











The background of the entire page is a photograph of a sunset. The sun is a bright, glowing orb in the lower-left quadrant, casting a warm orange and yellow light across the sky. In the foreground, the dark silhouette of a plant with multiple thin stems and clusters of small, round buds or flowers is visible, extending from the left side towards the center.

3RD QUARTERLY REPORT 2024

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	30/9 2024	Profit before tax of DKK 284.3 million, compared to DKK 257.1 million as of 30/9/2023
	RETURN IN EQUITY	Profit after tax yielded a return of 16.7 % p.a. on the opening equity
	CORE EARNINGS	Core earnings increased by 10.6 % to DKK 275.1 million
	VALUE ADJUSTMENTS	Exchange rate adjustments of DKK 27.9 million compared with DKK 24.2 million as of 30/9/2023
	NET INTEREST AND FEE INCOME	Net interest and fee income increased by 10.9 % to DKK 479.8 million
	IMPAIRMENT	Impairment of DKK 9.4 million compared with DKK 7.5 million as of 30/9/2023. Management's estimate remains unchanged at DKK 100 million
	LENDING	Lending growth of 14.2 % to DKK 6,960 million and deposit growth of 8.1 % to DKK 8,811 million since 30/9/2023
	CAPITAL	Capital ratio of 24.2 % and core capital ratio of 22.8 %. Solvency requirement is 10 %
	EXPECTATIONS	Expectations for profit before tax for the full year were adjusted upwards to DKK 340 – 360 million
	CORE EARNING EXPECTATIONS	The expectations for core earnings for the entire year were adjusted upwards on 4/9/2024 to the range of DKK 340 – 360 million

5 YEARS IN SUMMARY

1,000 DKK	YEAR					
	2024	2023	2022	2021	2020	2023
PROFIT AND LOSS ACCOUNT						
Net income from interest	317.312	290.689	177.213	153.147	142.900	403.306
Div. on shares and other holdings	16.398	5.572	1.326	2.479	2.038	5.603
Charges and commissions (net)	146.121	136.221	156.581	127.271	114.725	184.625
Net inc. from int. & charges	479.831	432.482	335.120	282.897	259.663	593.534
Value adjustments	27.871	24.245	-43.462	12.547	16.511	47.178
Other ordinary income	1.699	1.990	1.475	2.841	1.538	2.525
Staff costs and administrative expenses	204.360	185.293	169.528	154.737	141.956	255.532
Depreciation of intangible and tangible assets	10.719	8.197	4.071	4.009	3.544	15.333
Other operating expenses	665	624	477	480	194	623
Write-downs on loans etc. (net)	9.393	7.505	-2.765	-10.041	31.923	27.638
Operating profit	284.264	257.098	121.822	149.100	100.095	344.111
Taxes	72.773	67.203	25.836	32.802	15.460	86.132
Profit for the period	211.491	189.895	95.986	116.298	84.635	257.979
Of which are holders of shares of hybrid core capital instruments etc.	3.867	3.867	3.867	3.867	4.707	5.287
BALANCE SHEET						
summary						
Total assets	12.690.529	11.266.794	10.570.376	9.492.051	8.819.796	11.966.911
Loans and other debtors	6.959.592	6.092.170	5.436.343	4.563.293	4.258.988	6.726.329
Guarantees etc.	1.620.496	1.814.488	2.373.091	2.712.516	2.553.613	1.857.418
Bonds	613.325	818.799	802.179	977.274	882.716	752.038
Shares etc.	290.697	273.992	228.642	203.078	194.652	283.275
Deposits	8.410.976	7.783.746	7.302.950	6.499.271	6.271.667	8.284.256
Subordinated cap. investments	99.711	99.210	98.710	98.209	97.709	99.335
Capital funds	1.744.327	1.517.864	1.309.110	1.200.067	1.077.215	1.586.066
Dividends						48.200
Capital Base	1.659.033	1.436.336	1.268.181	1.179.826	1.067.258	1.514.208
Total weighted items	6.856.030	6.115.533	5.896.540	5.495.891	5.267.200	6.641.611
CORE EARNINGS						
Core income	490.798	442.819	343.161	290.344	264.468	607.379
Total costs etc.	-215.744	-194.114	-174.076	-159.226	-145.694	-271.488
Core earnings	275.054	248.705	169.085	131.118	118.774	335.891

FINANCIAL RATIOS - 30TH SEPTEMBER

Figures in pct.

	2024	2023	2022	2021	2020
Solvency ratio	24,2	23,5	21,5	21,5	20,26
Core capital ratio	22,8	21,9	19,8	19,7	18,4
Return on own funds before tax*	17,5	18,4	9,7	13,3	9,6
Return on own funds after tax*	12,9	13,5	7,6	10,3	8,1
Earning/expense ratio in DKK	2,26	2,28	1,71	2,00	1,56
Interest rate risk	0,4	0,6	0,9	1,2	1,1
Foreign currency position	0,1	0,1	0,1	0,4	0,2
Foreign currency risk	0,0	0,0	0,0	0,0	0,0
Advances against deposits	70,5	68,5	64,2	62,5	63,5
NSFR	1,31	1,27	1,3	-	-
LCR	363	359,0	322	279	307
Total large commitments	119,5	111,3	116,3	126,1	130
Accumulated impairment ratio	3,5	3,6	3,5	4,0	4,9
Impairment ratio for the period	0,1	0,1	-0,1	-0,1	0,4
Increase in loans etc. for the period	3,5	11,5	15,2	8	-1,5
Ratio between loans etc. and capital funds	4,0	4,0	4,2	3,8	4,0
(value pr share 100 DKK)					
Earnings per share (result period)*	107,7	96,5	47,8	58,3	41,5
Book value pr share*	874	757	648	592	528
Market value/earning per share	8,3	7,5	10,8	7,9	7,4
Market value/book value*	1,02	0,95	0,79	0,78	0,58
(value pr share 20 DKK)					
Earnings per share (result period)*	21,5	19,3	9,6	11,7	8,3
Book value pr share*	175	151	130	118	106
Market value	178,5	144,0	103	92,6	61

*) Financial ratios are calculated as if the hybrid core capital were treated as an obligation for accounting purposes, whereby the financial ratios are calculated based on the shareholders' share of profit and equity. The shareholders' share of profit and equity is shown in the Statement of Changes in Equity.

QUARTERLY OVERVIEWS

1,000 DKK	3Q 2024	2Q 2024	1Q 2024	4Q 2023	3Q 2023
PROFIT AND LOSS ACCOUNT					
Net income from interest	105.395	104.354	107.563	112.617	105.164
Div. on shares and other holdings	34	16.242	122	31	54
Charges and commissions (net)	46.598	44.048	55.475	48.404	42.150
Net inc. from int. & charges	152.027	164.644	163.160	161.052	147.368
Value adjustments	17.577	-4.922	15.216	22.933	8.119
Other ordinary income	667	570	462	535	681
Staff costs and administrative expenses	66.604	66.467	71.289	70.239	64.343
Depreciation of intangible and tangible assets	3.968	5.026	1.725	7.136	3.399
Other operating expenses	0	665	0	-1	-1
Write-downs on loans etc. (net)	4.276	2.026	3.091	20.133	1.110
Operating profit	95.423	86.108	102.733	87.013	87.317
Taxes	24.810	21.252	26.711	18.929	22.004
Profit for the period	70.613	64.856	76.022	68.084	65.313
Of which are holders of shares of hybrid core capital instruments etc.	1.289	1.288	1.290	1.420	1.289
BALANCE					
Loans and other debts	6.959.592	6.629.336	6.725.781	6.726.329	6.092.170
Totalkredit	14.643.447	14.294.497	14.079.196	13.912.390	13.672.911
DLR	5.366.228	5.151.052	5.093.868	4.947.400	4.885.650
Deposits	8.410.976	8.406.207	7.918.879	8.284.256	7.783.746
Deposits in pooled schemes	1.886.968	1.840.844	1.786.256	1.592.836	1.523.201
Subordinated cap. investments	99.711	99.502	99.460	99.335	99.210
Customer depots	6.498.611	6.575.169	6.469.523	5.013.783	5.132.845
Equity	1.744.327	1.676.315	1.617.990	1.586.066	1.517.864
Total assets	12.690.529	12.459.236	11.801.777	11.966.911	11.266.794
Guarantees etc.	1.620.496	1.653.101	1.569.333	1.857.418	1.814.488
CORE EARNINGS					
Core income	155.775	168.282	166.741	164.560	150.791
Total costs	-70.572	-72.158	-73.014	-77.374	-67.741
Core earnings	85.203	96.124	93.727	87.186	83.050

MANAGEMENT REPORT

The best result for the first 3 quarters of the year in the Bank's history was achieved with solid growth in the most important areas.

Profit before tax amounts to DKK 284.3 million compared to DKK 258.1 million as of 30 September 2023, a growth of DKK 27.2 million or 10.6 %, based on solid growth in net interest and fee income and positive exchange rate adjustments. Expectations for profit before tax for the full year were adjusted upwards on 4 September to the range of DKK 340 – 360 million.

The core earnings have also greatly improved and amount to DKK 275.1 million compared with DKK 248.7 million in 2023, a growth of DKK 26.3 million or 10.6 %. The expectations for core earnings for the full year were adjusted upwards on 4 September to the range of DKK 340 – 360 million.

The growth in core earnings is due to solid development in all business areas following major customer growth and increased volume with all product types. Lending increased by DKK 867.4 million compared to 30 September 2023, corresponding to 14.2 %. Danmarks Nationalbank lowered the official interest rates by 0.50 percentage points in 2024, but these still contribute significantly to the high level of earnings.

The exchange rate adjustments were positive by DKK 27.9 million, compared with DKK 24.2 million in 2023. When comparing with 2023, the fact that one of the Bank's most important partners – DLR Kredit – has distributed dividends of DKK 9.4 million, rather than consolidating the capital base as before, should be taken into account.

The high customer activity and interest rate level have resulted in net interest and fee income of DKK 479.8 million, compared to DKK 432.5 million in 2023, an increase of DKK 47.3 or 10.9 % compared to the same period in 2023.

The costs for staff and administration have increased by DKK 19.1 million or 10.3 %, as a result of an increased number of customer advisors, primarily for the newest branches and rising costs for IT. The increase in the number of employees follows the Bank's strategic goal.

Impairment

Impairment was realised as an expense of DKK 9.4 million, compared with DKK 7.5 million as of 30 September 2023.

The creditworthiness of the lending and guarantee portfolio in the individual segments is solid and continually reinforced. The management estimate of DKK 100 million includes DKK 30 million directed at the agricultural segment, including the uncertainty regarding the announced carbon tax on the agricultural industry.

However, the preliminary result of the negotiations from the third party appointed by the government is estimated to mean that the Bank's agricultural customers, with a continued focused effort to reduce carbon emissions, have good opportunities to reduce – or eliminate – the tax burden.

The derivative effects of the geopolitical uncertainty still give rise to increased uncertainty for both the business sector and private households.

The Bank is in close dialogue with all business customers and it is positive that the aforementioned negative factors have not significantly influenced the credit quality of the business portfolio. The increased risk factors may cause certain industries to be affected, which is why the bank has been extraordinarily cautious in calculating the risks in the business segments.

The private customer segment is robust, and we have almost always managed to find solutions when increased consumer prices and the increased variable interest rates in home financing present challenges for the individual customer.

The Bank's general policy has been to make every effort to find solutions to temporary problems experienced by business and private customers.

Lending growth

Lending growth was very high at 23.1 % in 2023, while the growth as of 30 September 2024 compared to 30 September 2023 is estimated at 14.2%, which is fully in line with the Bank's expectations. The lending volume has increased by DKK 233.3 million in 2024, or 3.5 %, which is considered satisfactory after lending at the end of Q2 was marginally lower than at the end of 2023.

The growth is due to an unchanged and satisfactory influx of new customers, but the increase in lending in the past year is also due to increased demand for loans and use of credit facilities granted to existing customers.

For the year as a whole, an increase in lending is expected at the level of 4-6 %, which is considered satisfactory and on a level with the budget.

The proportion of lending and guarantees to private customers has grown in recent years and at the end of Q3 amounts to 55.5 % compared with 53.6 % at the start of the year. The Bank's strategic goal is a private segment of around 50 % and that the exposure to individual business segments must not exceed 15 %. Exposure to the 2 largest business segments, agriculture and real estate, were respectively 9.3 % and 6.3 % at the end of Q3. The Bank's guarantees remain at a satisfactory level, but were reduced to DKK 1,620 million as of 30 September 2024 compared with DKK 1,857 million at the end of 2023.

The industry breakdown for lending and guarantees is shown in the table on the next page.

LOANS AND GUARANTEES DISTRIBUTED ON SECTORS

	30.09.2024	31.12.2023	30.09.2023
Public authorities	0,0%	0,0%	0,0%
Agriculture, hunting, forestry & fishing	9,3%	10,4%	9,6%
Plant production	1,5%	2,0%	1,9%
Cattle farming	3,7%	5,4%	5,8%
Pig farming	3,4%	2,1%	0,8%
Mink production	0,1%	0,2%	0,3%
Other agriculture	0,6%	0,8%	0,8%
Industry and mining	5,0%	3,9%	4,5%
Energy	1,6%	1,1%	1,2%
Building and constructions	7,0%	6,0%	6,1%
Wholesale	7,1%	7,4%	6,8%
Transport, hotels and restaurants	2,4%	0,7%	0,7%
Information and communication	0,2%	0,1%	0,1%
Financial and insurance business	3,4%	6,5%	7,9%
Real-estate	6,3%	8,0%	8,5%
Other business	2,2%	2,4%	2,1%
Private	55,5%	53,6%	52,5%

The Bank offers financial leasing to business customers via Skjern Bank Leasing. The activity is increasing and there are 593 active leases as of 30 September 2024, with a residual lease debt of DKK 251.9 million.

The Bank's overall credit provision has increased satisfactorily by DKK 2,318.5 million in the past year. There is an increase in activity in both the Bank's lending and the arrangement of mortgage credit via Totalkredit and DLR Kredit.

Liquidity

The LCR key ratio is 363 %, which is in line with the Bank's strategy of maintaining a solid liquidity surplus based on stable customer deposits. The surplus in relation to the Bank's internal target of having a minimum LCR of 175 % is DKK 1,603 million. .

CAPITAL CONDITIONS AND DIVIDEND POLICY

The capital base comprises DKK 1,659.0 million and the capital ratio 24.2 % compared to 22.8 % at the end of 2023. The capital ratio has increased satisfactorily after recognition of the profit for the period, while increased risk-weighted assets of DKK 214.4 million in 2024, primarily as a result of increased lending, reduced the capital ratio. The core capital ratio increased to 22.8 % compared to 21.3 % as of 31 December 2023.

The individual solvency requirement is calculated at 10.0 %, and the solvency coverage relative to the

solvency requirements comprises 14.2 percentage points. Compared with the capital base of DKK 1,659.0 million, the Bank had a surplus of DKK 974 million at the end of Q3 2024.

Relative to the necessary capital ratio of 21.2 %, expressed as the Bank's calculated solvency requirements plus buffer requirements, the coverage can be calculated at 3.0 percentage points, corresponding to a solvency coverage of DKK 207 million.

The actual core capital has been increased over the year through recognition of realised profit. The NEP supplement is now fully phased in and as of 30 September 2024, the requirement of 7 % of the weighted items in the real estate segment was phased in. This 7 % requirement has increased the Bank's total capital requirement by 0.7 percentage points.

The bank still wants to maintain a solid capital base primarily based on actual core capital, but raising foreign capital could also be included in the capital structure where conditions are deemed favourable and where deemed appropriate.

In Q4, the Bank's Board of Directors will make the initial assessment of distributions for the financial year 2024, cf. the distribution policy.

The Bank's capital goals and distribution policy are unchanged:

Capital goals

It is the Bank's goal to be well capitalised to meet strategic goals and to accommodate regulatory requirements in future recessions. The management will continuously assess the adequacy of the capital base, including the distribution between equity and foreign capital, to ensure the optimal distribution between returns to shareholders and sufficient increase of the Bank's actual core capital.

Dividend policies

With regard to its capital goal, the Bank wants to be stable in payments of dividends. The goal is for distribution, either as share buy-backs or cash distributions, to amount to 30-50 % of the annual profit after tax, which exceeds a return on equity of 6 %.

It is believed that the capital goal and distribution policy meet the long-term interests of shareholders and the Bank optimally. The shareholders achieve a reasonable distribution and the Bank's capital foundation is strengthened by consolidation.

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

THE BANK'S IMPORTANT STAKEHOLDERS

The relationship with and involvement of the Bank's many stakeholders is deemed to be crucial to the running of a well-functioning local bank. The Bank believes that stakeholders' interests closely coincide.

Shareholders

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

Customers

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

In the annual customer satisfaction surveys, the Bank's customers unanimously declare that it is the close personal relationships they enjoy with their advisors that are key to their choice of Skjern 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 unbiased survey of the customers' satisfaction with and loyalty to the bank is conducted by Finanssektorens Uddannelsescenter and for a number of years has clearly shown that the Bank's customers are very satisfied with the Bank on all parameters, which we are very proud of and humbled by.

Employees

As of 30 September 2024, the Bank employed 214 employees, which is an increase of 5 employees in the last year. All employees are offered employment terms that conform to the market as well as relevant training and continuing education in order to always ensure a high level of professionalism.

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



Local communities

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

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

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

SUSTAINABLE DEVELOPMENT

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

In its ESG report for 2023, the Bank's status on compliance with the recommendations is presented, and the goals for the future work are described. The ESG report complies with the disclosure requirements for reporting on social responsibility, cf. the Danish Executive Order on the Presentation of Financial Statements, Section 151 (Section 135 as of 31/12/2023). In Skjern Bank, the focus on sustainability can generally be divided into two main tracks: Our influence on our stakeholders, especially our customers and the Bank as a business.

The influence on customers must take place via positive customer dialogue, which must also include a dialogue on opportunities and threats related to sustainability to a greater extent. Private customers must be presented with relevant opportunities, such as energy-efficiency improvements for their properties, replacement of oil and gas heating, attractive financing for electric vehicles and sustainable investment products, so that the customer can define and fulfil their preferences to the greatest possible extent.

Business customers must be made aware of issues relating to the concept of sustainability (ESG), which concerns: Environmental conditions (E – Environment), Social conditions (S – Social) and Management

conditions (G – Governance).

The Bank continuously works to reduce its own consumption, including paper, fuel and electricity, through various reduction measures. In addition to the installation of solar panels at the headquarters in 2023, the Bank also compensates for its own consumption of electricity through the purchase of certificates of origin for electricity from Danish wind turbines. The ESG report for 2023 can be read in full on the Bank's website: <https://www.skjernbank.dk/banken/baeredygtighed>

NET INTEREST INCOME

Interest expenses amounted to DKK 393.9 million and have been reduced by DKK 64.7 million, corresponding to 19.7 %. Interest expenses for deposits amount to DKK 70.6 million and have increased by DKK 37.2 million. Total interest expenses amounted to DKK 76.6 million

Net interest income during the period increased by DKK 26.6 million compared to 30 September 2023, corresponding to 9.2 %, and amounts to DKK 317.3 million.

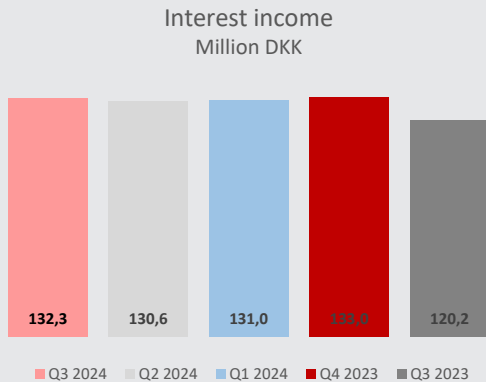
In the coming quarters, there is expected to be continued increasing pressure on interest rate margins, primarily with increased pressure on lending rates, while deposit rates are now also expected to decrease, though not entirely in line with the general drop in interest rates. The Bank expects that the interest rate level in Denmark's Nationalbank will be further reduced in Q4.

NET FEE AND COMMISSION INCOME

Net income from fees and commissions amounted to DKK 146.1 million, compared to DKK 136.2 million in 2023, and thus increased by DKK 9.9 million. The Bank notes increasing income on all types of fees. There is increasing activity in the housing and investment area, while the many new customers means other fees will increase. Lending fees increased by DKK 3.5 million, whilst earnings from securities trading and deposits increased by DKK 0.7 million. Guarantee provisions were increased by DKK 0.2 million compared to last year, while payment services and other fees increased by DKK 6.3 million. Administrative fees increased by DKK 0.8 million.

DIVIDENDS

The Bank's received dividends have increased to DKK 16.4 million as at 30 September 2024 compared with 5.6 million as of 30 September 2023. The primary reason for the increase is due to received dividends of DKK 9.4 million from the Bank's shareholdings in DLR Kredit.



NET INTEREST AND FEE INCOME

Net interest and fee income increased by DKK 47.3 million, corresponding to 10.9 %, and amounts to DKK 479.8 million.

EXCHANGE RATE ADJUSTMENTS

The total exchange rate adjustments were positive by DKK 27.9 million, compared with DKK 24.2 million as of 30 September 2023. The exchange rate adjustments were divided into DKK 8.1 million in the bond portfolio and DKK 10.5 million in the shareholdings, of which sectoral shares comprise DKK 5.2 million. Shares in the trading portfolio constitute a gain of DKK 5.3 million. In addition, satisfactory income of DKK 9.3 million has been achieved on currency and derivative financial instruments.

The Bank's strategy in the securities area is structurally cautious and the significant fluctuations on the markets did not lead to changes in the overall strategy.

EXPENSES

Costs for personnel and administration etc. increased by DKK 19.1 million and amount to DKK 204.4 million. The Bank's organic growth strategy needs new employees, primarily in the customer processing departments. The increase in costs exceeds the budget, which is due to unforeseen opportunities in the market for strengthening the potential for organic growth in the future, which the Bank has chosen to pursue. Personnel costs rose by DKK 9.8 million compared to 30 September 2023 and administration costs rose by DKK 7.4 million, broken down between IT costs, marketing and other administration costs.

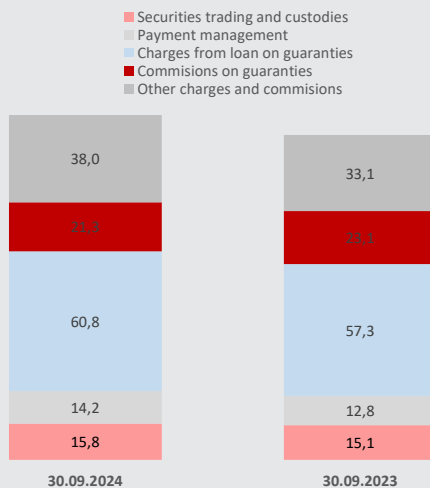
PROFIT FOR THE PERIOD

Profit before tax amounted to DKK 284.3 million compared with DKK 257.1 million as of 30 September 2023.

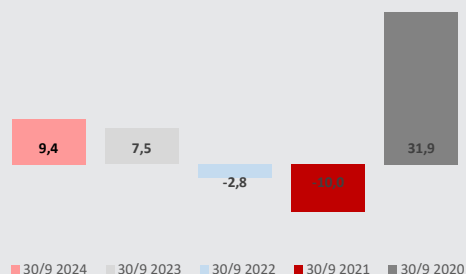
After taxes, profit for the period amounts DKK 211.5 million, a growth of DKK 21.6 million, which may be attributable to increasing net interest and fee income.

The result is considered to be extremely satisfactory, and is the best result for the period in the Bank's history. It is absolutely satisfactory that the number of customers and the lending volume continues to increase, thereby increasing net interest and fee income, and it is also noted that the focus on advising on third-party products has led to significant growth in the distribution of products such as mortgage credit, insurance, investments and pension.

Charges and commissions receivable
Million DKK



Write-downs on loans etc.
Million DKK



Core earnings of DKK 275.1 million were realised, which is DKK 26.3 million higher than 30 September 2023:

CORE EARNINGS 1 JANUARY - 30 SEPTEMBER

1,000 DKK	2024	2023	1.1-31.12 2023
Net income from interest	317.312	290.689	403.306
Net charges and commission	146.121	136.221	184.625
Dividend on shares and other holdings	16.398	5.572	5.603
Foreign currency value adjustments*	9.268	8.347	11.320
Other ordinary income	1.699	1.990	2.525
Core income	490.798	442.819	607.379
Staff costs and administrative expenses	204.360	185.293	255.532
Depreciation and write-downs on intangible and tangible assets	10.719	8.197	15.333
Other operating expenses	665	624	623
Costs	215.744	194.114	271.488
Core earnings	275.054	248.705	335.891
Write-downs	-9.393	-7.505	-27.638
Value adjustments*	18.603	15.898	35.858
Result before tax	284.264	257.098	344.111
Tax	72.773	67.203	86.132
Net-result for the financial year	211.491	189.895	257.979

*) Foreign currency value adjustments and value adjustments specificeres i noten "Value adjustments" on page 25.

MAJOR SHAREHOLDERS

As of 30 September 2024, the Bank has four major shareholders, all of whom have 5% of the voting rights:

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

LIQUIDITY

Pure customer deposits amounted to DKK 8,411.0 million, including pool schemes accounting for DKK 10,297.9 million, of which DKK 7,914.6 million is covered by the Danish Deposit Guarantee Scheme. The deposits are considered stable, since most of them come from core customer relationships.

The liquidity coverage ratio shows how the Bank is able to meet its payment obligations for a 30-day period without access to market funding. All financial institutions must have a coverage of at least 100% and the Bank has a goal of at least 175 %. The Bank meets the requirement as well as its own objective of a liquidity coverage ratio of 363 % as of 30 September 2024, which is considered a solid and appropriate level.

The NSFR key ratio shows how the Bank has sufficient long-term funding for its activities. The NSFR ratio is calculated as a percentage of the total available stable funding compared with the total need for stable funding, and the legal requirement is that the ratio must be higher than 100 %. The Bank meets the legal requirement as well as its own objective of a coverage of 120 %, with an NSFR ratio of 131 % as of 30 September 2024, which is considered a solid and appropriate level.

SKJERN BANK SHARES

The bank is owned by 14,905 shareholders. The share price was 178.5 on 30 September 2024, compared with 143.5 at the beginning of the year. Market value amounts to DKK 1,720.7 million, corresponding to a rate/intrinsic value of 1.02.

EXPECTATIONS

The expectations for the full year were adjusted upwards on 04 September 2024 to a core earnings in the range of DKK 340 – 360 million and a profit before tax in the range of DKK 340 – 360 million.

“THE SUPERVISORY DIAMOND”

The Danish Financial Supervisory Authority’s mandatory Supervisory Diamond specifies four indicators for banking activities with increased risk.

The Bank’s status on the individual benchmarks as at 30 September 2024 is set out below.

Liquidity reserve (minimum 100 %):

The liquidity reserve is still sufficient and amounts to 363 % as of 30 September 2024 compared to 331 %

as of 31 December 2023.

Property exposure (maximum 25 per cent):

Property exposure is 8.9 %, compared with 9.2 % at the end of 2023.

Large exposures (maximum of 175 per cent):

Large exposures are defined as the total of the Bank's 20 largest exposures compared to the actual core capital, and the financial ratio was 119,5 % compared with 120.6 % at the end of 2023.

Property exposure (maximum 20%):

The Bank has realised a growth in lending of 14,2 % as of 30 September 2024 compared with an increase in lending of 23.1 % at the end of 2023.

TRANSACTIONS WITH RELATED PARTIES

There have not been any major transactions between Skjern Bank and the Bank's related parties during the period.

LITIGATION

The Bank is involved in disputes and litigation as part of its normal operations. The Bank's risk in these cases is regularly assessed by the Bank's lawyers and management. Provisions are made based on an assessment of risk of loss.

CONTRIBUTION TO THE SETTLEMENT FUND

The Bank's annual contribution to the Settlement Fund amounts to DKK 0.6 million and was paid during Q2 2024.

ACCOUNTING POLICIES USED

The interim report was prepared in accordance with the Danish Financial Business Act, including the Danish Financial Supervisory Authority's Executive Order on financial reports for credit institutions and investment companies, etc. and additional Danish disclosure requirement for interim reports for listed companies.

The accounting policies used are unchanged compared to the annual report for 2023.

EVENTS AFTER 30 SEPTEMBER 2024

No events have occurred after the balance date that are of significance for the assessment of the profit for the period.

MANAGEMENT STATEMENT

We have on today's date discussed and approved the interim report for the period of 1 January – 30 September 2024 for Skjern Bank A/S.

The interim report was prepared in accordance with the Danish Financial Business Act, including the Executive Order on financial reports for credit institutions and investment companies, etc. and additional Danish disclosure requirement for interim reports for listed financial institutions.

We consider the accounting policies chosen to be appropriate such that the accounts provide a true and fair view of the Bank's assets and liabilities, financial position and profit.

We consider the management's review to contain a true and fair view of the development in the Bank's activities and economic conditions and a description of the significant risks and uncertainty factors by which the bank may be affected.

No audit or review of the interim report has been conducted, but an external audit has verified that the conditions for recognition of the period's earnings in core capital are met.

Skjern, 24 October 2024

Skjern Bank A/S

Per Munck
Managing Director

Thomas Baun
Bank Director

BOARD OF SKJERN BANK A/S

Hans Ladekjær Jeppesen
Chairman

Bjørn Jepsen
Vice Chairman

Finn Erik Kristiansen

Niels Erik Kjærgaard
Lars Skov Hansen

Ole Strandbygaard
Carsten Jensen

Merete Lundøe Hillmann
Michael Tang Nielsen

PROFIT AND LOSS ACCOUNT AND STATEMENT OF COMPREHENSIVE INCOME JANUARY 1ST - SEPTEMBER 30TH

1,000 DKK	2024	2023	1.1-31.12 2023
Interest receivable	393.931	329.177	462.134
Interest receivable	76.619	38.488	58.828
Net income from interest	317.312	290.689	403.306
Dividend on shares and other holdings	16.398	5.572	5.603
Charges and commission receivable	150.103	139.363	188.614
Charges and commission payable	3.982	3.142	3.989
Net income from interest and charges	479.831	432.482	593.534
Value adjustments	27.871	24.245	47.178
Other ordinary income	1.699	1.990	2.525
Staff costs and administrative expenses	204.360	185.293	255.532
Depreciation and write-downs on intangible and tangible assets	10.719	8.197	15.333
Other operating expenses	665	624	623
Write-downs	9.393	7.505	27.638
Result before tax	284.264	257.098	344.111
Tax	72.773	67.203	86.132
Net-result for the financial year	211.491	189.895	257.979
Of which are holders of shares of hybrid core capital instruments etc.	3.867	3.867	5.168
STATEMENT OF COMPREHENSIVE INCOME			
Profit for the financial year	211.491	189.895	257.979
Other comprehensive income after tax	0	0	0
Total comprehensive income	211.491	189.895	257.979

BALANCE BY SEPTEMBER 30

1,000 DKK	2024	2023	1.1-31.12 2023
ASSETS			
Cash in hand and demand deposits with central banks	2.666.731	2.285.748	2.345.718
Receivables at credit institutions and central banks	73.681	79.237	60.630
Loans and other receivables at amortised cost	6.959.592	6.092.170	6.726.329
Bonds at fair value	613.325	818.799	752.038
Shares etc.	290.697	273.992	283.275
Shares associated with pool schemes	1.886.968	1.523.201	1.592.836
Land and buildings (total)	80.952	81.525	77.553
Investment properties	3.072	3.019	3.019
Owner-occupied properties	60.793	58.349	55.250
Owner-occupied properties, leasing	17.087	20.157	19.284
Other tangible assets	8.033	7.210	6.532
Current tax assets	0	3.466	7.486
Other assets	109.477	100.748	113.926
Prepayments	1.073	698	588
Total assets	12.690.529	11.266.794	11.966.911

1,000 DKK	2024	2023	1.1-31.12 2023
LIABILITIES			
DEBT			
Debt to credit institutions and central banks	3.261	4.620	2.385
Deposits and other debts	8.410.976	7.783.746	8.284.256
Deposits in pooled schemes	1.886.968	1.523.201	1.592.836
Current tax obligations	57.165	0	0
Other liabilities	467.016	321.134	382.890
Prepayments	935	910	297
Total debt	10.826.321	9.633.611	10.262.664
PROVISIONS			
Provisions for deferred tax	5.430	3.749	5.430
Provisions for loss on guarantees	14.740	12.360	13.416
Total provisions	20.170	16.109	18.846
SUBORDINATED DEBT			
Subordinated loan capital	99.711	99.210	99.335
Total subordinated debt	99.711	99.210	99.335
EQUITY			
Share capital	192.800	192.800	192.800
Retained earnings	1.491.568	1.265.239	1.283.918
Dividend	0	0	48.200
Capital owners share of equity	1.684.368	1.458.039	1.524.918
Holdings of hybrid capital	59.959	59.825	61.148
Total equity	1.744.327	1.517.864	1.586.066
Total liabilities	12.690.529	11.266.794	11.966.911

OFF-BALANCE-SHEET ITEMS BY SEPTEMBER 30

1,000 DKK	2024	2023	1.1-31.12 2023
CONTINGENT LIABILITIES			
Contingent liabilities			
Finance guarantees	805.709	514.694	384.934
Guarantees against losses on mortgage credit loans	217.584	746.522	753.010
Registration and conversion guarantees	432.499	394.739	562.309
Other contingent liabilities	164.704	158.533	157.165
Total	1.620.496	1.814.488	1.857.418
Other binding engagements			
Irrevocable credit-undertakings	298.439	752.983	437.263
Total	298.439	752.983	437.263

INFORMATION ON CHANGES IN EQUITY

	Share capital	Proposed dividends	Hybrid capital	Retained earnings	Total
Equity 31 December 2022	192.800	0	61.014	1.109.546	1.363.361
Purchase of own funds				-1.434	-1.434
Dividend own shares				18	18
Dividends proposed 2022				-28.920	-28.920
Paid interest hybrid capital			-5.056		-5.056
Profit or loss			3.867	186.028	189.895
Equity 30 September 2023	192.800	0	59.825	1.265.239	1.517.864
Purchase of own funds				-1.219	-1.219
Dividend own shares				19	19
Dividends paid 2022				-28.920	-28.920
Amortization hybrid capital			-131		-131
Paid interest hybrid capital			-5.022		-5.022
Profit or loss		48.200	5.287	204.492	257.979
Equity 31 December 2023	192.800	48.200	61.148	1.283.919	1.586.066
Purchase of own funds				23	23
Dividend own shares				3	3
Dividends paid 2023		-48.200			-48.200
Amortization hybrid capital					0
Paid interest hybrid capital			-5.056		-5.056
Profit or loss			3.867	207.624	211.491
Equity 30 September 2024	192.800	0	59.959	1.491.569	1.744.327

NOTES PER SEPTEMBER 30

1,000 DKK	2024	2023	1.1-31.12 2023
INTEREST INCOME			
Centralbanks	60.264	50.051	69.572
Loans and other receivables	315.964	260.070	366.474
Bonds	15.168	14.921	20.130
Other derivative financial instruments, total	2.527	4.135	5.948
of which			
Currency contracts	-339	-205	-192
Interest-rate contracts	2.866	4.340	6.140
Other interest income	8	0	10
Total	393.931	329.177	462.134
INTEREST EXPENSES			
Centralbanks	6	-891	0
Deposits	70.616	33.447	50.848
Subordinated debt	4.868	4.810	6.592
Other interest expenses	1.129	1.122	1.388
Total	76.619	38.488	58.828
FEES AND COMMISSION INCOME			
Securities trading and custody accounts	15.795	15.092	23.609
Payment services	14.248	12.799	17.286
Loan fees	60.817	57.284	78.394
Guarantee commission	21.301	21.098	27.872
Other fees and commission	37.942	33.090	41.453
Total	150.103	139.363	188.614
VALUE ADJUSTMENTS			
Bonds	8.055	3.100	13.049
Total shares	10.461	12.768	22.833
Shares in sectorcompanies etc.	5.193	11.131	18.100
Other shares	5.268	1.637	4.733
Foreign currency	9.268	8.347	11.320
Other financial instruments	87	30	-24
Assets linked to pooled schemes	-145.743	-85.984	-100.970
Deposits in pooled schemes	145.743	85.984	100.970
Total	27.871	24.245	47.178

1,000 DKK	2024	2023	1.1-31.12 2023
STAFF COSTS AND ADMINISTRATIVE EXPENSES			
SALARIES AND REMUNERATION OF MANAGEMENT BOARD ETC.			
Management, incl. pensions	4.193	2.935	4.904
Of which fixed remuneration, incl. pensions	4.193	2.935	4.904
Management board	1.718	1.107	1.477
Audit Committee	0	0	96
Committee of representatives	0	0	80
Total salaries and remuneration of board etc.	5.911	4.042	6.557
STAFF COSTS			
Wages and salaries	92.672	82.857	114.919
Pensions	10.869	9.832	13.329
Social security costs	1.507	1.470	1.839
Payroll tax	12.411	13.545	19.232
Total staff costs	117.459	107.704	149.319
OTHER ADMINISTRATIVE EXPENSES			
	80.990	73.547	99.473
Total staff costs and administrative expenses	204.360	185.293	255.349
EMPLOYEES			
Average number of employees converted into full-time employees	198	187	190
WRITE-DOWNS ON LOANS AND RECEIVABLES			
Write-downs and provisions during the year	159.944	90.891	139.865
Reversal of write-downs made in previous years	-140.844	-81.569	-110.100
Finally lost, not previously written down	1.263	4.422	7.206
Interest on the written-down portion of loans	-5.703	-5.873	-7.933
Recoveries of previously written off debt	-5.267	-366	-1.400
Total	9.393	7.505	27.638

1,000 DKK	2024	2023	1.1-31.12 2023
DEVELOPMENT IN WRITE-DOWNS AND PROVISIONS RELATING TO FINANCIAL ASSETS AT AMORTIZED COST AND OTHER CREDIT RISKS, ASSETS INCLUDED IN IFRS9			
STAGE 1 IMPAIRMENT CHARGES			
Stage 1 impairment charges at the end of the previous financial year	44.907	18.030	18.030
Stage 1 impairment charges / value adjustment during the period	12.821	11.672	39.593
Stage 1 impairment reversed during the period	-22.255	-10.941	-12.716
Cummulative stage 1 impairment total	35.473	18.761	44.907
STAGE 2 IMPAIRMENT CHARGES			
Stage 2 impairment charges at the end of the previous financial year	117.214	149.203	149.203
Stage 2 impairment charges / value adjustment during the period	66.911	26.963	35.758
Stage 2 impairment reversed during the period	-74.967	-50.138	-67.747
Cummulative stage 2 impairment total	109.158	126.028	117.214
STAGE 3 IMPAIRMENT CHARGES			
Stage 3 impairment charges at the end of the previous financial year	147.647	123.522	123.522
Stage 3 and impairment charges / value adjustment during the period	74.352	50.444	60.910
Reversal of stage 3 impairment charges during the period	-39.083	-19.324	-27.733
Recognised as a loss, covered by stage 3 impairment charges	-26.684	-4.987	-9.052
Cummulative stage 3 impairment total	156.232	149.655	147.647
Total cumulative impairment charges IFRS9	300.863	294.444	309.768
GUARANTEES			
Provisions beginning of the year	13.416	11.716	11.716
Loss on guarantees	5.863	1.812	3.604
Reversal of provisions	-4.539	-1.167	-1.904
Provisions for losses	0	0	0
Guarantees end of year	14.740	12.361	13.416
Total cumulative impairment charges IFRS9 and guarantees	315.603	306.805	323.184

The development can be explained by the following development in the distribution in stages of the maximum credit risk and development in the weighted average of the rating:

	Stage 1	Stage 2	Stage 3
Beginning			
Impairment	44.907	117.213	147.648
- in % of total impairment	14%	38%	48%
Maximum credit risk	12.432.169	1.337.371	349.054
- in % of maximum credit risk	88%	9%	2%
Rating, weighted average	2,6	6,5	10,0
End			
Impairment	35.472	109.158	156.233
- in % of total impairment	12%	36%	52%
Maximum credit risk	13.113.907	1.217.452	384.418
- in % of maximum credit risk	89%	8%	3%
Rating, weighted average	2,4	6,4	10,0

The continued uncertainty around the development of society, including increased interest rates etc., leads to increased uncertainty for both the business community and private households. As a result of this, as of 30 June 2024 the Bank has reserved an extra amount as a management estimate of DKK 100.00 million compared with DKK 100.0 million. 31 December 2023.

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

Based on the green tripartite agreement, a carbon tax for agriculture will be introduced starting in 2030. This is expected to have a major impact on the Bank's agricultural customers, which is why as of 31/12/2023 the Bank has increased the management estimate by DKK 30.0 million to DKK 100.0 million in the future. The total management estimates are divided by DKK 26.0 million in stage 1 (2023: DKK 34.5 million), by DKK 58.3 million in stage 2 (2023: DKK 52.1 million) and by DKK 15.7 in stage 3 (2023: DKK 13.4 million).

1,000 DKK	2024	2023	1.1-31.12 2023
LOANS ETC. WITH SUSPENDED CALCULATION OF INTEREST	52.898	88.326	79.762
SHARE CAPITAL			
Number of shares at 20 DKK each	9.640.800	9.640.800	9.640.000
Share capital	192.800	192.800	192.800
OWN CAPITAL SHARES			
Number of shares (pcs)	5.829	7.334	6.461
Nominal value hereof	117	147	129
Market value hereof	1.040	1.056	927
Own shares proportion of share capital (pct.)	0,06%	0,08%	0,07%

CAPITAL REQUIREMENT 30 SEPTEMBER

Beløb i 1.000 kr.	2024	2023	1.1-31.12 2023
Equity	1.740.460	1.513.996	1.580.909
Proposed dividend	-63.349	-59.675	-48.200
Holders of hybrid capital	-59.959	-59.825	-61.148
Deduction for the sum of equity investments etc. above 10 %	-95.962	-106.407	-105.241
NPE	-16.056	-7.985	-7.470
CVA deduction	-907	-1.096	-1.038
Deduction of trading framework for own sharers	-4.302	-1.056	-3.458
Core tier 1 capital	1.499.925	1.277.952	1.354.354
Holders of hybrid capital	59.959	59.825	61.148
Tier 1 capital	1.559.884	1.337.777	1.415.502
Subordinated loan capital	99.711	99.210	99.335
Deduction for the sum of equity investments etc. above 10 %	-562	-651	-629
Capital base	1.659.033	1.436.336	1.514.208
Credit risk	5.709.437	5.134.389	5.496.142
Market risk	220.250	222.071	219.126
Operational risk	926.343	926.343	926.343
Weighed items total	6.856.030	6.282.803	6.641.611
Core tier 1 capital ratio (excl. hybrid core capital)	21,9	20,3	20,4
Tier 1 capital ratio	22,8	21,3	21,3
Solvency ratio - Tier 2	24,2	22,9	22,8

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