

Solvency assessment by 30 June 2025

ASSESSMENT METHOD

The bank bases the internal capital adequacy assessment on guidelines issued by the Danish FSA.

The assessment of capital requirements applies an 8+ methodology. This method implies that the minimum capital requirement of 8% of the total risk exposure amount is applied as a starting point under Pillar I, with Pillar II capital add-ons for risks and conditions that are not fully reflected in the calculation of the total risk exposure.

The assessment of the capital requirement thereby assumes that ordinary risks to the bank - excluding interest rate risk in the banking book - are covered by the 8% requirement, while the additional capital requirements under Pillar II reflect the result of an assessment of interest rate risk in the banking book and extraordinary risks facing the bank which are not covered by the 8% under Pillar I.

CAPITAL ASSESSMENT

The bank's own funds requirement has been determined to be DKK 109.5 million by the end of June 2025. With a total risk exposure amount of DKK 859.2 million, the individual capital requirement is 12.7%.

Specification of own funds requirement:

	DKKm	%
Credit risk	81.7	9.5
Market risk	0.0	0.0
Liquidity risk	0.0	0.0
Operational risk	15.4	1.8
Other risks	12.3	1.4
Total	109.5	12.7

CAPITAL COVERAGE

By the end of June 2025, the bank's total capital was DKK 188.3 million and the capital ratio was 21.9%. This provides a capital buffer of DKK 78.9 million to the individual capital requirement.

Regulatory buffers consist of the capital conservation buffer, the countercyclical capital buffer and the Danish systemic risk buffer for property exposures and adds DKK 48.5 million to the capital requirement. Additionally, the capital requirement arising from the minimum required own funds and eligible liabilities adds DKK 9.1 million to the total capital requirement.

The Danish FSA has set the minimum requirement for own funds and eligible liabilities (MREL) to 13.8% of the bank's total risk exposure amount during 2025 and 4.5% of the bank's total risk measure.

Specification of capital coverage:

	DKKm
Capital	188.3
Own funds requirement	109.5
Combined buffer requirement	57.6
Total requirement	167.0
Capital Coverage Buffer	21.3