ANNUAL REPORT 2024

SKJERN BANK

BEST YEAR IN THE HISTORY OF THE BANK

PROFIT BEFORE TAX	Profit before tax increased by 6.0% to DKK 364.6 million, compared to DKK 344.1 million in 2023
RETURN IN EQUITY	Equity yielded interest of 22.0 % before tax
CORE EARNINGS	Core earnings increased by 6.5% and amounted to DKK 357.6 million, compared with DKK 335.9 million in 2023
VALUE ADJUSTMENTS	Exchange rate adjustments of DKK 38.0 million compared with DKK 47.2 million in 2023
NET INTEREST AND FEE IN-COME	Net interest and fee income increased by 7.0% to DKK 635.0 million
IMPAIRMENT	Impairment of DKK 18.2 million and a main-tained management estimate of DKK 100.00 million
LENDING	Lending increased by 3.5% and amounts to DKK 6,963 million and deposits increased by 7.4% and amount to DKK 8,893
CAPITAL	Capital ratio of 24.6% and individual solvency re-quirements of 9.9%
DIVIDENDS	Proposal of DKK 7 per share, corresponding to DKK 67.5 million or 24.6% of profit after tax for the year
EXPECTATIONS FOR 2023	Profit before tax for 2025 is expected to be in the range of DKK 280 – 310 million

Content

Management's financial report for 2024 4
Endorsement of the Annual Report by the Management 36
Profit and loss account 37
Statement of comprehensive income 37
Proposal for distribution of profit 37
Balance Sheet 38
Information on changes in equity 40
Notes 41
5 years in summary 79
5 years financial ratios 80
Financial Calendar 2025 81
Committee of representatives 82
List of board members' managerial offices 83

Management's financial report for 2024

A profit before tax of DKK 364.6 million, which indicates progress in all important areas, is very satisfactory. Profit has been positively affected by increases in net interest and fee income, including dividends, which increased by DKK 41.5 million or 7.0%. There are realised positive exchange rate adjustments of DKK 38.0 million in 2024 compared to DKK 47.2 million in 2023. Staff and administration expenses etc. increased by 9.8% to DKK 280.5, while impairment was reduced by DKK 9.5 million to DKK 18.2 million.

Equity yielded a very satisfactory interest of 22.0% before tax and 16.5% after tax.

The positive development in profit over the year, with increasing interest and fee income as well as positive exchange rate adjustments, has resulted in three upward adjustments and was most recently specified in the range of DKK 350 – 360 million before tax on 17 December 2024. The realised profit thus marginally exceeds expectations by DKK 4.6 million. The expectation for core earnings was maintained in the range of DKK 340 - 360 million and was realised at DKK 357.6 million.

The solid development in business volume is expected to continue in 2025, but due to the expected continued declining interest rates and strong competition, a lower profit range for 2025 of DKK 280 – 310 million before tax and a core earnings in the range of DKK 290 – 310 million has been announced.

In light of the achieved profit, expectations for future earnings and the capital coverage, it is recommended to the Annual General Meeting that dividends of 24.6% of the profit after tax for the year, corresponding to DKK 7 per share or a total of DKK 67.5 million, be distributed. The distribution is proposed to be distributed as DKK 33,740 thousand in dividends and DKK 33,740 thousand as a buy-back program. See further description on page 16. The distribution is considered justified in light of the highly strengthened earning capacity, which in the coming years will also increase the capital base significantly, despite a continued expectation of a solid and capital-consuming growth in lending.

The Bank's development is very satisfactory in all areas and the main economic performance goals in the Bank's strategic plan for 2025 have been realised at a satisfactory level. The most important factors in the strategy are high employee satisfaction, high customer satisfaction and earnings at the top of the sector. All three factors are absolutely key to maintaining the Bank's status as a solid and independent local bank that makes a difference for all the Bank's stakeholders.

Customer satisfaction is measured in an independent study conducted by Finanssektorens Uddannelsescenter. In the survey, 85% respond that they are very satisfied with being a customer of the Bank and nearly 9 out of 10 would recommend the Bank to others. We are both proud and humbled by this. Customer satisfaction is thus extremely satisfactory and at the very top of the sector.

Employee satisfaction is measured through an anonymous and independent employee satisfaction survey every year. The satisfaction has been extremely high for many years, and the measurement in 2024 was no exception. The satisfaction and pride in being an employee of the Bank amounted to 95.2%, which is very satisfactory.

The Bank's earnings in the form of return on equity and earnings per cost ratio are 22.0% and 2.16 respectively, and are expected to be at the very top once the financial institutions' annual reports for 2024 have been published.

In the Bank's strategic plan for 2025, the primary focus areas remain unchanged: maintaining the high employee satisfaction, high customer satisfaction and earnings at the top of the sector. In addition, a number of objectives have also been set in the ESG area, amongst other things.

The Bank's credit provision increased in 2024. Lending increased by DKK 236.2 million or 3.5%. After a very high growth in recent years, the lending growth in 2024 is, as expected, lower, but still satisfactory. The lending growth has been realised with good credit quality and the distribution of the growth, primarily with growth in the private segment, which provides further risk diversification.

The provision of mortgage loans from Totalkredit and DLR Kredit are respectively DKK 14.9 billion and DKK 5.4 billion in total. The customers' participation in pool schemes has increased by DKK 400 million and amounts to DKK 2.0 billion and deposits have increased by DKK 609 million or 7.4%. The development in all areas is very satisfactory.

There is an increase in activity and high customer traffic in all 10 branches of the Bank: 6 in South/West Jutland and 4 in the Copenhagen Metropolitan Area. All branches are very well run and contribute to increasing activity and customer numbers. There is still great potential in all of the Bank's branches, so no branch openings are planned in 2025.

The Bank's solid development in growth in earnings and business volume, combined with a generally positive outlook on bank shares, has contributed to a satisfactory development of the price of the Bank's shares in 2024. At the beginning of the year, the rate was 143.5 and at the end of the year the rate was 210.0, meaning an increase of 66.5 percentage points, corresponding to 46.3%.

The interest rate level at Danmarks Nationalbank was reduced by a total of 1 percentage points in 4 steps during the second half of 2024. This has led to declining earnings on the Bank's liquidity reserves, but has also led to a declining average interest rate on the Bank's total lending portfolio at the end of 2024. Overall, however, interest income on loans remains very satisfactory and has increased by DKK 53.4 million or 14.3% compared to 2023, while the interest in Danmarks Nationalbank has been realised at DKK 80.1 million compared to DKK 69.6 million in 2023.

Interest expenses for deposits have increased to DKK 92.8 million, compared with DKK 50.8 million in 2023. The other interest expenses are at the same level as in 2023.
Net interest income increased by a satisfactory DKK 18.8 million to DKK 422.1 million, corresponding to an increase of 4.7%.

Fee income increased by DKK 13.3 million or 7.1%. The progress is due to a very large increase in the number of customers and a generally high activity level in all areas. Loan processing fees have increased by DKK 3.5 million as a result of an increase in the number of loan cases in connection with housing purchases and conversion of credit union loans. This increase affects both the loan processing fees and earnings on bond trades. Fees for securities trading and custody accounts increased by DKK 1.3 million. The income from payment services increased by DKK 1.8 million, guarantee commission by DKK 0.6 million, and other fees and commissions by DKK 6.1 million. The Bank has significantly increased the number of customers in recent years and in the coming years we will also have a strong focus on the non-interest-based income, including through increased activity in the housing, securities, pension and insurance areas.

As in 2023, the fee income's share of the total net interest and fee income is at 31%, which is lower than the Bank's target for this, but which is still considered satisfactory in light of the high increase in net interest income.

Received dividends were realised at DKK 16.5 million, compared with DKK 5.6 million in 2023. The increase is due to dividends of DKK 9.4 million from the sector company DLR-Kredit A/S, which paid dividends for the first time in 2024.

Total net interest and fee income increased by DKK 41.5 million or 7.0%.

Staff and administration expenses etc. increased by DKK 24.9 million, corresponding to 9.8%, from DKK 255.5 million compared with DKK 280.5 million. The increase essentially follows the expectations and is due to a strategic decision to increase the activity level in all branches. The number of employees has increased marginally more than budgeted in 2024, primary as a result of the arrival of skilled employees in the line departments, an arrangement that is expected to further increase the activity level in the coming years.

Staff costs have increased by DKK 11.5 million as a result of a net of 9 new employees and general collective bargaining increases. Hirings have largely been in customer-oriented positions, where the Bank is well equipped to handle the strong influx of customers, but internal positions have also been reinforced to ensure management of the continued complicated and highly resource-intensive sets of rules in the sector. The Bank's administrative expenses have increased by DKK 11.7 million, which is primarily due to higher other administrative expenses, partly through furnishing of new branches, marketing, etc.

IT expenses have increased by 15% as a result of both ordinary increases in expenses for the Bank's primary IT supplier Bankdata and a large increase in the number of customers and employees. In 2024, the Bank has also had a strong focus on supporting the Bank's customers and employees with relevant digital platforms. The Bank collaborates with and develops IT solutions with Bankdata, which is one of Denmark's most important technology companies, for example, an entirely new and well-functioning platform for the Bank's website has been developed as well as the development of the Bank's mobile bank, Min Skjern Bank, which has achieved a rating of 4.7 out of 5 in the customers' assessment and thus the Bank has one of Denmark's best mobile banks.

The Bank has developed a wide range of automated processes that enable employees to provide better advice on a daily basis.

Data and Business Intelligence are becoming increasingly important in the financial sector – including in the Bank, where we continuously have a strong focus on creating value from the large amount of data that the bank has at its disposal. Much of this data is included in the aforementioned automated processes and thus forms the basis for better, more efficient and more targeted advice for the benefit and value of both the customers and the Bank.

In addition, the Bank has initiated processes to implement AI (Artificial Intelligence), which can help the Bank's employees better meet customers' needs and goals and help solve tasks within, for example, combating money laundering.

Impairment has decreased by DKK 9.5 million to DKK 18.2 million, corresponding to 0.2% of the Bank's loans and guarantees. The management estimate to address the uncertainty around war in Europe and tensions in the world, ESG risks in selected industries and potentially challenged economic prospects in general, as well as the uncertainty with the introduction of a carbon tax on agriculture, has been maintained at DKK 100.0 million at the end of 2024.

The Bank has only identified limited impairment and economic challenges with customers in 2024. However, there are customers, especially within the construction sector, who have had to face that continued operation is no longer possible. However, the Bank's business customers are generally doing well and are financially well cushioned, enough to withstand a potential upcoming crisis.

In 2024, no industries have accounted for a larger share of write-downs in isolation. The agricultural industry has generally performed satisfactorily through 2024. Both the price of piglets and milk have enabled positive operating results in the industry in 2024, while the finishing pig price remains challenged.

The Bank's private customers have been doing well and are characterised by strong creditworthiness. The proportion of private customers facing financial challenges in 2025 is expected to increase marginally, which has been taken into account in the budget for 2025 and in the management estimate.

The expectations for profit before tax for the year have increased over the course of the year and the profit before tax was realised at DKK 364.6 million, which is an improvement of DKK 20.5 million or 5.9% compared to 2023.

The expectation for core earnings has also increased over the course of the year and the core earnings were realised at DKK 357.6 million, which is an increase of DKK 21.7 million or 6.5% compared to 2023. Both the achieved core earnings and the profit before tax are considered very satisfactory.

The capital ratio is calculated at 24.6% and the core capital ratio at 23.2%. The capital coverage over the course of 2024 increased compared with the end of 2023, primarily as a result of recognised profit after tax and distribution. Net profit for the year has been recognised, and the capital plan shows a satisfactory development in the capital coverage in the coming years.

The surplus coverage relative to the individual solvency requirements are at 14.7 percentage points compared with 12.7 points in 2023. With the deduction of the capital conservation buffer of 2.5 percentage points and NEP supplement of 5.5 percentage points and the 7% requirement on the real estate segment amounting to 0.5 percentage points, the capital coverage at the end of 2024 amounted to 3.7 percentage points, compared with 3.0% at the end of 2023.

The Bank has a goal of a surplus compared to the capital requirement of min. 4 percentage points, which thus has not been met, but which is accepted in light of the budgeted results in the coming year.

The capital base increased by DKK 204.7 million to DKK 1,718.9 million. The increase is due to a profit after tax of DKK 274.1 million less interest on hybrid loans of DKK 5.3 million and proposed distribution of DKK 67.5 million. Deductions for sector shares have been reduced by DKK 13.8 million as a result of increasing Common Equity Tier 1 capital and a minor increase in the market price of the Bank's sectoral shares, primarily as a result of distribution of dividends from DLR Kredit A/S.

Despite the capital base having increased by DKK 204.7 million, the capital ratio alone increased by DKK 1.8 percentage points compared to the end of 2023. This is due to the risk-weighted assets having increased by DKK 333.0 million, of which exposures with operational risk increased by DKK 171.2 million as a result of a high increase in the Bank's income over the last three financial years. The solvency requirements have been calculated at 9.9% and overall the Bank's capital base is considered satisfactory.

With regards to the bank's capital position in general, refer to note 28.

FUTURE CAPITAL RESERVES

In the coming years, the following regulatory capital buffers will be phased in:

- The NEP supplement of 5.5 percentage points as of 31 December 2024 shall be increased to 5.7 points on 1 January 2025 (the NEP supplement can be a maximum of 6.0 percentage points). 2024)

Upon full phasing-in of all known capital requirements, with a solvency requirement of 9.9% and a systemic buffer in the real estate segment of 0.5 percentage points, the Bank's capital requirement will amount to 21.1% at the end of 2025, compared with 20.9% at the end of 2024.

The preliminary calculations of the increase in risk-weighted assets as a result of the implementation of CR-RIII show an increase of around DKK 150 million in 2025.

The Bank expects that the budgeted and expected results in the coming years will mean that the rest of the known capital requirements can be phased in via consolidation from operating earnings, but will continually weigh the need to possibly raise Tier III capital to partially cover the NEP requirement.

EXPECTATIONS FOR 2025

The Bank has had a completely satisfactory 2024, where expectations for all areas have been met and exceeded.

A core earnings is expected in 2025 that is approximately 13-18% lower than the historically high level in 2024. The growth in ordinary operations in 2024 and the expectations for continued growth in activity mean that despite declining interest income from both lending and liquidity reserves, a very satisfactory result is still expected.

Profit before tax is expected to be in the range of DKK 280 – 310 million and core earnings are expected to be in the range of DKK 290 – 310 million.

In light of the satisfactory customer growth, based on referrals and relations to the Bank, the management is very confident in terms of continuing to attract new customers and increasing business volume with the many existing and loyal customers. The focus is on maintaining the Bank's earnings at a satisfactory level and increasing capital and liquidity provisioning, partly via retention of satisfied customers and employees. This will secure our position as the independent and local financial institution, which makes a difference in the areas where the Bank's branches are, as well in the long term.

We are proud to note that private customers continue to have a good economy, which is further improved by declining interest rates and inflation as well as rising real wages for many. In recent years, the Bank has experienced high growth in the number of and business volume with private customers. The Bank expects that growth in lending will be reduced in 2024, but that the total business volume will continue to increase, as the Bank still continues to be chosen by a large number of private customers.

The Bank still has close ties to the agricultural industry, which represents a significant and valuable customer group.

Easily the largest of the Bank's customer groups in agriculture is milk producers, who have generally had reasonable profitability in 2024, which is expected to continue in 2025. For piglet producers, 2024 has been characterised by good terms of trade, while finishing pig producers have had poorer terms of trade. The Bank expects that 2025 will provide satisfactory terms of trade and thus better market conditions, primarily for finishing pig producers, while marginally weaker terms of trade are expected for piglet producers, but still with good opportunities for achieving satisfactory operating profit. The introduction of the carbon tax is associated with some uncertainty, but it is assessed that this risk can be contained within the management estimate provided.

Lending and guarantees to agriculture account for 8.2% of the total lending and guarantees, where the distribution is 3.8% to cattle farming, 2.5% to pig farming, 1.2% to crop farming, 0.6% to other forms of production and 0.1% to mink production.

The number of customers in the agricultural segment increased in 2024 and the influx of well-run and well-capitalised agricultural customers is expected to continue in 2025.

The real estate segment amounted to 7.4% and the exposure was reduced by DKK 32.4 million in 2024. The exposure in real estate is primarily within rental for residential purposes. The general rule for project financing is that sales are documented before the start of the construction and there is adequate equity investment.

The other business segments are generally considered to be in good development both in terms of volume and the development of credit quality at the industry level.

The Bank's liquidity continues to be solid, and there will be an unchanged focus on maintaining a satisfactory liquidity reserve, primarily via a balanced relationship between the total deposit and lending volumes. In the future, the Bank wants to base essentially all of its liquidity provision on customer deposits.

ACTIVITIES AND BUSINESS VOLUME

The Bank's branches in Hørsholm and Bramming were fully renovated during 2024 and the branches were moved to their new premises. The Bank does not plan to expand the branch network in the coming year.

Skjern Bank Leasing offers financial leasing of most types of assets to the Bank's business customers. The administrative management of this is outsourced to a well-established player in the industry. The business volume in Skjern Bank Leasing is still increasing, and at the end of 2024 there is a volume of approximately DKK 250 million, compared with just over DKK 250 million at the end of 2023. An increase in volume is expected in 2025.

The level of activity in all branches of the Bank has also been very high and increasing in 2024. The net inflow of customers is very satisfactory and the volume of business with existing customers is increasing.

The Bank wants to be close to its customers and make a difference in the Bank's market areas. All customers have a permanent adviser and we aim for positive and trusting cooperation in all customer relationships. An important element here is the Bank's objective of unsolicited customer contact and individual advice. It is a high priority that all customers at appropriate intervals are invited to an advisory meeting, where advice is given in all relevant areas based on the individual customer's needs and finances. The customers' evaluation of this is positive, which is why this advisory concept will also have a major focus in 2025 and beyond.

Overall, 2025 is expected to bring strong earnings, based on a moderate increase in overall business volume.

PRODUCT RANGE
The Bank offers a simple and flexible product range, which is used to provide an individual and flexible solution for the individual customer's needs. No two customers have the same needs, which is why the Bank will not offer its customers "package solutions". The product range is continuously developed to be competitive at all times.

The product range on the deposit side is always composed based on the Bank's goal of maintaining and attracting stable deposits.

STRONG DEVELOPMENT IN BUSINESS VOLUME
The Bank's business model and credit policy were essentially unchanged in 2024. The focus is, and will continue to be, to be ready to participate in the customers' goals for financing etc. when this can be done in a prudent and risk-acceptable manner.

In total, lending volume increased by DKK 236.2 million, or 3.5%, to DKK 6,963 million. Deposits from customers increased by DKK 608.9 million or 7.4% to DKK 8,893 million. The total guarantees for customers decreased by DKK 41.1 to DKK 1,816 million.

CAPITAL RATIO AND DIVIDEND POLICY
The management will have the utmost focus on ensuring that the Bank has a solid capital base to support the continued development of the Bank's activities and implementation of current and future regulatory capital requirements.

The capital base will continue to be primarily based on actual core capital, but raising foreign capital may also be included in the future capital structure.

The Bank has a marginally lower capital coverage at the end of 2024 than the management's goal for this, though this is still accepted in light of the budgeted results in the coming years and the capital plan's projection of the future capital coverage. The greatly expanded business volume in all areas forms the basis for satisfactory future earnings at a high level, despite declining interest income, and this will improve future capital coverage. It is the management's assessment that in light of this, there is solid basis for rewarding the Bank's many shareholders through an appropriate percentage of the realised profit in dividends.

The Danish Financial Supervisory Authority's recommendations and the management's expectations for future growth and earnings have been taken into account in the assessing the sufficient capital coverage.

The Bank has completed an application process with the Danish Financial Supervisory Authority for approval of a share buy-back program. The Bank proposes to the Annual General Meeting to distribute DKK 7 per share or DKK 67.5 million, which amounts to 24.6% of the realized profit after tax, which is DKK 19.3 million higher than in 2023, which is included in the current distribution policy.

It is proposed to distribute cash dividends of DKK 3.5 per share, and to initiate a share buy-back program of DKK 3.5 per share. The share buy-back program shall be implemented under the "Safe harbour" regulation with the aim of cancelling the repurchased shares at a later annual general meeting. The share buy-back program amounts to a total of DKK 33.7 million, and a maximum of 350,000 shares for execution during the period 7 March 2025 – 5 February 2026.

The implementation of the share buy-back program is dependent on the Annual General Meeting authorising the Board of Directors to acquire treasury shares.

The Bank's management has decided to maintain the following capital goals and distribution policy:

> **CAPITAL GOALS**
> It is the Bank's goal to be well capitalised to meet strategic goals and to accommodate regulatory requirements in future recessions. The management will continuously assess the adequacy of the capital base, including the distribution between equity and foreign capital, to ensure the optimal distribution between returns to shareholders and sufficient increase of the Bank's actual core capital.
>
> **DIVIDEND POLICIES**
> With regard to its capital goal, the Bank wants to be stable in distributions. The goal is for distributions, either as share buy-backs or cash dividends, to amount to 30-50% of the annual profit after tax, which exceeds a return on equity of 6%.
>
> It is believed that the capital goal and distribution policy meet the long-term interests of shareholders and the Bank optimally. The shareholders achieve a reasonable distribution and the Bank's capital foundation is strengthened by consolidation.

Distribution may consist of cash dividends and share buy-backs or a combination thereof.

THE BANK'S IMPORTANT STAKEHOLDERS

The Bank's management considers the cooperation with and involvement of the Bank's many stakeholders and the running of a well-functioning local Bank to be equally important.

The focus has always been on creating value for the Bank's stakeholders, which in 2024 is also considered to have been the most important factor in the solid business development.

The Bank's strategic objective is primarily a controlled organic growth based on long-term relations with all stakeholders. When the customers choose the way the Bank is run, it increases the profits to the benefit of the shareholders. The local community benefits from this in the form of the Bank's local backing as well as product distribution to local businesses and private customers. The employees benefit from this in the form of job retention and an exciting job where they can develop. The customers clearly express that it is valuable to have a local bank that knows their needs and where they have an adviser who knows them and who back the local community's activities.

SHAREHOLDERS

The management recognises the importance of a stable and loyal shareholder community and aims to give them competitive returns. The shareholders' loyalty and continued backing, from small shareholders to major professional investors, is extremely important to the continued development of the Bank.

CUSTOMERS

It is highly satisfactory that the private customer business is growing rapidly and that the Bank is being chosen by new customers from most of the country, primarily on the recommendation of existing customers. The corporate client business is also in solid development with a focus on small and medium-sized business customers in the Bank's local areas.

In the annual customer satisfaction surveys, the Bank's customers unanimously declare that it is the close personal relationships they enjoy with their advisers that are key to their choice of bank. This combined with good product solutions and solid advice, as well as the electronic options, such as online meetings and mobile banking, make daily operations smooth and flexible.

The annual unbiased survey of the customers' satisfaction, which is crucial to the Bank, is conducted by Finanssektorens Uddannelsescenter and for a number of years has clearly shown that the Bank's customers are very satisfied with the Bank on all parameters, which we are very proud of and humbled by.

It is very gratifying to note that customer satisfaction with the Bank is extremely high and in particular that nearly 9 out of 10 of the Bank's customers would recommend the Bank to others. The Bank is very grateful and humbled by the trust shown by the customers as they refer their business contacts, family and acquaintances to the Bank in large numbers.

EMPLOYEES

As of 31 December 2024, the Bank employs 219 employees, which is an increase of 9 over the year. All employees are offered employment terms that conform to the market as well as relevant training and continuing education in order to always ensure a high level of professionalism.

Employee job satisfaction is important to the Bank, and annual job satisfaction surveys are conducted. The latest survey from September 2024 showed that 95.2% of the Bank's employees consider the Bank to be a very good place to work and that they are also proud to work at the Bank. It is a strategic goal to have employees who find the Bank to be a good workplace, which is considered crucial to the low staff turnover and significant interest from qualified applicants for vacant positions.

LOCAL COMMUNITIES

The goal is to play an important role in all of the Bank's local communities, both as a partner for the business owners, but of course also for the local population in general. It is important for the Bank to back local initiatives and the Bank assists a great number of businesses – entrepreneurs and existing customers - with counselling and financing, so that ideas and investment goals have the best chance of being realised.

The Bank is also a partner for many local community associations and organisations and supports both sports and culture and associations in general. The commitment to and support for local communities is largely based on reciprocity and in expectation and under the assumption that the Bank will be rewarded with customer referrals and a generally positive attitude towards the Bank.

The foundation of the Bank is the many shareholders, customers, employees and the local communities of the Bank's market areas. The Bank is aware that all stakeholders play an important role both now and in the future and the Bank views it as an important community role to encourage the many stakeholders to work together for the benefit of both the stakeholders and the Bank.

SUSTAINABLE DEVELOPMENT

The financial sector has a key role in ensuring that society develops in a more sustainable direction. The Bank is aware of this responsibility and fully supports the points from the Forum for Sustainable Finance (Forum for Bæredygtig Finans), which the Bank is actively working to comply with.

In the Bank's ESG report for 2024, the Bank's status on compliance with the points is presented, and the goals for the future work are described.

From the 2025 Annual Report, the Bank will be covered by the upcoming requirement for sustainability reporting, cf. the EU reporting directive, CSRD, and the Bank has begun the preparations for this.

In the Bank, the focus on sustainability can generally be divided into two main tracks:

- The Bank's influence on stakeholders, especially customers.
- The Bank as a company.

The influence on customers must take place via positive customer dialogue, which must also include a dialogue on opportunities and threats related to sustainability to a greater extent.

Private customers must be presented with relevant opportunities, such as: making their properties more energy efficient, getting attractive financing for electric cars and placing investments to influence sustainable development in line with the customer's sustainability preferences. Business customers must be made aware of issues relating to the concept of sustainability (ESG), which concerns: Environmental conditions (E – Environment), Social conditions (S – Social) and Management conditions (G – Governance).

For several years, the Bank has worked to reduce electricity consumption through energy reduction measures. In the summer of 2023, the Bank installed solar cells at its head office in Skjern, which in 2024 led to the Bank's purchase of electricity from the grid being reduced by about one third compared to before the installation of the solar cells. The Bank also compensates for the rest of the power consumption via purchase of certificates of origin for power from Danish wind turbines. The bank also supports climate measures in third world countries via its electric bill.

The ESG report can be read in full on the Bank's website. The ESG report can also be physically delivered by contacting one of the Bank's branches.

NET INTEREST INCOME
Net interest income amounts to DKK 422.1 million, which is an increase of 4.7% compared to last year, when net interest income was DKK 403.3 million.

The interest income on net customer loans has increased by DKK 53.6 million. to DKK 420.1 million, which is very satisfactory and due to both increased lending and an interest rate level that was increasing in 2023, but that in the second half of 2024 has begun to decline as a result of the interest rate reductions in Danmarks Nationalbank. The lending rates on the Bank's proportion of lending where there was impairment, but where interest still continues to be accrued, decreased and amounts to DKK 7.7 million in 2024 compared with DKK 7.9 million in 2023. Interest income on the Bank's deposits in Danmarks Nationalbank were at DKK 10.6 million in 2024 and amount to DKK 80.1 million. Bond interest income decreased by DKK 0.6 million, while there has been a decrease of DKK 2.4 million on derivative financial instruments. Overall, interest income has thus increased by DKK 61.2 million compared to last year.

The interest expenses have increased by DKK 42.4 million to DKK 101.2 million as a result of the increasing interest level on the Bank's deposits.

FEE INCOME

Income from fees and commissions has increased by 7.1% to DKK 201.9 million.

Borrowing fees have increased by DKK 3.5 million to a total of DKK 81.9 million and guarantee provisions are at the same level as last year at DKK 28.4 million. Payment services, income from securities trading and other fees increased by DKK 9.2 million to a total of DKK 91.5 million. The customer-driven activity in the loan area has increased in 2024 as a result of a slightly increasing number of housing transactions, while the number of mortgage financing conversions has been largely at the same level as in 2023. The number of customers has increased satisfactorily in recent years, and it is expected that this will lead to increasing fee income in 2025.

DIVIDENDS

In 2024, dividends from shareholdings increased by DKK 10.8 million and amounted to DKK 16.5 million, compared with DKK 5.6 million in 2023. The primary reason for the increase is due to received dividends of DKK 9.4 million from the Bank's shareholdings in DLR Kredit.

NET INTEREST AND FEE INCOME

Net interest and fee income including dividends increased by 7.0% to DKK 635.0 million, which is very satisfactory.

EXCHANGE RATE ADJUSTMENTS

The securities markets in 2023 have been characterised by decreasing interest rates, with increasing bond prices as a result, and increasing share prices.

A capital gain of DKK 16.5 million has been realised on the share portfolio, compared with DKK 22.8 million in 2023, however, this gain should be viewed in conjunction with the dividends received from DLR Kredit A/S. The Bank wants a continued low share price exposure and the treasury portfolio of shares is thus still of a modest size.

Exchange rate adjustments on bond portfolios have been positive by DKK 8.7 million in 2024. The Bank continues to have a cautious investment policy for bonds, which promises a short maturity and low interest risk and the total bond holdings in 2024 were reduced by DKK 140.0 million to DKK 612.0 million.

The total exchange rate adjustments amount to DKK 38.0 million and, in addition to the exchange rate adjustments on bonds and shares, consist of earnings on currency and financial instruments of a satisfactory DKK 12.8 million.

EXPENSES

Staff and administration expenses increased by 9.8% and amount to DKK 280.5 million, compared with DKK 255.5 million in 2023. Staff expenses have increased by DKK 11.5 million, corresponding to 7.7% and other administrative fees have increased in 2024 by DKK 11.7 million to DKK 111.2 million.

The increase in staff costs is due to an increased number of customer advisers primarily for the newest branches and increasing costs for marketing and IT. Marketing expenses have increased as the bank now has 10 branches, where partnerships with local associations etc. contributes to the Bank being rooted in the local communities.

DEPRECIATION AND WRITE-DOWNS

In 2024, there was depreciation and impairment on tangible fixed assets of DKK 13.9 million, compared with DKK 15.3 million in 2023. The increase is due to impairment on the Bank's owner-occupied properties in Bramming and Hørsholm, which were both undergoing renovation, but which are now renovated.

IMPAIRMENT

Impairment on loans and customer receivables etc. amounted to 0.2% of the total loans and guarantees, corresponding to DKK 18.2 million, compared with DKK 27.6 million in 2023.

The management estimate for 2024 has been maintained at DKK 100.0 million.

Reversal of impairment from previous accounting years amounted to DKK 164.8 million, while recorded losses amounted to DKK 29.5 million, of which DKK 27.4 million had not been previously written down. In total, the Bank has provisioned DKK 324.9 million to accommodate future losses, which corresponds to 3.6% of the Bank's total lending and guarantees.

CORE EARNINGS

At the beginning of 2024, the Bank expected a core earnings in the range of DKK 310 – 330 million. The profit expectations have been adjusted upwards twice in the course of the year, the most recent upwards adjustment of the core earnings was on 4 September 2024, which the expectation was adjusted upwards to the range of DKK 340 – 360 million. The realised core earnings amount to DKK 357.6 million, compared with DKK 335.9 million in 2023, and are the highest core earnings in the Bank's history, which is considered very satisfactory. The growth is due to increased net interest and fee income, which is increasing significantly more than expenses on personnel and administration.

PROFIT BEFORE TAX

The expectations for profit before tax for 2024 was in the range of DKK 270 – 300 million at the beginning of the year, and were adjusted upwards three times by the end of 2024, most recently on 17 December 2024, where the expectations were announced in the range of DKK 350 – 360 million. The Bank realised a marginally higher profit before tax of DKK 364.6 million compared to DKK 344.1 million in 2023.

The profit is considered very satisfactory.

CAPITAL
The capital base, which consists of equity and supplemental borrowing, amounted to DKK 1,718.9 million at the end of 2024 and the total risk exposure amounted to DKK 6,974.6 million. The capital ratio is calculated at 24.6% and the core capital at 23.2%. The solvency requirement amounted to 9.9%, whereby there is a satisfactory coverage in relation to the solvency requirement of 14.7 percentage points, corresponding to DKK 1,029 million.

At the end of 2024, in addition to the solvency requirement, the Bank must add a capital conservation buffer of 2.5 percentage points, a business-cycle buffer of 2.5 percentage points, a NEP supplement of 5.5 percentage points and a systemic buffer of 7% the Bank's real estate exposure, calculated at a premium of 0.5 percentage points as of 31 December 2024. Including this capital requirement, the solvency coverage relative to the total capital requirements amounts to 3.7 percentage points, corresponding to DKK 262.0 million.

The solvency requirements, which are calculated according to the Danish Financial Supervisory Authority's credit reservation method, are recognised at DKK 558.0 million, corresponding to 8.0% for the Column 1 requirement (Søjle 1-kravet). Lending growth has fallen below 10% and is also expected to be in 2025, eliminating previous reservations for high lending growth, which is the primary reason why the solvency requirement is reduced from 10.1 to 9.9 percentage points. DKK 91.5 million has been set aside in credit risks, including "NPE backstopper", where DKK 19.6 million is reserved. The interest risk amounted to DKK 7.8 million, while the credit spread risk amounted to 7.8 million, which in total is DKK 15.5 million under the market risk and DKK 25.0 million for reservations under the operational risk. Overall, the Bank thus has a solvency requirement of DKK 690.0 million.

The Bank's internal goal for capital coverage relative to the calculated solvency requirements plus the current phased-in capital requirements is a minimum of 4 percentage points. In the coming years, the capital requirements will be further increased by 0.2 percentage points in NEP requirements. At the same time, the Bank has a goal of organic growth in business volume at a level of 3-5% in the coming years, which increases the requirements for the capital base. It is expected that the excess coverage will increase in the coming years based on budgeted results.

Requirements for liabilities eligible for impairment (NEP requirements)
The Danish Financial Supervisory Authority and the Danish Financial Stability Authority have, in accordance with the Danish Financial Business Act, prepared plans for the resolution of distressed banks. In connection with these plans, the authorities must set a requirement for liabilities eligible for impairment (NEP requirement) for all banks in accordance with the resolution principle that the authorities have determined for the individual institution.

The general resolution principle for small and medium-sized banks, which the Bank follows, requires a controlled resolution of the bank, where part of the bank is sold and a part which is not immediately deemed capable of being sold is recapitalised. The NEP requirement consists of a loss absorption amount corresponding to the solvency need and a NEP supplement in the form of a recapitalisation amount.

The Danish Financial Supervisory Authority recalculates and sets the NEP requirement once a year, which is why the NEP requirement changes from year to year. In the period 1 January 2024 – 31 December 2024, the Bank's NEP requirement represented 5.5% of the total risk exposure amount, while the most recently established NEP requirement applicable from 1 January 2025 represents 5.7% of the total risk exposure amount.

The NEP supplement, i.e. the recapitalisation amount, shall be met with capital base instruments or with Senior Non-Preferred instruments that are subordinated to simple creditors, thus shielding the simple creditors in a resolution situation.

The Bank's objective is to cover the NEP supplement with Common Equity Tier 1 capital on an ongoing basis, but is considering the appropriateness of supplementing with Senior Non-Preferred instruments.
The management assesses that the Bank has a solid capital base. The excess coverage in relation to all phased-in capital requirements of 3.7 percentage points is considered reasonable in a period when the cyclical buffer has been fully phased in by 2.5 percentage points. The Bank will also continue to focus on having an appropriate capital structure and excess coverage at all times to ensure that the expected growth in business volume can be safely realised while maintaining the excess capital.

For more information on capital and solvency requirements, please refer to the Bank's website: www.skjern-bank.dk/banken/investor/solvensbehov

LIQUIDITY
The Bank's goal is to maintain liquidity reserves at a continued solid level based on deposits from the Bank's customers. In 2024, the goal on deposit growth was met by increasing the total deposits to a total of DKK 8.893 million. The Bank's lending has increased less than the deposits, which has increased the excess liquidity coverage, which is expected to be maintained at a high and very satisfactory level in 2025.

The bank's liquidity reserves are solid. The LCR (Liquidity Coverage Ratio) of DKK 2.537 million exceeds both the regulatory requirements and the stricter liquidity goals established by the Bank's Board of Directors. The liquidity coverage ratio shows how the bank is able to meet its payment obligations for an upcoming 30-day period without access to market funding. The ratio is calculated by comparing the Bank's cash reserves and liquid assets with the Bank's payment obligations for the next 30 days calculated according to certain rules.

The Bank has established an internal limit for the minimum liquidity reserves of 175%, which exceeds the minimum requirements of 100% from the Danish Financial Supervisory Authority. The Bank achieved the goal and as of 31 December 2024 has an LCR financial ratio of 360%.

The liquidity reserve ratio measured according to NSFR (Net Stable Funding Ratio) is 137%, while the Bank's internal limit for this is set to 120%, and the minimum requirement from the Danish Financial Supervisory Authority is 100%. The ratio indicates the required amount of stable funding that the Bank must hold at the current liquidity profile for the assets it finances and the potential liquidity withdrawals that may arise from credit commitments and other off-balance sheet items.

MAJOR SHAREHOLDERS

As of 31 December 2024, the Bank has four major shareholders, all of whom have 5% of the voting rights:

Investeringsselskabet af 15. maj (AP Pension Livsforsikringsaktieselskab, Copenhagen Ø.), which as of the most recent ownership report held 20.75% of the share capital, EURO STEEL 1988 APS, which as of the most recent ownership report held 5.15% of the share capital, Kim Pedersen, who as of the most recent ownership report both personally and via their wholly-owned company Immoinvest.dk ApS held 5.0% of the share capital, and Heine Delbing, who personally and via their wholly-owned companies Olalde Holding ApS, Evostate Invest ApS and Storegade ApS held 5.0% of the share capital as of the most recent ownership report.

LIQUIDATION RESERVE

n connection with establishing the statutory liquidation reserve, the Bank has prepared business procedures and implemented tests to ensure compliance with the special requirements resulting from the legislation. This has been done in cooperation with the Bank's data centre, and it is the management's assessment that the Bank is in compliance with the requirements.

SIGNIFICANT AGREEMENTS

If control of the Bank is changed, a number of agreements will cease or terms will be changed. The withdrawal of the data centre Bankdata may result in a severance payment equivalent to 2.5 times last year's invoicing. All other agreements are assessed to be immaterial.

EVENTS AFTER 31 DECEMBER 2024

No events have occurred after 31 December 2024 that significantly affect the Bank's circumstances.

RISKS AND RISK MANAGAMENT

Banking activities are associated with various types of risks. The purpose of the Bank's risk management policies is to minimise the losses that may occur as a result of e.g. an unpredictable development on the financial markets, changes in economic trends or political interventions. The types of risk may be divided into: credit risk, market risk, liquidity risk and operational risk.

Credit risk expresses the risk that one party to a loan transaction or financial transaction may inflict a loss on the other party as a consequence of the failure to meet an obligation.

Market risk expresses the risk that the market value of the Bank's assets and equity and liabilities may change as a consequence of changes in the market conditions.
Liquidity risk expresses the risk that the Bank's payment obligations cannot be observed by the cash resources established by the Bank.
Operational risk is defined as the risk of financial losses inflicted on the Bank directly or indirectly as a consequence of errors in internal processes, human mistakes, system errors or losses as a consequence of external events.

The Bank continuously develops tools for the identification and management of the risks that affect the Bank on a daily basis. The Board of Directors will determine the overall framework and principles for the risk and capital management and receive current reports on the development in risks and the utilisation of the risk framework allocated.

The risk management work is based on the three pillars defined by the Basel II Accord:

- Pillar 1: Quantitative assessment of credit risks, market risks and operational risks.
- Pillar 2: Qualitative assessment of the same risks as well as a number of other risks.
- Pillar 3: Prescribes a number of requirements for disclosure about the nature and scope of risks.

The risk management work is essentially based on the guidelines, which the Bank's industry association – Lokale Pengeinstitutter (The Association of Local Banks, Savings Banks and Cooperative Banks in Denmark) – has drawn up. In general, the Bank's risk-weighted items are assessed in accordance with the so-called standard method, while the advanced method is being used to assess the amount of the exposure, taking into account any financial security. The operational risks are determined in accordance with the basic method and market risks are determined in accordance with the simple method.

In addition to the information presented in this annual report, an overview of the Bank's risk information is available on the Bank's website www.skjernbank.dk/banken/investor/risikooplysninger.

The following is a more detailed description of the different types of risk.

Credit risk
The largest asset item on the balance sheet is customer lending, and therefore the most significant risks are inherently related to credit risk. The Bank's risk management policies have been planned to ensure that its transactions with customers and credit institutions at all times remain within the frameworks defined by the Board of Directors.

Financial contracts are limited to those concluded with credit institutions with a high credit rating. Policies have been adopted that limit the size of agreements that can be concluded with other credit institutions.
The Bank classifies customers in groups according to their financial strength and merit according to the

guidance given by the Danish Financial Supervisory Authority. For private customers, the classification is made on the basis of actual assets, liquidity, leverage and availability, while business customers are classified on the basis of earnings, equity and solvency.

No significant changes were made to the credit policy in 2024. There is an unchanged focus on safe work procedures and routines regarding credit assessments.

The exposure in the real estate sector has been calculated at 7.4% of total loans and guarantees. A significant part of this consists of financing residential rental properties where the investors have contributed significant equity and where the rental income can service the debt in the properties. The Bank's exposure to the real estate sector amounted to DKK 676.1 million and was reduced by DKK 32.4 million compared to the end of 2023.

The agricultural segment, which accounts for 8.2% of the Bank's total loans and guarantees, compared with 10.4% at the end of 2023, has generally done well in 2024. The Bank closely monitors fluctuations in the terms of trade in the individual segments of the industry and is in constructive dialogue with all customers. The Bank has received several good agricultural commitments with good creditworthiness and operation on its books in 2024 and this trend is expected to continue in 2025.

The Bank has a very limited loan to the mink industry amounting to 0.1% of its portfolio, despite the fact that the industry still has no final settlement for production equipment etc. The Bank has no risk on this customer group.

The Bank wants to continue to finance renewable energy, primarily wind turbines and solar energy. However, the volume currently accounts for less than 1% of the Bank's loans and guarantees.

Private customers generally have a solid economy, and there is an emerging trend for the weakest credit customers to be positively affected by declining interest rates and generally lower inflation.

In response to the increased credit risk seen against the background of war in Europe, the risk of a future economic slowdown in society and the uncertainty surrounding the consequences of the introduction of the carbon tax on agriculture, the management estimate has been maintained at DKK 100.0 million at the end of 2024. There is still no significant need for write-downs in the loan portfolio, but the uncertainty has increased and there is therefore no reason to reduce the management estimate.

For a statement of credit risks regarding other loans, please refer to note 31.

Market risk
The Bank's market risk is managed on a daily basis through fixed limits for a large number of risk targets. Management of the Bank's excess liquidity involves investing in the share, bond and foreign exchange mar-

ket in order to optimise the return on the liquid assets.

The Bank's Board of Directors has established clear guidelines for the risks the Bank accepts in terms of currency, interest rate, shares, bonds etc.

The main features are as follows:

Currency risk
The foreign currency risk is an expression of how changes to foreign exchange rates may affect the fair value of the Bank's currency positions. The Bank has a very modest risk, as the balance in foreign currencies is covered continually.

The day-to-day management and monitoring of the Bank's currency positions is conducted by the international department. The Board of Directors and the Executive Board receive reports on an ongoing basis. At the end of 2024, the Bank's foreign exchange risk was calculated at 0%.

Interest risk
The interest rate risk is a measurement of how changes to current interest rate levels may affect the fair value of the Bank's fixed-rate assets. The interest rate risk primarily occurs around the Bank's bond portfolio and fixed-rate borrowing and lending.

The day-to-day management and monitoring of the Bank's interest rate risk is carried out by the financial department, while the Bank's finance department manages the compliance with limitations for assumption of interest rate risk. The Board of Directors and the Executive Board receive reports on an ongoing basis.

The Bank's overall interest rate risk is positive, primarily due to a lower share of fixed-rate deposits compared to previous years. The Bank has maintained a low interest rate risk for a number of years, which is in agreement with the Bank's policy for this type of risk.

Share price exposure
The share price exposure is a measurement how changes to share prices may affect the fair value of the Bank's shareholdings. The share price exposure is a consequence of the composition of the Bank's exposure to shares where the investments are spread over a large number of primarily Danish shares.

In common with other banks, the Bank is co-owner of a number of sector companies such as DLR Kredit A/S, Letpension A/S, PRAS, SparInvest Holdings SE etc. The ownership interests in sector companies are considered to pose limited equity risk. The proportion of shares that constitute more than 10% of the Bank's core capital is deducted from the Bank's capital base. In addition, the Bank has invested in listed shares to a limited extent.

The day-to-day management and monitoring of the Bank's shareholdings is carried out by the financial department, while the Bank's administrative department manages the compliance with the fixed limits etc. The Board of Directors and the Executive Board receive reports on an ongoing basis.

The Bank's shareholdings may be specified as follows:
Sector shares .... DKK 261.2 million
Listed shares etc. ....DKK 36.6 million
A further specification of the Bank's shareholding may be seen in note 14.

Property price risk
The Bank owns and in principle only wants to own properties that are used for daily banking operations (domicile properties), which in one case also contains residential rental apartments.

Liquidity risk
The Bank's liquidity is managed according to defined strategies and policies adapted to the current situation. This means that the Bank's liquidity is subjected to stress testing in different scenarios on an ongoing basis.

The Bank's liquidity strategy dictates that the Bank may at no point be solely dependent on the short money market, just as the Bank must at any time be able to withstand lack of access to the money market for a minimum of 3 months. Additionally, the Bank's strategic requirements for minimum cash resources have been increased.

OPERATIONAL RISK
In order to reduce losses due to operational risks, Skjern Bank has developed policies and business procedures in the most important areas, and the controlling department checks compliance with the most important areas. A key part of the policies in this area is the IT security policy, which places requirements on IT and personnel as well as on handling sensitive information. IT emergency procedures have also been prepared in order to limit losses in the case of IT operations being down and other similar crisis situations.

Due to its size, the Bank is dependent on certain key employees. In order to reduce dependence on these, written workflows have been developed in all important areas, and efforts have been made to ensure that employees can take over these areas immediately. The Bank conducts ongoing assessments of whether business procedures, etc. are optimal or whether they can be improved with a view to minimising the operational risks. Business procedures are also controlled and assessed by the Bank's internal and external auditing.

The controlling department is responsible for checking compliance with internal procedures, including in the areas of credit, money laundering and funds.

The compliance and risk function is responsible for verifying that the Bank complies with legislation and internal policies at all times.

The operational risk is calculated based on the so-called basis indicator method (Basel II), meaning that the Bank calculates the average of the net income based on the earnings from the past three years, which, in the form of a quantified amount, is added to the total risk exposure to cover the Bank's operational risks. As of 31 December 2024, this amount was DKK1,097.5 million, an increase of DKK 171.2 million compared to 31 December 2023.

DATA ETHICS AND IT SECURITY

IT security is monitored and assessed on an ongoing basis. The most important partner in the IT area is Bankdata, to which most of the operations and development activities are outsourced. IT operations have been outsourced to JN Data. The division of responsibilities and tasks between Bankdata and the Bank is clearly defined and described, and an ongoing evaluation is made of whether Bankdata complies with the Bank's IT security policy and IT risk management. The Bank's contingency plans include an ongoing updating and testing of procedures and contingency plans in the IT area, and the Bank's security policy is continuously updated.

As it is important for the Bank that customers and the outside world have confidence in the processing and storage of data, the Bank has developed a policy on data ethics.
This crucial confidentiality between the customers and the bank is not new, as the bank has always protected the customers' data, as is clear from the privacy policy and business procedures in the GDPR area. The Bank's full report on the data ethics policy can be found on the Bank's website www.skjernbank.dk/aarsrapport2024/dataetik, where the essential elements are set out below:

- Personal sensitive customer data is only received and stored when there is a factual reason for doing so.
- The data is deleted when it no longer serves the purpose for which it was collected.
- The Bank's customers can, upon request, be informed of what data the Bank processes on the customer in question.
- Data is disclosed with the consent of the customers to relevant business partners, e.g. to Totalkredit in connection with the acquisition of mortgage financing.

THE SUPERVISORY DIAMOND

The Danish Financial Supervisory Authority's mandatory Supervisory Diamond specifies four indicators for banking activities with increased risk. The Bank has complied with all limit values in all previous years.

At the end of 2024, the Bank did not exceed any benchmarks, but at the end of 2023 and at the beginning of 2024 it exceeded the benchmark for lending growth of a maximum of 20%. The prepared report submitted to the Danish Financial Supervisory Authority on this matter has been complied with as expected. It is expected that in 2025 all benchmarks will be met, as they have always been in the past.

CAPITAL ADEQUACY RULES

Adjusted for regulatory deductions, of which deductions for the holding of sector shares are the most significant deduction, the following items constitute the Bank's capital base of DKK 1,718.9 million, corresponding to a capital ratio of 24.6%. The main elements here are:

- Equity of DKK 1,745 million
- Hybrid core capital of a nominal DKK 60 million.
- Subordinated loan capital of a nominal DKK 100 million.

INDIVIDUAL SOLVENCY REQUIREMENT

The individual solvency requirement plus phased-in capital requirement is an expression of the capital that the Bank could be satisfied with without any excess coverage.

In accordance with the Basel rules, the Bank must at all times maintain a sufficient capital base to cover any deficit that might arise if a number of negative events defined by the Danish Financial Supervisory Authority should occur simultaneously.

The basis for the Bank's solvency requirement is the Danish Financial Supervisory Authority's credit reservation method (8+ model), where the solvency requirement is built up from 8%, plus any additional charges for additional risks in a number of different areas.

The areas to be assessed are: Weak earnings, high lending growth, additional credit risks, additional market risks including interest rate risks, equity risks and foreign exchange risks, liquidity risks, operational risks, leverage risks, downsizing risks on capital instrument and other supplements due to regulatory requirements. The required solvency requirement is calculated according to the credit reservation method at DKK 690.0 million, corresponding to an individual solvency requirement of 9.9%. The solvency requirement has been reduced by 0.2 percentage points compared to the end of 2023, primarily as a result of the discontinuation of a premium due to high lending growth, which is below 10% and is expected to be below 10% in 2025.

UNCERTAINTY ON RECOGNITION AND MEASUREMENT

The main uncertainties relating to recognition and measurement are related to loan impairment, provisions for guarantees and valuation of financial instruments. The management believes that the uncertainty is at a level which is reasonable in terms of fair presentation of the financial statements. We refer to the description on this in note 1 Accounting policies.

MANAGEMENT

FINANCIAL REPORTING PROCESS

The Board of Directors, Audit Committee and Executive Board have overall responsibility for the satisfactory functioning of the Bank's controls and risk management in connection with the financial reporting process, including compliance with relevant legislation and other regulations related to financial reporting.

The process is designed to ensure that the interim reports and the annual report are presented in accordance with statutory requirements and that the annual report is presented without material misstatements, whether due to fraud or error.

The financial reporting process is also designed so that the Bank's finance department, in cooperation with the Bank's Executive Board and other relevant departments, is responsible for the preparation of the Bank's annual report. The Board of Directors and Executive Board assess risks in connection with the financial reporting. The Executive Board and Financial Department regularly monitors relevant legislation and other regulations and provisions in connection with financial reporting and continually reports to the Board of Directors and Audit Committee.

INTANGIBLE KEY RESOURCES

The Bank's business model is based on the following key intangible resources: a good reputation as a modern financial services company, as well as skilled, loyal and customer-focused employees.

The Bank's reputation is characterised by being a credible and competent partner who is ready when the Bank's stakeholders need it. The Bank's good reputation largely depends on the personal relationships of its customers to its employees and the Bank's credibility. The Bank's brand therefore represents a significant intangible key resource.

The Bank is characterised by focusing on the key values of customer focus, presence, drive and decency, which aim for long-term relationships and are used in attracting and retaining customers and employees. The employees are an intangible key resource that help the bank maintain its reputation as the local independent bank, making a difference to customers and the local areas from which the bank operates. Employees' loyalty to the bank is therefore also an intangible key resource.

REMUNERATION POLICY

The Bank's Remuneration Committee and the Management Committee have, in full compliance with the Bank's remuneration policy, which essentially states that no employee of the Bank is remunerated with variable components of remuneration. It is the assessment that the Bank's interests are best served in the short and long term with fixed remuneration to the individual employee.

The remuneration policy for the Board of Directors and Executive Board in the Bank is such that the management receives a fixed payment, so there is no form of incentive payment or variable payment features in the remuneration. The remuneration shall conform to the market rate and reflect the efforts made by management on behalf of the Bank.

Remuneration to management is further described in the Financial Statement, note 6 and in the remuneration report. The Bank's remuneration policy can be found on the Bank's website: www.skjernbank.dk/aarsrapport2024/vederlagsrapport

THE BOARD OF DIRECTORS' DUTIES

The Board of Directors ensures that the management complies with objectives, strategies and business processes determined by the Board of Directors. Orientation from the Executive Board occurs both at meetings and through written and oral reports. The Board of Directors meets approximately every 3 weeks, more often as needed. The attendance rate at board meetings is usually 100%.

The Board of Directors conducts an annual self-evaluation in accordance with the Danish Financial Supervisory Authority's regulations. The Board of Directors also lays down requirements for its own development and training to ensure that it constantly has the necessary competence and ability to handle the work of the board as efficiently as possible for the benefit of the Bank.

COMPOSITION OF THE BOARD OF DIRECTORS

The Annual General Meeting elects the members of the Committee of Shareholders, after which the Committee of Shareholders elects the Bank's Board of Directors. The members of the Board of Directors are elected for a term of 2 years, with the exception of the members elected by the employees, who are elected for a term of 4 years.

TARGETS AND POLICIES FOR THE UNDER-REPRESENTED SEX IN MANAGEMENT

The Bank has set the following target figures for the proportion of the under-represented sex on the Board of Directors and at other management levels.

The Bank has adopted this policy in order to increase the proportion of underrepresented groups at other management levels. The other management levels (hereinafter referred to as management) mean the registered Board or persons who are organisationally at the same level of management as the Board as well as persons responsible for personnel who report directly to one of these. These include the CEO, Bank Director, department heads and managers responsible for personnel.

Target figures and policies have been set and prepared in accordance with the rules on target figures and policy for the under-represented sex in Section 79a of the Danish Financial Business Act and Section 139a of the Danish Companies Act.

Target figures for the proportion of the under-represented sex on the Board of Directors

The Bank wants a more balanced distribution of women and men at the board level. The Board of Directors has set a target to have a minimum proportion of women of 1/6 by the end of 2025, and by the end of 2030 the target is a minimum of 2/6 out of the total number of board members elected by the Committee of Shareholders. The target figure for 2025 of 17% was met in the financial year 2024, which has not changed in relation to the financial year 2023. The target figure has now been raised to 2/6, which is hoped to be achieved by the end of 2030.

The Board of Directors will work toward achieving the target of a proportion of women of 2/6 before 2030, but has set the year 2030 based on a concrete assessment of the current Board members' ambitions to continue on the Board of Directors.

Achievement of goals for the under-represented sex on the Board of Directors
When selecting and nominating candidates for the Board of Directors, the Bank has organised a formal, thorough and transparent process that includes, amongst other things, the need to continuously increase the proportion of the under-represented sex on the Board of Directors, including meeting the set target figure. In this way, target figures and policy for the gender composition of the Board are taken into account.
In the current financial year, there have been new elections to the Board of Directors, with one woman elected, and the target figure for 2025 has thus been met.

Target figures for the proportion of the under-represented sex in management
The Bank wants a more balanced distribution of women and men in management. The Board of Directors has set a target to have a minimum proportion of women of 1/4 by the end of 2025, and by the end of 2030 the target is a minimum of 2/5 in management. The management consists of 19 members, of which the under-represented sex is 16%. The target figure is 25% in 2025.

The Bank's efforts to increase the proportion of the under-represented sex in the Bank's management
In order to achieve the target figure for the proportion of women in management and to improve the gender composition, the bank has launched a number of measures and initiatives in the areas where this is necessary.

The Bank focuses on efforts both in connection with recruiting new employees and in providing broader support for existing employees' development.
The Bank has the following measures and initiatives:
-an employee handbook that promotes equal career and management opportunities for women and men, so that there is equal access for men and women to management positions
-clear and transparent recruitment and hiring procedures that contribute to highlighting leadership talents from both sexes, so that there are both female and male candidates in internal and external recruitment. In addition, the bank hires managers on the premise that the most suitable person is always hired/appointed, regardless of sex.
-increase transparency on the opportunities for flexibility for the benefit of both men and women, as it must be possible to draw on flexibility during periods of working life
-focus on career development plans that contribute to the visibility of leadership talents from both sexes and where employees, regardless of sex, will find that they have the same opportunities for careers and equal access to management positions

-employees are offered the opportunity to develop professional and personal skills through participation in courses, networks, personal development courses and mentoring schemes. Women and men have the opportunity to participate equally in these offerings and it is the Bank's goal that women and men generally participate equally in these offerings

The above-mentioned concrete measures and initiatives to increase the proportion of the under-represented sex in management are supported by making them clear and transparent, so that each employee can be inspired to become part of the Bank's management regardless of sex. These measures and initiatives are for the financial year. There is also an open and unbiased culture in the Bank, where each employee can use their skills to best effect regardless of gender. In addition, the bank is obliged to ensure equal pay regardless of sex for work of the same kind or work of equal value.

In the current financial year, there have been new appointments in management, which is why the proportion of the under-represented sex in management has changed from 11% to 16%. Two managers were employed during the financial year, one of whom is of the under-represented sex. These were the best qualified candidates for the position, which resulted in the Bank achieving an improved gender composition in management.

STATEMENT ON DIVERSITY POLICY

At the Bank, we believe that a diverse workplace and an inclusive working environment are an asset for our workplace. The Bank recognises the diversity of its employees and believes that diverse teams, including management groups, work more innovatively, make better decisions and contribute to new thinking, while promoting inclusiveness and tolerance among employees.

The Bank wants and strives to be a responsible workplace that recruits, promotes and develops employees based on their competencies and in a way that supports diversity. Thus, the Bank strives to ensure that recruitment, terms of employment, promotions and possible dismissals are carried out without distinction to gender, sexual orientation, age, nationality, physical abilities, disability, political standing, ethnicity, family status, religious beliefs or other ideologies.

How we work with diversity in the bank

The Bank continuously works to ensure diversity both in management layers and in all other employee groups based on the following principles:

-The Bank is an equal opportunity workplace in a safe and non-discriminatory working environment

-The Bank strives for a more equal distribution of men and women in management, and we therefore focus on equal conditions and on identifying candidates of both sexes when recruiting new managers

-The Bank complies with Danish and international standards regarding human rights and gender equality laws and offers fair and equal terms in employment and working conditions, regardless of gender, ethnic origin, religion or other personal circumstances

-The Bank does not tolerate bullying, sexual harassment, discrimination, abusive behaviour or threats

-The Bank strives for a staff composition consisting of a combination of young and experienced employees who can jointly inspire and contribute to development
-As needed, and at least once a year, the Board reviews the diversity policy and possibly makes revisions.

Diversity in the Bank's management, targets and results 1 January – 31 December 2024

Board of Directors The Bank wants a composition based on diversity in skills and backgrounds, with particular emphasis on the need for diversity in relation to, amongst other things, differences in professional skills, work experience, gender and age. Diversity is seen as a strength that can contribute positively to the Bank's development, risk management, robustness, success and growth.

Through diversity, the Bank wishes to increase the quality of its work and interaction on the Board of Directors, including through a diverse approach to management tasks. The Board of Directors finds it important that all issues are adequately addressed by the Board.

In order to promote a sufficient diversity of qualifications and skills amongst the members of the Board of Directors and to ensure optimal benefit from the work with diversity on the Board of Directors, the Board of Directors wants to focus on competencies, gender composition and employee representation.

For the Board of Directors elected by the Committee of Shareholders, the Bank wants a representation of the under-represented sex of a minimum of 1/6 by the end of 2025. By the end of 2030, the target is a minimum of 1/3. The target for the gender composition of the Board of Directors was achieved in 2024, as a Board Member elected by the Board of Directors is female.

Executive Board and other management levels The Executive Board of the Bank consists of two male members. The Bank has chosen not to define goals for diversity in the Executive Board, as the bank prioritises insight, experience and competencies. In the other management levels, which currently only consist of members with Danish nationality, the Bank wants a more equal distribution of women and men. The Board of Directors has set a target to have a minimum proportion of women of 25% by the end of 2025, and by the end of 2030 the target is a minimum of 40% in management. As of 31 December 2024, the figure is 16%.

SUPPLEMENTARY INFORMATION ON THE MEMBERS OF THE MANAGEMENT, INCLUDING OTHER MANAGERIAL POSTS

Reference is made to paged 53-54, 62-63 and 82-85 of these Financial Statements for supplementary information on the members of the management of the Bank, including information on their other managerial posts.

THE BOARD'S PROPOSAL FOR DIVIDENDS

Based on a satisfactory profit and solid capital coverage, the Board of Directors has decided to propose a dividend for the financial year 2024 of DKK 7 per share, equivalent to DKK 67.5 million

AUDIT COMMITTEE

The Bank's Board of Directors has established an Audit Committee, the Chair of which is an independent and qualified Member of the Board. The Committee's tasks include:

- monitoring of financial reporting
- monitoring whether the Bank's internal control system, internal auditing and risk management systems function effectively,
- monitoring the statutory audit of the financial statements etc. and
- monitoring and checking the auditor's independence.

The Audit Committee consists of two Board Members elected by the Committee of Shareholders and one employee-elected Board Member.

RISK COMMITTEE

In accordance with Section 80 of the Danish Financial Business Act, the board of directors has established a Risk Committee.

The purpose of the Committee shall be to:

- advise the Board of Directors on the Bank's risk profile and ongoing risk management
- prepare the work of the Board of Directors in order to ensure that the Board of Directors is aware of risks when business decisions are made by the Board of Directors

The members of the Risk Committee are found amongst the Bank's board members and consist of two shareholder-elected members and one employee-elected member.

NOMINATION AND REMUNERATION COMMITTEE

The Bank's Board of Directors has established a Nomination and Remuneration Committee, whose tasks are in accordance with the requirements of the Recommendations on Corporate Governance and the Danish Financial Business Act.

The Committee's tasks include, amongst others:

- Proposing candidates for election to the Board of Directors, including a description of the functions and qualifications required for the particular post and an indication of the expected time to be allocated to it.
- The Remuneration Committee shall be responsible for the preparatory work for the Board of Directors' decisions regarding remuneration, including remuneration policy and other decisions relating thereto that may have an impact on the Bank's risk management.

The Nomination and Remuneration Committee consists of two Board Members elected by the Committee of Shareholders and one employee-elected Board Member

Please also refer to the Bank's website, where the members of the individual committees can be seen.

INVESTOR RELATIONS

The Bank places a strong emphasis on communication and dialogue with its shareholders and other stakeholders within the rules that apply to a listed company. In 2024, the Bank continued to maintain a high level of communication, which, in the Bank's assessment, has strengthened relations with all sides.

The Bank's way of communicating with its stakeholders is based on Skjern Bank's values, and we strive to ensure that the Bank's key values – customer focus, presence, drive and decency – are actively used in all communication. The overall aim of our communication strategy is to strengthen the Bank's position on the market and at the same time minimise the risks to its reputation – i.e. the risk that incorrect information or misinformation, rumours or gossip negatively affect the Bank's reputation.

In crisis situations, the aim of the communication strategy is to come across as a professional and decisive organisation, where the Bank, via an open and proactive approach to problems, will be prepared to minimise the extent of the crisis and its short and long-term effects on the Bank, the shareholders, customers and employees.

ANNUAL GENERAL MEETING

The Bank holds the annual general meeting with a clear focus on IR and Corporate Governance commitments – i.e. by focusing entirely on the Bank's financial and business development and the way the Board of Directors manages the Bank as well as various elections.

SKJERN BANK SHARES

At the end of 2024, the bank was owned by 14,462 shareholders. The Bank's share price increased during 2024 from 143.5 to 210.0. The Bank's market value has thus increased by 46.3% and amounted to DKK 2,024.4 million at the end of the year. When measured in comparison with the Bank's intrinsic value, the price is 1.16 at the end of the year.

STATUTORY CORPORATE GOVERNANCE REPORT
CORPORATE GOVERNANCE

The Bank's Board of Directors and management seek to ensure that the management structure and control systems are adequate and function satisfactorily. The management regularly discusses developments in corporate governance.

The basis for the scheduling of the management's tasks include the Danish Financial Business Act, the Danish Securities Act, OMX Nordic Exchange Copenhagen's rules and recommendations for issuers, the Bank's Articles of Association and best practice for financial institutions. Based on this, a framework of internal procedures is developed and maintained on an ongoing basis in order to ensure an active, safe and profitable management of the Bank.

Information on Corporate Governance for the Bank is collected in a report on Corporate Governance which is published on the Bank's website.

To ensure a clear structure, the Bank has used the structure based on the recommendations from the Committee on Corporate Governance including the issued revised recommendations for 2020 in the presentation of information on corporate governance.

As a listed company, the Bank must either follow these recommendations or explain why the recommendations are not fully or partially followed. The Bank's management generally follows the recommendations, but in a few areas it has chosen either not to follow the recommendations or only to follow them in part.

STATUTORY REPORTING ON SOCIAL RESPONSIBILITY

The Bank's ESG report also constitutes the Bank's statutory social responsibility report. In addition to the above-mentioned matters on page 18, the ESG report describes the Bank's position and efforts in the areas of human rights, the environment, anti-corruption and bribery, money laundering and terrorist financing, IT and data security, employment, whistleblower schemes and social conditions in general, including the local communities around the Bank's departments.

The Bank strives to comply with all guidelines in every respect and places great emphasis on fairness in all matters. The Bank does not have policies in all areas, for example in the area of human rights, it is considered a matter of course that the Bank abide by these agreements, including those in force, since it considers compliance with them to be fundamental to a fair and secure society.

The ESG report also contains a compilation of the carbon footprint from the Bank's lending, a compilation of the carbon footprint from the customers' investments and ESG key figures prepared in accordance with the FSR – Danish auditors, the Danish Finance Society / CFA Society Denmark and the Nasdaq Copenhagen ESG report containing the statutory statement of social responsibility can be read in full on the Bank's website.

INFORMATION FOR LISTED COMPANIES

In accordance with the Executive Order on Financial Reports for Credit Institutions etc. Section 133a states the following:

The Bank's share capital as of 31 December 2024 amounted to DKK 192.8 million, divided into 9,640,000 shares at nominal value. 20 DKK.

The Bank has one share class and the entire share capital, and thus all shares, are admitted for listing on NASDAQ OMX Copenhagen. No shareholder may acquire more than 10% of the share capital without the consent of the bank and the Danish Financial Supervisory Authority. In addition, no restrictions apply to the negotiability of the shares.

The Bank's Board of Directors shall not be empowered to issue shares.

The following applies to the exercise of voting rights: Each share amount up to and including a nominal DKK 1,000 grants 1 vote, after which each DKK 1,000 share grants an additional vote etc. No shareholder may vote for more than 5% of the nominal share capital at any given time. Any shareholder shall be entitled to attend the annual general meeting if the person in question has requested an admittance card no later than three days prior to the meeting. Any shareholder who is entitled to attend the annual general meeting and whose shares have been registered in the Bank's register of shareholders shall have a right to vote at the annual general meeting.

The shareholder-elected members of the Bank's Board of Directors are elected by and from among the members of the Bank's committee of shareholders.

The following shall be applicable for changes to the Bank's articles of association: Decisions to amend the articles of association are only valid if at least 1/3 of the share capital is represented at the annual general meeting and if the motion is adopted by a minimum of 2/3 of both the votes cast and of the share capital holding voting rights represented at the annual general meeting.

The limit for how many treasury shares a bank may own is 3%. Following an application to the Danish Financial Supervisory Authority, the Bank has been granted permission to hold treasury shares of 0.25% of the Bank's issued shares. As of 31 December 2024, the Bank owned 0.08% of the Bank's own shares.

AUDIT

The Danish version of the Annual Report for 2024 is equipped with internal audit statements and independent auditors' statement. The statements are without reservations and complementary information.

Endorsement of the Annual Report by the Management

We have today discussed and approved the annual report for the period 1 January – 31 December 2024 for Skjern Bank A/S.

The annual report has been prepared in accordance with the Danish legislation on financial activities, including executive order on financial reports for credit institutes and stock broker companies, etc. Furthermore, the annual report has been prepared in accordance with accordance with the Danish Financial Business Act. The Financial Statements have been prepared in accordance with Danish legal requirements for listed financial companies.

It is also our opinion that the annual report has been prepared in accordance with the ESEF regulation in all material respects.

We consider the accounting practice chosen to be appropriate so that the annual report gives a correct impression of the bank's assets, liabilities, financial position as at the 31st December 2024 and of the result of the bank's activities for the accounting year 1 January – 31 December 2024.

The management report includes a correct presentation of the development of the bank's activities and financial conditions together with a description of the material risks and uncertainties by which the bank may be affected.

The annual report is recommended for approval by the General Meeting.

Skjern, the 6 February 2025

The management of Skjern Bank A/S

Per Munck
CEO

Thomas Baun
Bank director

The board of Skjern Bank A/S

Hans Ladekjær Jeppesen
Chairman

Bjørn Jepsen
Vice-chairman

Niels Erik Kjærgaard *Finn Erik Kristiansen* *Ole Strandbygaard* *Merete Lundøe Hilmann*

Lars Skov Hansen *Carsten Jensen* *Michael Tang Nielsen*

Profit and loss account

Note	DKK 1,000	2024	2023
2	Interest receivable	523.365	462.134
3	Interest payable	101.217	58.828
	Net income from interest	**422.148**	**403.306**
	Dividend on shares and other holdings	16.452	5.603
4	Charges and commission receivable	201.931	188.614
	Charges and commission payable	5.513	3.989
	Net income from interest and charges	**635.018**	**593.534**
5	Value adjustments	38.034	47.178
	Other ordinary income	4.785	2.525
6	Staff costs and administrative expenses	280.467	255.532
	Depreciation and write-downs on intangible and tangible assets	13.885	15.333
	Other operating expenses	665	623
9	Write-downs	18.176	27.638
	Result before tax	**364.644**	**344.111**
10	Tax	90.532	86.132
	Net-result for the financial year	**274.112**	**257.979**
	Of which are holders of shares of hybrid core capital instruments etc.	5.287	5.287
PROPOSAL FOR DISTRIBUTION OF PROFIT			
	Dividends	33.740	48.200
	Holders of hybrid core capital instruments	5.287	5.287
	Transferred to/from retained earnings	235.085	204.492
	Total distribution of the amount available	**274.112**	**257.979**
STATEMENT OF COMPREHENSIVE INCOME			
	Profit for the financial year	274.112	257.979
	Total comprehensive income	**274.112**	**257.979**

Balance Sheet

Note	DKK 1,000	2024	2023
	ASSETS		
	Cash in hand and demand deposits with central banks	3.082.942	2.345.718
11	Receivables at credit institutions and central banks	79.480	60.630
12	Loans and other receivables at amortised cost	6.962.528	6.726.329
13	Bonds at fair value	612.087	752.038
14	Shares etc.	297.765	283.275
15	Shares associated with pool schemes	1.992.993	1.592.836
16	Holdings in associated enterprises and group enterprises	81.045	77.553
	Investment properties	3.085	3.019
	Owner-occupied properties	60.334	55.250
	Owner-occupied properties, leasing	17.626	19.284
17	Other tangible assets	7.555	6.532
	Current tax assets	14.818	7.486
	Other assets	118.418	113.926
	Prepayments	136	588
	Total assets	**13.249.767**	**11.966.911**

Note	DKK 1,000	2024	2023
	LIABILITIES		
	DEBT		
18	Debt to credit institutions and central banks	2.977	2.385
19	Deposits and other debts	8.893.150	8.284.256
	Deposits in pooled schemes	1.992.993	1.592.836
	Other liabilities	437.774	382.890
	Prepayments	327	297
	Total debt	**11.327.221**	**10.262.664**
	PROVISIONS		
20	Provisions for deferred tax	4.524	5.430
12	Provisions for loss on guarantees	11.514	13.416
	Total provisions	**16.038**	**18.846**
	SUBORDINATED DEBT		
21	Subordinated loan capital	99.836	99.335
	Total subordinated debt	**99.836**	**99.335**
	EQUITY		
22	Share capital	192.800	192.800
	Retained earnings	1.518.851	1.283.918
	Proposed dividend	33.740	48.200
	Capital owners share of equity	**1.745.391**	**1.524.918**
23	Holders of hybrid capital	61.281	61.148
	Total equity	**1.806.672**	**1.586.066**
	Total liabilities	**13.249.767**	**11.966.911**

Information on changes in equity

		Share capital	Proposed dividends	Hybrid capital	Retained earnings	Total
	Equity 01.01.2023	**192.800**	**28.920**	**61.014**	**1.080.627**	**1.363.361**
24	Purchase of own funds				-1.219	-1.219
	Dividend own shares				18	18
	Dividends proposed 2022		-28.920			-28.920
	Amortization hybrid capital			-131		-131
	Paid interest hybrid capita1			-5.022		-5.022
	Profit or loss		48.200	5.287	204.492	257.979
	Equity 31.12.2023	**192.800**	**48.200**	**61.148**	**1.283.918**	**1.586.066**
24	Purchase of own funds				-155	-155
	Dividend own shares				3	3
	Dividends paid 2023		-48.200			-48.200
	Amortization hybrid capital			-131		-131
	Paid interest hybrid capital			-5.023		-5.023
	Profit or loss		33.740	5.287	235.085	274.112
	Equity 31.12.2024	**192.800**	**33.740**	**61.281**	**1.518.851**	**1.806.672**

Notes

1 Accounting policies . . . 42
2 Interest income . . . 52
3 Interest expenses . . . 52
4 Fees and commission income . . . 52
5 Value adjustments . . . 52
6 Staff costs and administrative expenses . . . 53
7 Incentive and bonus schemes . . . 54
8 Audit fee . . . 54
9 Write-downs on loans and receivables . . . 54
10 Tax . . . 55
11 Receivables at credit institutions and central banks . . . 55
12 Loans and other debtors at amortised cost price . . . 56
13 Bonds at fair value . . . 58
14 Shares etc. . . . 58
15 Shares associated with pool scheme . . . 58
16 Land and buildings . . . 58
17 Other tangible assets . . . 59
18 Debt to credit institutions and central banks . . . 59
19 Deposits and other debts . . . 59
20 Deferred taxation . . . 59
21 Subordinated debt . . . 60
22 Share capital . . . 60
23 Holders of hybrid capital . . . 60
24 Own capital shares . . . 61
25 Contingent liabilities . . . 61
26 Lawsuits etc. . . . 62
27 Related parties . . . 62
28 Capital requirement . . . 63
29 Current value of financial instruments . . . 64
30 Risks and risk management . . . 65
31 Credit Risk . . . 66
32 Sensitivity information . . . 77
33 Derivate financial instruments . . . 77
34 5 years in summary . . . 79
35 5 years of financial ratio . . . 80

1. ACCOUNTING POLICIES

The Financial Statements have been prepared in accordance with the Danish Financial Business Act and the Executive Order on financial reports for credit institutions and investment companies, etc.

The Financial Statements have been prepared in accordance with additional Danish legal requirements for Financial Statements for listed financial companies.

The Financial Statements are presented in DKK and rounded to the nearest DKK 1,000.

General information on recognition and measurement
Assets are recognised in the statement of financial position when it is probable that future economic benefits will flow to the Bank and the asset's value can be measured reliably.

Liabilities are recognised in the statement of financial position when they are likely and can be measured reliably.
Assets and liabilities are initially recognised at fair value. However, tangible assets are measured at cost at the time of initial recognition. Measurement after initial recognition occurs as described for each item below.

Foreseeable risks and losses which may arise before the Financial Statements are reported and which confirm or invalidate conditions existing on the balance date are taken into account in recognition and measurement. Income is recognised in the statement of profit or loss and other comprehensive income as it is earned, while expenses are recognised at the amounts which relate to the financial year.

Purchases and sales of financial instruments are recognised on the transaction date and are no longer recognised when the right to receive/deliver cash to or from the financial asset or liability has expired or, if it is transferred, the Bank has transferred all significant risks and rewards of ownership. The bank has not used the rules for reclassification of certain financial assets at fair value to amortised cost.

Determination of fair value
The fair value is the amount to which an asset can be converted or at which a liability can be settled in a transaction under normal conditions between knowledgeable, willing and independent parties.

The fair value of financial instruments for which there is an active market is usually determined as the closing price on the Balance Sheet date or, if not available, another published price considered to best correspond to this.

For financial instruments for which there is an active market, fair value is established using generally accepted valuation techniques which are based on relevant observable market data.

Accounting estimates
When determining the carrying amount of certain assets and liabilities, discretion is used as to how future events will affect the value of the assets and liabilities on the balance date.

The estimates used are based on assumptions which the management considers to be reasonable, but which are associated with some uncertainty.

Therefore, the actual final results may differ from the estimates used, because the Bank is affected by risk and uncertainty, which can affect this.

The areas which involve a greater degree of assessments/assumptions and estimates are impairment of loans and receivables, determination of fair value of unlisted financial instruments, corporate and investment properties and provisions.

Although the carrying amounts are calculated in accordance with the Danish Executive Order on the Presentation of Financial Statements, particularly including appendices 9 and 10 and related guidelines, there is uncertainty and estimates associated with these carrying amounts, as they are based on a number of assumptions. If these assumptions change, the financial reporting may be affected and the impact may be significant. Changes may occur through a change in practice or interpretation by the authorities and amended principles from the management - for example, the value of collateral may entail changes to the calculations.

Foreign currency
Assets and liabilities in foreign currencies are recognised on the balance date at the National Bank of Denmark's listed rates. Foreign currency spot transactions are adjusted on the balance date based on the spot rate. Currency translation adjustments are recognised on an ongoing basis in the statement of profit or loss and other comprehensive income.

General
When determining the carrying amount of certain assets and liabilities, discretion is used as to how future events will affect the value of the assets and liabilities in question on the balance date.
The estimates used are based on assumptions which the management considers to be reasonable, but which are uncertain and unpredictable. Therefore, the actual final results may differ from the estimates used, because the Bank is affected by risk and uncertainty, which can affect this.

Model uncertainty
In addition to establishing expectations for the future, write-downs in stages 1 and 2 are also subject to uncertainty because the model does not account for all relevant circumstances. As there is still limited historical data as a basis for the models, it has been necessary to supplement the model's calculations with management estimates. Assessment of the effect of the long-term probability of default on customers and segments through improved and deteriorated outcomes of macroeconomic scenarios is associated with estimates. Please

refer to the more detailed description in note 31.

Statement of collateral values
To reduce the risk on the individual exposures in the Bank, collaterals have been received, primarily in the form of mortgages on physical assets (of which mortgages on real estate are the most significant form), securities etc. Significant management estimates are included in the valuation of the collateral. For a more detailed description of matters relating to collateral, see also note 31.

Fair values of owner-occupied properties
The return method is used to measure owner-occupied properties at fair value. Future cash flows are based on the Bank's best estimate of future ordinary profit and required rate of return for each property, taking into account factors such as location and maintenance. A number of these assumptions and estimates have a significant impact on the calculations. Changes in these parameters as a result of a change in market conditions affect the expected returns and thus the owner-occupied properties' fair value. Also refer to the discussion in note 1 "Accounting policies used etc." under the section "Land and buildings" and note 16 "Land and buildings".

Practice for writing off financial assets from the statement of financial position
Financial assets that are measured at amortised cost are wholly or partially written off from the statement of financial position if the Bank no longer has reasonable expectations that the outstanding amount will be wholly or partially covered. Recognition ceases based on specific, individual assessment of each exposure. For private and corporate customers, the Bank will typically write off losses when the pledged collateral is realised and the residual receivable is unsustainable. When a financial asset is written off from the statement of financial position in whole or in part, the impairment on the financial asset is removed from the calculation of accumulated impairment, cf. note 9.

The bank continues its collection efforts after the assets have been written off, with the measures depending on the specific situation. The bank essentially tries to enter a voluntary agreement with the customer, including renegotiation of terms or reconstruction of a business, such that debt collection or bankruptcy proceedings are only put to use when other measures have been tried.

STATEMENT OF PROFIT OR LOSS

Interest, fees and commissions, etc.
Interest income and expenses are recognised in the statement of profit or loss and other comprehensive income in the period to which they relate.

Interest income from deposits and interest expense to central banks are presented separately in the statement of profit or loss.

Received interest on credit-impaired loans on which impairment has occurred are passed to the impaired part of the loan in question under the item "Impairment of loans and receivables" and are thus offset in impairment for the year.

Commissions and fees which are an integral part of the effective interest rate of a loan are recognised as part of the amortised cost and are therefore part of interest income under loans.
Commissions and fees which are part of an ongoing service are accrued over the loan period.

Other fees and commissions and dividends are recognised in the statement of profit or loss and other comprehensive income when the rights to them are acquired.

Staff and administration expenses
Staff and administration expenses include wages and salaries, social costs, pensions, IT costs and administrative and marketing costs.

Pension schemes
The bank has entered into defined contribution schemes with the employees. In defined contribution schemes, fixed contributions are paid to an independent pension fund. The bank has no obligation to make further contributions.

Tax
Tax for the year, which consists of current tax for the year and movements in deferred tax, is recognised in the statement of profit or loss and other comprehensive income as the portion which is attributable to the net profit for the year and directly in equity as the portion which is attributable to items in equity.

Current tax liabilities and current tax receivables are recognised in the Balance Sheet as tax calculated on taxable income for the year adjusted for tax paid on account.
Deferred tax is recognised on all temporary differences between carrying values and tax values of assets and liabilities.

Any deferred tax assets, including the tax value of tax loss carry forwards, are recognised in the statement of financial position at the value at which the asset is expected to be realised, either against deferred tax liabilities or as net assets.

STATEMENT OF FINANCIAL POSITION

Classification and measurement
According to the IFRS 9-compatible accounting regulations, classification and measurement of financial assets is done based on the business model for the financial assets and the contractual cash flows relating to the financial assets. This means that financial assets must be classified into one of the following two categories:

- Financial assets that are held to generate the contractual payments, and where the contractual payments exclusively consist of interest and repayments on the outstanding amount, are measured at amortised cost after the date of first recognition. This category includes loans at amortised cost and receivables from credit institutions.

- Financial assets that do not meet the above criteria for the business model or where the contractual cash flows do not exclusively consist of interest and repayments on the outstanding amount are initially recognised at fair value through the statement of profit or loss.

Skjern Bank does not have financial assets that are included in the measurement category for recognition of financial assets at fair value through other comprehensive income. Instead, the Bank's bond portfolio is measured at fair value through the statement of profit or loss because they are included in a trading portfolio.

Cash holdings and demand deposits with central banks
Cash holdings and demand deposits with central banks are initially recognised at fair value and then at amortised cost.

Receivables from credit institutions and central banks
Receivables from credit institutions and central banks include receivables from other credit institutions. Initially recognised at fair value plus transaction costs and minus origination fees, etc. and subsequently measured at amortised cost.

Loans
The accounting item consists of loans disbursed directly to the borrower. Loans are measured at amortised cost, which usually corresponds to the nominal value minus origination fees etc. and minus provisions for losses expected but not yet realised.

Model for impairment for expected credit losses
In accordance with the IFRS 9-compatible impairment rules, impairment is done for expected credit losses on all financial assets that are recognised at amortised cost and provisions are made according to the same rules for expected credit losses on unused credit lines, loan commitments and financial guarantees. The impairment rules are based on an expectation-based model.

For financial assets recognised at amortised cost, impairment for expected credit losses is recognised in the statement of profit or loss and the value of the asset is reduced in the statement of financial position. Provisions for losses on unused credit lines, loan commitments and financial guarantees are recognised as a reserved liability. (See also under contingent liabilities).

Stages of development in credit risk

The expectation-based impairment rules means that a financial asset etc. at the time of first recognition is impaired by an amount corresponding to the expected credit loss over 12 months (stage 1). If there is subsequently a significant increase in the credit risk compared to the time of first recognition, the financial asset is impaired by the amount corresponding to the expected credit loss in the asset's remaining life (stage 2). If impaired credit (stage 3) is discovered for the instrument, the asset is written down by an amount corresponding to the expected credit loss in the asset's remaining life, and interest income is recognised in the statement of profit or loss according to the effective interest method based on the impaired amount.

Financial assets where the customer has significant financial difficulties or where the Bank has offered easier terms due to the customer's financial difficulties are kept at stage 2 if losses are not expected in the most likely scenario.
Placement in stages and calculation of the expected loss is based on the Bank's rating models, which were developed by the data centre Bankdata and the Bank's internal credit management.

Assessment of significant increase in credit risk
In the assessment of the development of credit risk, it is assumed that a significant increase in credit risk has occurred in relation to the time of initial recognition when a downwards adjustment of the Bank's internal rating of the debtor corresponds to one rating class in the Danish Financial Supervisory Authority's rating classification guidelines.

If the credit risk on the financial asset is considered to be low on the reporting date, the asset is kept at stage 1, where a significant increase in credit risk has not occurred. Skjern Bank considers the credit risk to be low when the Bank's internal rating of the customer corresponds to 2a or better, though an overdraft for more than 30 days for a customer with an internal rating of 2a will lead to a significantly impaired credit risk. The category of assets with low credit risk also includes lending and receivables that meet the rating criterion, as well as receivables from Danish credit institutions. New customers are always placed in stage 1 unless they are credit impaired.

Definition of credit impairment and default
An exposure is defined as being impaired and as being in default if it meets at least one of the following criteria:
- The borrower is experiencing significant financial difficulties, and the Bank assesses that the borrower will not be able to honour their obligations as agreed.
- The borrower has committed a breach of contract, such as in the form of non-compliance with payment obligations for principal and interest or repeated overdrafts.
- The bank has granted the borrower easier terms than it would have granted were it not for the borrower's financial difficulties.
- It is likely that the borrower will go bankrupt or be subject to other financial reorganisation.
- The exposure has been in arrears/overdrawn for more than 90 days by an amount that is considered significant.

The definition of credit impairment and default that the Bank uses when measuring the expected credit loss and for transfer to stage 3 is in line with the definition used for internal risk management purposes.

Calculation of expected loss

The calculation of impairment on exposures in stages 1 and 2, except for the weakest exposures in stage 2, are made on a portfolio-based calculation model, while the impairment on the rest of the exposures are made through a manual, individual assessment based on three scenarios (basic scenario, a more positive scenario and a more negative scenario) with the associated likelihood that the scenarios will occur.

The portfolio model calculation is based on the Bank's division of customers into different rating classes and an assessment of the risk of loss in each rating class. The calculation occurs in a setup that is developed and maintained in Bankdata, supplemented with a predictive macroeconomic module, which is developed and maintained by LOPI, and which forms the basis for the incorporation of management's expectations for the future.

The macroeconomic module is based on a series of regression models that establish the historical correlation between impairment for the year within a number of sectors and industries and a number of explanatory macroeconomic variables.

Estimates are then applied to the regression models for the macroeconomic variables based on forecasts from consistent sources such as Det Økonomiske Råd [The Danish Economic Council], Danmarks Nationalbank etc. where the forecasts are generally for two years in the future and include variables such as increase in public consumption, increase in GDP, interest rates etc. The expected impairment is thereby calculated for up to two years in the future for each sector and industry. For maturities longer than two years and up to year 10, a projection of the impairment percentage is made such that it converges towards a normal level in year 10. Maturities longer than 10 years are given the same impairment percentage as in year 10. Finally, the calculated impairment percentages are converted into adjustment factors that correct the data centre's estimates in the individual sectors and industries. The Bank makes adjustments to these based on its own expectations for the future and based on the loan composition.

Changes in write-downs are adjusted in the statement of profit or loss and other comprehensive income under the item "Impairment of loans and receivables etc".

Bonds and shares, etc.

Bonds and shares traded on a listed stock exchange are measured at fair value. Fair value is usually determined as the official closing price on the balance date.

Unlisted securities and other equity investments (including level 3 assets) are also recognised at fair value, calculated based on what the transaction price would be in a trade between independent parties. If there is no current market data, the fair value is determined based on the published financial reports or on a return model which is based on cash flows and other available information.

Value adjustments on bonds and shares, etc. are recognised on an ongoing basis in the statement of profit or loss and other comprehensive income under the item "Exchange rate adjustments".

Pool activities
All pool assets and deposits are recognised in separate balance sheet items. Returns on pool assets and distributions to pool participants are entered under the item "exchange rate adjustments".

Land and buildings
Land and buildings include

- "Owner-occupied properties", which consist of the properties from which the bank conducts banking activities
- "Leased company domiciles", which consist of the leased properties from which the Bank conducts
- "Investment properties", which consist of all other properties the bank owns and possess in order to obtain rental income.

Owner-occupied properties are measured in the statement of financial position at revalued amount, which is the fair value determined based on the return method with a rate of return in the range of 5.6 - 7 % less accumulated depreciation and any impairment loss. Depreciation is recognised in the statement of profit or loss and revaluation is done so frequently that there are no significant differences in fair value. Increases in the owner-occupied properties' revalued amount are recognised under revaluation reserve in equity. If an increase in the revalued amount corresponds to an earlier case and is thus recognised in the statement of profit or loss in a previous year, the increase is recognised in the statement of profit or loss. A decrease in the revalued amount is recognised in the statement of profit or loss and other comprehensive income, unless there is a reversal of previous revaluations. Owner-occupied properties are depreciated linearly over 50 years based on the cost adjusted for any value adjustments where residual values are not used.

Leased company domiciles All lease agreements must be recognised by the lessee in the form of a leasing asset that represents the value of the right of use. The asset is initially recognised at present value of the lease liability including costs and any prepayments. After initial recognition, lease contracts for domicile properties are measured in the same way as other domicile properties.

At the same time, the present value of the agreed lease payments are recognised as a liability. Assets leased on short-term contracts and leased assets of low value are excluded from the requirement for recognition of a lease asset.

In calculating the properties' value, an internal interest rate in the range of 5 % - 7 % was used.

Investment properties are measured in the statement of financial position at fair value determined based on the return method. Ongoing changes in fair value of investment properties are recognised in the statement of profit or loss and other comprehensive income.

Establishment of the revalued amount of owner-occupied properties and the fair value of investment properties are associated with significant estimates. The estimates particularly relate to the establishment of required rate of return.

Other tangible fixed assets
Other tangible fixed assets, including plant and machinery, are recognised at the acquisition at cost. Then, other tangible assets and conversion of rented premises are recognised at cost minus accumulated depreciation. A linear amortisation is done over 3-5 years based on the cost and amortisations and impairment losses recognised in the statement of profit or loss.

Other assets
Other assets include interest receivable and provisions and positive market value of derivative financial instruments.

Prepayments and accrued income
Prepayments and accrued income recognised under assets include costs relating to subsequent financial years. Prepayments and accrued income recognised under liabilities include prepaid interest and guarantee provisions relating to subsequent financial years.

Liabilities to credit institutions and central banks
Items are measured at amortised cost.

Deposits and other payables
Items are measured at amortised cost.

Subordinated debt
Items are measured at amortised cost.

Hybrid core capital under equity
Hybrid core capital that meets the rules in CRR to be classified as additional tier I capital with indefinite maturity and where the payment of interest is voluntary is classified as equity.

Interest on hybrid core capital is deducted from equity.

The tax effect of the interest is recognised under current tax in the statement of profit or loss.

Other liabilities
Other liabilities include interest payable and provisions and negative market value of derivative financial instruments and debt to Danmarks Nationalbank.

Provisions
Assurances, guarantees and other liabilities which are uncertain in terms of size or time of settlement are recognised as provisions when it is probable that the liability will result in financial resources flowing out from the bank and the liability can be measured reliably. The liability is calculated at the present value of the costs required to settle the liability.

Treasury shares
Acquisition and disposal and dividends from treasury shares are recognised directly under equity.

Derivative financial instruments
All derivative financial instruments, including forward contracts, futures and options in bonds, shares or currency, as well as interest and currency swaps, are measured at fair value on the balance date.

Exchange rate adjustments are included in the statement of profit or loss and other comprehensive income.

Positive market values are recognised under other assets, while negative market values are recognised under other liabilities.

Contingent liabilities
The bank's outstanding guarantees are disclosed in the notes under the item "Contingent liabilities". The liability relating to outstanding guarantees which are assessed to lead to a loss for the bank is provisioned under the item "provisions for loss on guarantees". The liability is expensed in the statement of profit or loss under "Impairment of loans and receivables etc". Non-financial guarantees, cf. IFRS 9, are not included in stages 1 and 2.

Financial highlights
Key figures and ratios are presented in accordance with the requirements in the Danish Executive Order on the Presentation of Financial Statements.

Notes

Note	DKK 1,000	2024	2023
2	INTEREST INCOME		
	Centralbanks	80.144	69.572
	Loans and other receivables	427.806	374.407
	Loans (interest conc. the written-down part of loans)	-7.699	-7.933
	Bonds	19.494	20.130
	Other derivative financial instruments, total of which	3.549	5.948
	Interest-rate contracts	-358	-192
	Currency contracts	3.907	6.140
	Other interest income	71	10
	Total	**523.365**	**462.134**
3	INTEREST EXPENSES		
	Deposits	92.792	50.848
	Subordinated debt	6.583	6.592
	Other interest expenses	1.842	1.388
	Total	**101.217**	**58.828**

No income or expenses are entered from genuine purchase or repurchase contracts in notes 2 and 3.

Note	DKK 1,000	2024	2023
4	FEES AND COMMISSION INCOME		
	Securities trading and custody accounts	24.887	23.609
	Payment services	19.114	17.286
	Loan fees	81.927	78.394
	Guarantee commission	28.458	27.872
	Other fees and commission	47.545	41.453
	Total	**201.931**	**188.614**
5	VALUE ADJUSTMENTS		
	Bonds	8.736	13.049
	Total shares	16.476	22.833
	- Shares in sectorcompanies etc	13.095	18.100
	- Other shares	3.381	4.733
	Foreign currency	12.820	11.320
	Other financial instruments	2	-24
	Assets linked to pooled schemes	-273.029	-100.970
	Deposits in pooled shemes	273.029	100.970
	Total	**38.034**	**47.178**

As the bank essentially operates deposits and lending activity in its local areas, the division of market areas is not specified for notes 2-5.

Note	DKK 1,000	2024	2023
6	STAFF COSTS AND ADMINISTRATIVE EXPENSES		
	Salaries and remuneration of audit committee, managers etc.		
	Management incl. pensioncontribution*)	5.629	4.904
	Of which fixed remuneration incl. pensioncontribution	5.629	4.904
	Management board (8 members)	2.303	1.477
	Audit Committee (3 members from the management board)	140	96
	Risk Committee (3 members from the management board)	140	80
	Nomination Committee (3 members from the management board)	40	0
	Committee of representatives	182	183
	Total salaries and remuneration of board etc	**8.434**	**6.740**

*) In the period 1/1 2023 - 30/6 2023 there is only one member of the management. From 1/7 2023 - 31/12 2023 there are two members of the management.
Both members have a company car.

	2024	2023
Staff costs		
Wages and salaries	126.485	114.919
Pensions	14.749	13.329
Social security costs	1.898	1.839
Payroll tax	17.735	19.232
Total staff costs	**160.867**	**149.319**
Salary to management and special risk takers (11 persons in 2023, 11 persons in 2024)	13.132	11.962
Pensions to management and special risk takers (11 persons in 2023, 11 persons in 2024)	1.141	1.036

The bank has no employees with variable salary shares.

	2024	2023
Other administrative expenses		
IT expenses	60.056	52.177
Rent, electricity, heating etc	2.207	3.392
Postage, telephony etc	1.139	1.027
Other administrative expenses	47.764	42.877
Total other administrative expenses	**111.166**	**99.473**
Total staff costs and administrative expenses	**280.467**	**255.532**

Note	DKK 1,000	2024	2023

Pension and severance terms for the executive board
Managing Director:
Pension is not paid.
In the event of resignation as a result of retirement, Skjern Bank pays a severance payment equivalent to 6 months of salary. Skjern Bank's notice of termination to the Managing Director is 12 months, but up to 48 months in the event of a change in ownership. The Managing Director's notice period to the bank is 6 months.
Bank Director:
11.65 % is paid in annual pension, which is contribution-based through a pension company in which the payments are expensed continually. Skjern Bank's notice of termination to the Bank Manager is 12 months, but up to 24 months in the event of a change of ownership. The Bank Director's notice period to the bank is 6 months.

The Board's pension terms
No pension is paid to the Board

Special risk takers' pension terms
The special risk takers receive 11,25 % of their respective salary grades in annual pension, which is contributionbased through a pension company in which the payments are expensed continually.

	2024	2023
Average number of employees during the financial year converted into full-time employees		
Employed in credit institution business	199	190
Total	**199**	**190**

7 INCENTIVE AND BONUS SCHEMES

The bank does not have any incentive or bonus schemes.

8 AUDIT FEE

	2024	2023
Total remuneration to the auditors appointed by the Annual General Meeting who perform the statutory audit	**1.064**	**630**
Honorariums for statutory audits of financial statements	748	475
Honorariums for assurance services	106	55
Honorariums for tax advice	0	0
Honorariums for other services	210	100

Honorariums for other declarations of certainty concerning statutory declarations to public authorities and Nets. Honorariums for tax advice concerning advice on tax matters. Other services relating to review in connection with the recognition of current profits in the capital base and accounting advice.

9 WRITE-DOWNS ON LOANS AND RECEIVABLES

	2024	2023
Write-downs and provisions during the year	194.040	139.865
Reversal of write-downs made in previous years	-164.851	-110.100
Finally lost, not previously written down	2.072	7.206
Interest on the written-down portion of loans	-7.699	-7.933
Recoveries of previously written off debt	-5.386	-1.400
Total	**18.176**	**27.638**

Note	DKK 1,000	2024	2023
10	TAX		
	Calculated tax of income of the year	94.343	84.722
	Adjustment of deferred tax	-906	1.000
	Adjustment of tax calculated in previous years	-2.905	410
	Total	**90.532**	**86.132**
	Tax paid during the year	98.514	85.160
	EFFECTIVE TAX RATE (%)	(Pct.)	(Pct.)
	Current corporate tax in Denmark	22,00	22,00
	Special tax for financiel companies in Denmark	4,00	3,20
	Non deductable costs and not taxable income	-0,50	-0,41
	Adjustment of tax calculated for previous years	0,00	0,12
	Other adjustments	0,12	0,12
	Effective tax rate	**25,62**	**25,02**
11	RECEIVABLES AT CREDIT INSTITUTIONS AND CENTRAL BANKS		
	Receivables at credit institutions	79.480	60.630
	Total	**79.480**	**60.630**
	Remaining period		
	Demand	79.480	60.630
	Total	**79.480**	**60.630**

No assets related to genuine purchase and resale transactions included.

Note	DKK 1,000	2024	2023
12	LOANS AND OTHER DEBTORS AT AMORTISED COST PRICE		
	Remaining period		
	Claims at call	2.472.854	2.621.799
	Up to 3 months	175.201	141.872
	Over 3 months and up to 1 year	812.515	686.260
	Over 1 year and up to 5 years	1.342.608	1.165.872
	Over 5 years	2.159.350	2.110.526
	Total loans and other debtors at amortised cost price	**6.962.528**	**6.726.329**
	DEVELOPMENT IN WRITE-DOWNS AND PROVISIONS RELATING TO FINANCIAL ASSETS AT AMORTIZED COST AND OTHER CREDIT RISKS		
	STAGE 1 IMPAIRMENT CHARGES		
	Stage 1 impairment charges at the end of the previous financial year	44.907	18.030
	Stage 1 impairment charges / value adjustment during the period	11.174	39.593
	Stage 1 impairment reversed during the period	-36.320	-12.716
	Cummulative stage 1 impairment total	**19.761**	**44.907**
	STAGE 2 IMPAIRMENT CHARGES		
	Stage 2 impairment charges at the end of the previous financial year	117.214	149.203
	Stage 2 impairment charges / value adjustment during the period	84.345	35.758
	Stage 2 impairment reversed during the period	-77.641	-67.747
	Cummulative stage 2 impairment total	**123.918**	**117.214**
	STAGE 3 IMPAIRMENT CHARGES*		
	Stage 3 impairment charges at the end of the previous financial year	147.647	123.522
	Stage 3 and impairment charges / value adjustment during the period	94.614	60.910
	Reversal of stage 3 impairment charges during the period	-45.081	-27.733
	Recognised as a loss, covered by stage 3 impairment charges	-27.382	-9.052
	Cummulative stage 3 impairment total	**169.798**	**147.647**
	Total cumulative impairment charges IFRS9	**313.477**	**309.768**

Note	DKK 1,000	2024	2023
	PROVISIONS		
	Provisions beginning of the year	13.416	11.716
	Provisions during the year	3.907	3.604
	Reversal af provisions	-5.809	-1.904
	Provisions for losses	0	0
	Guarantees end of year	**11.514**	**13.416**
	Total cumulative impairment charges IFRS9 and guarantees	**324.991**	**323.184**

	Stage 1	Stage 2	Stage 3
Beginning			
Impairment	44.907	117.213	147.648
- in % of total impairment	14%	38%	48%
Maximum credit risk	12.432.169	1.337.371	349.054
- in % of maximum credit risk	88%	9%	2%
Rating, weighted average	2,6	6,5	10,0
End			
Impairment	19.761	123.917	169.798
- in % of total impairment	6%	40%	54%
Maximum credit risk	13.442.037	1.318.561	367.200
- in % of maximum credit risk	89%	9%	2%
Rating, weighted average	2,3	6,3	10,0

Crises around the world have created renewed uncertainty in the Danish and global economy. Amongst other things, the war in Ukraine, which began in February 2022, and the Gaza War, which broke out in October 2023, where there is still a risk of escalation despite a peace agreement signed in January 2025.

In autumn 2024, the Danish government introduced a carbon tax for agriculture, which will be phased in until 2030, a mileage tax for the transport industry from 1 January 2025, and more taxes related to the environment/ESG area can be expected, which overall is estimated to have some impact on the Bank's business customers.

As an overall risk assessment of the above, the Bank has maintained a management estimate of DKK 100 million as of 31 December 2024.

The Bank made an estimate of increased impairment rates for the private, business and agriculture segments in the event of an economic downturn, which amongst other things means the Bank has updated macro-factors, benchmark calculations etc.

The total management estimate of DKK 100 million is divided by DKK 10.0 in stage 1 (2023: DKK 34.5 million), by DKK 70.0 million in stage 2 (2023: DKK 52.1 million) and by DKK 20.0 in stage 3 (2023: DKK 13.4 million).

Refer to note 31 for a description of ratings.

	2024	2023
Loans etc. with suspended calculation of interest	**53.480**	**79.762**

Note	DKK 1,000	2024	2023
13	BONDS AT FAIR VALUE		
	Treasuries	600.525	740.509
	Mortgage credit bonds	0	0
	Other bonds	11.562	11.529
	Total bonds at fair value	**612.087**	**752.038**
	The bank has no held-to-maturity assets		
14	SHARES ETC		
	Quoted on Nasdaq OMX Copenhagen A/S	18.410	19.511
	Quoted on other stock exchanges	18.161	15.688
	Sectorshares recorded at fair value	261.194	248.076
	Total shares etc	**297.765**	**283.275**
15	SHARES ASSOCIATED WITH POOL SCHEMES		
	Investment units	1.989.717	1.590.630
	Cash deposits etc.	3.276	2.206
	I alt	**1.992.993**	**1.592.836**
16	LAND AND BUILDINGS		
	Investment properties		
	Fair value - end of previous financial year	3.019	3.019
	Acquisitions during the year incl. improvementsr	67	0
	Fair value end-of-year	**3.086**	**3.019**
	Owner occupied properties		
	Reassessed value - end of previous financial year	55.250	47.868
	Acquisitions during the year incl. improvements	11.805	17.770
	Depreciations	-1.815	-1.677
	Value changes recognized in the income statement	-4.906	-8.711
	Reassessed value end-of-year	**60.334**	**55.250**

External experts have not been involved by measurement of investment- and owner-occupied properties. Return method is used for measurement of investment and owner-occupied properties where used required rate of return between 5.6-7 %.

Owner-occupied properties (leasing)		
Beginning of the year	19.284	16.317
Acquisitions during the year incl. improvements	0	5.616
Depreciations	-1.658	-2.649
End of the year	**17.626**	**19.284**

Note	DKK 1,000	2024	2023
17	OTHER TANGIBLE ASSETS		
	Total cost price beginning-of-year	27.653	24.506
	Acquisitions during the year incl. Improvements	4.295	3.453
	Reduction during the year	0	-306
	Total cost price beginning-of-year	**31.948**	**27.653**
	Total write-ups/downs and depreciations beginning-of-year	21.121	19.131
	Depreciations during the year	3.272	2.296
	Reversal of depreciations	0	-306
	Total write-ups/downs and depreciations end-of-year	**24.393**	**21.121**
	Book value end-of-year	**7.555**	**6.532**
18	DEBT TO CREDIT INSTITUTIONS AND CENTRAL BANKS		
	Debt to credit institutions	2.977	2.385
	Total debt to credit institutions and central banks	**2.977**	**2.385**
	Term to maturity		
	Demand	2.977	2.385
	Total debt to credit institutions and central banks	**2.977**	**2.385**
	No liabilities related to genuine sale and repurchase transactions included		
19	DEPOSITS AND OTHER DEBTS		
	Demand	7.026.220	7.015.907
	At notice	15.627	16.365
	Time deposits	1.225.393	611.866
	Special types of deposits	625.910	640.118
	Total deposits and other debts	**8.893.150**	**8.284.256**
	Term to maturity		
	Demand	7.049.876	7.036.192
	Desposits redeemable at notice:		
	Up to 3 months	425.141	303.414
	Over 3 months and up to 1 year	906.618	402.991
	Over 1 year and up to 5 years	61.376	65.748
	Over 5 years	450.139	475.911
	Total deposits and other debts	**8.893.150**	**8.284.256**
	No liabilities related to genuine sale and repurchase transactions included.		
20	DEFERRED TAXATION		
	(Tax amount)		
	Tangible assets	10.168	10.533
	Loans and other receivables	-5.745	-5.368
	Other	101	265
	Total deferred taxation	**4.524**	**5.430**

Note	DKK 1,000	2024	2023
21	SUBORDINATED DEBT		
	Supplementary capital DKK 100 mio	99.335	99.335
	Rate	6,4573%	6,4573%
	Due date	20.05.2030	20.05.2030

The loan may be paid early with the Danish Financial Supervisory Authority's approval starting on 20 May 2025 and then on each interest payment date.

The interest rate is determined as the 6-year swap rate plus a premium of 6.3 percentage points, valid for 6 years from date of issue.

Note	DKK 1,000	2024	2023
	Subordinated debt total	**99.836**	**99.335**
	Subordinated debt that may be included in the capital base	99.836	99.335
	Interest on subordinated liabilities recognised in income	6.583	6.592
22	**SHARE CAPITAL**	**192.800**	**192.800**
	Number of shares is 9,640,000 at DKK 20 each		

The bank has pr. 31. December 2023 14,474 registered shareholders. 96,12 % of the share capital are registered on name

23 HOLDERS OF HYBRID CAPITAL

Note	DKK 1,000	2024	2023
	Hybrid core capital	**61.281**	**61.148**
	Rate	8,6632%	8,6632%
	Due date	No date	No date

The hybrid core capital has an infinite maturity and payment of interest is voluntary, which is why it is treated as equity for accounting purposes. The loan can be repaid early on 14 September 2026 with the approval of the Danish Financial Supervisory Authority.

As of 14 September 2026, the interest rate will be changed to a half-year variable coupon rate corresponding to the CIBOR rate published by Nasdaq OMX for a term of 6 months with the addition of 8.80 % annually.

Note	DKK 1,000	2024	2023
24	OWN CAPITAL SHARES		
	Purchase and sales of own shares		
	Holdings beginning of the year		
	Number of own shares	6.461	4.713
	Nominal value of holding of own shares (DKK 1,000)	129	94
	Own shares proportion of share capital	0,07	0,05
	Addition		
	Number of own shares	71.300	82.400
	Nominal value of holding of own shares (DKK 1,000)	1.426	1.648
	Own shares proportion of share capital	0,74	0,85
	Purchase price (DKK 1,000)	12.729	11.001
	Disposal		
	Number of own shares	70.175	80.652
	Nominal value of holding of own shares (DKK 1,000)	1.404	1.613
	Own shares proportion of share capital	0,73	0,84
	Sale price (DKK 1,000)	12.608	12.650
	Holdings end of the year		
	Number of own shares	7.586	6.461
	Nominal value of holding of own shares (DKK 1,000)	152	129
	Own shares proportion of share capital	0,08	0,07

At the Annual General Meeting, the bank requests that shareholders be allowed to acquire up to a total nominal value of 3% of the bank's share capital, cf. the provisions in the Danish Budget Act (finansloven), Section 13, paragraph 3. The bank has asked the Danish Financial Supervisory Authority for a framework for holding of treasury shares of 0.25% of the bank's total share capital. The bank wants this authorisation in order to always be able to meet customers' and investors' demand for purchasing and selling Skjern Bank shares and the net acquisitions in 2024 are a consequence of this.

Note		2024	2023
25	CONTINGENT LIABILITIES		
	Guarantees		
	Finance guarantees	864.294	384.934
	Guarantees against losses on mortgage credit loans	216.545	753.010
	Registration and conversion guarantees	563.192	562.309
	Other contingent liabilities	172.319	157.165
	Total	**1.816.350**	**1.857.418**
	Other binding engagements		
	Irrevocable credit-undertakings	350.510	437.263
	Total	**350.510**	**437.263**

Note	DKK 1,000	2024	2023

Assets pledged as collateral

The bank has pledged cash for a total of DKK 10 million.

Contract Legal obligations

If the control of the bank changes, there will be a number of agreements that will end or the terms will be changed. Withdrawal from the data center Bankdata, where, depending on the given change, a severance allowance corresponding to 5 times the last year's bill for Bankdata may be applied. All other agreements are considered to be immaterial.

Like other Danish financial institutions, Skjern Bank is liable for loss sustained by the Deposit Guarantee Fund.
The most recent calculation of Skjern Bank's share of the industry's assurances to the Deposit Guarantee Fund is DKK 26,5 million, which is 0,83 %.

In 2024, Skjern Bank paid 0,6 mio DKK to Afviklingsformuen (Settlement Assets).

The Bank is a tenant in one leases, which can be terminated with 12 months' notice, the yearly lease is 178 TDKK.

26 LAWSUITS ETC.

As part of ordinary operations, the bank is involved in disputes and lawsuits. The bank´s risk in these cases are evaluated by the bank´s soliciters and management on an ongoing basis, and provisions are made on the basis of an evaluation of the risk of loss.

27 RELATED PARTIES

Loans and warranties provided to members of the bank's management board, board of directors and committee of representatives are on marked-based terms.

Transactions with related parties

There have during the year not been transactions with related parties, apart from wages and salaries, etc. and loans and similar.

Wages and considerations to the bank's management board, board of directors, audit commitee and committee of representatves can be found in note no. 6.

There are no related with control of the bank.

Amount of loans, mortgages, guarantees, with accompanying security for members of the management and related parties mentioned below:

Management:	2024	2023
Loans	2.064	1.486
Bid Bond	400	1.100
Rate of interest	5,65 - 6,81 %	5,9 - 7,06%
Board of directors:		
Loans	3.398	4.039
Bid Bond	1.749	2.683
Rate of interest	2,9 - 7,90%	3,9 - 7,95%

Note	DKK 1,000	2024	2023
	Holding of shares in Skjern Bank:		
	The board of managers	34.659	33.878
	Per Munck	10.854	9.526
	Thomas Baun		
	The board of directors		
	Hans Ladekjær Jeppesen	11.115	11.115
	Bjørn Jepsen	5.286	5.286
	Niels Erik Kjærgaard	300	300
	Finn Erik Kristiansen	1.941	1.941
	Ole Strandbygaard	22.735	24.964
	Merete Lundøe Hilmann	110	24.964
	Lars Skov Hansen	744	744
	Carsten Jensen	2.630	2.549
	Michael Tang Nielsen	1.941	1.088
28	CAPITAL REQUIREMENT		
	Equity	1.801.515	1.580.909
	Proposed dividend	-33.740	-48.200
	Share buyback framework	-33.740	0
	Holders of hybrid capital	-61.281	-61.148
	Deduction for the sum of equity investments etc. above 10 %	-91.432	-105.241
	NPE	-17.576	-7.470
	CVA deduction	-913	-1.038
	Deduction of trading framework for own sharers	-5.061	-3.458
	Core tier 1 capital	**1.557.772**	**1.354.354**
	Holders of hybrid capital	61.148	61.148
	Tier 1 capital	**1.619.053**	**1.415.502**
	Deduction for the sum of equity investments etc. above 10 %	99.335	99.335
	Subordinated loan capital	0	-629
	Capital base	**1.718.889**	**1.514.208**
	Weighted items		
	Credit risk	5.637.100	5.496.142
	Market risk	239.999	219.126
	Operational risk	1.097.530	926.343
	Weigthed items total	**6.974.629**	**6.641.611**
	Core tier 1 capital ratio (excl. hybrid core capital)	**22,3**	**20,4**
	Tier 1 capital ratio	**23,2**	**21,3**
	Solvency ratio - Tier 2	**24,6**	**22,8**

Note

29 CURRENT VALUE OF FINANCIAL INSTRUMENTS

Financial instruments are measured in the statement of financial position at either fair value or at cost.
Fair value is the price which would be received from the sale of an asset or which will be paid to transfer a liability in a normal transaction between market participants on the measurement date. For financial assets and liabilities valued on active markets, the fair value is calculated based on observable market prices on the market date. For financial instruments valued on active markets, the fair value is calculated based on generally accepted valuation methods.

Shares, etc. and derivative financial instruments are measured in the accounts at fair value so that recognised values correspond to fair value. Loans are recorded in the bank's statement of financial position at amortised cost. The difference to fair value is calculated as fees and commissions received, expenses incurred through lending transactions, interest receivable which is first due for payment after the end of the financial year and for fixed-rate loans, also the variable interest rate, which is calculated by comparing the current market rate with the loans' nominal interest rate.

The fair value of receivables from credit institutions and central banks is determined by the same method as for loans, since the bank does not currently recognise impairments on receivables from credit institutions and central banks.

Bonds issued and subordinated liabilities are measured at amortised cost. The difference between the carrying amount and fair value is calculated based on rates in the market of its own listed emissions.

For floating rate financial liabilities in the form of lending and payables to credit institutions measured at amortised cost, the difference fair value is estimated to be interest payable which is first due for payment after the end of the financial year.

For fixed-rate financial liabilities in the form of lending and payables to credit institutions measured at amortised cost, the difference to fair value is estimated to be interest payable which is first due for payment after the end of the financial year and the variable interest rate.

DKK 1,000	2024		2023	
	Book value	Fair value	Book value	Fair value
Financial assets				
Cash in hand+claims at call on central banks	3.082.942	3.082.942	2.345.718	2.345.718
Claims on credit institutes and central banks 1)	79.480	86.029	60.630	66.829
Loans and other debtors at amort. costprice 1)	6.962.528	6.974.960	6.726.792	6.740.185
Total financial assets	**10.124.950**	**10.143.931**	**9.133.140**	**9.152.732**
Financial liabilities				
Debt to credit institutions and central banks 1)	2.977	2.977	2.385	2.385
Deposits and other debts 1)	8.893.150	8.882.896	8.281.555	8.281.542
Subordinated debt 1) 2)	102.948	102.948	102.514	102.514
Total financial liabilities	**8.999.075**	**8.988.821**	**8.386.454**	**8.386.441**

1) The entry includes calculated interest on the balance sheet date, which is included in "Other assets" and "Other liabilities".
2) Applied the latest quoted trading price at the balance sheet date

Note DKK 1,000

30 RISKS AND RISK MANAGEMENT

Skjern Bank is exposed to various types of risks which are controlled at various levels within the organisation.
Skjern Bank's financial risks consist of:

Credit risk:
Risk of losses due to debtors' or counterparties' default on payment obligations.

Market risk:
Risk of losses resulting from the fair value of financial instruments and derivative financial instruments fluctuating due to changes in market prices. Skjern Bank classifies three types of risk for the market risk area:
Interest rate risk, equity risk and currency risk.

Liquidity risk:
Risk of losses due to financing costs rising disproportionately, the risk that Skjern Bank is prevented from maintaining the adopted business model due to a lack of financing/funding or ultimately, the risk that Skjern Bank cannot honour incoming payment obligations when due as a result of a lack of financing/funding.

Evaluation of securities:
The bank is exposed to the sectors agriculture and real-estate. The Bank has in the assessment of collateral in agricultural exposures used acres of arable land prices in the range of 125 TDKK - 165 TDKK. In the real-estate sector is used return requirement in the range 5% - 10%. Valuations in both agricultural exposures as real-estate exposures are made in accordance with the FSA's current guidance. The Bank notes that estimating the value of collateral is generally associated with uncertainty.

The following notes to the annual report contain some additional information and a more detailed description of the bank's credit- and market risks.

Note	Figures in pct.	2024	2023
31	CREDIT RISKS		
	Loans and guarantees distributed on sectors		
	Public authorities	0,0	0,0
	Business:		
	Agriculture, hunting, forestry & fishing	8,2	10,4
	- Plant production	1,2	2,0
	- Cattle farming	3,8	5,4
	- Pig farming	2,5	2,1
	- Mink production	0,1	0,2
	- Other agriculture	0,6	0,8
	Industry and mining	5,8	3,9
	Energy	0,8	1,1
	Building and constructions	5,4	6,0
	Wholesale	6,7	7,4
	Transport, hotels and restaurants	2,9	0,7
	Information and communication	0,5	0,1
	Financial and insurance business	3,2	6,5
	Real-esate	7,4	8,0
	Other business	2,3	2,4
	Total business	43,2	46,4
	Private persons	56,8	53,6
	Total	**100,0**	**100,0**

The industry breakdown is based on Danmarks Statistik's industry codes etc.

Furthermore, an individual assessment is made of the individual exposures, which has resulted in some adjustment.

Earmarked credit limit divided by exposure, guarantees and credit commitments

	2024 (DKK 1,000) Exposure	2024 (DKK 1,000) Guarantees	2024 (DKK 1,000) Credit-undertakings
Public authorities	0	0	0
Business - agriculture	993.866	55.288	42.000
Business - other	4.051.547	389.110	248.715
Private persons	5.267.703	1.371.952	59.795
Total	**10.313.116**	**1.816.350**	**350.510**
Which recognized in the balance after deduction of depreciation	6.962.528		

Note

	2023 (DKK 1,000) Exposure	2023 (DKK 1,000) Guarantees	2023 (DKK 1,000) Credit-under-takings
Public authorities	0	0	0
Business - agriculture	1.058.214	157.200	0
Business - other	4.009.403	454.358	366.670
Private persons	4.897.638	1.245.861	70.593
Total	**9.965.255**	**1.857.419**	**437.263**
Which recognized in the balance after deduction of depreciation	6.726.329		

Description of collateral

Security distributed by type (DKK 1,000)	2024 Business, agriculture	2024 Business, other	2024 Private
Securities	24.358	134.405	140.067
Real property	649.013	1.273.675	2.953.880
Chattels, vehicles and rolling stock	33.372	954.280	796.776
Guarantees	2.093	39.297	2.254
Other forms of security	125.894	564.429	645.839
Total	**834.730**	**2.966.086**	**4.538.816**

Security distributed by type (DKK 1,000)	2023 Business, agriculture	2023 Business, other	2023 Private
Securities	34.097	128.463	114.499
Real property	653.685	1.286.753	2.696.517
Chattels, vehicles and rolling stock	27.701	920.248	720.706
Guarantees	4.389	64.375	481
Other forms of security	190.988	567.115	925.669
Total	**910.860**	**2.966.954**	**4.457.872**

As a general rule, the bank receives security in the funded asset. In addition, security is taken in the form of guarantees and mortgagesin parts and shares. The above list reflects the loan value attributable to the individual exposures.

The loan value reflects the fair value calculated in accordance with the bank's business process with a security margin of 10 - 60%,though less by government bonds.

The bank strives to reduce the calculated balance (maximum credit exposure excluding credit commitments less value of collateral andtotal write-downs) across the entire customer portfolio.

In 2024, this resulted in a blank of DKK 3.479 million. This is a rise of DKK 302,1 million compared to 2023.

Note DKK 1,000

31.12.2024

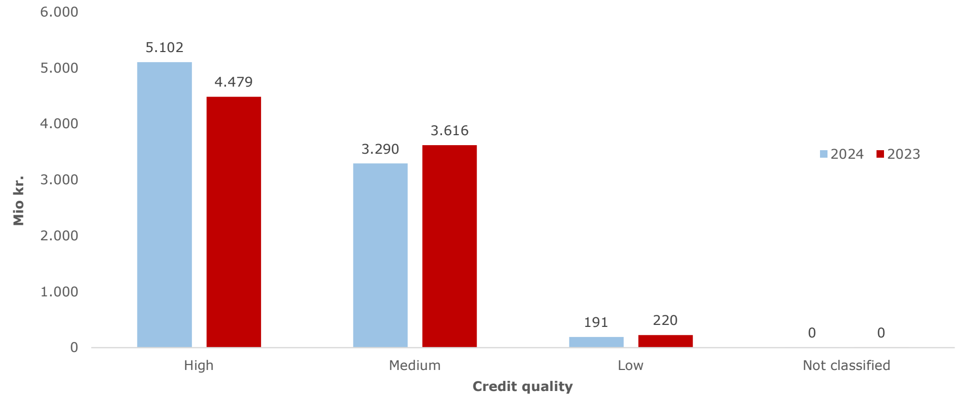
Financial assets, loan commitments and financial guarantees. Instruments without significant increase in credit risk (stage 1)											
Rating classification	1	2	3	4	5	6	7	8	9	10	Total
Industry group											
Public authorities	1.750	0	0	0	0	0	0	0	0	0	1.750
Agriculture	162.433	285.964	65.555	234.675	199.830	4.498	7.139	150	1.870	0	962.115
Property	304.276	155.945	128.500	107.959	87.544	30.543	3.379	1.020	1.575	0	820.742
Other	1.251.146	459.608	786.603	228.333	238.150	76.209	20.139	85.737	17.197	0	3.163.122
Private	2.079.730	1.239.095	498.103	816.931	867.813	50.423	22.934	46.842	57.248	0	5.679.120
Deposits at Danmarks Nationalbank	2.991.876	0	0	0	0	0	0	0	0	0	2.991.876
Accounts with other banks	1.184	60.000	113.921	4.000	0	0	0	0	0	0	179.104
Instruments without significant increase in credit risk (stage 2)	**6.792.395**	**2.200.612**	**1.592.682**	**1.391.899**	**1.393.337**	**161.673**	**53.591**	**133.750**	**77.890**	**0**	**13.797.829**
Instruments for which impairment has been recognised corresponding to expected credit losses in their lifetime (stages 2 and 3)											
Rating classification	1	2	3	4	5	6	7	8	9	10	Total
Industry group											
Agriculture	0	0	750	42.011	2.116	7.690	33.072	4.736	2.297	0	92.673
Property	0	0	0	14.976	8.670	17.897	2.000	1.777	12.771	0	58.090
Other	0	0	0	148.277	152.509	65.050	14.953	12.036	56.025	0	448.850
Private	606	50	2.400	164.958	191.442	30.063	6.860	9.820	77.189	0	483.388
Deposits at Danmarks Nationalbank	0	0	0	0	0	0	0	0	0	0	0
Accounts with other banks	0	0	0	250	3.000	429	0	0	0	0	3.679
Instruments with significant increase in credit risk (stage 2)	**606**	**50**	**3.150**	**370.471**	**357.737**	**121.129**	**56.885**	**28.370**	**148.281**	**0**	**1.086.679**
Industry group											
Agriculture	0	0	0	0	0	0	0	0	0	68.711	68.711
Property	0	0	0	0	0	0	0	0	0	135.418	135.418
Estate agents and other property administration	0	0	0	0	0	0	0	0	0	2.866	2.866
Other	0	0	0	0	0	0	0		0	211.262	211.262
Private	0	0	0	0	0	0	0	0	0	174.042	174.042
Credit-impaired instruments (stages 3 and 2 weak)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**592.300**	**592.300**
Instruments for which impairment has been recognised corresponding to expected credit losses in their lifetime)	**606**	**50**	**3.150**	**370.471**	**357.737**	**121.129**	**56.885**	**28.370**	**148.281**	**592.300**	**1.678.979**
Total financial assets, loan commitments and financial guarantees.	**6.793.001**	**2.200.662**	**1.595.833**	**1.762.370**	**1.751.074**	**282.801**	**110.476**	**162.119**	**226.171**	**592.300**	**15.476.808**
Work guarantees etc. not covered by IFRS9											
Rating classification	1	2	3	4	5	6	7	8	9	10	Total
Total	**189.775**	**217.341**	**102.718**	**96.127**	**65.709**	**3.329**	**0**	**4.103**	**1.850**	**11.400**	**692.353**
Total	**6.982.777**	**2.418.003**	**1.698.551**	**1.858.498**	**1.816.783**	**286.130**	**110.476**	**166.222**	**228.021**	**603.700**	**16.169.161**

Note DKK 1,000

31.12.2023

Financial assets, loan commitments and financial guarantees. Instruments without significant increase in credit risk (stage 1)											
Rating classification	1	2	3	4	5	6	7	8	9	10	Total
Industry group	2.000	0	0	0	0	0	0	0	0	0	2.000
Agriculture	154.698	226.766	150.359	162.083	331.220	8.786	7.443	23.768	27.307	0	1.092.431
Property	217.657	275.874	201.012	75.218	63.668	15.719	5.794	1.878	10.175	0	866.996
Other	1.114.684	472.097	675.956	400.918	355.285	132.719	34.245	91.086	36.620	0	3.313.610
Private	1.787.300	1.122.821	377.885	760.305	976.557	45.557	33.364	47.138	54.587	0	5.205.514
Deposits at Danmarks Nationalbank	2.233.180	0	0	0	0	0	0	0	0	0	2.233.180
Accounts with other banks	0	60.000	95.700	0	0	0	0	0	0	0	155.700
Instruments without significant increase in credit risk (stage 2)	**5.509.519**	**2.157.558**	**1.500.913**	**1.398.524**	**1.726.731**	**202.782**	**80.847**	**163.869**	**128.688**	**0**	**12.869.432**
Instruments for which impairment has been recognised corresponding to expected credit losses in their lifetime (stages 2 and 3)											
Rating classification	1	2	3	4	5	6	7	8	9	10	Total
Industry group											
Agriculture	0	0	0	12.175	27.741	8.545	14.811	4.327	7.871	0	75.470
Property	0	0	0	10.703	5.714	35.633	3.395	1.493	19.689	0	76.627
Other	0	0	2	108.741	82.094	95.652	14.578	20.244	24.846	0	346.157
Private	0	50	27	190.479	223.830	46.844	6.422	12.739	58.101	0	538.492
Accounts with other banks	0	0	0	2.750	3.000	420	0	0	0	0	6.170
Instruments with significant increase in credit risk (stage 2)	**0**	**50**	**29**	**324.848**	**342.378**	**187.094**	**39.206**	**38.803**	**110.507**	**0**	**1.042.915**
Industry group											
Agriculture	0	0	0	0	0	0	0	0	0	125.787	125.787
Property	0	0	0	0	0	0	0	0	0	100.379	100.379
Estate agents and other property administration	0	0	0	0	0	0	0	0	0	8.377	8.377
Other	0	0	0	0	0	0	0		0	258.949	258.949
Private	0	0	0	0	0	0	0	0	0	150.019	150.019
Credit-impaired instruments (stages 3 and 2 weak)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**643.511**	**643.511**
Instruments for which impairment has been recognised corresponding to expected credit losses in their lifetime)	**0**	**50**	**29**	**324.848**	**342.378**	**187.094**	**39.206**	**38.803**	**110.507**	**643.511**	**1.686.426**
Total financial assets, loan commitments and financial guarantees.	**5.509.519**	**2.157.608**	**1.500.941**	**1.723.372**	**2.069.109**	**389.875**	**120.053**	**202.673**	**239.195**	**643.511**	**14.555.857**
Work guarantees etc. not covered by IFRS9											
Rating classification	1	2	3	4	5	6	7	8	9	10	Total
Total	**148.214**	**167.901**	**62.140**	**133.070**	**111.450**	**15.675**	**6.565**	**3.315**	**6.378**	**23.727**	**678.436**
Total	**5.657.733**	**2.325.509**	**1.563.082**	**1.856.442**	**2.180.560**	**405.551**	**126.618**	**205.988**	**245.574**	**667.237**	**15.234.293**

Credit-quality on loans which are neither in arrears not written down *



*) Calculated based on the guidelines for accounting reports for credit institutions and investment companies, etc. regarding thresholds for reporting credit quality classes. Where high credit quality is the classes 3 and 2a, medium credit quality is class 2b and low credit quality is class 2c.

Reasons for individual write-downs and provisions incl stage 2 weak

	2024 Exposure before write-down	2024 Write-downs	2024 Securities
Significant financial difficulties	392.167	158.944	263.272
Breach of contract	3.436	3.142	751
Reductions in terms	4.321	3.113	1.206
Probability of bankruptcy	49.546	32.053	28.913
Total	**449.470**	**197.252**	**294.142**

	2023 Exposure before write-down	2023 Write-downs	2023 Securities
Significant financial difficulties	399.691	120.010	306.733
Breach of contract	4.045	3.435	1.089
Reductions in terms	3.864	2.308	1.043
Probability of bankruptcy	78.418	52.635	57.052
Total	**486.018**	**178.388**	**365.917**

Note	DKK 1,000	2024	2023

The calculation of securities does not include the value of guarantees and transports. Collateral is calculated at the customer level.
The collateral value of securities in the above table reflects the fair value calculated in accordance with the Bank's business process with a security margin of 10 - 60 %. In connection with the calculation of expected loss, other haircuts are used for security values that reflect the estimated fair value at the time the security is expected to be sold, depending on the type of security. There will thus be differences between the collateral value of securities and the valuation of securities when calculating expected loss. Management estimates are not included in the calculation of impairment losses.

	2024	2023
Arrears amount for loans, which have not been written down		
0-90 days	16.315	27.386
>90 days	191	2.017
Total	**16.506**	**29.403**
Loans and arrears amount for loans, which have not been written down		
0-90 days	165.458	226.246
>90 days	1.315	2.438
Total	**166.773**	**228.684**

Practice for managing credit risk
The bank's credit risk is managed by debtors and other counterparties being rated based on various models that are mainly based on the debtor's/counterparty's financial capacity.
In addition to the models, a number of checks are made to ensure a correct rating. The ratings, both in the models and the checks, are largely based on the Danish Financial Supervisory Authority's guidelines on risk classification.
However, the bank uses a 10-step rating scale that can be compared with the Danish Financial Supervisory Authority's scale in the following way:

The bank's rating class	1	2	3	4	5	6	7	8	9	10
The Danish Financial Supervisory Authority's risk class	3/2A	3/2A	3/2A	2B	2B	2B	2B	2B	2C	1

Rating 1 is assets with very good credit quality, while rating 10 is impaired assets.
The credit risk is assessed to have increased significantly if the rating has deteriorated since initial recognition corresponding to one step on the Danish Financial Supervisory Authority's risk scale.
However, this does not apply to assets with low credit risk, which are defined as the Danish Financial Supervisory Authority's risk classes 3 and 2A.
Whether or not it is an asset with a low credit risk, the credit risk is considered to have increased significantly if the asset is overdrawn for more than 30 days, though arrears on loans are essentially considered an impairment.
Examples of assets with and without significantly impaired credit risk:

	Example 1	Example 2	Example 3
Starting risk class	3	2A	2A
Current risk class	2A	2A	2B
Overdrawn for 30 days	No	Yes	No
Significantly impaired credit risk	No	Yes	Yes

The bank’s exposures are grouped by industry in the following groups based on DS industries:

Industry
Government Agencies
Agriculture etc.
Industry and raw materials
Energy
Building and construction
Transport
Information and communication
Financing
Property etc.
PI and mortgage
Other industries
Private

At least once a year, all assets with a rating of 9 (the Danish Financial Supervisory Authority’s risk class 2C) are reviewed to assess whether the asset is impaired. In addition to this, a sample is taken from the other rating classes once a year for the same purpose.

All loan options that are handled in the Credit Department by the bank’s Executive Board or Board of Directors are also assessed for any impairment. A financial asset is considered impaired if one or more events have occurred that have a negative impact on the expected cash flows from the asset.

Common to the assets is that the following factors are included in the assessment:
- Arrears, overdrafts and/or the bank has discontinued repayment for the asset
- Other creditors have granted a deferment or other easier terms
- The customer is only in this financial context due to a variable-interest loan or repayment freedom, or because the loan has otherwise been offered on easier terms
- The customer is in RKI (Ribers Credit Information), has significant tax debt or distraint has been levied
- The customer is associated with other customers who have impaired credit

When assessing business customers, the following factors are included:
- Negative or fragile equity ratio
- Negative or decreasing consolidation
- Tight liquidity
- Uncertain/negative future
- The customer applies for reconstruction or an agreement to avert bankruptcy
- The customer is bankrupt

When assessing private customers, the following factors are included:
- Negative assets and/or small available amount
- Uncertain future e.g. due to unemployment, divorce or illness
- The customer takes out loans to cover expenditures
- The customer applies for debt relief or an agreement to avert bankruptcy

Information base, assumptions and assessment methods in assessing expected credit loss

Assets with or without significant increase in credit risk

The bank’s credit losses are measured based on the following formula:
ECL = PD x LGD x EAD

Where:
- PD is the probability that the asset will impaired
- LGD is the expected loss, provided the asset is impaired
- EAD is the expected exposure in terms of loss

The probability that the asset will be impaired (PD) is composed of several factors:

- PD at 12 months of credit loss = PD - 12 months x macro factors
- PD in the asset’s lifetime = PD - 12 months x macro factors x extension factors

Calculation of 12 months of credit loss or credit loss in the asset’s lifetime is determined as described in ”Practice for managing credit risk”. Three factors are used for this: Starting risk class, current risk class and overdraft for 30 days.
Information base, assumptions and assessment methods for each factor are described in the overview below.

Factor	Information base	Assumptions	Assessment methods
PD - 12 months	The bank's statistics on cus-tomers for 01.01.2017 - 30.06.2024 distrib-uted by rating class and private and business by DS industry codes	The proportion of custom-ers with impaired credit during the period and the selected groups are repre-sentative of the upcoming 12 months. However, see "Macro factors".	PD is the proportionate num-ber of customers in the men-tioned groups who have impaired credit during the period.
Extension factors	Calculated extension factors from BankData	The factors are representa-tive of the bank's custom-ers. The bank has provided data for the calcula-tions.	Calculated based on histori-cal PD figures from 6 small financial institu-tions in the years 2010-2016.
The asset's lifetime	Settlement agreements for assets, as well as calculated average matur-ities from BankData	Loans are settled as agreed (other-wise the loan is impaired). Credits with renegotiation typically run longer than the initial negotiation.	A loan with a calculated residual maturity of 8 years will have loss estimated for 8 years, with the balance ex-pected for each year. A credit with renegotiation of 10 months will be calculated with the size of the credit on the reporting date in 5 years.

Note

Factor	Information base	Assumptions	Assessment methods
Macro factors	Factors calculated with Lokale Pengeinstitutter's (The Association of Local Banks, Savings Banks and Coopera-tive Banks in Denmark) mac-ro-tools based on forecasts.	The factors are representa-tive of the bank's custom-ers in the near future. The factors were phased out of the model over 10 years, as the extension factors are considered to contain suffi-cient cyclical balancing.	The two variables that must be entered in the tool were selected based on the bank's historical loss data in the years 2013-2023. Factor 1 will limit the increase in the macro from year to year. Factor 1 was chosen based on the greatest increase experienced during the period, so there is not actually a limitation. Factor 2 is a conversion factor between the bank's impairment and realised loss. Factor 2 is set to 100, as there are indications, but not documentation, that the bank's impairment have historically been greater than the realised loss. Both are thus determined based on a principle of caution.
LGD	The bank's statistics for realised loss on assets that were impaired during the period 1/1/2012 to 30/06/2024. The loss rates are divided into private and business according to DS indus-try codes.	The loss rate is representa-tive of the future loss in the mentioned groups.	The loss rate is the realised loss in relation to EAD. To the degree possi-ble, EAD is cal-culated based on the expo-sure one year before the asset was found to be im-paired, and the value of the collateral is not deduct-ed so that it is consistent with the application of the loss calculation.
EAD	EAD is calculated based on expo-sures divided by type. Each type is multiplied by a Credit Conversion Factor, which is determined based on the principles of article 11 of CRR. The value of collat-eral is not deduct-ed when calculating expected loss.	EAD in relation to the expo-sure's size divided by type of asset is expected to remain unchanged in the future	For example, EAD for a credit will be calculated as: Used part x 100% + unused part x 20%. All exposures except for non-finan-cial guarantees are included in the calculation of EAD.

Factor	Information base	Assumptions	Assessment methods
Starting risk class	The as the asset's initial recognition date is the exposure's establish-ment date or the date the exposure is subsequently extended by 50% or more. Since June 2017, assets have been labelled with a starting rating. To the degree possible, previous labels are entered based on the bank's methods for rating on the date of initial recognition.	The return on the asset reflects the risk on the date of establishment (and when there are major increas-es).	Ratings over time are care-fully converted to the current 10-step scale. If there is no initial rating, the loss is recognised in the asset's lifetime, except for assets with low risk (Rating class 1-3)
Current risk class	The customer's rating class on the reporting date	The rating reflects the credit risk	See "Practice for managing credit risk"
Overdrawn for 30 days	The facility's balance and credit facility	If the facility is overdrawn for more than 30 days, the credit risk has increased significantly	There is no minimum thresh-old for overdrafts or offset-ting of any deposits on the customer's other facilities

When using the mentioned macro factors, predictive information is taken into account.
No changes to important assumptions and assessment methods have occurred during the accounting period.

Assets that are impaired
See "Practice for managing credit risk" regarding assessment of whether the asset is impaired.
When calculating the credit loss, the available existing information on the reporting date is used, as well as expectations for future development.

The credit loss on impaired exposures is calculated based on the following criteria:

Exposure in thousands of DKK	Industry	Calculation
0-150	Everyone	The entire exposure is written off as a credit loss
150 -	Private	The credit loss is calculated weighted based on a minimum of 3 scenarios determined by the cause of the credit impairment
150-	Industries except agriculture	The credit loss is calculated weighted based on a minimum of 3 scenarios determined by the cause of the credit impairment
150-	Agriculture	The credit loss is calculated weighted based on a minimum of 3 scenarios

The calculations include the following parameters:
Cause of credit impairment, scenario weight, EAD, value of collateral, expected settlement ability/dividends.
Information base, assumptions and assessment methods for each parameter are described in the overview below.

Note

Factor	Information base	Assumptions	Assessment methods
Cause of credit impairment	The cause of the customer's credit impairment registered by the bank	The probability of each scenario is the same for each cause: Probability of bankruptcy, breach of contract, easier terms and significant financial difficulties	When stating the reason the guidelines in Appendix 10 of the Executive Order are followed
Scenario weight	Exposures that have impaired credit during the period 1/1/2014 – 30/06/2024 where the case has been closed	The historical distribution of scenarios is representative of the credit loss on customers with similar causes and industries. The number of zero-losses fluctuates with the economic trend.	The distribution of exposures by percentage is calculated based on a placement in one of the three scenarios: Zero-loss, Sale and Collapse. The percentage of zero-losses is then reduced in relation to a cyclical factor calculated based on the bank's impairment and provisions during the period 2007-2023.
EAD	Exposure on the reporting date	See under EAD in the table above	See under EAD in the table above
Value of collateral	Current assessments less costs and expected reductions. There are generally greater reductions for a collapse scenario than a sales scenario.	The actual assessment is the closest we can get to a real selling price until the sale is final. Less reductions are expected if the customer cooper-ates with a sale than if it is a forced sale	For agriculture, reductions are used based on histori-cal documentation. There are little experience with other exposures. Reduc-tions are thus estimated based on a precautionary principle.
Expected settlement ability/dividends	Availability calculations for private customers, operating profit and budgets/periodic results for business custom-ers, dividend statements from bankruptcies	The basis indicates something about the ability to settle the expo-sure	Great caution is taken with recognition. If the customer is no longer cooperating with the bank, the settlement ability is generally not recognised

When using the cyclical factors under "Scenario weight", predictive information is taken into account.

32 MARKET RISKS AND SENSITIVITY INFORMATION

In connection with Skjern Bank's monitoring of market risk, a number of sensitivity calculations, which include market risk variables, have been carried out.

Interest rate risk

In the event of a general increase in interest rates by 1 percentage point in the form of a parallel shift of the yield curve, equity is affected as shown below

Note	DKK 1,000	2024	2023
32	Interest rate risk on debt instruments etc - total	8.571	6.531
	Interest rate risk in pct of core capital after deductions	0,5	0,5
	Interest rate risk split in currencies with highest risk:		
	DKK	8.722	6.677
	EUR	-100	-118
	CHF	-3	-22
	JPY	0	0
	USD	-74	-19
	Other	26	13
	Total	**8.571**	**6.531**
	Foreign currency risk		
	Total assets in foreign currency	195.420	166.524
	Total liabilities in foreign currency	127.428	145.441
	In the event of a general change in exchange rates of 10%, and in the euro of 2.25%,		
	Currency Indicator 1 will also be increased	1.162	1.295
	Currency indicator 1 in pct of core capital after deductions	0,1	0,1
	In the event of a general change in exchange rates of 10%, and in the euro of 2.25%,		
	Currency Indicator 2 will also be increased	18	14
	Currency indicator 2 in pct of core capital after deductions	0,0	0,0

Currency Indicator 1 represents the sum of the respective positions in the currencies in which the bank has a net asset position, and currencies where the bank has net debt.

Currency Indicator 2 expresses the bank's currency risk more accurately than indicator 1, as it takes into account the different currencies' volatility and covariation.

A value of indicator 2 of TDKK 25 means that as long as the bank does not change its currency positions in the following 10 days, there is a 1% chance that the institution will get a capital loss greater than TDKK 25, which will affect the bank's profit and equity.

Equity Risk

If stock prices change by 10 percentage points, equity is affected as shown below:

		2024	2023
Quoted on Nasdaq OMX Copenhagen A/S		1.841	1.951
Quoted on other stock exchanges		1.816	1.569
Unquoted shares recorded at fair value		26.119	24.808
Total shares etc.		**29.777**	**28.328**

33 DERIVATE FINANCIAL INSTRUMENTS

Derivatives are used solely to hedge the bank's risks. Currency and interest rate contracts are used to hedge the bank's currency and interest rate risks. Cover may not be matched 100%, so the bank has own risk. However, this risk is minor.

Note	DKK 1,000	2024 Nominal value	2024 Net market-value	2024 Market-value-positive	2024 Market-value-negative	2023 Nominal value	2023 Net market-value	2023 Market-value-positive	2023 Market-value-negative
	Currency-contracts								
	Up to 3 months	219.490	79	146	67	267.226	59	131	72
	Over 3 months and up to 1 year	198.948	-75	0	75	142.390	-93	0	93
	Average market value			1.229	1.322			1.874	1.776
	Interest-rate contracts								
	Up to 3 months	293.706	-262	78	340	208.691	-222	1.072	1.294
	Over 3 months and up to 1 year	3.012	3	15	12	28.910	-35	235	270
	Average market value			809	1.124			1.089	1.382
	Shares contracts								
	Up to 3 months	0	0	0	0	0	0	0	0
	Average market value			0	0			0	0

DKK 1,000	2024	2023
Credit risk on derivative financial instruments		
Positive market value, counterparty with risk weighting of 20 %	2.441	3.370
Positive market value, counterparty with risk weighting of 50%	2.021	772
Positive market value, counterparty with risk weighting of 75%	855	1.031
Positive market value, counterparty with risk weighting of 100%	1.645	3.735
Positive market value, counterparty with risk weighting of 150%	2	5
Total	**6.964**	**8.913**

Unsettled spot transactions	Nominal value	Market-value-positive	Market-value-negative	Market-value-net
Foreign-exchange transactions, purchase	610	2	-	2
Foreign-exchange transactions, sale	698	3	-	3
Interest-rate transactions, purchase	14.305	8	3	5
Interest-rate transactions, sale	12.555	20	3	17
Share transactions, purchase	3.736	24	103	-79
Share transactions, sale	3.736	107	26	81
Total 2024	**35.640**	**164**	**135**	**29**
Total 2023	**66.887**	**276**	**221**	**55**

Note	DKK 1,000	2024	2023	2022	2021	2020
34	5 YEARS IN SUMMARY					
	Profit and loss account					
	Net income from interest	422.148	403.306	254.324	205.575	190.244
	Dividend on shares	16.452	5.603	4.485	2.657	2.089
	Charges and commission, net	196.418	184.625	204.914	172.738	155.181
	Income from core business	**635.018**	**593.534**	**463.723**	**380.970**	**347.514**
	Value adjustments	38.034	47.178	-30.830	20.181	26.513
	Other ordinary income	4.785	2.525	2.078	3.487	1.977
	Staff cost and admin. expenses	280.467	255.532	234.038	207.517	193.929
	Depreciation of intangible and tangible assets	13.885	15.333	6.620	7.337	5.195
	Other operating expenses	665	623	477	480	234
	Write-downs on loans etc. (net)	18.176	27.638	2.703	-15.227	32.874
	Operating result	**364.644**	**344.111**	**191.133**	**204.531**	**143.772**
	Taxes	90.532	86.132	40.894	41.230	28.131
	Profit for the year	**274.112**	**257.979**	**150.239**	**163.301**	**115.641**
	Of which are holders of shares of hybrid core capital instruments etc.	5.287	5.287	5.287	5.289	6.487
	Balance as per 31st December					
	Summary					
	Total assets	13.249.767	11.966.911	11.228.493	9.978.498	8.974.467
	Loans and other receivables	6.962.528	6.726.329	5.464.400	4.719.737	4.224.773
	Guarantees etc	1.816.350	1.857.418	2.024.207	2.690.680	2.630.139
	Bonds	612.087	752.038	861.733	941.900	959.506
	Shares etc	297.765	283.275	231.757	208.217	201.220
	Deposits and other debts	8.893.150	8.284.256	7.840.474	7.027.670	6.463.735
	Subordinated debt	99.836	99.335	98.835	98.334	97.834
	Total equity	**1.806.672**	**1.586.066**	**1.363.361**	**1.247.077**	**1.108.059**
	- of which proposed dividend	33.740	48.200	28.920	28.920	19.280
	Capital Base	**1.718.889**	**1.514.208**	**1.342.842**	**1.262.458**	**1.135.869**
	Weighted items	6.974.629	6.641.611	5.802.754	5.683.653	5.370.562

Note		2024	2023	2022	2021	2020
35	FINANCIAL RATIO (FIGURES IN PCT.)					
	Solvency ratio	24,6	22,8	23,1	22,2	21,2
	Core capital ratio	23,3	21,3	21,5	20,5	19,3
	Return on equity before tax*	22,0	24,0	15,0	17,9	13,7
	Return on equity after tax*	16,5	17,9	11,7	14,2	10,9
	Return on assets	2,1	2,2	1,3	1,6	1,3
	Earning/expense ratio in DKK	2,16	2,15	1,78	2,02	1,62
	Interest rate risk	0,5	0,5	0,9	1,1	1,3
	Foreign currency position	0,1	0,1	0,1	0,1	0,1
	Foreign currency risk	0,0	0,0	0,0	0,0	0,0
	Loans etc. against deposits					
	Statutory liquidity surplus	66,8	71,2	60,8	60,0	60,9
	NSFR	1,37	1,24	1,35	1,42	-
	LCR	360,0	331	352	353	351
	Total large commitments	118,2	120,6	106,9	114,4	118,3
	Loans and debtors at reduced interest	0,6	0,9	0,6	0,6	0,9
	Accumulated impairment ratio	3,6	3,6	3,8	3,8	4,9
	Impairment ratio for the year	0,2	0,4	0,1	-0,2	0,4
	Increase in loans etc. for the year	3,5	23,1	15,8	11,7	-2,3
	Ratio between loans etc. and capital funds	3,9	4,2	4,0	3,8	3,8
	(value per share 100 DKK)					
	Earnings per share*	139,5	131,1	75,3	103,4	56,8
	Book value per share*	906	791	676	616	544
	Rate on Copenhagen Stock Exchange	1.050	718	610	518	352
	Dividend per share	17,5	25	15	15	10
	Market value/net income per share	7,5	5,5	8,1	5,0	6,2
	Market value/book value*	1,16	0,91	0,90	0,84	0,65
	(value per share 20 DKK)					
	Earnings per share*	27,9	26,2	15,1	20,7	11,4
	Book value per share*	181	158	135	123	109
	Rate on Copenhagen Stock Exchange	210,0	143,5	122,0	103,5	70,4

*) Key ratios are calculated as if the hybrid core capital is accounted for as an obligation with which the key figures are calculated based on the shareholders' share of earnings and equity. Shareholders' share of earnings and equity is stated in the equity statement.

FINANCIAL CALENDER 2025

17 January	Deadline for submission of items for the agenda for the Annual General Meeting
6 February	Announcement of Annual Report 2024
3 March	General Meeting – Ringkøbing-Skjern Kulturcenter
8 May	Announcement of quarterly report 1st quarter 2025
14 August	Announcement of half-yearly report 2025
30 Ocotober	Announcement of quarterly report 3rd quarter 2025

COMMITTEE OF REPRESENTATIVES

Name	Jobposition	City	Elected	Born
Hans L. Jeppesen (board chairman)*	Lawyer	Skjern	2011	1964
Ole Strandbygaard (board vice-chairman)*	Printer	Ringkøbing	2008	1972
Jørgen Søndergaard Axelsen	Real estate agent	Skjern	2002	1960
Ebbe Storgaard Bendixen	Manager	Bramming	2020	1981
Britta Boel	Manager	Varde	2022	1976
Heine Delbing	Manager	Odense	2019	1953
Poul Frandsen	Manager	Herning	2012	1967
Peter Sehested Glargaard	Manage	Skjern	2023	1971
Bjarke Hansen	Manager	Ringkøbing	2020	1977
Ole Blach Hansen	Manager	Gørding	2021	1971
Merete Lundøe Hillmann*	Vice President	Vedbæk	2023	1969
Tom Jacobsen	Manager	Tarm	2010	1970
Mike Jensen	Bookseller	Skjern	2005	1966
Bjørn Jepsen*	Farmer	Borris	2011	1963
Niels Erik Kjærgaard*	Former city manager	Skjern	2002	1954
Birgitte Kloster	Nordic logisticdirector	Ribe	2018	1966
Dorte H. Knudsen	Nurse	Hviding	2006	1956
Finn Erik Kristiansen*	Manager	Varde	2020	1969
Karsten Larsen	Manager	Dejbjerg	2020	1979
Niels Larsen	Farmer	Ribe	2024	1983
Tommy Noer	Technical teacher	Esbjerg	2005	1954
Torben Ohlsen	Manager	Esbjerg	2020	1965
Kim Pedersen	Manager	Regstrup	2024	1956
Niels Christian Poulsen	Mink farmer	No	2006	1963
Jesper Ramskov	Manager	Esbjerg	2005	1964
Dina Reffstrup	Sales Manager	Esbjerg	2022	1973
Bente Tang	Farmer	Hanning	2006	1969
Birte Bruun Thomsen	Manager	Esbjerg	2014	1966
Poul Thomsen	Former trader	Skjern	1993	1952
Torben Tobiasen	Manager	Videbæk	2020	1977

*Members of the board of directors

BOARD OF DIRECTORS

Hans Ladekjær Jeppesen, lawyer, Skjern

Board chairman
Born 11th September 1964
Elected on the board in 2011
Current term expires in 2025

Other management duties:
Manager of KLA 2010 ApS
Board chariman of Ide Huse A/S
Board chariman of Grey Holding 2 A/S
Board chariman of Grønbjerg Grundinvest A/S
Board chariman of LHI Invest A/S
Board chariman of PE Trading A/S
Board chariman of Roslev Trælasthandel A/S
Board chariman of Specialfabrikken Vinderup A/S
Board chariman of Kjeld Andreas Ingvardsens Familiefond
Board chariman of Elin Marie Ingvardsens Familiefond
Board member of Advokatpartnerselskabet
Kirk Larsen & Ascanius
Board member of Carl C A/S
Board member of Carl C Ejendomme ApS
Board member of Gråkjær A/S
Board member of Gråkjær Holding A/S
Board member of Gråkjær Aqua A/S
Board member of GråkjærA/S
Board member of Gråkjær Landbrug A/S
Board member of Gråkjær Erhverv A/S
Board member of Grønbjerg Ejendomsselskab A/S
Board member of IFN Denmark ApS
Board member of Kastrup A/S
Board member of Kastrup Ejendomme ApS
Board member of Skanva Group A/S
Board member of Skjern Håndbold A/S
Board member of Vinduesgrossisten ApS

Bjørn Jepsen, farmer, Borris

Vice board chariman
Born 17 October 1963
Elected on the board in 2012
Current term expires in 2026

Other management duties:
Vice board chairman of Mejeriforeningen Danish Dairy Board
Board member of Arla Foods AmbA
Board member of Kvægafgiftsfonden
Board member of Mælkeafgiftsfonden
Board member of Landbrug & Fødevarer, kvæg

Niels Erik Kjærgaard, former city manager, Skjern

Born on 3 July 1954
Elected on the board in 2019
Current term expires in 2026

Other management duties:
Board chairman of Investeringsselskabet Lionek A/S
Board chairman of Iværksætterselskabet K&S ApS

Board member of Ejendomsselskabet Husumparken A/S
Board member of Ejendomsselskabet Husumparken af 2000 A/S
Board member of Fonden Remisen

BOARD OF DIRECTORS

Finn Erik Kristiansen

Born 23 April 1969
Elected on the board 2020
Current term expires 2025

<u>Other management duties:</u>
Manager of ProVarde S/I
Manager of i Bordin Holding ApS

Board chairman of Bog & Idé Aalborg Storcenter ApS
Board chairman of Kristiansen Bog & Idé A/S

Ole Strandbygaard

Born 21 February 1972
Elected on the board 2022
Current term expires 2026

<u>Other management duties:</u>
Manager of Strandbygaard A/S

Board member of Strandbygaard A/S
Board member of MOGIS A/S
Board member of OSBH Invest ApS
Board member of SH Invest, Skjern A/S
Board member of SH 1ApS
Board member of SH 2 ApS
Board member of SH 3 ApS
Board member of Lokalvækst
Board member of PrinfoDenmark A/S
Board member of Prinfo Holding A/S
Board member of Dejbjerglund Efterskole
Board member of KOSS Ejendomme ApS

Merete Lundøe Hilmann, Vice President, Vedbæk

Born 23 September 1969
Elected on the board i 2024
Current term expires 2026

<u>Other management duties:</u>
Board member in DenmarkBridge

Lars Skov Hansen, advisor, Esbjerg
Employee-selected

Born 17 May 1973
Elected on the board in 2011
Current term expires in 2027

BOARD OF DIRECTORS

Michael Tang Nielsen, finance manager, Velling
Employee-selected

Born 17 December 1977
Elected on the board in 2019
Current term expires in 2027

Carsten Jensen, advisor, Skjern
Employee-selected

Born 29 April 1980
Elected on the board in 2015
Current term expires in 2027

MANAGEMENT

Per Munck, CEO, Skjern

Born 12 November 1954
Hired 1 November 1999

Other management duties:
Boardmember of Foreningen Bankdata
Boardmember of Forvaltningsinstituttet for Lokale Pengeinstitutter
Boardmember of Fonden Remisen

Thomas Baun, bank director, Varde

Born 12 May 1976
Hired 15 August 2009
Joined the executive board 1 July 2023

AUDIT COMMITTEE SKJERN BANK

Name	Jobposition	City
Niels Erik Kjærgaard (Chairman)	Former city manager	Skjern
Finn Erik Kristiansen	Manager	Varde
Lars Skov Hansen	Advisor	Esbjerg

RISK COMMITTEE SKJERN BANK

Name	Jobposition	City
Bjørn Jepsen (Chairman)	Farmer	Borris
Ole Strandbygaard	Printer	RKB
Michael Tang Nielsen	Finance manager	Velling

NOMINATION COMMITTEE SKJERN BANK

Name	Jobposition	City
Hans L. Jeppesen (Formand)	Lawyer	Skjern
Merete Lundøe Hilmann	Vice President	Vedbæk
Carsten Jensen	Advisor	Skjern

SKJERN BANK

SKJERN
Banktorvet 3
6900 Skjern
Tlf. 9682 1333

ESBJERG
Kongensgade 58
6700 Esbjerg
Tlf. 9682 1500

RIBE
J. Lauritzens Plads 1
6760 Ribe
Tlf. 9682 1600

VIRUM
Kongevejen 159
2830 Virum
Tlf. 9682 1480

ØLGOD
Storegade 16-18
6870 Ølgod
Tlf. 9682 1540

VARDE
Bøgevej 2
6800 Varde
Tlf. 9682 1640

BRAMMING
Storegade 20
6740 Bramming
Tlf. 9682 1580

HELLERUP
Strandvejen 143
2900 Hellerup
Tlf. 9682 1450

HØRSHOLM
Lyngsø Allé 3
2970 Hørsholm
Tlf. 9682 1420

CARLSBERGBYEN
Ny Carlsbergvej 14
1799 København V
Tlf. 9682 1680