ANNUAL REPORT 2025

SKJERN BANK

PROFIT BEFORE TAX	Profit before tax DKK 344.3 million, compared to DKK 364.6 million in 2024
RETURN IN EQUITY	Equity yielded interest of 18.5% before tax
CORE EARNINGS	Core earnings DKK 343.2 million, compared to DKK 357.6 million in 2024
VALUE ADJUSTMENTS	Exchange rate adjustments of DKK 22.9 million, compared to DKK 38.0 million in 2024
NET INTEREST AND FEE IN-COME	Net interest and fee income increased by 4.1% to DKK 661.3 million
IMPAIRMENT	Impairment of DKK 8.3 million coincided with the management estimate of DKK 100 million
LENDING	Loans increased by 6.2% and amounted to DKK 7,393 million and deposits increased by 16.9% and amounted to DKK 10,395 million
CAPITAL	Capital ratio of 25.3% and individual solvency re-quirements of 10.0%
DIVIDENDS	Proposal of a dividend of DKK 3.5 per share and stock buyback of DKK 3.5 per share, corresponding to DKK 66.4 million or 26.9% of profit after tax for
EXPECTATIONS FOR 2026	Profit before tax for 2026 is expected to be in the range of DKK 310–335 million

Content

Management's financial report for 2025

A A profit before tax of DKK 344.3 million, compared to DKK 364.6 million last year, is a satisfactory result in light of the drop in the interest rate at Danmarks Nationalbank from 2.75% at the beginning of 2025 to 1.60% in June 2025. The result was positively impacted by an increase in net fee income, including dividends, which overall increased by DKK 44.2 million or 20.7%. Positive exchange rate adjustments of DKK 22.9 million, compared to DKK 38.0 million in 2024, and dividends of DKK 35.3 million, compared to DKK 16.5 million in 2024, were achieved. Staff and administration expenses etc. increased by 16.2% to DKK 325.8 million while impairment was reduced by DKK 9.5 million to DKK 8.6 million.

A very satisfactory return on equity of 19.1% before tax and 13.6% after tax was achieved.

The Bank's overall increase in loan origination, DKK 2.5 billion in 2025 compared to DKK 1.7 billion in 2024, was also very satisfactory. Lending increased by DKK 430.2 million or 6.2%. The lending growth has been achieved with good credit quality and distribution of growth, primarily focused on the private segment, providing further risk diversification. The total guarantees for customers increased by DKK 419.9 million to DKK 2,236.2 million.

Mortgage loan origination from Totalkredit and DLR Kredit amounted to a total of DKK 16.7 billion and DKK 5.7 billion, respectively.

The customers' participation in pooling schemes has increased by DKK 590.2 million, amounting to DKK 2.6 billion, and deposits have increased by DKK 1,501.7 million or 16.9%, amounting to DKK 10.4 billion. The development in all areas is very satisfactory.

There is increased activity and high customer traffic in all 11 branches of the Bank: 6 in South/West Jutland and 5 in the Copenhagen Metropolitan Area. The Bank's newest branch in Amager, which is moving into new premises at Islands Brygge in the spring, is already contributing to the Bank's growth. Thus, all the branches are very well run and are helping to raise the activity level and the number of customers. There is still great potential in all of the Bank's branches, so no branch openings are planned in 2026.

As the solid growth in business volume is expected to continue in 2026, the Bank can also deliver a strong 2026 profit before tax, which was reported on 7 January 2026 to lie in the range of DKK 310–335 million. Core earnings are expected to be in the range of DKK 315–335 million. Intense competition and a markedly lower interest rate level was experienced at the beginning of 2026 compared to the beginning of 2025 but nonetheless a very satisfactory 2026 is expected, with solid growth in business volume and very satisfactory earnings.

In light of the achieved profit, expectations for future earnings and capital surplus, a distribution of 26.9% of the profit after tax for the year, corresponding to DKK 7 per share or a total of DKK 66.4 million, shall be proposed at the Annual General Meeting. The distribution is proposed to be allocated as DKK 3.5 per share or DKK 33,207,000 in dividends and DKK 3.5 per share or DKK 33,207,000 in a share repurchase programme. See the 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. Customer satisfaction with the bank is readily apparent when measured in terms of the numerous referrals the bank's satisfied customers provide. It is very satisfying to state that approx. half of the Bank's new customers are referred by other satisfied customers. In surveys, 8 out of 10 respond that they would recommend the Bank to others. We are both proud and humbled by this. This customer satisfaction is outstanding and is absolutely crucial for solid business growth in all of the Bank's departments.

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 2025 was no exception. The satisfaction and pride in being an employee of the Bank amounted to 95.4%, which is very satisfactory.

The Bank's earnings in the form of return on equity and earnings per cost ratio amounted to 18.5% and DKK 2.01, respectively, and are considered very satisfactory in a year with significantly declining interest rates and rising costs, among other things, due to the establishment of a new branch in Amager as well as a general increase in the number of employees.

As we are working on the Bank's 2028 strategic plan, it has yet to be reported, but the primary focal areas continue to be maintaining high employee satisfaction, high customer satisfaction and earnings at the top of the sector.

The Bank's solid development, with growth in earnings and business volume, combined with a generally more positive outlook for the Bank's stock have contributed towards a positive share price trend for the Bank in 2025. At the beginning of the year, the share price was 210 and at the end of the year the share price was 285, hence an increase of 75 percentage points, equivalent to 35.7%.

Net interest income
The interest rate level at Danmarks Nationalbank was lowered by a total of 1 percentage point in 2025. 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 in 2025. The interest income on net customer loans has fallen by DKK 44.3 million to DKK 375.8 million, which is due to an interest rate level that has dropped since the second half of 2024 due to the interest rate reductions at Danmarks Nationalbank. The lending rates on the Bank's share of loans that have been impaired but continue to accrue interest amounted to DKK 9.6 million in 2025, compared to DKK 7.7 million in 2024. Interest income on the Bank's deposits at Danmarks Nationalbank declined by DKK 19.5 million in 2025 and amounted to DKK 60.6 million. Bond interest income decreased by DKK 4.0 million while derivative financial instruments and other interest income increased by DKK 1.2 million. Overall, interest income has thus decreased by DKK 66.7 million compared to last year.

Interest expenses for deposits dropped to DKK 46.3 million, compared to 92.8 million in 2024, and interest expenses for subordinated loan capital decreased by DKK 1.4 million. Other interest expenses are at the same level as in 2024.

Net interest income decreased overall by DKK 17.9 million to DKK 404.2 million, corresponding to a drop of 4.2%.

Fee income
The fee income increased by a satisfactory DKK 24.3 million (12.0%) to DKK 226.3 million. 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 11.2 million due to an increase in mortgage brokerage and loan volume in connection with home purchases and credit union loan conversions. This increase affects both the loan processing fees and earnings on bond trades. Fees for securities trading and custody accounts increased by DKK 1.6 million. The income from payment services increased by DKK 0.8 million, guarantee commission by DKK 0.6 million, and other fees and commissions by DKK 10.1 million. The Bank has significantly increased the number of customers in recent years and in the coming years will also be intently focused on non-interest-based income, including through increased activity in the housing, securities, pension and insurance areas.

In 2025, fee income as a proportion of the overall net interest and fee income was 34% versus 31% in 2024. In spite of the increase, this is still lower than the Bank's long-term goal; nonetheless it is considered satisfactory.

Dividends
In 2025, dividends from shareholdings increased by DKK 18.9 million and amounted to DKK 35.3 million, compared to DKK 16.5 million in 2024. The primary reason for the increase was dividends of DKK 22.9 million received from the Bank's shareholding in BI Holding.

Net interest and fee income
Total net interest and fee income increased by DKK 26.2 million or 4.1%.

Exchange rate adjustments
The securities markets in 2025 have been characterised by decreasing interest rates, with increasing bond prices as a result, and increasing share prices.

A capital gain of DKK 3.9 million has been realised on the shareholdings, compared to DKK 16.5 million in 2024. However, this gain should be viewed in conjunction with the dividends received from DLR Kredit and BI Holding. 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 5.8 million in 2025. The Bank continues to maintain a cautious investment policy toward bonds, which dictates short maturities and a low interest rate risk, and the total bond holdings in 2025 increased by DKK 202.3 million to DKK 814.4 million.

The total exchange rate adjustments amounted to DKK 22.9 million and, in addition to the exchange rate adjustments on bonds and stock, consisted of earnings on currency and derivative financial instruments in a satisfactory amount of DKK 13.2 million.

Expenses
Staff and administration expenses etc. increased by DKK 45.4 million, corresponding to 16.2%, from DKK 280.5 million to DKK 325.8 million. This is a large percentage-wise increase that exceeds the original budget but that still complies with a strategic decision to increase the level of activity in all branches. The number of employees in 2025 increased by 24, primarily due to the arrival of skilled employees in the line departments, but also due to new employees in the staff departments in order to handle the sizeable, satisfactory customer and activity growth. Overall, these investments are deemed to help accomplish the goal of accelerating the level of activity in the coming years.

Personnel costs increased overall by DKK 26.6 million due to the net hiring of 24 new employees and general collective bargaining wage increases. In 2025, the Bank opened its 5th branch in the Copenhagen metropolitan area. In spring 2026, the employees will move into the new surroundings at Islands Brygge. In addition, a commercial client manager and two business advisers have been hired at the Bank's business centre in Hellerup as part of the Bank's strategic plan to develop the commercial sector in the Copenhagen branches. Of the overall increase of DKK 26.6 million, DKK 4.7 million consisted of expensed severance pay and salary during the severance period for the Bank's previous Managing Director, who drew a pension on 30 June 2025.

Administrative expenses increased by DKK 9.9 million as the bank now has 11 branches, where entering into partnerships with local associations etc. helps the Bank become anchored in the local communities.

IT expenses increased by 13% as a result of both ordinary increases in expenses for the Bank's primary IT supplier Bankdata and a significant increase in the number of customers and employees. In 2025, the Bank also focused intently on supporting the Bank's customers and employees with relevant digital platforms. The Bank collaborates and develops IT solutions with Bankdata, which is one of Denmark's most important tech companies.

Data and Business Intelligence are becoming increasingly important in the financial sector – including in the Bank, where we continuously focus intently on creating value from the vast amount of data 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 customers and the Bank.

Depreciation and impairment
In 2025, there was depreciation and impairment on tangible fixed assets of DKK 8.3 million, compared to DKK 13.4 million in 2024 . The difference can be attributed to the fact that there were impairments on the Bank's administration buildings in Bramming and Hørsholm in 2024.

Impairment
Impairment has been reduced by DKK 9.6 million to DKK 8.6 million, corresponding to 0.1% 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 challenging economic prospects in general, as well as the uncertainty with the introduction of changes to agricultural framework conditions, including the regulation of nitrogen has been maintained at DKK 100.0 million at the end of 2025.

Reversal of impairment from previous accounting years amounted to DKK 131.1 million while recorded losses amounted to DKK 9.9 million, of which DKK 6.9 million had previously been written down. In total, the Bank has provisioned DKK 338.3 million to accommodate future losses, which corresponds to 3.4% of the Bank's overall loans and guarantees.

The Bank has only identified limited impairment and economic challenges with customers in 2025. The Bank's business customers are generally doing well and have sufficient financial resources, at least to withstand a potential upcoming crisis.

In 2025, no industries have accounted for a larger share of impairment in isolation. The agricultural industry has generally performed satisfactorily through 2025. In 2025, the terms of trade in pork production as well as milk production have facilitated positive operating results, despite the fact that milk prices in particular fell sharply at the end of the year in 2025.

The Bank's private customers have been doing well and are characterised by strong creditworthiness. The proportion of private customers facing financial challenges in 2026 is expected to increase marginally, which has been taken into account in the budget for 2026 and in the management estimate.

Core earnings
The expectations for core earnings have increased over the course of the year and have been achieved at DKK 343.2 million, which is nevertheless a decline of DKK 14.4 million or 4.0% compared to 2024.

Both the achieved core earnings and the profit before tax are considered very satisfactory.

Profit before tax
The expectations for profit before tax for the year have increased over the course of the year and were achieved at DKK 344.3 million, which is a decline of DKK 20.3 million or 5.6% compared to 2024.

Capital and solvency requirements
The capital ratio is calculated at 25.3% and the core capital ratio at 24.3%. The capital coverage over the course of 2025 increased compared to the end of 2024, primarily as a result of recognised profit after tax and distributions. 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 relative to the individual solvency requirements stands at 15.3 percentage points compared to 14.7 percentage points in 2024. With the deduction of the capital conservation buffer of 2.5 percentage points, the economic cycle buffer of 2.5 percentage points, NEP supplement of 5.7 percentage points and the 7% requirement on the real estate segment amounting to 0.5 percentage points, the capital coverage at the end of 2025 amounted to 4.1 percentage points, compared to 3.7 percentage points at the end of 2024.

The Bank has a goal of a surplus compared to the capital requirement of at least 4 percentage points, which is thereby met and is also expected to be fulfilled in 2026 based on the reported expectations for profit in the coming year. The Bank's long-term goal for capital reserves to remain unchanged at 5.0 percentage points.

The capital base, which consists of equity and the supplemental borrowing, has increased by DKK 127.7 million to DKK 1,846.6 million. The increase is due to profit after tax of DKK 246.5 million less interest on hybrid loans of DKK 5.3 million and a proposed distribution of DKK 66.4 million. The deduction for sector shares rose by DKK 6.7 million while the NPE deduction increased by DKK 13.8 million to a total of DKK 31.4 million.

Despite the capital base having increased by DKK 127.7 million, the capital ratio alone increased by 0.9 percentage points compared to the end of 2024. This is due to the fact that risk-weighted assets increased by DKK 330.0 million, of which exposures with credit risk increased by DKK 621 million as a result of increasing loans and guarantees. In contrast, operational risk was reduced by DKK 317.4 million due to a change in the rules for calculating this effective 1 January 2025. The solvency requirements have been calculated at 10.0%, and overall the Bank's capital reserves are considered satisfactory.

At the end of 2025, in addition to the solvency requirement, the Bank must add a capital conservation buffer of 2.5 percentage points, an economic cycle buffer of 2.5 percentage points, an NEP supplement of 5.7 percentage points and a systemic buffer of 7% of the Bank's real estate exposure, calculated at a premium of 0.5 percentage points. Including these capital requirements, the solvency coverage relative to the total capital requirements amounted to 4.1 percentage points, corresponding to DKK 297.9 million.

DKK 584.4 million of the solvency requirements, which are calculated according to the Danish Financial Supervisory Authority's credit reservation method, have been recognised. This corresponds to 8.0% for the Column 1 requirement ("Søjle 1-kravet"). Lending growth came in under 10%. As this is where it is expected to remain in 2026, no amount has been recognised for this. DKK 105.4 million has been set aside in credit risks, including "NPE backstops", where DKK 35.0 million has been reserved. The interest rate risk amounted to DKK 7.0 million while the credit spread risk amounted to 9.8 million, which adds up to a total of DKK 16.8 million under market risk as well as DKK 25.0 million for reservations under operational risks. Overall, the Bank thus has a solvency requirement of DKK 731.6 million.

The Bank's internal goal for capital coverage relative to the calculated solvency requirements plus the phased-in capital requirements at any given time is a minimum of 4 percentage points. In 2026, the NEP requirement was reduced to 5.6 percentage points from the 5.7 percentage points reserved in 2025. Aside from this change, there are no known changes to the Bank's overall capital requirements in 2026. The Bank has a goal of organic growth in business volume at a level of 6–8% in the coming years, which increases the capital base requirement. In spite of the growth in business volume, the Bank expects that the capital coverage will increase in the coming years based on the budgeted results. The Bank has a long-term goal of capital reserves of 5 percentage points, and that is the expectation.

With regards to the Bank's capital ratio, reference is also made to note 28.

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 that is not immediately deemed capable of being sold is recapitalised. The NEP requirement consists of a loss absorption amount corresponding to the solvency requirement and an NEP supplement in the form of a recapitalisation amount.

The NEP supplement of 5.7 percentage points shall be met with capital base instruments or with Senior Non-Preferred instruments that are subordinate to unsecured creditors, thus shielding the unsecured creditors in a liquidation scenario.

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 by issuing Senior Non-Preferred instruments.

The management assesses that the Bank has a solid capital base. The coverage in relation to all phased-in capital requirements of 4.1 percentage points is considered reasonable in a period when the economic cycle 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 coverage at all times to ensure that the expected growth in business volume can be safely realised while maintaining the capital coverage. For more information on capital and solvency requirements, please refer to the Bank's website: www.skjernbank.dk/banken/investor/solvensbehov.

Future capital coverage
In the coming years, the following regulatory capital buffers will be changed:

- The NEP supplement amounted to 5.7 percentage points as of 31 December 2025 and fell to 5.6 percentage points on 1 January 2026 (the NEP supplement may amount to a maximum of 6.0 percentage points).

With an NEP supplement of 5.6 percentage points, an unchanged solvency requirement of 10.0% and a systemic buffer in the real estate segment of 0.5 percentage points, the Bank's capital requirements will amount to 21.1% at the end of 2026, compared to 21.2% at the end of 2025.

The Bank expects that the budgeted and estimated 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.

Capital goals and distribution 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 Common Equity Tier 1 capital, but raising foreign capital may also be included in the future capital structure.

The bank had a capital coverage ratio of 4.1% at the end of 2025, which is above the Bank's minimum capital goal but still below the Bank's long-term capital goal of 5.0 percentage points. The greatly expanded business volume in all areas forms the basis for satisfactory future earnings at a high level, 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 received permission from the Danish Financial Supervisory Authority to carry out a share buyback programme. The Bank proposes at the Annual General Meeting to distribute DKK 7 per share or DKK 66.4 million, which amounts to 26.9% of the realized profit after tax, which is included in the current distribution policy.

The distribution of cash dividends of DKK 3.5 per share and initiation of a share buyback programme of DKK 3.5 per share is proposed. The share buyback programme shall be implemented under the "Safe harbour" regulation with the aim of cancelling the repurchased shares at a later Annual General Meeting. The share buyback programme amounts to a total of DKK 33.2 million, and a maximum of 115,000 shares for execution during the period of 3 March 2026 – 15 February 2027.

The implementation of the share buyback programme is contingent on the Board of Directors receiving authorisation to acquire treasury shares at the Annual General Meeting in March 2026.

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 ensure the Bank's strategic goals and also 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.

Distribution policy
With regard to its capital goal, the Bank wants to be stable in distributions. The goal is for distributions, either as share buybacks, cash dividends or a combination thereof, 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 base is strengthened by consolidation.

THE BANK'S IMPORTANT STAKEHOLDERS

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 base is strengthened by consolidation.

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, are 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 recommendations 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 independent survey of customer satisfaction, which is of paramount importance to the Bank, is carried out by Finanssektorens Uddannelsescenter, and for a number of years, this 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 particularly high and moreover 8 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 2025, the Bank employed 243 employees, which is an increase of 24 over the course of 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 2025 showed that 95.4% 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, which amounted to 5% for 2025 (not including pensioners), and the significant interest from qualified applicants for vacant positions. Please refer to the Bank's ESG report for more information as well as initiatives concerning the Bank's employees.

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 businesses - 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 local communities in the Bank's market segments. 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.

Expectations for 2026
The Bank has had a completely satisfactory 2025, where expectations for all areas have been met and exceeded.

Core earnings approximately 3–8% lower than the high level in 2025 are expected in 2026. The growth in business volume in 2025 and the expectations for continued growth in activity mean that despite declining interest income from both lending and liquidity reserves as well as increasing expenses, a very satisfactory result is still expected.

Profit before tax is expected to be in the range of DKK 310–335 million and core earnings are expected to be in the range of DKK 315–335 million.

In light of the satisfactory customer growth, based on referrals and relationships 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 coverage, 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 good personal finances, which are further improved by a stabilised interest rate and inflation environment as well as rising real wages for many. In recent years, the Bank has experienced tremendous growth in the number of private customers and associated business volume. The Bank expects that growth in lending in 2026 will amount to around 7%, compared to 6.2% in 2025, and that the overall business volume will continue to rise 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.

The largest exposure to the agricultural sector is toward milk producers, which have had high earnings in 2025 due to favourable trade terms and a good forage harvest. The forecast for milk prices indicates a notable drop in profitability in 2026, but the majority of the milk producers are still expected to have positive operating results.

Pork producer earnings were mediocre in 2025, but with considerable variation among both properties and production methods. The African Swine Flu outbreak in Spain has weakened the market for European pork, and earnings are expected to be lower in 2026 than in 2025.

Danish agriculture is facing a turbulent period with a new and significant nitrogen regulation beginning in 2027, which entails among other things that large areas will be put out of operation, a new CAP reform beginning in 2028 and the phasing in of a CO2 tax on livestock production beginning in 2030. The conditions involve a certain amount of uncertainty, but the element of risk is considered to be taken into account in the existing management estimates.

Lending and guarantees to agriculture account for 8.1% of the overall loans and guarantees, where the distribution is 3.5% to cattle farming, 2.8% to pig farming, 0.8% to crop farming and 1.0% to other forms of production.

The real estate segment amounts to 7.4%. The exposure in real estate is primarily within the residential rental market. The general rule for project financing is that repayment is ensured either via sale or rental before construction is started. All project financing requires 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
In autumn 2025, the Bank announced that the branch network in Greater Copenhagen had been expanded with a branch in Amager. A location has been found, and the employees move into the new facilities in spring 2026 once the rental property is refurbished and made ready for occupancy.

Over the course of the year in 2025, the Bank has upgraded its business sector initiatives in the Zealand branches with the employment of a commercial client manager and new business advisers.

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 2025 there is a volume of approximately DKK 280 million, compared to approximately DKK 250 million at the end of 2024. An increase in volume is expected in 2026.

The level of activity in all branches of the Bank has also been very high and increasing in 2025. 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 2026 and beyond.

Overall, 2026 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 does not offer its customers "off-the-shelf 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 2025. 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 430.2 million, or 6.2%, to DKK 7,393 million. Deposits from customers increased by DKK 1,502 million, or 16.9%, to DKK 10,395 million. The total guarantees for customers increased by DKK 419.9 million to DKK 2,236 million. As shown in figure 3, which shows the number of customers in each interest rate range for the loans, the Bank's lending is distributed amongst many small and medium-sized customers. Moreover, a satisfactory increase was achieved in the provision of mortgage loans via Totalkredit and DLR Kredit, and the Bank's pooled deposits and balance II are generally experiencing very strong growth.

Sustainable development

The financial sector plays a key role in helping society develop in a more sustainable direction. The Bank is aware of this responsibility and fully backs, among other things, the Forum for Sustainable Finance's 20 recommendations for Finance Denmark, which the Bank is actively working on complying with.

In the Bank's ESG report for 2025, the Bank's status on compliance with the points is presented, and the goals for the future work are described.

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 sustainable development.

Private customers must be presented with relevant opportunities, such as: making their properties more energy efficient, getting attractive financing for electric vehicles and making investments to influence sustainable development in line with the customer's sustainability preferences.

Business customers must be made aware of the opportunities and risks related to the concept of sustainability (ESG), which concern: 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 2025 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.

Moreover, it provides commercial value and makes common sense to run risk assessments both on an individual customer and a portfolio level in relation to ESG conditions. This shall also take place in future to an even greater extent due to statutory regulations in the area. Among other things, beginning in 2026, the Bank will draft a materiality analysis of ESC risks, followed by transition plans concerning the most significant ESC risks considered to potentially affect the Bank. Likewise, the requirements for the Bank's documentation of customer assessment are continuously increasing.

The Bank will do its best to balance the relationship between being able to document its assessment of customers' ESG conditions and avoiding the need for customers to face the requirement of extra reporting materials.

The ESG report can be read in full on the Bank's website, see the link on page 32.

LIQUIDITY

The Bank's goal is to maintain liquidity reserves at a continued solid level based on deposits from the Bank's customers. In 2025, the goal on deposit growth was met by increasing the total deposits to a total of DKK 10,395 million. The Bank's lending has increased less than the deposits, which has increased the liquidity coverage ratio, which is expected to be maintained at a high and very satisfactory level in 2026.

The bank's liquidity reserves are solid. The LCR (Liquidity Coverage Ratio) of DKK 3,627 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 to 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 2025 has an LCR financial ratio of 404%.

The liquidity coverage ratio measured according to NSFR (Net Stable Funding Ratio) is 146%, 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.

LIQUIDATION RESERVE

In 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 2025
No events have occurred after 31 December 2025 that significantly affect the Bank's circumstances.

Risks and risk management

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 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 risk and capital management and receive periodic reports on risk development and utilisation of the allocated risk limits.

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 that 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 guarantees. 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 adopted 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 tangible assets, liquidity, leverage and disposable income while business customers are classified on the basis of earnings, equity and solvency.

No significant changes were made to the credit policy in 2025. There is an unchanged focus on safe work procedures and routines regarding credit assessments.

The exposure to 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 743.0 million and increased by DKK 66.9 million compared to the end of 2024.

The agricultural segment, which accounts for 8.1% of the Bank's total loans and guarantees, compared to 8.2% at the end of 2024, has generally had a good year in 2025. 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 2025 and this trend is expected to continue in 2026.

The Bank wants to continue to finance renewable energy, primarily wind turbines and solar energy. The volume however amounts to less than 1% of the Bank's loans and guarantees as of 31 December 2025.

Private customers generally have solid finances and an emerging trend is seen where the weakest credit customers have been positively affected by the declining interest rates and generally lower inflation.

To counteract the elevated credit risk observed due to the geopolitical and macroeconomic situation, international conflicts such as the wars in Ukraine and between Israel and Hamas, uncertainty about the consequences of the introduction of the CO2 tax on agriculture and the outcome of the USA's tariff levies, the Bank has maintained a management estimate of DKK 100 million as of 31 December 2025. There is still no significant need for impairment 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 Danmarks Nationalbank and the stock and bond markets 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 2025, the Bank's foreign exchange risk was calculated at 0%.

Interest rate 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 deposits 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 of 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 amount to a limited share price exposure. 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 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 284.8 million
- Listed shares etc. DKK 35.9 million

A further specification of the Bank's shareholdings may be seen in note 14.

Property price risk
The Bank owns and principally only wants to own properties used for daily bank operations (owner-occupied properties), which also include residential and commercial rentals in three particular cases.

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-term 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, the Bank has drafted 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 them, 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 can otherwise be improved with a view to minimising the operational risks. Business procedures are also controlled and assessed by the Bank's compliance department and 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.

Calculation of the capital requirement for operational risk have been changed as of 1 January 2025 pursuant to the introduction of the CRR3 regulatory framework. The capital requirement is based on a calculation of the Bank's average annual earnings over the last three fiscal years. As of 31 December 2025, the amount was DKK 780.1 million, a decrease of DKK 317.4 million compared to 31 December 2024.

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 are further 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 customers and the Bank is not new as the Bank has always protected customers' data, as stated within the privacy policy and business procedures in GDPR domain. The Bank's full report on the data ethics policy can be found on the Bank's website www.skjernbank.dk/aarsrapport2025/dataetik, where the essential elements are set out below:

- Personally sensitive customer information is only received and stored when there is factual justification 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 obtaining mortgage financing.

THE SUPERVISORY DIAMOND

The Danish Financial Supervisory Authority's mandatory Supervisory Diamond specifies four benchmarks for banking activities with increased risk. At the end of 2025, the Bank did not exceed any of the benchmarks.

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. Management believes that the uncertainty is at a level that is reasonable in terms of fair presentation of the financial statements. Please refer to the description on this in note 1 Accounting policies used etc.

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 Finance Department continuously monitor compliance with relevant legislation and other regulations and provisions related to financial reporting and report on it on an ongoing basis 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 and skilled, loyal and customer-focused employees.

The Bank's reputation is characterised by being a credible and competent partner that 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, decisiveness 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 that makes a difference for customers and the local communities in which the bank operates. Employees' loyalty to the bank is therefore also an intangible key resource.

REMUNERATION POLICY
The Bank's Nomination and Remuneration Committee has, in full compliance with the Executive Board drafted the Bank's remuneration policy, which essentially states that no employee of the Bank receives any portion of their remuneration in the form of variable compensation. It has been assessed that the Bank's interests are best served in the short and long term with fixed remuneration for individual employees.
The remuneration policy for the Board of Directors and Executive Board prescribes that management receive a fixed salary, so that there is no form of incentive payments or variable compensation in the remuneration. The salary 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 report can be found on the Bank's website: www.skjernbank.dk/aarsrapport2025/vederlagsrapport

THE BOARD OF DIRECTORS' DUTIES
The Board of Directors ensures that the Executive Board 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 on an ongoing basis. The Board of Directors meets approximately every 3 weeks and 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 GENDER IN MANAGEMENT

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

The Board of Directors has adopted this policy in order to increase the proportion of the under-represented at other management levels. The other management levels (hereinafter referred to as "management") mean the registered Executive Board or individuals who are organisationally at the same level of management as the Executive Board as well as individuals responsible for personnel who report directly to one of them. These include the Managing Director, Deputy Director, Finance Director, department heads and unit level 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 in Sections 4 and 5 of kønsbalanceloven [the Gender Balance Act].

Target figures for the proportion of the under-represented gender on the Board of Directors
The Bank wants a more balanced distribution of women and men at the board level.

The Bank has set targets to have a minimum proportion of 2 women out of the total of 6 board members elected by the Committee of Shareholders by the end of 2027 and 1 woman out of the total of 3 board members elected by employees by the end of 2027.

Achievement of goals for the under-represented gender 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 gender on the Board of Directors, including meeting the set target figure. In this way, the target figures and policy for the gender composition of the Board of Directors are taken into account.

As in the current fiscal year, an employee-elected board member of the under-represented gender joined the Board of Directors, the target figure for 2027 has therefore been met for board members elected by the employees.

Target figures for the proportion of the under-represented gender 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 30% by the end of 2029 and a minimum of 40% for the Bank's other management levels by the end of 2033.

Management consists of 23 members, of which the under-represented gender represents 17%. The previous target figure was 25% for 2025.

The Bank's efforts to increase the proportion of the under-represented gender in the Bank's management
In order to achieve the specified target figure for the proportion of women in management and improve the gender composition, the Bank has implemented 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 genders, 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 individual is always hired/appointed, regardless of gender
- 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 genders and where employees, regardless of gender, 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 aforementioned concrete measures and initiatives to increase the proportion of the under-represented gender 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 gender. These measures and initiatives are for the fiscal year. An open and unbiased culture must also be fostered 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 gender for work of the same kind or work of equal value.

In the current fiscal year, there have been new hirings and appointments in management, which is why the proportion of the under-represented gender in management has changed from 16% to 17%. Five managers were employed during the fiscal year, one of whom is of the under-represented gender. 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

The Bank believes that a diverse workplace and an inclusive work 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 orientation, 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 focuses therefore on equal conditions and on the identification of candidates of both genders 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 of Directors reviews the diversity policy and potentially revises it

Diversity in the Bank's management, targets and results from 1 January – 31 December 2025

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 gender of a minimum of 2/6 by the end of 2027. For the Board of Directors elected by employees, the Bank's target is for the representation of the under-represented gender to amount to a minimum of 1/3 by the end of 2027. The target for the gender composition of board members elected by employees was achieved in 2025 as an employee-elected board member 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 targets 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 30% by the end of 2029 and 40% in management by the end of 2033.

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

Reference is made to pages 52–53, 61–62 and 81–86 of this Annual Report for supplementary information on the Bank's members of management, including information on their other managerial posts.

THE BOARD'S PROPOSAL FOR DISTRIBUTION

Based on a satisfactory profit and solid capital coverage, the Board of Directors has decided to propose a dividend for the 2025 fiscal year of DKK 33.2 million, equivalent to DKK 3.5 per share, and share buybacks in the amount of DKK 33.2 million. The total distribution thus amounts to DKK 66.4 million, equivalent to 26.9% of the profit after tax for the year.

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 Annual Report, 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 Risk Committee consists of two board members elected by the Committee of Shareholders and one employee-elected board 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 Danish Corporate Governance Committee's Recommendations on Corporate Governance and the Danish Financial Business Act.

The Committee's tasks include, amongst others:
- to propose candidates for election to the Board of Directors and draft a description of the functions and qualifications needed for this post as well as indicate the time expected to be required for this.
- the Remuneration Committee shall be responsible for the groundwork for the Board of Director's decisions concerning remuneration, including remuneration policy and other decisions about this that may have an effect 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: www.skjernbank.dk/banken/investor/investorrelations.

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 2025, 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 manner of communicating with the Bank's stakeholders is based on the Bank's core values, and the Bank strives for its key values – customer focus, presence, decisiveness and decency – to be actively used in all communication. The overall goal 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 or erroneous information, rumours or gossip negatively affect the Bank's reputation.

In crisis situations, the goal of the communication strategy is to come across as a professional and decisive organisation, where the Bank, via an open and proactive approach to issues, will be prepared to minimise the extent of the crisis and its short and long-term effects on the Bank, 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 as well as the Board of Directors' manner of managing the Bank and various election activities.

SKJERN BANK SHARES
At the end of 2025, the bank was owned by 14,260 shareholders. The Bank's share price increased during 2025 from 210.0 to 285.0. The Bank's market cap has thus increased by 35.7 % and amounted to DKK 2,747.4 million at the end of the year. When measured in comparison with the Bank's intrinsic value, the share price was 1.41 at the end of the year.

STATUTORY CORPORATE GOVERNANCE REPORT - CORPORATE GOVERNANCE

The Bank's Board of Directors and Executive Board seek to ensure at all times that the management structure and control systems are appropriate and function satisfactorily. Management regularly discusses developments in corporate governance.

The basis for organising 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 the Corporate Governance Code for the Bank is collected in a report on Corporate Governance, which is published on the Bank's website:
www.skjernbank.dk/aarsrapport2025/god-selskabsledelse

To ensure a transparent structure, the Bank has utilised the structure of 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 have not been fully or partially followed. The Bank's management generally follows the recommendations but has chosen either not to follow the recommendations or only to follow them in part in a few specific areas.

Statutory reporting on social responsibility

The Bank's ESG report also constitutes the Bank's statutory social responsibility report. In addition to the conditions mentioned on page 21, 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 terms, whistleblower schemes and social conditions in general, including the local communities in the vicinity of the Bank's branches.

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.

As a supplement to this statutory framework for reporting on social responsibility, for several years, the Bank has also voluntarily chosen to comply with a number of other recommendations in order to foster transparency about the Bank's work with sustainability.

The EU Commission's package of simplification initiatives on sustainability (Omnibus I), which amongst other things included the "Stop the clock" directive, caused the expected requirements for the Bank's sustainability reporting in the 2025 Annual Report, cf. the Corporate Sustainability Reporting Directive (CSRD), to become irrelevant. These are likewise not expected to be included in the near future due to the European simplification agenda. The Bank has instead chosen to expand its ESG report for 2025 so that it also includes the requirements of the EU's voluntary standard for sustainability reporting (VSME – Voluntary Small and Medium Enterprises).

The ESG report also includes a calculation of the carbon footprint from the Bank's lending and from customers' investments as well as ESG key performance indicators prepared in accordance with the FSR – Danish auditors, the CFA Society Denmark and the NASDAQ Copenhagen.

The ESG report containing the statutory statement of social responsibility can be read in full on the Bank's website: www.skjernbank.dk/aarsrapport2025/esg-rapport

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 2025 amounted to DKK 192.8 million, divided into 9,640,000 shares at a nominal value of DKK 20.

The Bank has one share class and the entire share capital, and thus all shares, are admitted for listing on the 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. Aside from that, there are no restrictions on the transferability of the shares.

The Bank's Board of Directors is not authorised to issue shares.

The following applies to the exercise of voting rights: Each share amount up to and including a nominal value of DKK 1,000 grants 1 vote, after which for each additional DKK 1,000 in shares, an additional 1 vote is granted. 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 individual 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 the motion is adopted by at least 2/3 of both the votes cast and of the share capital holding voting rights represented at the Annual General Meeting.

Treasury shares
The Board of Directors has the following powers concerning the opportunity to acquire treasury shares:

The Board of Directors was authorised by the Annual General Meeting to allow the Bank to acquire treasury shares on an ongoing basis up to an overall nominal value of a total of 10% of the Bank's share capital until the next ordinary Annual General Meeting, pursuant to applicable regulations, insofar as the Bank's holdings of treasury shares do not exceed 10% of the nominal share capital and the share price at the time of purchase does not deviate more than 10% from the last listed closing price at the time of purchase. The authorisation was last renewed at the Bank's Annual General Meeting on 2 March 2025.

The authorisation was used to implement a share buyback programme in 2025:

- On 4 March 2025, for a share buyback programme in the total amount of DKK 33,740,000 with implementation during the period from 4 March 2025 to 5 February 2026.

Under the share buyback programme, a total of 148,172 shares were bought back, which will be proposed for cancellation at the Bank's Annual General Meeting in March 2026.

As of 31 December 2025, the Bank owned 1.60% of the Bank's treasury shares.

AUDIT

The Danish version of the Annual Report for 2025 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

The Board of Directors and the Executive Board have on today's date discussed and approved the 2025 Annual Report for Skjern Bank A/S.

The Annual Report was prepared pursuant to statutory requirements and is moreover drafted in accordance with Danish disclosure requirements for listed financial companies.

We consider the accounting methods adopted to be appropriate and the accounting estimates made to be prudent, so that the annual accounts provide a true and fair view of the Bank's assets, liabilities and financial position as of 31 December 2025 as well as the result of the Bank's activities for the fiscal year from 1 January – 31 December 2025.

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

In our opinion, the Management Report contains a true and fair account of developments in the Bank's activities and financial circumstances and a description of the most significant risks and uncertainty factors the bank may be affected by.

The Annual Report is submitted to the Annual General Meeting for approval.

Skjern, the 5 February 2026

The management of Skjern Bank A/S

Thomas Baun
CEO

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* *Henny Houmark Bank*

Profit and loss account

Note	DKK 1,000	2025	2024
2	Interest receivable	456.660	523.365
3	Interest payable	52.420	101.217
	Net income from interest	**404.240**	**422.148**
	Dividend on shares and other holdings	35.333	16.452
4	Charges and commission receivable	226.252	201.931
	Charges and commission payable	4.559	5.513
	Net income from interest and charges	**661.266**	**635.018**
5	Value adjustments	22.937	38.034
	Other ordinary income	2.839	4.785
6	Staff costs and administrative expenses	325.832	280.467
	Depreciation and write-downs on intangible and tangible assets	8.294	13.885
	Other operating expenses	23	665
9	Write-downs	8.595	18.176
	Result before tax	**344.298**	**364.644**
10	Tax	97.825	90.532
	Net-result for the financial year	**246.473**	**274.112**
	Of which are holders of shares of hybrid core capital instruments etc.	5.287	5.287
PROPOSAL FOR DISTRIBUTION OF PROFIT			
	Dividends	33.207	33.740
	Holders of hybrid core capital instruments	5.287	5.287
	Transferred to/from retained earnings	207.979	235.085
	Total distribution of the amount available	**246.473**	**274.112**
STATEMENT OF COMPREHENSIVE INCOME			
	Profit for the financial year	246.473	274.112
	Total comprehensive income	**246.473**	**274.112**

Balance Sheet

Note	DKK 1,000	2025	2024
	ASSETS		
	Cash in hand and demand deposits with central banks	4.347.019	3.082.942
11	Receivables at credit institutions and central banks	109.800	79.480
12	Loans and other receivables at amortised cost	7.392.761	6.962.528
13	Bonds at fair value	814.410	612.087
14	Shares etc.	320.731	297.765
15	Shares associated with pool schemes	2.583.231	1.992.993
16	Holdings in associated enterprises and group enterprises	79.283	81.045
	Investment properties	3.109	3.085
	Owner-occupied properties	61.774	60.334
	Owner-occupied properties, leasing	14.400	17.626
17	Other tangible assets	6.265	7.555
	Current tax assets	4.628	14.818
	Other assets	113.630	118.418
	Prepayments	30	136
	Total assets	**15.771.788**	**13.249.767**

Note	DKK 1,000	2025	2024
	LIABILITIES		
	DEBT		
18	Debt to credit institutions and central banks	151.385	2.977
19	Deposits and other debts	10.394.828	8.893.150
	Deposits in pooled schemes	2.583.231	1.992.993
	Other liabilities	567.412	437.774
	Prepayments	1.904	327
	Total debt	**13.698.760**	**11.327.221**
	PROVISIONS		
20	Provisions for deferred tax	5.129	4.524
12	Provisions for loss on guarantees	10.948	11.514
	Total provisions	**16.077**	**16.038**
	SUBORDINATED DEBT		
21	Subordinated loan capital	74.610	99.836
	Total subordinated debt	**74.610**	**99.836**
	EQUITY		
22	Share capital	192.800	192.800
	Retained earnings	1.694.920	1.518.851
	Proposed dividend	33.207	33.740
	Capital owners share of equity	**1.920.927**	**1.745.391**
23	Holders of hybrid capital	61.414	61.281
	Total equity	**1.982.341**	**1.806.672**
	Total liabilities	**15.771.788**	**13.249.767**

Information on changes in equity

		Share capital	Proposed dividends	Hybrid capital	Retained earnings	Total
	Equity 01.01.2024	**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 proposed 2023		-48.200			-48.200
	Amortization hybrid capital			-131		-131
	Paid interest hybrid capita1			-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**
24	Purchase of own funds				-134.034	-134.034
	Sale of own shares				87.400	87.400
	Employer share scheme				14.721	14.721
	Dividend own shares				3	3
	Dividends paid 2024		-33.740			-33.740
	Amortization hybrid capital			-131		-131
	Paid interest hybrid capital			-5.023		-5.023
	Profit or loss		33.207	5.287	207.979	246.473
	Equity 31.12.2025	**192.800**	**33.207**	**61.414**	**1.694.920**	**1.982.341**

Notes

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 4 - 7,5 % 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 3.5 % - 5.5 % 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	2025	2024
2	INTEREST INCOME		
	Centralbanks	60.644	80.144
	Loans and other receivables	385.442	427.806
	Loans (interest conc. the written-down part of loans)	-9.617	-7.699
	Bonds	15.512	19.494
	Other derivative financial instruments, total of which	4.327	3.549
	Interest-rate contracts	438	-358
	Currency contracts	3.889	3.907
	Other interest income	352	71
	Total	**456.660**	**523.365**
3	INTEREST EXPENSES		
	Deposits	46.316	92.792
	Subordinated debt	5.135	6.583
	Other interest expenses	969	1.842
	Total	**52.420**	**101.217**

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

Note	DKK 1,000	2025	2024
4	FEES AND COMMISSION INCOME		
	Securities trading and custody accounts	26.524	24.887
	Payment services	19.868	19.114
	Loan fees	93.143	81.927
	Guarantee commission	29.043	28.458
	Other fees and commission	57.674	47.545
	Total	**226.252**	**201.931**
5	VALUE ADJUSTMENTS		
	Bonds	5.803	8.736
	Total shares	3.935	16.476
	- Shares in sectorcompanies etc	2.042	13.095
	- Other shares	1.893	3.381
	Foreign currency	13.253	12.820
	Other financial instruments	-54	2
	Assets linked to pooled schemes	-174.717	-273.029
	Deposits in pooled shemes	174.717	273.029
	Total	**22.937**	**38.034**

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	2025	2024
6	STAFF COSTS AND ADMINISTRATIVE EXPENSES		
	Salaries and remuneration of audit committee, managers etc.		
	Management incl. pensioncontribution*)	10.334	5.629
	Of which fixed remuneration incl. pensioncontribution	4.563	5.629
	Management board (9 members)	2.340	2.303
	Audit Committee (3 members from the management board)	140	140
	Risk Committee (3 members from the management board)	140	140
	Nomination Committee (3 members from the management board)	40	40
	Committee of representatives	197	182
	Total salaries and remuneration of board etc	**13.191**	**8.434**

*) In the period 1/1 2023 - 31/12 2024 there is two members of the management. From 1/7 2025 - 31/12 2025 there are one members of the management.
Both members have a company car.

	2025	2024
Staff costs		
Wages and salaries	141.688	126.485
Pensions	16.572	14.749
Social security costs	2.215	1.898
Payroll tax	22.242	17.735
Total staff costs	**182.717**	**160.867**
Salary to management and special risk takers (11 persons in 2025, 11 persons in 2024)	19.189	13.132
Pensions to management and special risk takers (11 persons in 2025, 11 persons in 2024)	1.047	1.141

The bank has no employees with variable salary shares.

	2025	2024
Other administrative expenses		
IT expenses	67.780	60.056
Rent, electricity, heating etc	3.059	2.207
Postage, telephony etc	1.392	1.139
Other administrative expenses	57.693	47.764
Total other administrative expenses	**129.924**	**111.166**
Total staff costs and administrative expenses	**325.832**	**280.467**

Note	DKK 1,000	2025	2024

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 24 months in the event of a change in ownership. The Managing 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.

Note	DKK 1,000	2025	2024
	Average number of employees during the financial year converted into full-time employees		
	Employed in credit institution business	218	199
	Total	**218**	**199**
7	INCENTIVE AND BONUS SCHEMES		
	The bank does not have any incentive or bonus schemes.		
8	AUDIT FEE		
	Total remuneration to the auditors appointed by the Annual General Meeting who perform the statutory audit	967	1.023
	Honorariums for statutory audits of financial statements	669	690
	Honorariums for assurance services	109	112
	Honorariums for tax advice	0	0
	Honorariums for other services	189	221

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.

Note	DKK 1,000	2025	2024
9	WRITE-DOWNS ON LOANS AND RECEIVABLES		
	Write-downs and provisions during the year	151.538	194.040
	Reversal of write-downs made in previous years	-131.138	-164.851
	Finally lost, not previously written down	3.017	2.072
	Interest on the written-down portion of loans	-9.617	-7.699
	Recoveries of previously written off debt	-5.205	-5.386
	Total	**8.595**	**18.176**

Note	DKK 1,000	2025	2024
10	TAX		
	Calculated tax of income of the year	90.259	94.343
	Adjustment of deferred tax	605	-906
	Adjustment of tax calculated in previous years	6.961	-2.905
	Total	**97.825**	**90.532**
	Tax paid during the year	92.562	98.514
	EFFECTIVE TAX RATE (%)	(Pct.)	(Pct.)
	Current corporate tax in Denmark	22,00	22,00
	Special tax for financiel companies in Denmark	4,00	4,00
	Non deductable costs and not taxable income	0,26	-0,50
	Adjustment of tax calculated for previous years	2,02	0,00
	Other adjustments	0,13	0,12
	Effective tax rate	**28,41**	**25,62**
11	RECEIVABLES AT CREDIT INSTITUTIONS AND CENTRAL BANKS		
	Receivables at credit institutions	109.800	79.480
	Total	**109.800**	**79.480**
	Remaining period		
	Demand	109.800	79.480
	Total	**109.800**	**79.480**

No assets related to genuine purchase and resale transactions included.

Note	DKK 1,000	2025	2024
12	LOANS AND OTHER DEBTORS AT AMORTISED COST PRICE		
	Remaining period		
	Claims at call	2.467.074	2.472.854
	Up to 3 months	184.264	175.201
	Over 3 months and up to 1 year	829.317	812.515
	Over 1 year and up to 5 years	1.576.369	1.342.608
	Over 5 years	2.335.737	2.159.350
	Total loans and other debtors at amortised cost price	**7.392.761**	**6.962.528**
	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	19.760	44.907
	Stage 1 impairment charges / value adjustment during the period	24.089	11.174
	Stage 1 impairment reversed during the period	-10.523	-36.320
	Cummulative stage 1 impairment total	**33.326**	**19.760**
	STAGE 2 IMPAIRMENT CHARGES		
	Stage 2 impairment charges at the end of the previous financial year	123.917	117.214
	Stage 2 impairment charges / value adjustment during the period	62.868	84.345
	Stage 2 impairment reversed during the period	-78.988	-77.641
	Cummulative stage 2 impairment total	**107.797**	**123.917**
	STAGE 3 IMPAIRMENT CHARGES*		
	Stage 3 impairment charges at the end of the previous financial year	169.798	147.647
	Stage 3 and impairment charges / value adjustment during the period	60.446	94.614
	Reversal of stage 3 impairment charges during the period	-37.073	-45.081
	Recognised as a loss, covered by stage 3 impairment charges	-6.956	-27.382
	Cummulative stage 3 impairment total	**186.215**	**169.798**
	Total cumulative impairment charges IFRS9	**327.338**	**313.475**

Note	DKK 1,000	2025	2024
	PROVISIONS		
	Provisions beginning of the year	11.514	13.416
	Provisions during the year	4.136	3.907
	Reversal af provisions	-4.554	-5.809
	Provisions for losses	-148	0
	Guarantees end of year	**10.948**	**11.514**
	Total cumulative impairment charges IFRS9 and guarantees	**338.286**	**324.991**

	Stage 1	**Stage 2**	**Stage 3**
Beginning			
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
End			
Impairment	33.326	107.797	186.215
- in % of total impairment	10%	33%	57%
Maximum credit risk	13.902.950	1.511.308	451.077
- in % of maximum credit risk	88%	10%	3%
Rating, weighted average	2,4	6,4	10,0

Crises around the world have created renewed uncertainty in the Danish and global economies. Amongst other things, the war in Ukraine, which began in February 2022, and the geopolitical situation can be mentioned. Most recently, we saw in January 2026 that the USA threatened increased tariff duties against a number of selected countries, including Denmark.

As an overall risk assessment for the above, the Bank has maintained a management estimate of DKK 100 million as of 31 December 2025.

The Bank made an estimate of 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 into DKK 20.0 million in stage 1 (2024: DKK 10 million), DKK 60.0 million in stage 2 (2024: DKK 70.0 million) and DKK 20.0 million in stage 3 (2024: DKK 20.0 million).

Refer to note 31 for a description of ratings.

	Loans etc. with suspended calculation of interest	**39.342**	**53.480**

Note	DKK 1,000	2025	2024
13	BONDS AT FAIR VALUE		
	Treasuries	802.834	600.525
	Other bonds	11.576	11.562
	Total bonds at fair value	**814.410**	**612.087**
	The bank has no held-to-maturity assets		
14	SHARES ETC		
	Quoted on Nasdaq OMX Copenhagen A/S	19.551	18.410
	Quoted on other stock exchanges	16.344	18.161
	Sectorshares recorded at fair value	284.836	261.194
	Total shares etc	**320.731**	**297.765**
15	SHARES ASSOCIATED WITH POOL SCHEMES		
	Investment units	2.580.195	1.989.717
	Cash deposits etc.	3.036	3.276
	I alt	**2.583.231**	**1.992.993**
16	LAND AND BUILDINGS		
	Investment properties		
	Fair value - end of previous financial year	3.086	3.019
	Acquisitions during the year incl. improvementsr	23	66
	Fair value end-of-year	**3.109**	**3.085**
	Owner occupied properties		
	Reassessed value - end of previous financial year	60.334	55.250
	Acquisitions during the year incl. improvements	3.270	11.805
	Depreciations	-1.830	-1.815
	Value changes recognized in the income statement	0	-4.906
	Reassessed value end-of-year	**61.774**	**60.334**

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 4-7,5 %.

Owner-occupied properties (leasing)		
Beginning of the year	17.626	19.284
Depreciations	-3.226	-1.658
End of the year	**14.400**	**17.626**

Note	DKK 1,000	2025	2024
17	OTHER TANGIBLE ASSETS		
	Total cost price beginning-of-year	31.948	27.653
	Acquisitions during the year incl. Improvements	2.043	4.295
	Total cost price beginning-of-year	**33.991**	**31.948**
	Total write-ups/downs and depreciations beginning-of-year	24.393	21.121
	Depreciations during the year	3.333	3.272
	Total write-ups/downs and depreciations end-of-year	**27.726**	**24.393**
	Book value end-of-year	**6.265**	**7.555**
18	DEBT TO CREDIT INSTITUTIONS AND CENTRAL BANKS		
	Debt to central banks	150.000	0
	Debt to credit institutions	1.385	2.977
	Total debt to credit institutions and central banks	**151.385**	**2.977**
	Term to maturity		
	Demand	151.385	2.977
	Total debt to credit institutions and central banks	**151.385**	**2.977**
	No liabilities related to genuine sale and repurchase transactions included		
19	DEPOSITS AND OTHER DEBTS		
	Demand	8.424.189	7.026.220
	At notice	16.275	15.627
	Time deposits	1.344.125	1.225.393
	Special types of deposits	610.239	625.910
	Total deposits and other debts	**10.394.828**	**8.893.150**
	Term to maturity		
	Demand	8.453.925	7.049.876
	Desposits redeemable at notice:		
	Up to 3 months	1.088.138	425.141
	Over 3 months and up to 1 year	376.616	906.618
	Over 1 year and up to 5 years	54.858	61.376
	Over 5 years	421.291	450.139
	Total deposits and other debts	**10.394.828**	**8.893.150**
	No liabilities related to genuine sale and repurchase transactions included.		
20	DEFERRED TAXATION		
	(Tax amount)		
	Tangible assets	11.369	10.168
	Loans and other receivables	-6.247	-5.745
	Other	7	101
	Total deferred taxation	**5.129**	**4.524**

Note	DKK 1,000	2025	2024
21	SUBORDINATED DEBT		
	Supplementary capital DKK 100 mio	0	99.836
	Rate	-	6,4573%
	Due date	-	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.

		2025	2024
	Supplementary capital DKK 75 mio	74.610	-
	Rate	5,1567%	-
	Due date	19.05.2035	-

The loan may be paid early with the Danish Financial Supervisory Authority's approval starting on 19 May 2030 and then on each interest payment date.

The interest rate is measured with a variable semi-annual coupon rate corresponding to the Cibor6 rate plus a credit spread of 2.95%.

		2025	2024
	Subordinated debt total	**74.610**	**99.836**
	Subordinated debt that may be included in the capital base	74.610	99.836
	Cost of admission	450	0
	Interest on subordinated liabilities recognised in income	5.135	6.583
22	**SHARE CAPITAL**	**192.800**	**192.800**
	Number of shares is 9,640,000 at DKK 20 each		

The bank has pr. 31. December 2025 14,508 registered shareholders. 97,57 % of the share capital are registered on name

23 HOLDERS OF HYBRID CAPITAL

		2025	2024
	Hybrid core capital	**61.414**	**61.281**
	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	2025	2024
24	OWN CAPITAL SHARES		
	Purchase and sales of own shares		
	Holdings beginning 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
	Addition		
	Number of own shares	679.483	634.056
	Nominal value of holding of own shares (DKK 1,000)	13.590	12.681
	Own shares proportion of share capital	7,05	6,58
	Purchase price (DKK 1,000)	134.034	102.932
	Disposal		
	Number of own shares	533.318	632.931
	Nominal value of holding of own shares (DKK 1,000)	10.666	12.659
	Own shares proportion of share capital	5,53	6,57
	Sale price (DKK 1,000)	87.400	88.720
	Holdings end of the year		
	Number of own shares	153.751	7.586
	Nominal value of holding of own shares (DKK 1,000)	3.075	152
	Own shares proportion of share capital	1,59	0,08

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 2025 are a consequence of this.

Note		2025	2024
25	CONTINGENT LIABILITIES		
	Guarantees		
	Finance guarantees	994.377	864.294
	Guarantees against losses on mortgage credit loans	223.210	216.545
	Registration and conversion guarantees	799.833	563.192
	Other contingent liabilities	218.806	172.319
	Total	**2.236.226**	**1.816.350**
	Other binding engagements		
	Irrevocable credit-undertakings	405.000	350.510
	Total	**405.000**	**350.510**

Note	DKK 1,000	2025	2024

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 28,4 million, which is 0,89 %.

In 2025, Skjern Bank paid 25 TDKK 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:	2025	2024
Loans	300	2.064
Bid Bond	0	400
Rate of interest	6,81%	5,65 - 6,81%
Board of directors:		
Loans	4.194	3.398
Bid Bond	2.589	1.749
Rate of interest	1,6 - 5,95%	2,9 - 7,90%

Note	DKK 1,000	2025	2024
	Holding of shares in Skjern Bank:		
	The board of managers		
	Thomas Baun	13.101	9.526
	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	4.490	2.441
	Ole Strandbygaard	21.235	24.964
	Merete Lundøe Hilmann	110	110
	Lars Skov Hansen	744	744
	Carsten Jensen	2.700	2.549
	Michael Tang Nielsen		1.088
	Henny Houmark Bank	1.620	
28	CAPITAL REQUIREMENT		
	Equity	1.977.185	1.801.515
	Holders of hybrid capital	-61.414	-61.281
	Proposed dividend for the financial year	-33.207	-33.740
	Deduction for expected framework for share buyback program 2026	-33.207	0
	Deduction for share buyback program framework 2025	-33.740	-33.740
	Current utilization of the share buyback program framework 2025	32.471	0
	Deduction for the sum of equity investments etc. above 10 %	-98.050	-91.432
	NPE	-31.435	-17.576
	CVA deduction	-1.138	-913
	Deduction of trading framework for own sharers	-6.869	-5.061
	Core tier 1 capital	**1.710.596**	**1.557.772**
	Holders of hybrid capital	61.414	61.281
	Tier 1 capital	**1.772.010**	**1.619.053**
	Deduction for the sum of equity investments etc. above 10 %	74.610	99.836
	Capital base	**1.846.620**	**1.718.889**
	Weighted items		
	Credit risk	6.258.225	5.637.100
	Market risk	266.524	239.999
	Operational risk	780.102	1.097.530
	Weigthed items total	**7.304.851**	**6.974.629**
	Core tier 1 capital ratio (excl. hybrid core capital)	**23,4**	**22,3**
	Tier 1 capital ratio	**24,3**	**23,2**
	Solvency ratio - Tier 2	**25,3**	**24,6**

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	2025		2024	
	Book value	Fair value	Book value	Fair value
Financial assets				
Cash in hand+claims at call on central banks	4.347.019	4.347.019	3.082.942	3.082.942
Claims on credit institutes and central banks 1)	109.800	109.983	79.480	86.029
Loans and other debtors at amort. costprice 1)	7.392.761	7.403.992	6.962.528	6.974.960
Total financial assets	**11.849.580**	**11.860.994**	**10.124.950**	**10.143.931**
Financial liabilities				
Debt to credit institutions and central banks 1)	151.385	151.385	2.977	2.977
Deposits and other debts 1)	10.394.828	10.389.640	8.893.150	8.882.896
Subordinated debt 1) 2)	76.614	76.614	102.948	102.948
Total financial liabilities	**10.622.827**	**10.617.639**	**8.999.075**	**8.988.821**

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 - 190 TDKK. In the real-estate sector is used return requirement in the range 4,5% - 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.	2025	2024
31	CREDIT RISKS		
	Loans and guarantees distributed on sectors		
	Public authorities	0,0	0,0
	Business:		
	Agriculture, hunting, forestry & fishing	8,1	8,2
	- Plant production	0,8	1,2
	- Cattle farming	3,5	3,8
	- Pig farming	2,8	2,5
	- Mink production	0,0	0,1
	- Other agriculture	1,0	0,6
	Industry and mining	4,1	5,8
	Energy	0,8	0,8
	Building and constructions	4,6	5,4
	Wholesale	6,4	6,7
	Transport, hotels and restaurants	2,5	2,9
	Information and communication	0,4	0,5
	Financial and insurance business	3,5	3,2
	Real-esate	7,4	7,4
	Other business	2,4	2,3
	Total business	40,2	43,2
	Private persons	59,8	56,8
	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

	2025 (DKK 1,000) Exposure	2025 (DKK 1,000) Guarantees	2025 (DKK 1,000) Credit-under-takings
Public authorities	0	0	0
Business - agriculture	909.841	58.391	24.823
Business - other	4.319.793	462.284	290.475
Private persons	5.981.631	1.715.552	89.702
Total	**11.211.265**	**2.236.227**	**405.000**
Which recognized in the balance after deduction of depreciation	7.392.761		

Note

	2024 (DKK 1,000) Exposure	2024 (DKK 1,000) Guarantees	2024 (DKK 1,000) Credit-under-takings
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	6.958.819		

Description of collateral

Security distributed by type (DKK 1,000)	2025 Business, agriculture	2025 Business, other	2025 Private
Securities	36.413	139.565	145.539
Real property	679.323	1.368.874	3.379.098
Chattels, vehicles and rolling stock	27.858	1.027.536	875.030
Guarantees	1.499	33.192	382
Other forms of security	137.257	610.289	803.388
Total	**882.350**	**3.179.456**	**5.203.437**

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**

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 wri-te-downs) across the entire customer portfolio.

In 2025, this resulted in a blank of DKK 3.855 million. This is a rise of DKK 375,6 million compared to 2024.

Note DKK 1,000

31.12.2025

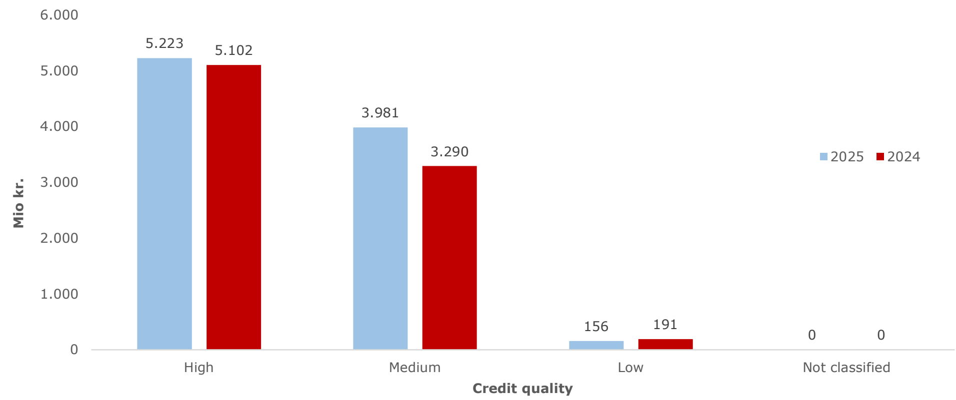
Financial assets, loan commitments and financial guarantees. Instruments without significant increase in credit risk (stage 1)											
Rating classification	1	2	3	4	5	6	7	8	9	10	Total
Industry group											
Public authorities	1.500	0	0	0	0	0	0	0	0	0	1.500
Agriculture	244.141	272.236	56.719	321.930	144.668	10.688	3.567	10.945	983	0	1.065.878
Property	336.795	301.922	163.822	95.310	80.201	31.520	3.467	20.438	16.219	0	1.049.695
Other	1.279.427	338.350	673.314	134.587	213.603	60.246	11.858	145.106	24.468	0	2.880.958
Private	2.274.203	1.434.544	478.550	1.107.612	1.001.023	75.791	17.678	44.300	47.603	0	6.481.304
Deposits at Danmarks Nation-albank	4.103.689	0	0	0	0	0	0	0	0	0	4.103.689
Accounts with other banks	2.212	60.000	110.116	4.000	0	0	0	0	0	0	176.329
Instruments without significant increase in credit risk (stage 2)	**8.241.968**	**2.407.053**	**1.482.521**	**1.663.439**	**1.439.495**	**178.245**	**36.571**	**220.790**	**89.274**	**0**	**15.759.353**
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	50.365	5.140	27.599	18.986	6.105	1.924	0	110.119
Property	0	0	0	15.125	15.888	14.371	2.950	258	7.349	0	55.941
Other	68	0	2	150.297	118.141	169.246	3.209	181.225	42.924	0	665.111
Private	565	50	65	110.393	249.690	27.133	7.223	13.857	43.281	0	452.256
Deposits at Danmarks Nation-albank	0	0	0	0	0	0	0	0	0	0	0
Accounts with other banks	0	0	0	250	3.000	0	0	0	0	0	3.250
Instruments with significant increase in credit risk (stage 2)	**633**	**50**	**66**	**326.430**	**391.859**	**238.349**	**32.368**	**201.445**	**95.478**	**0**	**1.286.678**
Industry group											
Agriculture	0	0	0	0	0	0	0	0	0	43.958	43.958
Property	0	0	0	0	0	0	0	0	0	113.752	113.752
Estate agents and other property administration	0	0	0	0	0	0	0	0	0	2.673	2.673
Other	0	0	0	0	0	0	0		0	317.951	317.951
Private	0	0	0	0	0	0	0	0	0	197.374	197.374
Credit-impaired instruments (stages 3 and 2 weak)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**675.708**	**675.708**
Instruments for which impair-ment has been recognised cor-responding to expected credit losses in their lifetime)	**633**	**50**	**66**	**326.430**	**391.859**	**238.349**	**32.368**	**201.445**	**95.478**	**675.708**	**1.962.385**
Total financial assets, loan commitments and financial guarantees.	**8.242.601**	**2.407.103**	**1.482.587**	**1.989.869**	**1.831.353**	**416.593**	**68.938**	**422.235**	**184.752**	**675.708**	**17.721.739**
Work guarantees etc. not covered by IFRS9											
Rating classification	1	2	3	4	5	6	7	8	9	10	Total
Total	**315.136**	**241.928**	**107.259**	**199.788**	**70.153**	**19.094**	**1.125**	**5.233**	**1.206**	**3.389**	**964.310**
Total	**8.557.736**	**2.649.030**	**1.589.846**	**2.189.657**	**1.901.507**	**435.687**	**70.063**	**427.468**	**185.957**	**679.097**	**18.686.049**

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	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
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**

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

	2025 Exposure before write-down	2025 Write-downs	2025 Securities
Significant financial difficulties	403.170	137.278	302.696
Breach of contract	3.555	1.810	2.022
Reductions in terms	40.464	32.640	11.570
Probability of bankruptcy	68.773	30.423	53.529
Total	**515.962**	**202.151**	**369.817**

	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**

Note	DKK 1,000	2025	2024

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.

	2025	2024
Arrears amount for loans, which have not been written down		
0-90 days	18.355	16.315
>90 days	56	191
Total	**18.411**	**16.506**
Loans and arrears amount for loans, which have not been written down		
0-90 days	135.148	165.458
>90 days	1.325	1.315
Total	**136.473**	**166.773**

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 - 30.06.2025 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 2015-2024. 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 1/1/2015 to 30/06/2025. 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 1/1/2015 – 30/06/2025 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 2010-2024.
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	2025	2024
32	Interest rate risk on debt instruments etc - total	10.184	8.571
	Interest rate risk in pct of core capital after deductions	0,6	0,5
	Interest rate risk split in currencies with highest risk:		
	DKK	10.108	8.722
	EUR	47	-100
	CHF	-4	-3
	JPY	0	0
	USD	20	-74
	Other	13	26
	Total	**10.184**	**8.571**
	Foreign currency risk		
	Total assets in foreign currency	174.975	195.420
	Total liabilities in foreign currency	240.133	127.428
	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	846	1.162
	Currency indicator 1 in pct of core capital after deductions	0,0	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	7	18
	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:

		2025	2024
Quoted on Nasdaq OMX Copenhagen A/S		1.955	1.841
Quoted on other stock exchanges		1.634	1.816
Unquoted shares recorded at fair value		28.484	26.119
Total shares etc.		**32.073**	**29.777**

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	2025 Nominal value	2025 Net market-value	2025 Market-value-positive	2025 Market-value-negative	2024 Nominal value	2024 Net market-value	2024 Market-value-positive	2024 Market-value-negative
Currency-contracts								
Up to 3 months	118.755	5	88	83	219.490	79	146	67
Over 3 months and up to 1 year	10.852	-11	6	17	198.948	-75	0	75
Average market value			3.429	3.423			1.229	1.322
Interest-rate contracts								
Up to 3 months	170.583	38	111	73	293.706	-262	78	340
Over 3 months and up to 1 year	24.073	27	28	1	3.012	3	15	12
Average market value			780	1.065			809	1.124
Shares contracts								
Up to 3 months	0	0	0	0	0	0	0	0
Average market value			0	0			0	0

DKK 1,000	2025	2024
Credit risk on derivative financial instruments		
Positive market value, counterparty with risk weighting of 20 %	1.131	2.441
Positive market value, counterparty with risk weighting of 50%	174	2.021
Positive market value, counterparty with risk weighting of 75%	795	855
Positive market value, counterparty with risk weighting of 100%	956	1.645
Positive market value, counterparty with risk weighting of 150%	0	2
Total	**3.056**	**6.964**

Unsettled spot transactions	Nominal value	Market-value-positive	Market-value-negative	Market-value-net
Foreign-exchange transactions, purchase	613	2	-	2
Foreign-exchange transactions, sale	495	1	-	1
Interest-rate transactions, purchase	22.441	2	17	-15
Interest-rate transactions, sale	22.441	60	-	60
Share transactions, purchase	7.964	135	131	4
Share transactions, sale	7.960	132	131	1
Total 2025	**61.914**	**332**	**279**	**53**
Total 2024	**35.640**	**164**	**135**	**29**

Note	DKK 1,000	2025	2024	2023	2022	2021
34	5 YEARS IN SUMMARY					
	Profit and loss account					
	Net income from interest	404.240	422.148	403.306	254.324	205.575
	Dividend on shares	35.333	16.452	5.603	4.485	2.657
	Charges and commission, net	221.693	196.418	184.625	204.914	172.738
	Income from core business	**661.266**	**635.018**	**593.534**	**463.723**	**380.970**
	Value adjustments	22.937	38.034	47.178	-30.830	20.181
	Other ordinary income	2.839	4.785	2.525	2.078	3.487
	Staff cost and admin. expenses	325.832	280.467	255.532	234.038	207.517
	Depreciation of intangible and tangible assets	8.294	13.885	15.333	6.620	7.337
	Other operating expenses	23	665	623	477	480
	Write-downs on loans etc. (net)	8.595	18.176	27.638	2.703	-15.227
	Operating result	**344.298**	**364.644**	**344.111**	**191.133**	**204.531**
	Taxes	97.825	90.532	86.132	40.894	41.230
	Profit for the year	**246.473**	**274.112**	**257.979**	**150.239**	**163.301**
	Of which are holders of shares of hybrid core capital instruments etc.	5.287	5.287	5.287	5.287	5.289
	Balance as per 31st December					
	Summary					
	Total assets	15.771.788	13.249.767	11.966.911	11.228.493	9.978.498
	Loans and other receivables	7.392.761	6.962.528	6.726.329	5.464.400	4.719.737
	Guarantees etc	2.236.226	1.816.350	1.857.418	2.024.207	2.690.680
	Bonds	814.410	612.087	752.038	861.733	941.900
	Shares etc	320.731	297.765	283.275	231.757	208.217
	Deposits and other debts	10.394.828	8.893.150	8.284.256	7.840.474	7.027.670
	Subordinated debt	74.610	99.836	99.335	98.835	98.334
	Total equity	**1.982.341**	**1.806.672**	**1.586.066**	**1.363.360**	**1.247.077**
	- of which proposed dividend	33.207	33.740	48.200	28.920	28.920
	Capital Base	**1.846.620**	**1.718.889**	**1.514.208**	**1.342.842**	**1.262.458**
	Weighted items	7.304.851	6.974.629	6.641.611	5.802.754	5.683.653

Note		2025	2024	2023	2022	2021
35	FINANCIAL RATIO (FIGURES IN PCT.)					
	Solvency ratio	25,3	24,6	22,8	23,1	22,2
	Core capital ratio	24,3	23,3	21,3	21,5	20,5
	Return on equity before tax*	18,5	22,0	24,0	15,0	17,9
	Return on equity after tax*	13,2	16,5	17,9	11,7	14,2
	Return on assets	1,6	2,1	2,2	1,3	1,6
	Earning/expense ratio in DKK	2,01	2,16	2,15	1,78	2,02
	Interest rate risk	0,6	0,5	0,5	0,9	1,1
	Foreign currency position	0,0	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	59,5	66,8	71,2	60,8	60,0
	NSFR	1,46	1,37	1,24	1,4	1,4
	LCR	404,0	360,0	331,0	352,0	353,0
	Total large commitments	104,2	118,2	120,6	106,9	114,4
	Loans and debtors at reduced interest	0,4	0,6	0,9	0,6	0,6
	Accumulated impairment ratio	3,4	3,6	3,6	3,8	3,8
	Impairment ratio for the year	0,1	0,2	0,4	0,1	-0,2
	Increase in loans etc. for the year	6,2	3,5	23,1	15,8	11,7
	Ratio between loans etc. and capital funds	3,7	3,9	4,2	4,0	3,8
	(value per share 100 DKK)					
	Earnings per share*	125,2	139,5	131,1	75,3	103,4
	Book value per share*	1.012	906	791	676	616
	Rate on Copenhagen Stock Exchange	1.425	1050	718	610	518
	Dividend per share	17,5	18	25	15	15
	Market value/net income per share	11,4	7,5	5,5	8,1	5,0
	Market value/book value*	1,41	1,16	0,91	0,90	0,84
	(value per share 20 DKK)					
	Earnings per share*	25,0	27,9	26,2	15,1	20,7
	Book value per share*	202	181	158	135	123
	Rate on Copenhagen Stock Exchange	285,0	210,0	143,5	122,0	103,5

*) 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 2026

16 January	Deadline for submission of items for the agenda for the Annual General Meeting
5 February	Announcement of Annual Report 2025
2 March	General Meeting – Ringkøbing-Skjern Kulturcenter
6 May	Announcement of quarterly report 1st quarter 2026
13 August	Announcement of half-yearly report 2026
28 Ocotober	Announcement of quarterly report 3rd quarter 2026

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
Heidi Klitgaard Brander	Finance director	Holstebro	2025	1975
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
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, Skjern, born 1964

Profession
Lawyer
Partner in Advokatpartnerselskabet Kirk Larsen & Ascanius

Other management duties:
Manager of KLA 2010 ApS
Board chairman of Ide-Huse A/S
Board chairman of Grey Holding 2 A/S
Board chairman of Grønbjerg Grundinvest A/S
Board chairman of LHI Invest A/S
Board chairman of PE Trading A/S
Board chairman of Elin Marie og Kjeld Andreas 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 Holding A/S
Board member of Grey A/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 A/S
Board member of Aabjerg-Fonden

Education
Cand.jur. [equivalent to a Bachelor of Laws, LLB]
Aarhus University, 1990

Professional skills
Possesses special skills, knowledge and experience in the following areas:
The business model, including vision, mission, values, market conditions etc.
Real estate, including project development
Sustainable energy (wind turbines, solar cells and biogas)
Market conditions and market risks
Credit assessment and credit risks
Legal matters, including statutory regulation of financial companies
Operational risks and their mitigation
Liquidity
Capital matters, including capital coverage and solvency requirements
Compliance, including money laundering, terrorist financing, other financial crimes, as well as GDPR and good corporate governance
Risk management

Bjørn Jepsen, Borris, born 1963

Vice board chairman since 2019
Elected on the board in 2012 – current term expires in 2026
Chairman of risk commitee

Profession
Farmer

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

Education
Agricultural education completed in 1988 at Kalø Agricultural College

Professional skills
Possesses special skills, knowledge and experience in the following areas:
Skjern Bank's business model
The Bank's vision, mission and DNA
Budget, accounts and follow-up
Agricultural real estate / farm operations
Corporate management
ESG reporting
Capital coverage and solvency concerning the Bank
Risk management, including market and credit risks and money laundering

BOARD OF DIRECTORS

Niels Erik Kjærgaard, Skjern, born 1954

Elected on the board in 2019 – current term expires in 2026
Chairman of audit commitee

Profession
Former city manager

Other management duties:
Board chairman of Investeringsselskabet Lionek A/S
Board chairman of Iværksætterselskabet Vester 159 ApS
Board member of Ejendomsselskabet Husumparken A/S
Board member of Ejendomsselskabet Husumparken af 2000 A/S
Board member of Fonden Remisen

Education
Merkonom in Marketing [equivalent to a Level 7 Master's degree]
Forvaltningshøjskolens afgangseksamen, FA [Danish Diploma in Public Administration/Management]
KIOL Executive

Professional skills
Possesses special skills, knowledge and experience in the following areas:
Management experience – also from large organisations
Corporate organisation
Business models and strategy, including vision, mission, values and market conditions
Budget and accounts
Marketing
Investment in real estate
Market conditions and risks
Credit conditions and risks
Operational risks
Liquidity
Capital matters, including capital coverage and solvency requirements
Compliance, including GDPR matters and best practice for financial companies
ESG matters, including reporting

Finn Erik Kristiansen, Varde, born 1969

Elected on the board in 2020 – current term expires in 2027
Member of audit commitee

Profession
Manager in ProVarde S/I

Other management duties:
Manager in Bordin Holding ApS

Education
Bookseller

Professional skills
Possesses special skills, knowledge and experience in the following areas:
Generational and ownership change
Board of Directors and Advisory Board
Strategy and organisational development
Capital procurement and financial management
Turn-arounds and crisis management
Start-ups (entrepreneurship)
AI

BOARD OF DIRECTORS

Ole Strandbygaard, Ringkøbing, born 1972

Elected on the board in 2022 – current term expires in 2026
Member of risk commitee

Profession
Manager in Strandbygaard A/S

Other management duties:
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 Dejbjerglund Efterskole
Board member of KOSS Ejendomme ApS

Education
Graphics technician
GAU
Board of directors education at Finanssektorens Uddannelsescenter

Professional skills
Possesses special skills, knowledge and experience in the following areas:
Management experience as a sole proprietor responsible for finance, strategy, HR, certifications and risk management
Credit, market and liquidity risks
Capital matters, accounting and auditing
ESG and sustainability
Operational risks, including an understanding of digital robustness, cyber risks and the threat landscape
Understanding of the control environment, risk models and compliance responsibilities

Merete Lundøe Hilmann, Vedbæk, born 1969

Elected on the board in 2024 – current term expires in 2026
Member of nomination commitee

Profession
Independent consultant

Other management duties:
Board member of DenmarkBridge

Education
Bachelor of Economics and Business Administration
Board of directors education at Finanssektorens Uddannelsescenter

Professional skills
Possesses special skills, knowledge and experience in the following areas:
Marketing and communication
Market conditions and market risks
Technology, IT and digitalisation
Management and strategy
Risks associated with outsourcing
Operational risks

BOARD OF DIRECTORS

Henny Houmark Bank, Ringkøbing, born 1997
Employee-selected

Elected on the board in 2025 – current term expires in 2027
Member of nomination commitee

Profession
Private- and wealthadvisor in Skjern Bank

Other management duties:
-

Education
Higher Diploma (HD) in Financial Advising
Wealth Management Adviser Training Programme at Finanssektorens Uddannelsescenter

Professional skills
Possesses special skills, knowledge and experience in the following areas:
The Bank's business model, including vision, mission, values etc.
Establishing, complying with and following up on strategies
The Bank's products and services
Advising private clients
Wealth management and pension planning
Credit assessment and credit risks
Market conditions and market risks, including competitors and competition parameters
Sustainability, both in relation to the Bank's own circumstances and customer's circumstances
The importance of digitalisation in the development of the Bank's business model

Lars Skov Hansen, Esbjerg, born 1973
Employee-selected

Elected on the board in 2011 – current term expires in 2027
Member of audit commitee

Profession
Privateadvisor in Skjern Bank

Other management duties:
-

Education
Higher Diploma (HD) in organisation and management

Professional skills
Possesses special skills, knowledge and experience in the following areas:
The Bank's business model, including vision, mission, values, market conditions etc.
The Bank's products and associated risk
Advising private clients
Investment in real estate in Denmark
The business world and business climate in the Bank's market areas
The Bank's market situation, including competitors and competition parameters
The Bank's credit risks associated with credit issuance to the Bank's customer groups
Credit assessment, including an understanding of financial statements, ownership structure, guarantees etc.
The importance of digitalisation in the development of the Bank's business model
The Bank's market risks
The Bank's operational risks and their mitigation
Establishing, complying with and following up on strategies
Sustainability, both in relation to the Bank's own circumstances and customer's circumstances

Carsten Jensen, Skjern, born 1980
Employee-selected

Elected on the board in 2015 – current term expires in 2027
Member of risk commitee

Profession
Account Manager – Energy and ESG in Skjern Bank

Other management duties:
-

Education
Akademiuddannelse i finansiel rådgivning [Academy Professional Degree in Financial Advice]
Board of directors education at Finanssektorens Uddannelsescenter

Professional skills
Possesses special skills, knowledge and experience in the following areas:
The business model, including vision, mission, values, market conditions etc.
Sustainable energy (wind turbines, solar cells and biogas)
Market conditions and market risks
Credit assessment and credit risks
Advising business clients
ESG matters, including reporting

BOARD OF DIRECTORS

Thomas Baun, Varde, born 1976
CEO

Hired 15 August 2009
Joined til executive board in 1 July 2023
Appointed as CEO per 1 July 2025

Education
Cand.merc.aud.
[equivalent to a Master of Business Administration]

Other management duties:
Boardmember i Forvaltningsinstituttet for
Lokale Pengeinstitutter

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
Carsten Jensen	Advisor	Skjern

NOMINATION COMMITTEE SKJERN BANK

Name	Jobposition	City
Hans L. Jeppesen (Chairman)	Lawyer	Skjern
Merete Lundøe Hilmann	Vice President	Vedbæk
Henny Houmark Bank	Advisor	RKB

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