











INTERIM REPORT 2024

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	30/6 2024	Profit before tax of DKK 188.8 million, compared to DKK 169.8 million as of 30/6/2023
	RETURN IN EQUITY	Profit after tax yielded a return of 18.5 % p.a. on the opening equity
	CORE EARNINGS	Core earnings increased by 14.6 % to DKK 189.9 million
	VALUE ADJUSTMENTS	Exchange rate adjustments of DKK 10.3 million compared with DKK 16.1 million as of 30/6/2023
	NET INTEREST AND FEE INCOME	Net interest and fee income increased by 15.0 % to DKK 327.8 million
	IMPAIRMENT	Impairment of DKK 5.1 million compared with DKK 6.4 million as of 30/6/2023. Management's estimate remains unchanged at DKK 100 million
	LENDING	Lending growth of 16.0 % to DKK 6,629 million and deposit growth of 8.0 % to DKK 8,406 million since 30/6/2023
	CAPITAL	Capital ratio of 24.7 % and core capital ratio of 23.2 %. Solvency requirement is 10.0 %
	EXPECTATIONS	Expectations for profit before tax for the entire year are within the range of DKK 300 – 330 million.
	CORE EARNING EXPECTATIONS	The expectations for core earnings for the entire year are within the range of DKK 320 – 340 million.

5 YEARS IN SUMMARY

1,000 DKK	YEAR					
	2024	2023	2022	2021	2020	2023
PROFIT AND LOSS ACCOUNT						
Net income from interest	211.917	185.525	114.582	101.742	94.717	403.306
Div. on shares and other holdings	16.364	5.518	1.276	2.370	1.960	5.603
Charges and commissions (net)	99.523	94.071	107.716	87.398	78.421	184.625
Net inc. from int. & charges	327.804	285.114	223.574	191.510	175.098	593.534
Value adjustments	10.294	16.126	-33.654	8.953	6.060	47.178
Other ordinary income	1.032	1.309	965	996	585	2.525
Staff costs and administrative expenses	137.756	120.950	111.069	101.466	96.409	255.532
Depreciation of intangible and tangible assets	6.751	4.798	2.714	2.673	2.363	15.333
Other operating expenses	665	625	477	480	194	623
Write-downs on loans etc. (net)	5.117	6.395	-3.523	-9.768	27.156	27.638
Operating profit	188.841	169.781	80.148	106.608	55.621	344.111
Taxes	47.963	45.199	16.668	23.454	12.237	86.132
Profit for the period	140.878	124.582	63.480	83.154	43.384	257.979
Of which are holders of shares of hybrid core capital instruments etc.	2.578	2.578	2.578	2.578	3.138	5.287
BALANCE SHEET summary						
Total assets	12.459.236	11.172.055	10.653.001	9.557.875	8.008.599	11.966.911
Loans and other debtors	6.629.336	5.713.982	5.252.989	4.461.647	4.230.606	6.726.329
Guarantees etc.	1.653.101	1.899.282	2.895.000	3.149.016	2.308.723	1.857.418
Bonds	676.686	815.665	889.315	991.440	986.787	752.038
Shares etc.	283.706	269.933	226.288	204.146	213.708	283.275
Deposits	8.406.207	7.781.919	7.260.609	6.553.784	6.550.184	8.284.256
Subordinated cap. investments	99.502	99.085	98.585	98.084	97.584	99.335
Capital funds	1.676.315	1.455.062	1.279.158	1.169.454	1.038.051	1.586.066
Dividends						48.200
Capital Base	1.619.603	1.413.230	1.287.782	1.183.088	1.087.247	1.514.208
Total weighted items	6.564.576	5.807.507	6.059.713	5.822.997	5.488.289	6.641.611
CORE EARNINGS						
Core income	335.023	292.028	228.731	195.435	177.764	607.379
Total costs etc.	-145.172	-126.373	-114.260	-104.619	-98.966	-271.488
Core earnings	189.851	165.655	114.471	90.816	78.798	335.891

FINANCIAL RATIOS - 30TH JUNE

Figures in pct.

	2024	2023	2022	2021	2020
Solvency ratio	24,7	24,3	21,2	20,3	19,8
Core capital ratio	23,2	22,6	19,6	18,6	18,0
Return on own funds before tax*	11,9	12,4	6,5	9,7	5,4
Return on own funds after tax*	8,8	9,1	5,1	7,5	4,1
Earning/expense ratio in DKK	2,26	2,28	1,72	2,12	1,4
Interest rate risk	0,4	0,6	0,9	1,3	1,1
Foreign currency position	0,1	0,1	0,1	0,3	0,2
Foreign currency risk	0,0	0,0	0,0	0,0	0,0
Advances against deposits	67,7	64,8	62,6	61,1	68,6
NSFR	1,35	1,32	1,29	-	-
LCR	390	395	333	290	378
Total large commitments	113,3	102,8	116,9	132,4	133,5
Accumulated impairment ratio	3,7	3,7	3,4	3,8	4,1
Impairment ratio for the period	0,1	-0,1	-0,1	-0,1	0,3
Increase in loans etc. for the period	-1,4	4,6	11,3	5,6	-2,2
Ratio between loans etc. and capital funds	4,0	3,9	4,1	3,8	4,1
(value pr share 100 DKK)					
Earnings per share (result period)*	71,7	63,3	31,6	41,8	20,9
Book value pr share*	838	724	632	575	508
Market value/earning per share	2,8	2,0	3,4	2,3	2,9
Market value/book value*	1,21	0,88	0,84	0,84	0,59
(value pr share 20 DKK)					
Earnings per share (result period)*	14,3	12,7	6,3	8,4	4,2
Book value pr share*	167,6	144,7	126,4	115,1	101,6
Market value	202,0	128,0	106,5	96,8	60,0

*) 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	2Q 2024	1Q 2024	4Q 2023	3Q 2023	2Q 2023
PROFIT AND LOSS ACCOUNT					
Net income from interest	104.354	107.563	112.617	105.164	97.292
Div. on shares and other holdings	16.242	122	31	54	5.284
Charges and commissions (net)	44.048	55.475	48.404	42.150	41.513
Net inc. from int. & charges	164.644	163.160	161.052	147.368	144.089
Value adjustments	-4.922	15.216	22.933	8.119	5.966
Other ordinary income	570	462	535	681	520
Staff costs and administrative expenses	66.467	71.289	70.239	64.343	59.437
Depreciation of intangible and tangible assets	5.026	1.725	7.136	3.399	3.453
Other operating expenses	665	0	-1	-1	625
Write-downs on loans etc. (net)	2.026	3.091	20.133	1.110	1.478
Operating profit	86.108	102.733	87.013	87.317	85.582
Taxes	21.252	26.711	18.929	22.004	23.981
Profit for the period	64.856	76.022	68.084	65.313	61.601
Of which are holders of shares of hybrid core capital instruments etc.	1.288	1.290	1.420	1.289	1.289
BALANCE					
Loans and other debts	6.629.336	6.725.781	6.726.329	6.092.170	5.713.982
Totalkredit	14.294.497	14.079.196	13.912.390	13.672.911	13.604.732
DLR	5.151.052	5.093.868	4.947.400	4.885.650	4.842.550
Deposits	8.406.207	7.918.879	8.284.256	7.783.746	7.781.919
Deposits in pooled schemes	1.840.844	1.786.256	1.592.836	1.523.201	1.468.145
Subordinated cap. investments	99.502	99.460	99.335	99.210	99.085
Customer depots	6.575.169	6.469.523	5.013.783	5.132.845	4.906.116
Equity	1.676.315	1.617.990	1.586.066	1.517.864	1.455.062
Total assets	12.459.236	11.801.777	11.966.911	11.266.794	11.172.055
Guarantees etc.	1.653.101	1.569.333	1.857.418	1.814.488	1.899.282
CORE EARNINGS					
Core income	168.282	166.741	164.560	150.791	147.470
Total costs	-72.158	-73.014	-77.374	-67.741	-63.515
Core earnings	96.124	93.727	87.186	83.050	83.955

MANAGEMENT REPORT

In the first half of the year, the best results to date were achieved with solid growth in the most important areas.

Profit before tax amounts to DKK 188.8 million compared to DKK 169.8 million in the first half of 2023, a growth of DKK 19.0 million or 11.2 %, based on solid growth in net interest and fee income and positive exchange rate adjustments. Expectations for profit before tax for the half year were adjusted upwards on 3 June to the range of DKK 300 – 330 million.

The core earnings have also greatly improved and amount to DKK 189.9 million compared with DKK 165.7 million in 2023, a growth of DKK 24.2 million or 14.6 %. The forecast for core earnings for the entire year was adjusted upwards on 3 June to the range of DKK 320 – 340 million.

The growth in core earnings is due to solid development in all business areas following a high level of activity, major customer growth and increased volume with all product types. Lending increased by DKK 915.4 million compared to 30 June 2023, corresponding to 16.0 %. Danmarks Nationalbank lowered the official interest rates, but these still contribute significantly to the high level of earnings.

The exchange rate adjustments were positive by DKK 10.3 million, compared with DKK 16.1 million in 2023. The lower exchange rate adjustments are mainly due to the fact that one of the bank's most important partners – DLR Kredit – has distributed dividends in the first half of the year rather than consolidating the capital base as before. The exchange rate adjustments in the bond and trading portfolio of shares are in line with 2023.

The high customer activity and interest rate level have resulted in net interest and fee income of DKK 327.8 million, an increase of DKK 42.7 or 15.0 % compared to the same period in 2023.

The costs for staff and administration have increased by DKK 16.8 million or 13.9%, 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 5.1 million, compared with DKK 6.4 million as of 30 June 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. Clarification of this is expected during the second half of the year, and thus also whether the reservation of DKK 30 million can be reduced or reversed entirely.

The continued geopolitical uncertainty and interest rate levels 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 after the first half of the year is estimated at 16.0%, which is fully in line with the Bank's expectations. The lending volume is marginally lower during the half year than at the end of 2023, but it is particularly satisfactory that the lending growth since the end of the first half of 2023 has been DKK 915.4 million.

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 2-4%, which is considered satisfactory and as budgeted.

The proportion of lending and guarantees to private customers has grown in recent years and at the end of the half year amounts to 55.9% 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 8.9 % and 6.0 % at the end of the half year. The Bank's guarantees remain at a satisfactory level, but were reduced to DKK 1,653 million as of 30 June 2024 compared with DKK 1,857 million at the end of 2023, which is mainly due to the aforementioned guarantee agreement with DLR Kredit.

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

LOANS AND GUARANTEES DISTRIBUTED ON SECTORS

	30.06.2024	31.12.2023	30.06.2023
Public authorities	0,0%	0,0%	0,0%
Agriculture, hunting, forestry & fishing	8,9%	10,4%	10,1%
Plant production	2,5%	2,0%	1,9%
Cattle farming	4,1%	5,4%	4,5%
Pig farming	1,7%	2,1%	2,4%
Mink production	0,1%	0,2%	0,4%
Other agriculture	0,5%	0,8%	0,9%
Industry and mining	5,6%	3,9%	4,6%
Energy	0,9%	1,1%	1,1%
Building and constructions	6,6%	6,0%	5,5%
Wholesale	7,5%	7,4%	6,5%
Transport, hotels and restaurants	1,1%	0,7%	1,0%
Information and communication	0,1%	0,1%	0,1%
Financial and insurance business	5,1%	6,5%	6,0%
Real-estate	6,0%	8,0%	9,6%
Other business	2,3%	2,4%	2,2%
Private	55,9%	53,6%	53,3%

The Bank offers financial leasing to business customers via Skjern Bank Leasing. The activity is increasing and there are 580 active leases as of 30 June 2024, with a residual lease debt of DKK 242 million.

The Bank's overall credit provision has increased satisfactorily by DKK 1,913.6 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 390 %, 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 1,770 million.

CAPITAL CONDITIONS AND DIVIDEND POLICY

The capital base comprises DKK 1,619.6 million and the capital ratio 24.7 % compared to 22.8 % at the end of 2023. The capital ratio has increased satisfactorily after recognition of the profit for the period and the marginally decreasing risk-weighted assets as a result of reduced guarantee volume. The core capital ratio increased to 23.2 % 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 14.7 percentage points. Compared with the capital base of DKK 1,619.6

million, there was a surplus of DKK 965 million at the end of the first half of 2024.

Relative to the necessary capital ratio of 21.1 %, expressed as the Bank's calculated solvency requirements plus buffer requirements, the coverage can be calculated at 3.6 percentage points, corresponding to a solvency coverage of DKK 237 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 June 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 0.6 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 dividends for the financial year 2024, cf. the dividend policy.

The bank's capital goals and dividend 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 dividend and the Bank's capital foundation is strengthened by consolidation.

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 June 2024, the Bank employed 209 employees, which is an increase of 8 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 showed that 97.7 % 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

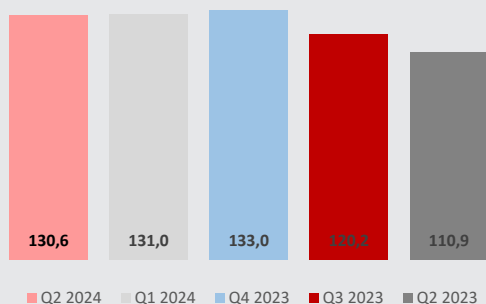
The financial sector has a key role in ensuring that society develops in a more sustainable direction. The Bank is aware of this responsibility and fully supports the recommendations from the Forum for Sustainable Finance (Forum for Bæredygtig Finans), which the Bank aims to comply with.

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 entire ESG report for 2023 can be read on the Bank's website at: <https://www.skjernbank.dk/banken/baeredygtighed>

Interest income
Million DKK



NET INTEREST INCOME

Interest income increased by DKK 52.7 million, corresponding to 25.2 %. Interest expenses for deposits amount to DKK 49.7 million and have increased by DKK 26.3 million.

Net interest income during the period increased by DKK 26.4 million compared to 30 June 2023, corresponding to 14.2 %, and amounts to DKK 211.9 million.

In the coming quarters, there is expected to be a continued increased pressure on the interest margin, with both increasing prices on deposits, but also increased pressure on the lending rate. The Bank expects that the current interest level in Danmarks Nationalbank will remain at the same level until the end of Q3 2024.

NET FEE AND COMMISSION INCOME

Net income from fees and commissions amounted to DKK 99.5 million, compared to DKK 94.1 million in 2023, and thus increased by DKK 5.4 million. The Bank notes increasing income on all fee types except for guarantee commissions as a result of the reduced guarantee volume. 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 1.2 million, whilst earnings from securities trading and deposits increased by DKK 0.7 million. Guarantee provisions were reduced by DKK 0.1 million compared to last year, while payment services and other fees increased by DKK 4.0 million. Administrative fees increased by DKK 0.3 million.

NET INTEREST AND FEE INCOME

Net interest and fee income increased by DKK 42.7 million, corresponding to 15.0 %, and amounts to DKK 327.8 million.

EXCHANGE RATE ADJUSTMENTS

The total exchange rate adjustments were positive by DKK 10.3 million, compared with DKK 16.1 million as of 30 June 2023. The exchange rate adjustments were divided into DKK 1.0 million in the bond portfolio and DKK 3.1 million in the shareholdings, where sectoral shares comprise a price loss of DKK 1.3 as a result of DLR Kredit having distributed dividends for the first time in Q2 rather than the traditional consolidation of the capital base, thereby revaluing the price. Shares in the trading portfolio constitute a gain of DKK 4.4 million. In addition, satisfactory income of DKK 6.2 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 16.8 million and amount to DKK 137.8 million. The Bank's organic growth strategy requires new employees, primarily in the customer-facing departments, including in the financial area and in the business department in Copenhagen, which was strengthened during 2023. The increase in costs is in line with budget. Personnel costs rose by DKK 9.4 million compared to 30 June 2023 and administration costs rose by DKK 7.4 million, broken down between IT costs, marketing and other administration costs.

PROFIT FOR THE PERIOD

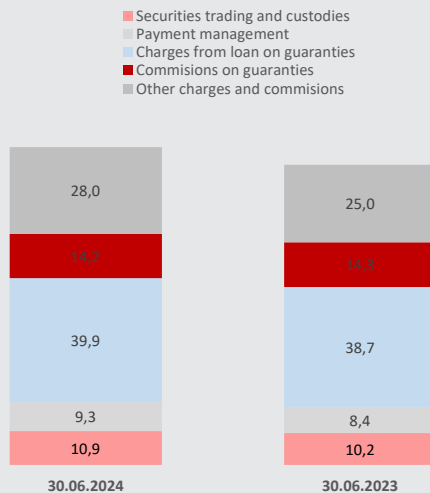
Profit before tax amounted to DKK 188.8 million compared with DKK 169.8 million as of 30 June 2023.

After taxes, profit for the period amounts DKK 140.9 million, a growth of DKK 16.3 million, which may be attributable to increasing net interest and fee income.

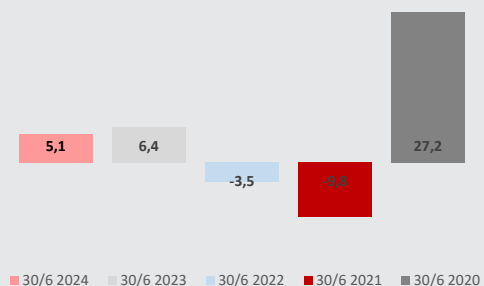
The result is considered to be extremely satisfactory, and is the best half-year result in the Bank's history. It is absolutely satisfactory that the number of customers and the lending volume continues to increase, thereby increasing net interest and fee income, and it is also noted that the focus on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

Core earnings of DKK 189.9 million were realised, which is DKK 24.2 million higher than 30 June 2023:

Charges and commissions receivable
Million DKK



Write-downs on loans etc.
Million DKK



CORE EARNINGS 1 JANUARY - 30 JUNE

1,000 DKK	2024	2023	1.1-31.12 2023
Net income from interest	211.917	185.525	403.306
Net charges and commission	99.523	94.071	184.625
Dividend on shares and other holdings	16.364	5.518	5.603
Foreign currency value adjustments*	6.187	5.605	11.320
Other ordinary income	1.032	1.309	2.525
Core income	335.023	292.028	607.379
Staff costs and administrative expenses	137.756	120.950	255.532
Depreciation and write-downs on intangible and tangible assets	6.751	4.798	15.333
Other operating expenses	665	625	623
Costs	145.172	126.373	271.488
Core earnings	189.851	165.655	335.891
Write-downs	-5.117	-6.395	-27.638
Value adjustments*	4.107	10.521	35.858
Result before tax	188.841	169.781	344.111
Tax	47.963	45.199	86.132
Net-result for the financial year	140.878	124.582	257.979

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

MAJOR SHAREHOLDERS

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

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

LIQUIDITY

Pure customer deposits amounted to DKK 10,247.1 million, including pool schemes accounting for DKK 10,247.1 million, of which DKK 7,905.7 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 390 % as of 30 June 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 135 % as of 30 June 2024, which is considered a solid and appropriate level.

SKJERN BANK SHARES

The bank is owned by 15,204 shareholders. The share price was 202.0 on 30 June 2024, compared with 143.5 at the beginning of the year. Market value amounts to DKK 1,947.3 million, corresponding to a rate/intrinsic value of 1.21.

EXPECTATIONS

The expectations for the full year were adjusted upwards on 3 June 2024 to a core earnings in the range of DKK 320 – 340 million and a profit before tax in the range of DKK 300 – 330 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 June 2024 is set out below.

Liquidity reserve (minimum 100 %):

The liquidity reserve is still sufficient and amounts to 390 % as of 30 June 2024 compared to 331 % as of 31 December 2023.

Property exposure (maximum 25 per cent):

Property exposure is 8.2 %, 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 113.3 % compared with 120.6 % at the end of 2023.

Property exposure (maximum 20%):

The Bank has realised a growth in lending of 16.0 % as of 30 June 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 semi-annual 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 JUNE 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 June 2024 for Skjern Bank A/S.

The half-year 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, 15 August 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 - JUNE 30TH

1,000 DKK	2024	2023	1.1-31.12 2023
Interest receivable	261.639	208.953	462.134
Interest receivable	49.722	23.428	58.828
Net income from interest	211.917	185.525	403.306
Dividend on shares and other holdings	16.364	5.518	5.603
Charges and commission receivable	102.340	96.633	188.614
Charges and commission payable	2.817	2.562	3.989
Net income from interest and charges	327.804	285.114	593.534
Value adjustments	10.294	16.126	47.178
Other ordinary income	1.032	1.309	2.525
Staff costs and administrative expenses	137.756	120.950	255.532
Depreciation and write-downs on intangible and tangible assets	6.751	4.798	15.333
Other operating expenses	665	625	623
Write-downs	5.117	6.395	27.638
Result before tax	188.841	169.781	344.111
Tax	47.963	45.199	86.132
Net-result for the financial year	140.878	124.582	257.979
Of which are holders of shares of hybrid core capital instruments etc.	2.578	2.578	5.287
STATEMENT OF COMPREHENSIVE INCOME			
Profit for the financial year	140.878	124.582	257.979
Other comprehensive income after tax	0	0	0
Total comprehensive income	140.878	124.582	257.979

BALANCE BY JUNE 30

1,000 DKK	2024	2023	1.1-31.12 2023
ASSETS			
Cash in hand and demand deposits with central banks	2.759.045	2.620.773	2.345.718
Receivables at credit institutions and central banks	81.689	75.953	60.630
Loans and other receivables at amortised cost	6.629.336	5.713.982	6.726.329
Bonds at fair value	676.686	815.665	752.038
Shares etc.	283.706	269.933	283.275
Shares associated with pool schemes	1.840.844	1.468.145	1.592.836
Land and buildings (total)	80.745	75.932	77.553
Investment properties	3.019	3.019	3.019
Owner-occupied properties	59.907	57.780	55.250
Owner-occupied properties, leasing	17.819	15.133	19.284
Other tangible assets	6.187	6.192	6.532
Current tax assets	0	25.470	7.486
Other assets	100.948	99.599	113.926
Prepayments	50	411	588
Total assets	12.459.236	11.172.055	11.966.911

1,000 DKK	2024	2023	1.1-31.12 2023
LIABILITIES			
DEBT			
Debt to credit institutions and central banks	3.398	291	2.385
Deposits and other debts	8.406.207	7.781.919	8.284.256
Deposits in pooled schemes	1.840.844	1.468.145	1.592.836
Current tax obligations	32.356	0	0
Other liabilities	383.406	347.295	382.890
Prepayments	1.702	1.323	297
Total debt	10.667.913	9.598.973	10.262.664
PROVISIONS			
Provisions for deferred tax	5.430	3.749	5.430
Provisions for loss on guarantees	10.076	15.186	13.416
Total provisions	15.506	18.935	18.846
SUBORDINATED DEBT			
Subordinated loan capital	99.502	99.085	99.335
Total subordinated debt	99.502	99.085	99.335
EQUITY			
Share capital	192.800	192.800	192.800
Retained earnings	1.422.301	1.201.181	1.283.918
Dividend	-	-	48.200
Capital owners share of equity	1.615.101	1.393.981	1.524.918
Holdings of hybrid capital	61.214	61.081	61.148
Total equity	1.676.315	1.455.062	1.586.066
Total liabilities	12.459.236	11.172.055	11.966.911

OFF-BALANCE-SHEET ITEMS BY JUNE 30

1,000 DKK	2024	2023	1.1-31.12 2023
CONTINGENT LIABILITIES			
Contingent liabilities			
Finance guarantees	797.655	410.592	384.934
Guarantees against losses on mortgage credit loans	212.833	756.142	753.010
Registration and conversion guarantees	467.912	587.473	562.309
Other contingent liabilities	174.701	145.075	157.165
Total	1.653.101	1.899.282	1.857.418
Other binding engagements			
Irrevocable credit-undertakings	249.220	631.807	437.263
Total	249.220	631.807	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				-1.468	-1.468
Dividend own shares				18	18
Dividends proposed 2022				-28.920	-28.920
Paid interest hybrid capital			-2.511		-2.511
Profit or loss			2.578	122.004	124.582
Equity 30 June 2023	192.800	0	61.081	1.201.180	1.455.062
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	1.283.918	1.586.066
Purchase of own funds				80	80
Dividend own shares				3	3
Dividends paid 2023		-48.200			-48.200
Amortization hybrid capital					0
Paid interest hybrid capital			-2.512		-2.512
Profit or loss			2.578	138.300	140.878
Equity 30 June 2024	192.800	0	61.214	1.422.301	1.676.315

NOTES PER JUNE 30

1,000 DKK	2024	2023	1.1-31.12 2023
INTEREST INCOME			
Centralbanks	38.972	29.281	69.572
Loans and other receivables	210.456	167.272	366.474
Bonds	10.461	9.389	20.130
Other derivative financial instruments, total	1.743	3.011	5.948
of which			
Currency contracts	-212	-191	-192
Interest-rate contracts	1.955	3.202	6.140
Other interest income	7	0	10
Total	261.639	208.953	462.134
INTEREST EXPENSES			
Centralbanks	0	-525	0
Deposits	45.645	19.915	50.848
Subordinated debt	3.237	3.182	6.592
Other interest expenses	840	856	1.388
Total	49.722	23.428	58.828
FEES AND COMMISSION INCOME			
Securities trading and custody accounts	10.854	10.199	23.609
Payment services	9.346	8.432	17.286
Loan fees	39.900	38.679	78.394
Guarantee commission	14.190	14.314	27.872
Other fees and commission	28.050	25.009	41.453
Total	102.340	96.633	188.614
VALUE ADJUSTMENTS			
Bonds	992	1.229	13.049
Total shares	3.078	9.258	22.833
Shares in sectorcompanies etc.	-1.275	6.165	18.100
Other shares	4.353	3.093	4.733
Foreign currency	6.187	5.605	11.320
Other financial instruments	37	34	-24
Assets linked to pooled schemes	-89.125	-49.704	-100.970
Deposits in pooled schemes	89.125	49.704	100.970
Total	10.294	16.126	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	2.788	-	4.904
Of which fixed remuneration, incl. pensions	2.788	-	4.904
Management board	1.133	739	1.477
Audit Committee	0	0	96
Committee of representatives	0	0	80
Total salaries and remuneration of board etc.	3.921	739	6.557
STAFF COSTS			
Wages and salaries	60.835	55.419	114.919
Pensions	7.184	6.376	13.329
Social security costs	795	793	1.839
Payroll tax	8.554	8.579	19.232
Total staff costs	77.368	71.167	149.319
OTHER ADMINISTRATIVE EXPENSES	56.467	49.044	99.473
Total staff costs and administrative expenses	137.756	120.950	255.349
EMPLOYEES			
Average number of employees converted into full-time employees	196	184	190
WRITE-DOWNS ON LOANS AND RECEIVABLES			
Write-downs and provisions during the year	109.902	79.845	139.865
Reversal of write-downs made in previous years	-102.210	-71.446	-110.100
Finally lost, not previously written down	1.126	2.341	7.206
Interest on the written-down portion of loans	-3.561	-4.081	-7.933
Recoveries of previously written off debt	-140	-264	-1.400
Total	5.117	6.395	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	11.736	13.510	39.593
Stage 1 impairment reversed during the period	-19.644	-8.443	-12.716
Cumulative stage 1 impairment total	36.999	23.097	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	50.653	19.672	35.758
Stage 2 impairment reversed during the period	-48.679	-42.434	-67.747
Cumulative stage 2 impairment total	119.188	126.441	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	46.920	42.159	60.910
Reversal of stage 3 impairment charges during the period	-29.954	-19.534	-27.733
Recognised as a loss, covered by stage 3 impairment charges	-10.702	-897	-9.052
Cumulative stage 3 impairment total	153.911	145.250	147.647
Total cumulative impairment charges IFRS9	310.098	294.788	309.768
GUARANTEES			
Provisions beginning of the year	13.416	11.716	11.716
Loss on guarantees	593	4.505	3.604
Reversal of provisions	-3.933	-1.035	-1.904
Provisions for losses	0	0	0
Guarantees end of year	10.076	15.186	13.416
Total cumulative impairment charges IFRS9 and guarantees	320.174	309.974	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	36.998	119.187	153.913
- in % of total impairment	12%	38%	50%
Maximum credit risk	12.944.879	1.195.655	368.038
- in % of maximum credit risk	89%	8%	3%
Rating, weighted average	2,4	6,5	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	67.713	90.800	79.762
SHARE CAPITAL			
Number of shares at 20 DKK each	9.640.000	9.640.000	9.640.000
Share capital	192.800	192.800	192.800
OWN CAPITAL SHARES			
Number of shares (pcs)	5.333	7.916	6.461
Nominal value hereof	107	158	129
Market value hereof	1.077	1.013	927
Own shares proportion of share capital (pct.)	0,06%	0,08%	0,07%

CAPITAL REQUIREMENT 30 JUNE

Beløb i 1.000 kr.	2024	2023	1.1-31.12 2023
Equity	1.673.738	1.452.485	1.580.909
Proposed dividend	-36.849	-24.100	-48.200
Holders of hybrid capital	-61.214	-61.081	-61.148
Deduction for the sum of equity investments etc. above 10 %	-93.694	-103.540	-105.241
NPE	-16.700	-7.949	-7.470
CVA deduction	-963	-1.089	-1.038
Deduction of trading framework for own sharers	-4.868	-1.013	-3.458
Core tier 1 capital	1.459.450	1.253.713	1.354.354
Holders of hybrid capital	61.214	61.081	61.148
Tier 1 capital	1.520.664	1.314.794	1.415.502
Subordinated loan capital	99.502	99.085	99.335
Deduction for the sum of equity investments etc. above 10 %	-563	-649	-629
Capital base	1.619.603	1.413.230	1.514.208
Credit risk	5.404.813	4.812.545	5.496.142
Market risk	233.420	235.889	219.126
Operational risk	926.343	759.073	926.343
Weighed items total	6.564.576	5.807.507	6.641.611
Core tier 1 capital ratio (excl. hybrid core capital)	22,2	21,6	20,4
Tier 1 capital ratio	23,2	22,6	21,3
Solvency ratio - Tier 2	24,7	24,3	22,8

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