		173,764	237,068	214,417
Shares, etc		134,846	84,944	103,302
Intangible assets		0	2,000	0
Total land and buildings		54,354	58,324	55,261
Investment property		19,926	31,815	13,171
Owner-occupied property		34,428	26,509	42,090
Other property, plant and equipment		9,126	6,699	5,467
Current tax assets		0	0	691
Deferred tax assets		1,586	1,429	1,323
Other assets		39,430	24,821	22,329
Prepayments		179	1,995	76
Total assets		2,262,341	1,991,522	2,110,307

Balance sheet at 30 June 2007

Group	Note	30/6 2007 DKK'000	30/6 2006 DKK'000	31/12 2006 DKK'000
Debt to credit institutions and central banks		338,045	277,186	321,659
Deposits and other payables		1,445,584	1,289,293	1,374,119
Current tax payable		3,377	6,356	0
Other liabilities		38,178	69,809	30,189
Deferred income		1,018	1,664	1,525
Total payables		1,826,202	1,644,308	1,727,492
Provisions				
Provisions for pensions and similar liabilities		1,427	1,427	1,427
Provisions for deferred tax		2	177	0
Provisions for loss on guarantees		760	1,678	1,992
Other provisions		713	1,455	2,393
Total provisions		2,902	4,737	5,812
Subordinated debt				
Subordinated debt		149,422	84,592	99,560
Total subordinated debt		149,422	84,592	99,560
Equity				
Share capital		37,000	37,000	37,000
Revaluation reserve		1,668	1,471	1,471
Retained earnings		245,147	219,415	238,972
Total equity		283,815	257,886	277,443
Total equity and liabilities		2,262,341	1,991,522	2,110,307

Statement of changes in equity 1 January – 30 June 2007

Group	Share capital DKK'000	Revalua- tion reserve DKK'000	Porposed dividends DKK'000	Retained earnings DKK'000	Total DKK'000
Equity at 1 January 2006	38.000	1.471	5.700	205.129	250.300
Dividends paid			-5.700		-5.700
Dividends on own shares				228	228
Purchase and sale of own shares, net				-1.345	-1.345
Capital injection/reduction	-1.000			1.000	0
Profit for the period transferred to equity				14.403	14.403
Equity at 30 June 2006	37.000	1.471	0	219.415	257.886
Purchase and sale of own shares, net				-5.593	-5.593
Employee shares				1.123	1.123
Profit for the period transferred to equity			7.400	16.627	24.027
Equity at 1 January 2007	37.000	1.471	7.400	231.572	277.443
Dividends paid			-7.400		-7.400
Dividends on own shares				188	188
Purchase and sale of own shares, net				-5.673	-5.673
Employee shares				259	259
Revaluation reserve relating to property		197			197
Profit for the period transferred to equity				18.801	18.801
Equity at 30 June 2007	37.000	1.668	0	245.147	283.815

Cash flow statement 1 January – 30 June 2007

Group	30/6 2007 DKK'000	30/6 2006 DKK'000	31/12 2006 DKK'000
Profit for the period before tax	23,474	19,605	49,653
Impairment losses on loans and receivables, etc	8,073	5,589	8,770
Paid, non-recognised fees	5,985	4,937	5,468
Depreciation, amortisation and impairment losses relating to intangible assets and property, plant and equipment	1,668	1,228	3,692
Gains/losses on sale of intangible assets and property, plant and equipment	-112	0	-5,577
Value adjustment, investment property	33	-37	-418
Unrealised price adjustments of securities	-8,952	-1,675	-7,088
Non-paid interest	13,337	7,065	2,672
Other non-paid operating items	1,489	1,224	448
Income taxes paid, net	-2,037	-1,611	-13,746
Changes in loans	-167,182	-172,013	-305,852
Changes in deposits	71,465	99,082	183,908
Changes in credit institutions, net	29,166	121,290	152,983
Changes in other assets and equity and liabilities	-18,245	32,703	22,856
Cash flows from operating activities	-41,838	117,387	97,769
Acquisition, etc of intangible assets	0	-700	-700
Sale of intangible assets	0	0	2,000
Acquisition, etc of property, plant and equipment	-11,359	-15,088	-20,131
Sale of property, plant and equipment	7,285	17,327	31,022
Fixed asset investments	-2,394	-90	-520
Fixed asset divestments	0	0	364
Cash flows from investing activities	-6,468	1,449	12,035
Dividends paid	-7,400	-5,700	-5,700
Subordinated debt	50,000	0	15,000
Acquisition/sale of own shares and related dividends	-5,485	-1,371	-4,585
Cash flows from financing activities	37,115	-7,071	4,715
Increase/decrease in cash and cash equivalents	-11,191	111,765	114,519
Cash and cash equivalents at beginning of period	179,224	64,705	64,705
Cash and cash equivalents at end of period	168,033	176,470	179,224

Cash and demand deposits with central banks	28,374	50,618	29,586
Securities which mature in less than three months	0	0	12,462
Receivables from credit institutions which fall due in less than three months	139,659	125,852	137,176
Cash and cash equivalents at end of period	168,033	176,470	179,224

Notes – Group

Notes

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Notes – Group

1. Accounting policies

The interim report is presented in accordance with IAS 34 in respect of the consolidated financial statements for the period 1 January to 30 June 2006, the Executive Order on the application of International Financial Reporting Standards for companies subject to the Danish Financial Business Act in respect of the parent financial statements for the period 1 January to 30 June 2006 as well as additional Danish disclosure requirements for interim reports of listed financial companies.

This is the first interim financial report presented by the Bank under IAS 34, and this has involved further disclosure requirements for the following areas compared with previous interim financial reports:

- Consolidated cash flow statement under IAS 7
- Certain segment information under IAS 14
Earnings per share (ESP) and diluted earnings per share (DEPS) are presented directly on the face of the income statement under IAS 33
- Any other requirements for notes.

The accounting policies applied in this interim financial report are consistent with those applied in the Bank's annual report for 2006. The annual report for 2006 was prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU as well as additional Danish disclosure requirements. We refer to the annual report for 2006 for a more detailed description of the accounting policies, including definitions of the disclosed financial ratios which have been calculated in accordance with "Recommendations and Ratios 2005" issued by the Danish Association of Financial Analysts.

The following new or amended Standards and Interpretations have become effective for the financial year 2007:

- IAS 32, *Financial Instruments: Disclosures and Presentation*
- IFRS 7, *Financial Instruments: Disclosures*
- IFRIC 7, *Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies*
- IFRIC 8, *Scope of IFRIC 2*
- IFRIC 9, *Reassessment of Embedded Derivatives*

- IFRIC 10, *Interim Financial Reporting and Impairment*.

The application of these new or amended Standards and Interpretations has not resulted in any changes to the accounting policies applied to recognition and measurement. Compared to the annual report for 2006, application of IFRS 7 to the annual report for 2007 will imply changes and additions to the disclosures in the notes regarding financial instruments; IFRS 7 is not relevant for this interim financial report.

The interim financial report is presented in Danish kroner (DKK), which is the Parent's functional currency.

2. Significant changes in accounting estimates

Several financial statement items cannot be measured reliably, but only be estimated. Such estimates comprise assessments made on the basis of the latest information available at the time of the financial reporting. It may be necessary to change previous estimates due to changes in the matters on which the estimate was based or due to new information, further experience or subsequent events.

Unusual circumstances

The interim financial report for H1 2007 has not been affected by material exceptional financial statement items.

Changes in accounting estimates

The accounting estimates made by the Bank in the annual report for 2006 have not been changed in the interim financial report for H1 2007.

Notes – Group

	H1 2007 DKK'000	H1 2006 DKK'000	FY 2006 Dkk'000	
3. Interest income				
Receivables from credit institutions and central banks	2,678	1,152	4,456	
Loans and other receivables	62,170	46,172	100,171	
Bonds	4,365	4,566	9,517	
Total derivative financial instruments	0	-285	-427	
Of this				
Foreign exchange contracts	0	-285	-427	
Other interest income	555	35	304	
Total interest income	69,768	51,640	114,021	
The Group has no income from genuine purchase and sell-back transactions.				
4. Interest expenses				
Credit institutions and central banks	5,428	2,537	6,074	
Deposits and other payables	17,994	9,054	22,194	
Subordinated debt	3,060	1,837	4,079	
Other interest expenses	32	81	77	
Total interest expenses	26,514	13,509	32,424	
The Group has no expenses for genuine purchase and sell-back transactions.				
5. Business segments and profit before tax for H1 2007				
	Branches Denmark DKK'000	Finance/ abroad DKK'000	Staff functions/ other DKK'000	Total DKK'000
Net interest and fee income	60,801	5,463	1,419	67,683
Profit before tax	17,853	5,198	423	23,474

Notes – Group

	H1 2007 DKK'000	H1 2006 DKK'000	FY 2006 Dkk'000
6. Value adjustments			
Bonds	-3,335	-5,109	-2,349
Shares	11,717	5,223	15,570
Investment property	-33	37	418
Total currency, interest, etc	1,461	422	1,070
Derivative financial instruments	1,045	3,274	1,764
Other assets	0	-31	-14
Total value adjustments	10,855	3,816	16,459
Skælskør Bank has no collective pool schemes.			
7. Staff costs and administrative expenses			
Salaries and remuneration to the Supervisory and Executive Boards as well as Committee of Representatives:			
- Executive Board	665	966	2,158
- Pension, etc to the Executive Board	179	197	419
- Supervisory Board	290	286	569
- Committee of Representatives	0	0	115
Staff costs			
- Wages and salaries	20,577	20,374	40,626
- Pensions	2,478	2,285	4,702
- Social security costs	2,062	1,760	3,573
Other administrative expenses	19,492	19,238	36,808
Total staff costs and administrative expenses	45,743	45,106	88,970
Average number of employees converted into full-time employees 107.0 (114.9 for H1 2006).			

Notes – Group

	Individual impairment losses DKK'000	Group-based impairment losses DKK'000	Total DKK'000
8. Impairment losses on loans and other receivables			
H1 2007			
Impairment losses at 1 January 2007	22,916	1,439	24,355
Impairment losses for the period	10,538	0	10,538
Reversal of prior years' impairment losses	-1,931	-222	-2,153
Other movements	-5,701	0	-5,701
Impairment losses at 30 June 2007	25,822	1,217	27,039
H1 2006			
Impairment losses at 1 January 2006	15,357	1,900	17,257
Impairment losses for the period	7,766	0	7,766
Reversal of prior years' impairment losses	-2,193	0	-2,193
Other movements	16	0	16
Impairment losses at 30 June 2006	20,946	1,900	22,846
FY 2006			
Impairment losses at 1 January 2006	15,357	1,900	17,257
Impairment losses for the year	12,146	0	12,146
Reversal of prior years' impairment losses	-3,006	-461	-3,467
Write-off	-1,581		-1,581
Other movements	0	0	0
Impairment losses at 31 December 2006	22,916	1,439	24,355
9. Contingent assets and liabilities			
Financing guarantees	1,038,514	966,787	1,092,556
Other guarantees	460,599	426,180	448,085
Total guarantees, etc	1,499,113	1,392,967	1,540,641
Other contingent liabilities			
Irrevocable credit guarantees	0	0	75,800
Other obligations	46,505	21,378	46,338
Total other liabilities	46,505	21,378	122,138

Notes – Group

	Number		Nominal value		Share of own shares of the share capital	
	2007 Number	2006 Number	2007 DKK'000	2006 DKK'000	2007 %	2006 %
10. Own shares						
Number of own shares at beginning of period	47,131	73,458	943	1,469	2.5	4.0
Purchase	63,056	84,093	1,261	1,682	3.4	4.5
Sale	43,159	77,539	863	1,551	2.3	4.2
Number of own shares at end of period	67,028	80,012	1,341	1,600	3.6	4.3

11. Tax on profit for the period

At 1 January 2007, the deferred tax liability amounted to DKK 1,323k, using a corporate tax rate of 28%. The passage of the bill to lower the corporate tax rate to 25% has resulted in an adjustment of DKK 72k to the deferred tax liability at 1 January 2007, and this has implied that the estimated weighted average tax rate for the year has now been reduced to 22.86%. The lowering of the corporate tax rate has been recognised for the entire year with an adjustment to Q1 that has been recognised in the income statement under tax in Q2.

The tax expense recognised in the income statement for the interim financial period has therefore been calculated on the basis of the pre-tax profit and an estimated effective tax rate for the Group as a whole for 2007. The estimated weighted average effective tax rate for 2007 is 22.6% (26.5% at 30 June 2006 and 22.6% for all of 2006).

12. Dividends

On 16 March 2007, DKK 7,400k in ordinary dividends were paid to the shareholders, corresponding to DKK 4 per share (2006: DKK 3 per share).

13. Related parties

The Group's related parties include the Bank's Executive and Supervisory Boards and their persons connected.

Persons connected thereto comprise the subsidiaries Nor Fjor Finans A/S, Skælskør Bolig A/S and Hovedgaden 50, Dalmose A/S and the course provider, Hjalet A/S.

Related party transactions in the interim period

Members of the Parent's Executive and Supervisory Boards as well as other executives of the Group have been remunerated as follows during the interim financial period:

	H1 2007 DKK'000	H1 2006 DKK'000	FY 2006 DKK'000
Fees for the Supervisory Board	290	286	569
Wages and salaries	665	966	2.158
Pension	179	197	419
	1.134	1.449	3.146

No security or guarantees have been provided for outstanding balances at the balance sheet date. Receivables and payables will be settled by cash payment.

All related party transactions have been conducted on an arm's length basis.

14. Consolidation

No shareholder holds more than 5% of the Company's share capital at 30 June 2007.

15. Events after the balance sheet date

No events have occurred after the balance sheet date which materially affect the evaluation of this interim report.

Income statement 1 January – 30 June 2007

Parent	Note	H1 2007 DKK'000	H1 2006 DKK'000	FY 2006 DKK'000
Interest income	1	69,823	51,769	114,244
Interest expenses	2	-26,623	-13,642	-32,759
Net interest income		43,200	38,127	81,485
Dividends from shares, etc		1,343	627	654
Fees and commission income		25,418	23,231	45,402
Ceded fees and commission expenses		-2,070	-2,115	-4,104
Net interest and fee income		67,891	59,870	123,437
Value adjustments	3	8,607	2,121	15,614
Other operating income		137	-15	123
Staff costs and administrative expenses	4	-45,890	-37,815	-78,240
Depreciation, amortisation and impairment losses relating to intangible assets and property, plant and equipment		-1,659	-1,662	-3,268
Other operating expenses		0	-1	0
Impairment losses on loans and receivables, etc		-8,073	-5,589	-8,770
Profit from investments in subsidiaries and associates	5	1,846	1,934	757
Profit before tax		22,859	18,843	49,653
Income taxes		-4,058	-4,440	-11,223
Profit for the period		18,801	14,403	38,430
Earnings per share (EPS)		10.5	7.7	21.2
Diluted earnings per share (DEPS)		10.5	7.7	21.2

Balance sheet at 30 June 2007

Parent	Note	30/6 2007 DKK'000	30/6 2006 DKK'000	31/12 2006 DKK'000
Assets				
Cash and demand deposits with central banks		28,374	50,618	29,586
Receivables from credit institutions and central banks		139,659	125,852	149,956
Loans and other receivables at amortised cost		1,688,444	1,407,858	1,533,296
Bonds at fair value		173,764	237,068	214,417
Shares, etc		124,350	79,062	94,448
Investments in subsidiaries		36,080	35,216	37,235
Intangible assets		0	0	0
Total land and buildings		26,241	31,924	31,744
Investment property		0	5,415	5,401
Owner-occupied property		26,241	26,509	26,343
Other property, plant and equipment		9,126	5,858	5,467
Current tax assets		0	0	1,271
Deferred tax assets		1,586	1,394	1,325
Other assets		37,485	17,883	18,384
Prepayments		179	234	75
Total assets		2,265,288	1,992,967	2,117,204

Balance sheet at 30 June 2007

Parent	Note	30/6 2007 DKK'000	30/6 2006 DKK'000	31/12 2006 DKK'000
Equity and liabilities				
Debt to credit institutions and central banks		338,045	277,186	321,659
Deposits and other payables		1,451,350	1,295,262	1,382,111
Current tax payable		1,052	4,502	0
Other liabilities		37,686	67,974	29,291
Deferred income		1,018	1,664	1,328
Total payables		1,829,151	1,646,588	1,734,389
Provisions				
Provisions for pensions and similar liabilities		1,427	1,427	1,427
Provisions for loss on guarantees		760	1,678	1,992
Other provisions		713	796	2,393
Total provisions		2,900	3,901	5,812
Subordinated debt				
Subordinated debt		149,422	84,592	99,560
Total subordinated debt		149,422	84,592	99,560
Equity				
Share capital		37,000	37,000	37,000
Revaluation reserve		1,668	1,471	1,471
Retained earnings		245,147	219,415	238,972
Total equity		283,815	257,886	277,443
Total equity and liabilities		2,265,288	1,992,967	2,117,204

Statement of changes in equity 1 January – 30 June 2007

Parent	Share capital DKK'000	Revalua- tion reserve DKK'000	Porposed dividends DKK'000	Retained earnings DKK'000	Total DKK'000
Equity at 1 January 2006	38,000	1,471	5,700	205,129	250,300
Dividends paid			-5,700		-5,700
Dividends on own shares				228	228
Purchase and sale of own shares, net				-1,345	-1,345
Capital injection/reduction	-1,000			1,000	0
Profit for the period transferred to equity				14,403	14,403
Equity at 30 June 2006	37,000	1,471	0	219,415	257,886
Purchase and sale of own shares, net				-5,593	-5,593
Employee shares				1,123	1,123
Profit for the period transferred to equity			7,400	16,627	24,027
Equity at 1 January 2007	37,000	1,471	7,400	231,572	277,443
Dividends paid			-7,400		-7,400
Dividends on own shares				188	188
Purchase and sale of own shares, net				-5,673	-5,673
Employee shares				259	259
Revaluation reserve relating to property		197			197
Profit for the period transferred to equity				18,801	18,801
Equity at 30 June 2007	37,000	1,668	0	245,147	283,815

Notes – Parent

Notes with reference

1. Interest income
2. Interest expenses
3. Value adjustments
4. Staff costs and administrative expenses
5. Profit from investments in subsidiaries and associates
6. Impairment losses on loans and other receivables, etc
7. Contingent assets and liabilities
8. Own shares
9. Related parties
10. Group overview

Notes – Parent

	H1 2007 DKK'000	H1 2006 DKK'000	FY 2006 DKK'000
1. Interest income			
Receivables from credit institutions and central banks	2,678	1,152	4,456
Loans and other receivables	62,225	46,301	100,394
Bonds	4,365	4,566	9,517
Total derivative financial instruments	0	-285	-427
Of this			
Foreign exchange contracts	0	-285	-427
Other interest income	555	35	304
Total interest income	69,823	51,769	114,244
Skælskør Bank has no income from genuine purchase and sell-back transactions.			
2. Interest expenses			
Credit institutions and central banks	5,428	2,537	6,074
Deposits and other payables	18,103	9,187	22,529
Subordinated debt	3,060	1,837	4,079
Other interest expenses	32	81	77
Total interest expenses	26,623	13,642	32,759
Skælskør Bank has no expenses for genuine purchase and sell-back transactions.			
3. Value adjustments			
Bonds	-3,335	-5,109	-2,349
Shares	9,469	3,545	14,350
Investment property	-33	0	810
Total currency, interest, etc	1,461	442	1,070
Derivative financial instruments	1,045	3,274	1,764
Other assets	0	-31	-31
Total value adjustments	8,607	2,121	15,614
Skælskør Bank has no collective pool schemes.			

Notes – Parents

	H1 2007 DKK'000	H1 2006 DKK'000	FY 2006 Dkk'000		
4. Staff costs and administrative expenses					
Salaries and remuneration to the Supervisory and Executive Boards as well as Committee of Representatives:					
- Salaries to the Executive Board	735	712	1,431		
- Pension, etc to the Executive Board	179	174	346		
- Supervisory Board	290	286	569		
- Committee of Representatives	0	0	115		
Staff costs					
- Wages and salaries	20,537	17,272	36,144		
- Pensions	2,478	2,069	4,388		
- Social security costs	2,062	1,760	3,547		
- Other administrative expenses	19,609	15,542	31,700		
Total staff costs and administrative expenses	45,890	37,815	78,240		
Average number of employees converted into full-time employees 107.0 (114.9 for H1 2006).					
5. Profit from investments in associates and subsidiaries					
Profit from investments in associates	0	0	0		
Profit from investments in subsidiaries	1,846	1,934	757		
Total profit from investments in associates and subsidiaries	1,846	1,934	757		
Subsidiaries and associates comprise:					
Name	Domicile	Nature and scope of transactions	Owner ship %	Equity 31/12 2006	Profit 2006
Nor Fjor Finans A/S	Skælskør	Purchase, sale and administration of securities and real estate	100	21,061	1,116
Hovedgaden 50, Dalmoose A/S	Skælskør	Renting of property	100	13,173	-164

Notes – Parents

	Individual impairmen t losses DKK'000	Group- based impairmen t losses DKK'000	Total DKK'000
6. Impairment losses on loans and other receivables, etc			
H1 2007			
Impairment losses at 1 January 2007	22,916	1,439	24,355
Impairment losses for the period	10,538	0	10,538
Reversal of prior years' impairment losses	-1,931	-222	-2,153
Other movements	-5,701	0	-5,701
Impairment losses at 30 June 2007	25,822	1,217	27,039
H1 2006			
Impairment losses at 1 January 2006	15,357	1,900	17,257
Impairment losses for the period	7,766	0	7,766
Reversals of prior years' impairment losses	-2,193	0	-2,193
Other movements	16	0	16
Impairment losses at 30 June 2006	20,946	1,900	22,846
FY 2006			
Impairment losses at 1 January 2006	15,357	1,900	17,257
Impairment losses for the year	12,146	0	12,146
Reversal of prior years' impairment losses	-3,006	-461	-3,467
Write-off	-1,581	0	-1,581
Impairment losses at 31 December 2006	22,916	1,439	24,355
7. Contingent assets and liabilities			
Financing guarantees	1,038,514	966,787	1,092,556
Other guarantees	460,599	426,180	448,085
Total guarantees, etc	1,499,113	1,392,967	1,540,641
Other contingent liabilities			
Irrevocable credit guarantees	0	0	75,800
Other obligations	46,505	21,378	46,338
Total other liabilities	46,505	21,378	122,138

Notes – Parents

	Number		Nominal value		Share of own shares of the share capital	
	2007 Number	2006 Number	2007 DKK'000	2006 DKK'000	2007 DKK'000	2006 DKK'000
8. Own shares						
Number of own shares at beginning of period	47,131	73,458	943	1,469	2.5	4.0
Purchase	63,056	84,093	1,261	1,682	3.4	4.5
Sale	43,159	77,539	863	1,551	2.3	4.2
Number of own shares at end of period	67,028	80,012	1,341	1,600	3.6	4.3