

OMX Den Nordiske Børs
 Nikolaj Plads 6
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18. July 2008

Financial statement half year 2008

This is an unofficial translation of an original document in the Danish language. In the event of disputes or misunderstandings arising from the interpretation of any part of the translation, the Danish language version shall prevail.

Result a little better than expected

- **Business volume rose by 11% (excl. Totalkredit-guaranties)**
- **Net interest income rose by DKK 12,0m (+16,0%) - fees and commissions fell by DKK 3,8m (-11,1%).**
- **Write downs shows an income of DKK 2.4m**
- **Profit before price adjustments and tax rose by DKK 6,9m (+17,4%)**
- **Price adjustments + DKK 0,6m. (DKK -13,1m)**
- **Profit before tax DKK 47,1m (DKK -6,2m)**
- **Expected profit DKK 75-85m before price adjustments and tax for the whole of 2008 is maintained.**

MAIN FIGURES

(Figures in million DKK)	2008	1. half year			
		2007	2006	2005	2004
Profit and Loss account					
Net interest and fee income	120,3	111,5	102,8	91,2	87,3
	2,7	2,0	1,0	0,8	0,6
Operation expenses	81,8	76,6	71,0	62,3	57,2
Write downs	+2,4	+2,7	+6,6	2,5	8,7
Profit of holdings in associated and affiliated companies	2,9	0,0	0,0	0,0	0,0
Profit before price adjustments and tax	46,5	39,6	39,5	27,2	22,0
Price adjustments	0,6	13,7	0,3	18,4	(0,7)
Profit before tax	47,1	53,3	39,8	45,6	21,3
Profit	38,2	41,5	29,8	31,5	14,1
End 1. half year					
	2007	2006	2005	2004	2003
Balance					
Loans and advances	4.404	3.664	3.174	2.531	2.251
Deposits	3.534	3.382	2.863	2.497	2.085
Deposits in pension pools	843	812	661	509	400
Equity	625	604	509	451	388
Balance	6.545	5.742	4.728	3.986	3.246
Off-balance sheet items	1.591	2.194	2.168	1.960	1.456

Background for the result

The growth in the total scope of the bank's business has declined during second quarter of 2008, due to weaker macro conditions and the increasing marked interest rates.

The realized growth in the business scope of 11% is from more activities with existing customers and a good inflow of new customers – spread evenly across the bank's market area in east Jutland.

As at end of June 2008, the balance sheet total has increased to DKK 6,545m.

Deposits - incl. deposits in pools - account for DKK 4,377m, an increase of DKK 183m (+ 4%) compared to end of June 2007.

Lending amounts to DKK 4,404m, an increase of DKK 740m (+20%).

Guarantees etc account for DKK 1,591m, a decrease of DKK 603m (-28%).

The average realised growth in deposits of DKK 360m (+9.1%) is a little below the expected level, and is due to the fact that the bank has not had any need for participating in the marked demand for liquidity at raised prices.

The main part of the growth in deposits is still due to a good liquidity at the banks business customers.

The average growth in lending of DKK 718m (+20%) is above the expected level, and is mainly due to a high activity level at the banks business customers - ex. temporary financing of investments in farming and conversion of loans in real estate.

The low turnover at the real estate market has led to a lower demand for loans from private customers.

This years growth in loans has declined considerably and is as mentioned due to the weaker economic conditions in the society and the raising interest rates.

The drop in guaranties is due to a new agreement with Totalkredit /Nykredit, which means that the bank no longer has any guaranty commitments from these business activities.

The business area of securities trading, along with asset and fund management has also in the 1. half of 2008 been influenced by the very sensitive finance markets, with decreasing activity and earning as a result.

Despite the weaker economic conditions, the bank has not registered any material worse ability to pay from the customers, and the bank has therefore only a very limited number of losses from customers. The banks portfolio of loans and guaranties is equally split between private and business customers, and the banks loan for real estate investments is on a considerably lower level than the average in the sector.

The quality of the loan and guaranty portfolio has led to a smaller income from write downs.

Net interest and fee income amounts to DKK 120.3m, up DKK 8.8m compared with the same period last year, i.e. a up 7.9%.

The increase in net interest income of DKK 8.8m is composed by an increase in net interest of DKK 12.0m, a decrease in net fee- and commissions of DKK 3.8m, and an increase in dividend from shares of DKK 0.6m.

The decrease in fee- and commissions can mainly be explained by a lower level of activity in the areas of securities trading / fund management.

Price adjustments of securities and currency, etc., amounted to a gain of DKK 0.6m – after adjustment of the share of the pension pools.

The price adjustments is from negative price adjustments on the portfolio of bonds of DKK 10.3m, a positive price adjustments from currency arbitrage of DKK 3.4m and a positive price adjustment of DKK 7.9m from the portfolio of shares.

The final sale of shares in Totalkredit to Nykredit has led to a positive adjustment of DKK 17.4m which is included in the above positive price adjustments of shares, also a positive income of DKK 4.4m from holding of sector shares is included.

Staff and administration expenditure was DKK 81.8m – an increase of DKK 5.2m compared to the same period last year, i.e. a 6,8% increase. The increase can mainly be explained by increasing wage and personal expenses, which is caused by the fact that the average number of employees has increase to 195 (+3 employees) and increasing cost for education and ordinary unionsalary raises.

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Employees

As in earlier years, the bank has joined a bonus incentive program with its employees at bank level. The agreement can trigger a bonus in terms of shares to the employees if the key figure, basis earning ratio, exceeds the budget. Due to the uncertainty, there are no obligation in the 1. half 2008 report that covers this potential obligation.

Write downs etc.

The bank's write downs leads to a satisfactory net income of DKK 2.4m compared to an income of DKK 2.7m in the same period last year.

Realised losses in 1. half of 2008 only amounts to DKK 0.218m.

The bank's total write downs on loans and guarantees amounts to DKK 83m, corresponding to 1,4% of the total lending and guarantee portfolio.

Profit before price adjustments and tax amounts to a very satisfactory result of DKK 46.5m - an increase of 17,4%. This includes a profit of DKK 2.9m from the bank's sale in the start of the year of a 50% stake in Erhvervsparken A/S in Grenaa.

Profit before tax amounts to DKK 47.1m, which is less than 1. half 2007. The reduction is only due to lower price adjustments of securities and currency.

Profit before tax represents a return on average equity of 15.0% pro anno.

Profit after tax amounts to DKK 38.2m, which is DKK 3.3m less than the same period in 2007.

Liquidity

By the end of 1. half 2008 the bank has a surplus of liquidity amounting to approximately DKK 500m compared to the bank regulation.

The surplus is adjusted by a continuing fitting of the bank's guaranteed and unguaranteed liquidity lines to the bank's growth.

In June 2008 the bank raised a 5-year loan of approx. DKK 125m, as a further securing of the funding.

Equity at the beginning of the year was DKK 633.1m. After adding the profit for the period, reduced with paid dividend, reduction of share capital by DKK 1,0m and following the period's trading in own shares - the equity as at 30 June 2008 was DKK 624.6m

At the bank's annual meeting the 12. March 2008 it was decided to reduce the share capital from nom. DKK 28m to nom. DKK 27m by annulment of 50,000 shares of DKK 20. The reduction has been executed at the end of June 2008.

Almost immediately after this the bank split the share from nom DKK 20 to DKK 10 per share, which means that the share capital consists of 2.700.000 shares of each DKK 10.

At the end of June the stock value was 375, and the total marked value amounted to DKK 1.012m.

The solvency ratio as at 30 June 2008 was 12.8%, compared to the 8% in the bank legislation. The bank's individual solvency rate is materially lower than demanded by the legislation.

Expectations for the financial year 2008

1. half year's profit before price adjustments and tax is a little above the expected level.

On the basis of the current economic climate, the bank expects that the growth in business volume will be at a little lower level in second half of 2008.

The realised result in the first half and the bank's expectations regarding very few losses on loans in the second half means that the bank sticks to the expected profit before price adjustments and tax for 2008 of DKK 75 to 85m.

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Financial calendar

The financial calendar for the rest of 2008 looks as follows:

30. October Quarterly report, 1-3 quarters of 2008.

The following pages consist of the Profit and Loss Account, the Balance Sheet, notes etc.

Please address any questions or queries to CEO Ole Bak.

Yours faithfully
Djurslands Bank

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KEY FIGURES	1. half year				
	2008	2007	2006	2005	2004
Profit					
Net profit before tax as % of average shareholders' funds p.a.	15,0	18,2	16,0	20,8	11,2
Net profit after tax as % of average shareholders' funds p.a.	12,1	14,2	12,0	14,4	7,4
Earinigs / costs	1,59	1,72	1,63	1,70	1,33
Solvency and capital					
Capital base after deductions (M DKK)	703,6	672,5	598,5	494,9	355,8
Solvency ratio	12,8	14,3	12,7	12,3	10,6
Core capital ratio	9,5	10,6	9,6	10,3	11,1
Market risk ratios					
Interest rate risk	2,7	2,5	2,0	2,4	2,6
Foreign exchange standing - pos 1	3,2	5,7	3,2	1,3	1,3
Liquidity ratios					
Lending plus provisions on loans in relation to deposits	102,3	89,2	92,8	88,6	96,9
Extra cover in relation to the statutory liquidity requirement	64,5	64,2	30,1	45,5	80,5
Credit risk ratios					
Sum of large commitments	94,9	71,6			
The half years loss and writedown	0,0	0,0	1,2	0,1	2,3
The years growth in lending	2,4	3,6	13,7	7,6	5,8
Lending in relation to equity	7,1	6,1	6,2	5,6	5,8
Return on share					
Stock value per share	375	373	343	245	158
Net book value per share *	240	221	188	161	142
Stock value/bookvalue per share *	1,56	1,69	1,82	1,52	1,11
Profit for the half year per share	14,2	14,8	10,6	11,2	5,0
Employees					
Number of employees (average)	195,1	192,1	186,3	177,6	172,7

*Bookvalue per share = equity / (number of shares - number of own shares)

The regulation regarding financial statements has been materially changed in 2005. The survey and key figures for 2004 to 2008 has been prepared in compliance with the changed rules. The figures from 2004 have not been changed regarding financial assets and liabilities.

Profit and Loss Account

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(DKK 1,000)

	Note	1. half 2008	1. half 2007	Annual 2007
Interest income	1	174.782	135.055	292.864
Interest expenses	2	87.505	59.827	134.884
Net interest income		87.277	75.228	157.980
Dividend from share etc.		2.204	1.635	1.854
Fees and commission income	3	33.577	37.413	76.553
Fees and commission expenses		2.801	2.794	5.909
Net interest and fee income		120.257	111.482	230.478
Value adjustments	4	653	13.685	15.031
Other ordinary income		2.762	2.016	4.675
Staff costs and administrative expenses	5	79.474	74.713	151.715
Depreciation and writedowns of tangible assets		2.355	1.872	5.414
Writedowns		+2.427	+2.654	+9.141
Profit of holdings in associated and affiliated companies	6	2.874	0	73
Profit before tax for the financial year		47.144	53.252	102.269
Tax		8.932	11.776	22.610
Profit for the financial year		38.212	41.476	79.659

Balance Sheet

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(DKK 1,000)

	Note	30.06 2008	30.06 2007	31.12 2007
Cash in hand and claims at call on central banks		53.568	38.285	59.538
Due from credit institutions and central banks		329.795	221.389	186.180
Loans and other amounts due at amortised cost	7	4.404.368	3.664.031	4.301.945
Bonds at fair value		563.657	684.881	591.010
Shares, etc.		173.418	183.872	190.862
Holdings in associated companies	8	0	250	250
Holdings in affiliated companies	8	1.412	1.339	1.412
Assets under pooled schemes		830.188	802.879	825.910
Tangible assets		76.802	76.795	76.325
Investment properties		2.565	2.515	2.565
Domicile property		74.237	74.280	73.760
Other tangible assets		12.724	8.812	10.567
Tax assets		0	0	1.337
Deferred tax assets		10.216	4.962	10.216
Other assets		88.621	54.860	61.866
Total assets		6.544.769	5.742.355	6.317.418
Due to credit institutions and central banks		859.608	242.821	798.931
Deposits and other amounts due		3.533.606	3.381.810	3.386.518
Deposits under pooled schemes		842.836	811.689	859.272
Issued bonds at amortised cost		300.000	300.000	300.000
Tax liabilities		1.873	14.496	0
Other liabilities		135.063	136.695	89.183
Cut-off liabilities		4.320	4.120	4.173
Total debt		5.677.306	4.891.631	5.438.077
Provisions for pensions and similar obligations		5.591	5.923	5.591
Provisions regarding loss on guaranties		11.140	14.994	14.263
Other provisions		449	345	415
Provisions for commitments		17.180	21.262	20.269
Subordinated debt		225.659	225.659	225.659
Subordinated debt		225.659	225.659	225.659
Share capital		27.000	28.000	28.000
Share premium account		5.274	5.274	5.274
Revaluation reserves		2.468	2.468	2.468
Other reserves		1.412	1.339	1.412
Retained profit		588.470	566.722	586.459
Proposed dividend		0	0	9.800
Total equity		624.624	603.803	633.413
Total liabilities		6.544.769	5.742.355	6.317.418
Guarantees, etc.	9	1.589.055	2.192.859	2.249.677
Other commitments		1.763	1.696	1.696
Total off-balance sheet items		1.590.818	2.194.555	2.251.373

Equity

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	Share capital	Shares premium account	Revaluation reserves	Other reserves	Proposed dividend	Retained profit	Total
Equity 31.12.2006	28.000	5.274	2.468	1.339	9.800	518.223	565.104
Paid dividend					-9.800		-9.800
Shares used for employee program						-2.200	-2.200
Net purchase of own shares						9.223	9.223
Profit for the period				0	0	41.476	41.476
Equity 30.06.2007	28.000	5.274	2.468	1.339	0	566.722	603.803
Net purchase of own shares						-10.823	-10.823
Own shares reserved for employee program						2.250	2.250
Profit for the period				73	9.800	28.310	38.183
Equity 31.12.2007	28.000	5.274	2.468	1.412	9.800	586.459	633.413
Paid dividend					-9.800		-9.800
Shares used for employee program						-2.250	-2.250
Reduction of share capital	-1.000					1.000	
Net purchase of own shares						-34.951	-34.951
Profit for the period						38.212	38.212
Egenkapital 30.06.2008	27.000	5.274	2.468	1.412	0	588.470	624.624
Own shares					30.06 2008	30.06 2007	31.12 2007
Bookvalue of own shares					0	0	0
Number of own shares					100.814	32.644	49.589
Stock value per share					375	745	769
Total stock value					37.805	24.320	38.134
Percentage of own shares					3,7	2,3	3,5
<i>Split of shares 1:2 in June 2008</i>							
Number of shares							
Stock at 31.12.2007, size 20 DKK.							1.400.000
Reduction of share capital							-50.000
Stock after reduction of share capital							<u>1.350.000</u>
Split of shares by reduction af size from 20 DKK to 10 DKK							<u>1.350.000</u>
Stock at 30.06.2008, size 10 DKK.							<u>2.700.000</u>

Share holders

The following share holders owns more than 5% of the sharevalue:

Investeringsforeningen Sparinvest

Notes

(DKK 1,000)

	1. half 2008	1. half 2007	Annual 2007
1 Interest income			
Claims on credit institutions, etc.	4.626	4.479	8.966
Loans and advances	146.489	113.245	244.828
Bonds	16.553	12.976	27.318
Total derivative financial instruments of which	7.079	4.314	11.671
Currency contracts	539	385	1.841
Interest rate contracts	6.540	3.929	9.830
Other interest income	35	41	81
Total interest income	174.782	135.055	292.864
2 Interest expenses			
Credit institutions and central banks	16.412	5.674	11.734
Deposits	56.300	42.510	97.081
Issued bonds	7.847	5.495	13.033
Subordinated debt	6.951	5.922	12.518
Other interest expenses	-5	226	518
Total interest expenses	87.505	59.827	134.884
3 Fee and commission income			
Securities trading and custody account fees	13.482	18.243	39.049
Payment services fees	3.938	3.910	8.482
Loan fees	7.122	6.966	11.778
Guarantee commissions	7.719	6.950	14.234
Other fees and commissions	1.316	1.344	3.010
Total fee and commission income	33.577	37.413	76.553
Paid fee and commission have not been deducted in the above figures.			
4 Value adjustments			
Loan and advances at fair value	-5.732	-5.428	-4.715
Bonds	-10.306	-2.448	2.161
Shares, etc.	7.888	15.064	9.776
Investment property	0	0	50
Currency	3.435	1.380	3.665
Derivatives	5.809	5.532	4.822
Assets under pooled schemes	-63.329	16.034	1.387
Deposits under pooled schemes	62.888	-16.449	-2.115
Total value adjustments	653	13.685	15.031

Notes

(DKK 1,000)

	1. half 2008	1. half 2007	Annual 2007
5 Staff costs and administrative expenses			
Salaries and remuneration of Executive Board, Board of Directors and Board of Representatives			
Executive Board	987	963	1.967
Board of Directors	364	364	717
Board of Representatives	70	70	139
Total	1.421	1.397	2.823
Staff costs			
Salaries	40.006	37.073	75.695
Pensions	4.585	4.325	8.419
Financial services employer tax, etc.	3.967	4.144	7.749
Total	48.558	45.542	91.863
Other administrative expenses	29.495	27.774	57.029
Total staff costs and administrative expenses	79.474	74.713	151.715
Number of full-time equivalent staff (avg.)	195,1	192,1	189,9
6 Profit of holdings in associated and affiliated companies			
Profit on holdings in associated companies	2.874	0	0
Profit on holdings in affiliated companies	0	0	73
Total profit on holdings in associated and affiliated companies	2.874	0	73
7 Write down on loans and advances			
Individual write downs			
Write downs beginning	68.077	58.768	58.768
Write downs in the financial year	20.706	14.565	32.196
Changes in write downs regarding earlier years	-20.496	-10.426	-19.523
Finally lost regarding earlier write downs	-316	-1.918	-3.364
Individual write downs end	67.971	60.989	68.077
Group write downs			
Write downs beginning	1.913	14.362	14.362
Write downs in the financial year	2.426	0	0
Changes in write downs regarding earlier years	0	0	-12.449
Group write downs end	4.339	14.362	1.913
Total write downs on loans and advances	72.310	75.351	69.990
8 Holdings in associated companies			
Erhvervsparken A/S, Grenaa			
Part of shares	0%	50%	50%
Holdings in affiliated companies			
Djurs-Invest ApS, Grenaa			
Part of shares	100%	100%	100%
Equity	1.412	1.339	1.412
Profit for the financial year	0	0	73

The activity in the companies are immaterial.

Notes

(DKK 1,000)

9 Guarantees, etc.

Financial guarantees
Loss guarantees
Registration guarantees
Other guarantees

1. half 2008	1. half 2007	Annual 2007
899.718	694.588	728.143
171.960	897.958	938.394
212.890	264.351	246.917
304.487	335.962	336.223
<u>1.589.055</u>	<u>2.192.859</u>	<u>2.249.677</u>

Accounting policies

The report for the first six months of 2008 has been prepared in accordance with the Danish Financial Business Act including the Executive Order on the presentation of interim financial reports by credit institutions and investment companies etc. (the Executive Order) and other Danish disclosure requirements for the annual reports of listed financial businesses (cf. the disclosure requirements laid down by the Copenhagen Stock Exchange).

The accounting policies is unchanged compared to the financial report for 2007

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Signatures by the Board of Executives and Directors

We have today presented the half year report 2008 for Djurslands Bank A/S.

The half year report has been presented in accordance with the Danish Financial Business Act, including the Executive Order on Financial Reports for Financial Credit Institutions and Investment Companies etc.. Furthermore the half year report has been prepared in accordance with additional Danish disclosure requirements for half year reports of listed financial companies.

The management's review includes a fair presentation of the development in the bank's activities and financial position as well as a description of the most material risks and elements of uncertainty thta may affect the bank

We consider the accounting policies appropriate for the half year report to provide a true and fair view of the bank's financial position, result and cash flow.

The half year report is recommended for adoption at the general meeting.

Grenaa, 18 July 2008
Board of Executive
Ole Bak

Grenaa, 18 July 2008
Board of Directors

Martin Ring Andersen
Chief Accountant

Erik Nymann
Chairman

Ole Fast
Deputy Chairman

Jakob Arendt

Helle Bærentsen *

Tina Klausen *

Mikael Lykke Sørensen

Jan B. Poulsen *

Poul Erik Sørensen

Uffe Vithen

* Employee representatives