



SPAREKASSEN SJÆLLAND-FYN

Q1 2023 Interim Report

 SPAREKASSEN
SJÆLLAND-FYN

 SPAREKASSEN
SJÆLLAND-FYN

5

Q1 2023 highlights

PROFIT BEFORE TAX

Totals DKK 175.2m

Pre-tax profit provides returns on the opening equity at a rate equivalent to 17.0% a year. Net profit stands at DKK 130.9m, equivalent to a return on opening equity of 12.7%.

NET INTEREST INCOME

Up 30%

Net interest income is up by DKK 44.0m and totals DKK 190.1m.

FEE AND COMMISSION INCOME

Down 6%

Fee and commission income is down by DKK 11.1m to stand at DKK 166.1m. The decline is attributable to lower activity in the housing market.

NET INTEREST AND FEE INCOME

Up 15%

Total net interest and fee income is up by DKK 47.0m and comes to DKK 371.5m.

RATE OF COST

Down to 58.9%

The rate of cost for Q1 2023 is 58.9% against 60.9% for the financial year 2022. According to the "Towards New Goals" strategy, the rate of cost is to be reduced continuously to below 50% no later than from the financial year 2026.

CORE EARNINGS

Up 20%

Recent years' highly satisfactory developments continue in Q1 2023.

DEPOSITS

Up 5%

Deposits have increased by DKK 1.0bn and total DKK 20.8bn. Since year-end 2022, deposits have gone up by 1%.

LOANS TO CORPORATE CUSTOMERS

Up 5%

Corporate customer loans have increased by 5% since Q1 2022. Since year-end 2022, total loans and advances have gone up.

IMPAIRMENT LOSSES ON LOANS AND ADVANCES ETC

Reversal of DKK 1.8m

The stable development in the credit quality of Sparekassen's customers continues. Total management add-ons have been increased by DKK 6.4m since 31 December 2022 to stand at DKK 227.3m at 31 March 2023.

CAPITAL RATIO

Is 24.7%

The capital ratio includes current profits. Sparekassen's capital position continues to develop quite satisfactorily.

UPWARD ADJUSTMENT OF EARNINGS EXPECTATIONS

To range between DKK 550m and DKK 650m before tax

Because of the increasing interest rate levels, ongoing influx of new customers and a very satisfactory development in the credit quality, earnings expectations have been adjusted upwardly, see company announcement no 9/2023 of 13 April 2023.

Contents

2 Management commentary

Q1 2023 highlights	page	2
Management commentary	page	4
Outlook for 2023	page	4
Financial highlights	page	6
Financial ratios	page	7
Core earnings	page	8
The Supervisory Diamond	page	9
Financial review of the Group	page	10
Towards New Goals - Sparekassen's 2025 strategy	page	14
Capital structure and liquidity of the Group	page	18
Credit quality categories	page	21
Financial review of the Parent	page	22

24 Interim financial statements

Statement by Management on the Interim Report	page	25
Income statement	page	26
Statement of comprehensive income	page	26
Balance sheet	page	27
Statement of changes in equity	page	28
Cash flow statement	page	30
Notes	page	31
Parent	page	45
Definitions of official key ratios etc	page	55

This Interim Report has been prepared in Danish and English, with the Danish version being valid in the event of any inconsistencies.

For more information, please visit spks.dk or contact:

Lars Petersson
Chief Executive Officer
5948 1111
ir@spks.dk

Lars Bolding
Savings Bank Director
5948 1111
ir@spks.dk

Morten Huse Eikrem-Jepesen
Press Officer
+45 5385 0770

Cover photo: The Sparekassen Sjælland-Fyn Group's head office in Holbæk.

Management commentary

Sparekassen has been off to a good start in 2023, producing a pre-tax profit of DKK 175.2m for Q1. Net of tax, profit stands at DKK 130.9m, providing a 12.7% return on opening equity. This satisfactory performance is a result of the increasing interest rate levels and a continuously stable development in our customers' credit quality, etc. This is also why Sparekassen has adjusted its pre-tax earnings expectations for the year upwardly to range between DKK 550m and DKK 650m.

Increasing net interest income

After some years with negative interest rates, Danmarks Nationalbank in 2022 raised interest rates again to curb inflation. Overall, the positive key interest rate has contributed to a positive development in Sparekassen's net interest income in that it has increased by DKK 44.0m to a total of DKK 190.1m in Q1 2023. Some of the increase is attributable to Sparekassen's placement of surplus liquidity with Danmarks Nationalbank, interest income from Sparekassen's bond portfolio, and increasing interest income from loans and advances. Expectations are that the increasing interest rate levels will support further positive development in both interest income and net interest income in the rest of 2023.

The higher interest rate levels have also spilled over on the housing market in that, for example, it has become more expensive for first-time buyers and trading activity has slowed down. The decline in activity in the housing market has resulted in a decrease in Sparekassen's fee and commission income. Moreover, the number of loan conversions has decreased to a more normal level after H2 2022 when many customers chose to make use of the considerable interest rate movements in the mortgage credit area to refinance their loans, which also has an effect on fee and commission income. So, this income has gone down by DKK 11.1m, or 6%, on Q1 2022.

Furthermore, financial performance for Q1 2023 should also be viewed in the light of positive market value adjustments of DKK 12.1m, among other factors. In 2022, the surging interest rates on mortgage credit bonds in Q1 led to DKK 35.7m in negative market value adjustments.

Inflow of new customers continues

Activity in the housing market has generally declined, and the massive refinancing incentive in 2022 obviously left its mark on Sparekassen's total loan volume. Many customers have decided - in line with Sparekassen's recommendations - to reduce their outstanding debts on loans with Sparekassen when refinancing their mortgage credit loans. There has therefore been a slight decline in loans and advances on Sparekassen's own books whereas total mortgage credit loans arranged to finance private homes and commercial property are maintained at DKK 60.2bn, which is consistent with the level at the end of Q1 2022.

So, the figures also reflect a continuously fine inflow of new customers, especially in the corporate customer area where, for example, the arrangement of mortgage credit loans through DLR Kredit has gone up by 5% over the past 12 months, even though there has also been a considerable refinancing incentive. Core business thus continues to develop positively.

Our customers are still doing well

The credit quality of Sparekassen's customers is also still fine. Our customers have been good at adapting their consumption to the increase in costs that the high rate of inflation has caused. This is also reflected in Sparekassen's deposits balance which has gone up by 5% to a total of DKK 20.8bn, bearing witness of a continuously fine savings capacity with our customers.

Impairment losses on loans and advances too continued to develop positively, for which reason DKK 1.8m was reversed in Q1 2023.

However, total management add-ons for potential losses remain at a relatively high level and have been increased by DKK 6.4m on the balance at year-end 2022. We thus continue to pursue a conservative approach - due to the still high rate of inflation and the uncertainty of the economic forecasts caused, for example, by the geopolitical situation.

Towards New Goals

The execution of Sparekassen's "Towards New Goals" strategy is proceeding according to plan, and Sparekassen is working determinedly on a number of optimisation and development initiatives, for example, to strengthen its operations, competitive power and earnings capacity in the short term as well as the long term.

This work is reflected in Sparekassen's rate of costs, among other factors, that has gone down by 2 percentage points from 60.9% at year-end 2022 to 58.9% at the end of Q1 2023. So, Sparekassen has taken yet another step towards meeting the objective of lowering the rate of costs to below 50% no later than from the financial year 2026.

Outlook for 2023

When the Annual Report for 2022 was published, the pre-tax earnings expectations for 2023 ranged between DKK 500m and DKK 600m. Seen through the light of the increasing interest rate levels, ongoing inflow of new customers and the sustainedly positive development in credit quality, Sparekassen adjusted its pre-tax earnings expectations for the year upwardly in company announcement no 9/2023 of 13 April 2023 to range between DKK 550m and DKK 650m.

Lars Petersson
Chief Executive
Officer

Lars Bolding
Savings Bank
Director

Jan Kolbye Jensen
Savings Bank
Director



LARS BOLDING
Savings Bank Director



LARS PETERSSON
Chief Executive Officer



JAN KOLBYE JENSEN
Savings Bank Director

Financial highlights

Sparekassen Sjælland-Fyn A/S (Group)

Amounts in DKK'm	31.03 2023	31.03 2022	Index ¹	Year-end 2022
Income statement items				
Interest income calculated under the effective interest method	171	120	142	531
Other interest income	54	20	276	133
Negative interest income	-	7	-	15
Interest expenses	35	13	268	64
Positive interest expenses	-	26	-	75
Net interest income	190	146	130	660
Dividends on shares	19	5	376	26
Fees and commission income	166	177	94	665
Fees and commission expenses paid	4	4	98	16
Net interest and fee income	371	324	115	1.335
Translation and market value adjustments	12	-36	-	-73
Other operating income	4	3	131	16
Staff costs and administrative expenses	202	187	108	771
Amortisation, depreciation and impairment losses on intangible assets and property, plant and equipment	12	7	165	33
Other operating expenses	7	4	162	19
Impairment losses on loans and advances etc	-2	-3	61	-16
Investments in associates and group enterprises	7	5	151	11
Profit for the year before tax	175	101	174	482
Income tax	44	18	240	110
Profit for the year after tax	131	82	159	372
Profit allocated to shareholders	122	76	160	346

Sparekassen Sjælland-Fyn A/S (Group)

Amounts in DKK'm	31.03 2023	31.03 2022	Index ¹	Year-end 2022
Balance sheet items				
Loans and advances etc	11,716	11,924	98	11,690
Deposits	20,814	19,777	105	20,673
Deposits in pooled plans	1,974	2,240	88	1,976
Total deposits	22,788	22,017	104	22,649
Subordinated loan capital	572	620	92	571
Equity	4,156	3,808	109	4,129
Balance sheet total	30,329	28,049	108	29,631
Capital resources	3,985	3,797	105	4,133
Guarantees	5,352	7,271	74	5,613
Total credits arranged	60,225	60,221	100	59,946
Custody accounts	14,350	14,627	98	13,771

Amounts in DKK'm	31.03 2023	31.03 2022	Index ¹	Year-end 2022
Developments in Sparekassen's business areas				
Loans and advances etc	11,716	11,924	98	11,690
Totalkredit	35,063	35,497	99	35,080
DLR	13,446	12,800	105	13,176
Guarantees (exclusive of loss guarantees for mortgage loans)	3,068	4,396	70	3,213
Deposits	20,814	19,777	105	20,673
Deposits in pooled plans	1,974	2,240	88	1,976
Custody accounts	14,350	14,627	98	13,771
Total	100,431	101,261	99	99,579
Average headcount (full-time employees on average)	549	545	101	546
Per employee	183	186	98	182

¹ Index: 31.03.2023 relative to 31.03.2022.

Financial ratios

Sparekassen Sjælland-Fyn A/S (Group)

	31.03 2023	31.03 2022	Index ¹	Year-end 2022
Financial ratios				
Capital ratio ²	23,9	21,9	109	25,1
Core capital ratio ²	20,7	18,4	113	21,9
Common equity Tier 1 capital ²	17,7	16,2	109	18,9
Excess capital adequacy in percentage points ²	12,3	12,0	103	14,2
Return on equity before tax (for the period)	4,2	2,7	156	12,2
Return on equity after tax (for the period)	3,2	2,2	145	9,4
Income/cost ratio DKK	1,80	1,52	118	1,60
Rate of cost	58,9	60,6	97	60,9
Interest rate risk relative to core capital net of deductions	5,5	1,5	367	5,2
Currency position relative to core capital net of deductions	1,8	0,8	225	1,5
Currency risk relative to core capital net of deductions	0,0	0,0	-	0,0
Loans and advances relative to equity	2,8	3,1	90	2,8
Loans and advances plus loan impairment losses relative to deposits	53,8	56,6	95	54,0
Growth in loans and advances for the for the period	0,2	-1,2	-17	-3,1
Impairment ratio for the for the period	0,0	-0,1	-	-0,1
Accumulated impairment ratio	3,5	3,1	113	3,5
Zero interest loans and advances relative to total loans and advances	0,2	0,2	100	0,2
Liquidity benchmark	517	482	107	481
Liquidity LCR	304	468	65	372
Total large exposures	63,3	70,8	89	62,9
Return on invested capital	0,4	0,3	133	1,3
Earnings per share (DKK) ³	7,1	4,4	161	20,0
Dividend per share (DKK)	0,0	0,0	-	6,0
Book value per share (DKK)	211,2	196,9	107	209,3
Price/earnings per share ³	25,9	46,6	56	9,7
Price/equity per share ⁴	0,9	1,0	90	0,9
Price at year-end (DKK)	183,0	206,0	89	193,5
Average headcount (full-time employees on average) ⁵	549	545	101	546
Average headcount (converted into full-time employees at year-end) ⁵	548	542	101	555

¹ Index: 31.03.2023 relative to 31.03.2022.

² 31.03.2023 and 31.03.2022 have been calculated exclusive of profit for the period. If the profit for the period after tax is reduced with the dividend policy's target was included in the capital base, the capital ratio, core capital ratio, actual core capital ratio, and capital transfer would be 0.8 pct. points higher. (31.03.2022: capital ratio, core capital ratio, actual core capital ratio, and capital transfer 0.4 pct. points higher)

³ Calculated based on the average number of shares during the year.

⁴ Calculated based on the number of outstanding shares at the end of the year.

⁵ Engaged in financial business.

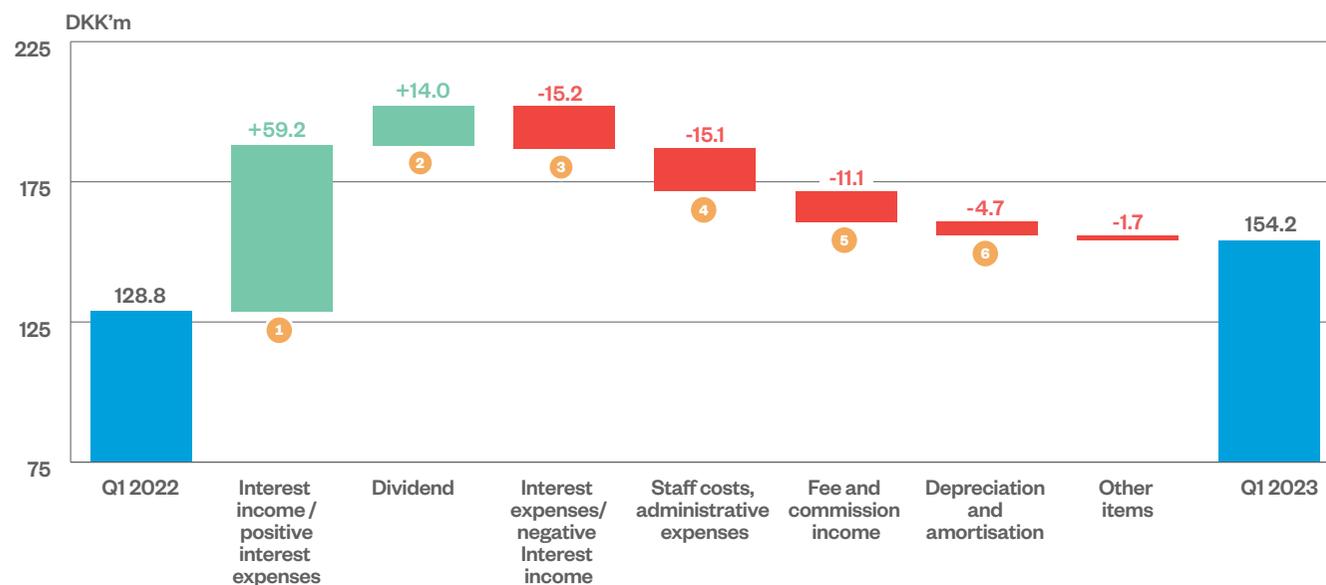


Core earnings

 Sparekassen Sjælland-Fyn A/S
(Group)

Amounts in DKK'm	Q1 2023	YTD 2022	Q4 2022	Q3 2022	Q2 2022	Q1 2022	YTD 2021	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Core earnings											
Net interest income	190.1	659.5	174.1	170.7	168.7	146.1	581.6	142.6	143.4	149.6	146.0
Dividends on shares	19.1	26.5	0	0	21.4	5.1	18.5	0.3	0	15.8	2.4
Fees and commission income	166.1	664.6	162.1	166.9	158.4	177.2	634.6	156.2	156.2	155.9	166.3
Fees and commission income paid	3.8	15.5	4.0	3.8	3.8	3.9	17.2	4.3	4.3	4.0	4.5
Other operating income	3.9	16.0	4.2	4.2	4.7	2.9	15.6	4.1	4.2	3.9	3.5
Other operating expenses	7.1	18.9	6.2	4.3	3.9	4.4	19.7	6.2	4.3	6.5	2.7
Core income	368.3	1,332.2	330.2	333.7	345.5	323.0	1,213.4	292.7	295.2	314.8	311.0
Staff costs and administrative expenses	202.1	771.2	192.1	188.1	204.1	186.9	723.1	188.8	176.3	184.9	173.1
Amortisation, depreciation and impairment losses on intangible assets and property, plant and equipment	12.0	32.9	5.1	12.9	7.7	7.3	35.8	7.0	11.4	8.2	9.2
Core earnings	154.2	528.1	133.0	132.7	133.7	128.8	454.7	96.9	107.5	121.7	128.7

Development in core earnings



- 1  Bonds
-  Loans and advances etc
-  Centralbanks
-  Deposits
- 2  Periodic shift in dividends from sector-company
- 3  Deposits
- 4  Staff costs
-  IT-cost
-  Inflation
- 5  Activity in the real estate market'
- 6  Impairment losses on owner-occupied properties



The Supervisory Diamond

Sparekassen observes all thresholds for the benchmarks of the Danish FSA's risk management tool, "the Supervisory Diamond"; the Supervisory Diamond lays down risk-based benchmarks for four specific areas that sparekassen must comply with.

The four benchmarks and the current calculations are:

Benchmark	Threshold	Group at 31.03.2023	Group at 31.03.2022
The total of large exposures as a percentage of common equity tier 1 capital	<175 %	63.3	70.8
Loan growth per annum	<20 %	-1.7	-3.4
Property exposure of loans advances and guarantees	<25 %	11.0	10.3
Liquidity benchmark	>100 %	517.0	482.0

For all four benchmarks, Sparekassen has internal targets that are duly below the Supervisory Diamond thresholds.

The internal targets and the controlled management of developments in the four Supervisory Diamond benchmarks entail that sparekassen does not expect to have any difficulties in respecting the thresholds of the Supervisory Diamond in future either.

Financial review of the Group

Q1 2023

Pre-tax profit is up by 74% and amounts to DKK 175.2m against DKK 100.8m in Q1 2022.

Core earnings are affected by a highly positive development in net interest income, higher dividend income, a slight decline in fee and commission income, and an increasing level of costs. Core earnings have gone up by 20% on Q1 2022 and total DKK 154.2m.

Total translation and market value adjustments are positive by DKK 12.1m.

Moreover, the credit quality of the customers continues to develop positively, and therefore DKK 1.8m of impairment losses has been reversed.

The positive development in pre-tax profit is better than expected, for which reason Sparekassen adjusted its pre-tax earnings expectations for the year upwardly in company announcement no 9/2023 of 13 April 2023 from ranging between DKK 500m and DKK 600m to ranging between DKK 550m and DKK 650m.

Net profit stands at DKK 130.9m, equivalent to an annual return on opening equity of 12.7%.

The performance for Q1 2023 is considered very satisfactory.

Income statement

Income

Net interest income

Net interest income has increased by DKK 44.0m, or 30%, and amounts to DKK 190.1m against DKK 146.1m after Q1 2022.

Total interest income has seen an increase of DKK 84.9m and amounts to DKK 224.9m. The increasing interest rate levels throughout 2022 have continued in 2023, which overall has a highly positive impact on Sparekassen's traditionally large surplus liquidity. Interest income from credit institutions and central banks is up by DKK 17.2m, one of the reasons being an increasing interest rate on Sparekassen's current account with Danmarks Nationalbank. Interest income from the bond portfolio has gone up by DKK 35.5m, primarily because of a higher flat yield on bonds and secondarily a larger average portfolio. Interest income from loans and advances has increased by DKK 33.2m to DKK 153.5m. Because of Danmarks Nationalbank's continuous increases in the interest rate levels, Sparekassen too is adjusting its interest rates on loans and advances, which is the reason for the rising interest income from loans and advances. On average, the level of loans and advances in Q1 2023 is marginally lower than that in Q1 2022. As has been the case with the last several quarters, the development in the balance of loans and advances should be compared with Sparekassen's arrangement

of mortgage credit loans for both private customers and corporate customers. With DKK 60.2bn at 31 March 2023, total credits arranged remain at the same level as at 31 March 2022. The development in loans and advances on Sparekassen's own books represents a general increase in loans to corporate customers and a decline in those to private customers. Several private customers have utilised the price decrease of mortgage credit bonds to convert any subordinated debt into mortgage credit loans in connection with refinancing, which has reduced the volume of residential mortgages on Sparekassen's own books. Also, a decline in activity is seen with respect to the funding of private households' purchases of land, construction projects and bridging loans to buy a new home. Generally, mortgage credit loans arranged to private households via Totalkredit continue to develop positively. However, the volume is marked by many customers having made use of the considerable interest rate movements in mortgage credit bonds to reduce their outstanding debts by means of refinancing. Sparekassen is generally experiencing fine activity in the corporate customer area, and, even though this area too has seen a massive loan conversion incentive, mortgage credit loans arranged through DLR Kredit have gone up by 5% over the past 12 months.

Interest income from derivatives stands at DKK 8.5m against DKK 9.6m at the same time last

year, and other interest income stands at an unchanged DKK 0.1m.

Total negative interest income has decreased by DKK 6.6m and amounts to DKK 0 in Q1 2023. This development is attributable to generally increasing interest rate levels, entailing that Sparekassen's placement of surplus liquidity on, for example, the current account is no longer burdened by a negative interest rate level.

Total interest expenses have gone up by DKK 21.8m to DKK 34.8m. This development is essentially attributable to an increase in interest expenses on deposits. Following Danmarks Nationalbank's increases in interest rate levels, Sparekassen has re-introduced positive deposit rates on a wide range of products. Moreover, interest expenses for credit institutions have gone up by DKK 7.0m. This increase is attributable to repo transactions with other banks. Overall, Sparekassen has generated an income on these transactions, and the counter entry is included in interest income from credit institutions.

Positive interest expenses total DKK 0, which is DKK 25.7m down on Q1 2022. Sparekassen discontinued negative deposit rates in the autumn of 2022, which is the reason why the line item stands at DKK 0.

Overall, the increase in interest rate levels is expected to support a sustainably positive

development in both interest income and net interest income in 2023.

Dividend

In Q1 2023, Sparekassen received DKK 19.1m in dividends, which is an increase of DKK 14.0m. Generally, Sparekassen almost entirely receives dividends from the sector companies that we co-own. Q1 this year is marked by a timing difference in distribution from a sector company which used to distribute dividend in Q2, but which has this year made the distribution in Q1.

Fee and commission income

Fee and commission income is down DKK 11.1m, or 6%, totalling DKK 166.1m against DKK 177.2m at the same time last year. Sparekassen is generally experiencing reasonable business activity from both new and existing customers in the corporate customer segment and the private customer segment. Fee income, however, is affected by both trading activity and the level of prices in the real estate market having been on the decline compared with the same period last year. Loan application fees and brokerage fees in connection with property transactions and conversions therefore reflect a downward trend.

Translation and market value adjustments

Translation and market value adjustments total a positive DKK 12.1m against a negative DKK 35.7m for the same period in 2022. Since early Q2 2022, most of Sparekassen's bond portfolio has been administered with a view to collecting contractual cash flows (bonds at amortised cost/held to maturity). Therefore, only a small portion of the bond portfolio is subjected to fair value adjustment through profit or loss. Market value adjustments of bonds stand at a positive DKK 4.6m compared to a negative DKK 58.5m

for the same quarter in 2022. In Q1 2022, the financial markets were impacted by surging interest rates on Danish mortgage credit bonds, which is the reason for the negative market value adjustments in 2022. Market value adjustments of shares stand at a negative DKK 0.9m against a positive DKK 18.8m at 31 March 2022. Market value adjustments of shares primarily arise from Sparekassen's portfolio of sector shares. In Q1 this year, the line item is marked by a timing difference in distribution from a sector company which used to distribute dividend in Q2 but which has this year made the distribution in Q1.

Translation and market value adjustments of investment property, foreign currencies and other financial instruments total DKK 8.4m against DKK 4.0m for the same period in 2022.

Other operating income

Other operating income stands at DKK 3.9m against DKK 2.9m for the same period last year. This line item is primarily composed of rent from external lessees in the property portfolio of the subsidiary Ejendomsselskabet Sjælland-Fyn A/S.

Staff costs and administrative expenses

Staff costs and administrative expenses have gone up by DKK 15.1m and amount to DKK 202.1m. Overall, staff costs inclusive of remuneration for the Executive Board and the Board of Directors have gone up by a total of DKK 7.8m. The development covers pay and pension adjustments arising from collective agreements, engagement of staff to execute Sparekassen's new strategy, "Towards New Goals", and provisions for terminated staff.

Other administrative expenses have gone up by DKK 7.3m to DKK 71.5m. This line item is affected by the past year's general rise in prices and high rate of inflation along with increased IT costs.

Amortisation, depreciation and impairment losses on intangible assets and property, plant and equipment

Amortisation, depreciation and Impairment losses on intangible assets and property, plant and equipment total DKK 12.0m, which is an increase of DKK 4.7m compared to the same period last year. Following the Danish Financial Supervisory Authority's ordinary inspection, Sparekassen has written down a few owner-occupied properties, which is the primary reason for the increase.

In aggregate, staff costs and administrative expenses and amortisation, depreciation and impairment losses on intangible assets and property, plant and equipment have gone up by 10% to stand at DKK 214.0m.

Impairment losses on loans and advances etc

Overall, the line item of impairment losses represents an income of DKK 1.8m compared to DKK 3.0m for the same period in 2022. Mainly, credit quality of Sparekassen's customers is still considered satisfactory, and the losses recorded are still extremely small in scale. Sparekassen believes that, generally, the finances of Danish businesses and private households are strong, which is reflected, for example, in the sustainedly low level of individual impairment losses.

Although the rate of increase in inflation seems to be on the decline, energy prices have fallen to a lower level, and employment remains high, the economic and geopolitical situation is still marked by uncertainty. This uncertainty is considered inherent particularly in relation to the war in Ukraine, the rate of inflation, increasing interest rates, and the slowdown in the real estate market. These are all factors that Sparekassen estimates may have an impact on certain customers' future ability to pay. As a result, management add-ons at 31 March 2023 remain at a relatively high level when they amount to DKK 227.3m compared to DKK 204.5m at 31 March 2022 and DKK 220.9m at 31 December 2022.

In Sparekassen's view, the level of management add-ons reflects a relatively conservative approach to the significant elements of uncertainty related to economic developments that the quarters ahead are subject to, and the increased credit risk is hedged based on the best estimate possible.

The line item of impairment losses includes income of DKK 7.7m arising from amounts recovered on claims previously written off in the first three months of 2023, which is DKK 0.9m higher than in the same period last year.

Profit from investments in associates and group enterprises

Profit from investments in associates and group enterprises stands at DKK 7.0m compared to DKK 4.6m at the same date last year. This line item relates, for example, to Sparekassen's stake in Lollands Bank and the continuous value adjustment to equity value thereof.

In addition, Sparekassen has a stake of over 20% in Nordfyns Bank. Because of Nordfyn Bank's restrictions on voting rights, Sparekassen has not obtained significant influence – unlike in Lollands Bank. Consequently, the shareholding in Nordfyns Bank will not be adjusted for accounting purposes to equity value within "Profit from investments in associates and group enterprises". Instead, the shareholding will be stated at and regularly adjusted to fair value directly through equity as other comprehensive income.

Profit for the period

Pre-tax profit at 31 March 2023 comes to DKK 175.2m against DKK 100.8m at the same date in 2022. Net profit amounts to DKK 130.9m against DKK 82.3m for the first three months of 2022. DKK 9.0m of the profit for the period is allocated to interest on hybrid core capital. So, the shareholders' share of profit for the period amounts to DKK 121.9m.

This performance is considered very satisfactory.

Subsequent events

No events have occurred subsequent to the balance sheet date to the date of publication of the Interim Report that are expected to have a material influence on the Group's or the Parent's financial position.

Balance sheet

Below, key balance sheet items along with balance sheet items subject to considerable development are described.

Assets

Cash and demand deposits with central banks

Traditionally, Sparekassen holds a massive deposit surplus, amounting to DKK 9.1bn, exclusive of deposits in pooled plans, at 31 March 2023. The primary placement channels for this type of liquidity are mortgage credit bonds and the current account. The line item of cash and demand deposits with central banks, standing at DKK 1.7bn at 31 March 2023 against DKK 3.2bn at 31 March 2022, is primarily composed of Sparekassen's current account deposit. The reason for the reduction in the current account deposit is that a large portion of Sparekassen's liquidity is placed in bonds.

Bonds

The total bond portfolio stands at DKK 10.9bn compared to DKK 8.3bn at the same date last year. The increase is attributable to a higher deposit surplus and to a larger portion of Sparekassen's surplus liquidity being placed in bonds compared to the situation at 31 March 2022.

Effective from Q2 2022, Sparekassen is administering portions of the bond portfolio with focus being on collecting contractual cash flows (bonds at amortised cost/held to maturity) and

on contractual cash flows and sales (bonds at fair value through other comprehensive income). As a rule, these positions are not held for trading but held to support core banking operations in a more long-term perspective.

Bonds at fair value total DKK 1.2bn at 31 March 2023. Thereof, bonds at fair value through profit or loss account for DKK 0.8bn and bonds at fair value through other comprehensive income account for DKK 0.4bn. Please also refer to note 17 on page 41.

Since April 2022, Sparekassen has acquired a number of bonds where the primary focus has been on collecting contractual cash flows (held to maturity). The bonds in question will mature successively within a relatively short period of one to five years, and the average holding period of the portfolio is 1.67 years. Within the next 12 months, DKK 2.8bn worth of bonds will mature, and another DKK 2.0bn will mature within 18 months. These bonds are recognised in the line item "Bonds at amortised cost", which is DKK 9.6bn at 31 March 2023 against DKK 0 at 31 March 2022. At 31 March 2023, the difference between carrying amount and fair value was DKK 216.0m. Since Sparekassen's intention is to hold the relevant portfolio of bonds with a

high credit rating to maturity at par (100), this is a snapshot of a capital loss that will not be realised. Please refer to note 18 on page 44 for supplementary information. At 31 March 2023, Sparekassen has allocated DKK 78m of the capital requirement to cover the unrealised capital loss on bonds calculated at amortised cost.

The changes in the line items "Bonds at fair value" and "Bonds at amortised cost" are therefore primarily attributable to Sparekassen's revised approach to the administration of the bond portfolio, a higher deposit surplus and a smaller current account deposit.

Loans and advances

The balance of loans and advances stands at DKK 11.7bn at 31 March 2023, which represents a marginal decrease of approximately DKK 0.2bn, or close on 2%, on the balance at 31 March 2022. As described above, it has been caused by an increase in loans to corporate customers and a decrease in loans to private customers. The development in on-balance sheet loans and advances should be compared with developments in mortgage credit loans arranged by Sparekassen. Although many customers have used the price decreases on mort-

Total credits arranged

	31.03.2023	31.03.2022	2022	2021	2020	2019
	DKK'm	DKK'm	DKK'm	DKK'm	DKK'm	DKK'm
Loans and advances etc, Sparekassen	11,716	11,924	11,690	12,067	11,951	12,217
Totalkredit	35,063	35,497	35,080	34,980	32,331	29,811
DLR	13,446	12,800	13,176	12,639	11,794	10,250
Total	60,225	60,221	59,946	59,686	56,076	52,278

gage credit bonds to reduce their outstanding debts, total credits arranged at 31 March 2023 are at the same level as at 31 March 2022.

Shares

The total portfolio of shares stands at DKK 867.0m compared to DKK 876.0m at the same time last year. A large portion of this portfolio is made up of shares in sector companies such as DLR Kredit, BI Holding and PRAS, which help support Sparekassen's business activities and earnings. Sparekassen also has a small portfolio of Danish listed shares and investment unit certificates and holds a major stake in Nordfyns Bank and Møns Bank.

Investments in associates

Investments in associates total DKK 263.9m and primarily arise from the stake of over 20% in the share capital of Lollands Bank.

Land and buildings

Land and buildings total DKK 566.0m against DKK 519.5m at 31 March 2022. The increase primarily reflects the acquisition of owner-occupied properties.

Equity and liabilities

Deposits

The deposits balance exclusive of deposits in pooled plans has gone up by over DKK 1.0bn to DKK 20.8bn, or 5%. The development is generally broadly based and with increases in deposits by both corporate customers and in deposits by private customers. The rising interest rate levels have resulted in, for example, larger savings account and shareholder account deposits that are yielding positive interest for the customers.

Deposits in pooled plans

Deposits in pooled plans have decreased by DKK 0.3bn on the 31 March 2022 balance and amount to DKK 2.0bn. This line item is heavily affected by negative market value adjustments of assets in the underlying pools throughout 2022.

Bonds issued

This line item of around DKK 0.4bn is composed of the SNP bonds (senior non-preferred bonds) which Sparekassen issued to cover some of the tightened capital adequacy requirements for eligible liabilities (MREL requirement) that Sparekassen is subject to.

Subordinated loan capital

Subordinated loan capital amounts to DKK 571.5m against DKK 620.4m at 31 March 2022. The reduction reflects Sparekassen's December 2022 settlement of DKK 50.0m in subordinated capital in a first call. Generally, Sparekassen regularly endeavours to optimise its capital structure, for example, by issuing subordinated loan capital, hybrid core capital and SNP bonds.

Equity

Equity at 31 March 2023 amounts to DKK 4,156.0m against DKK 3,808.5m at 31 March 2022. The increase in equity is broadly attributable to the profit for the period and other comprehensive income reduced by dividend paid and interest paid on hybrid core capital.



Sparekassen's 2025 strategy

Towards New Goals

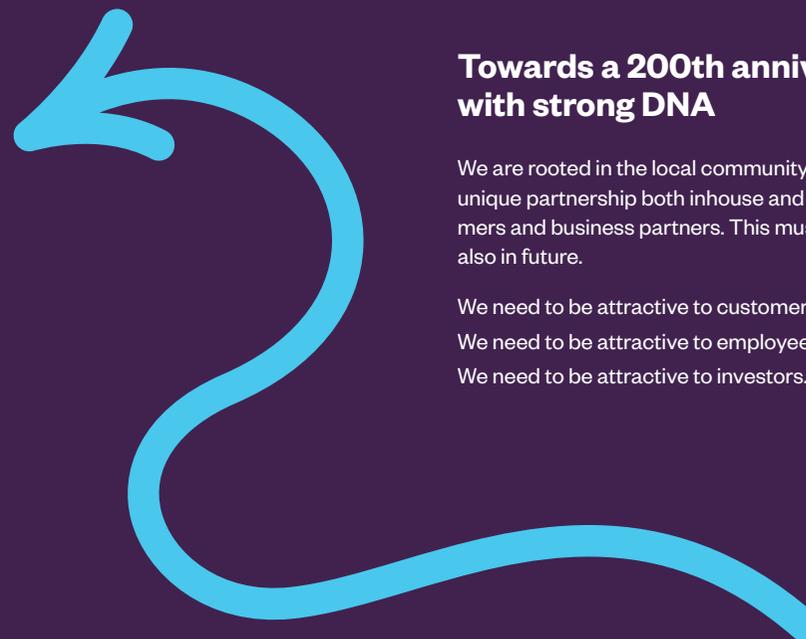


The purpose of Sparekassen is to help make Zealand and Funen a better place to live, work and operate.

Our vision is to be the market-leading regional and local alternative to the national banks on Zealand and Funen and the digital nationwide alternative to the large banks.

If we are to act out our purpose and vision, we need to be good at innovating and embracing the new conditions and opportunities of today also in future.

That is why we have in H1 2022 started the execution of our ambitious four-year strategy – Towards New Goals – that is intended to ensure the continued development and consolidation of Sparekassen up to the end of 2025 when we will be celebrating our 200th anniversary.



Towards a 200th anniversary with strong DNA

We are rooted in the local community and share a unique partnership both inhouse and with customers and business partners. This must remain so also in future.

We need to be attractive to customers.

We need to be attractive to employees.

We need to be attractive to investors.

How to achieve our goals

"Towards New Goals" builds on eight paths which embrace the conditions of the external environment that we need to deal with and navigate if we want to strengthen Sparekassen.

Three paths are about internal processes like quality, efficiency and compliance. Four paths are about commercial initiatives like branding, products and services across the fields of private

customers, corporate customers and asset management. One path is about people and culture, straddling the other seven paths



Our purpose must be known and recognised

Our purpose is to help make Zealand and Funen a better place to live, work and operate. The corporate social responsibility we accept must be sustainable, and we must make visible our purpose through a strong branding strategy.



We must be the preferred bank for small and medium-sized enterprises

We must improve our position as a savings bank for corporate customers by having close customer relationships and the right service offerings so that we become the preferred bank for small and medium-sized enterprises and attract more corporate customers.



We must strengthen the internal and external digital dialogue

We need to expand our digital toolbox to support our digital customer dialogue, create even better customer experiences, and attract customers from all over the country. At the same time, we need to improve our internal digital opportunities.



We must develop and train to attract and retain more customers

We must strengthen our sales organisation, develop new value propositions for our customers, expand our service offerings through our digital savings bank, and improve our qualifications to match our customers' needs.



We must optimise our systems and processes

We need to make it easier to service our customers while maintaining high quality. We will do this by means of new technology, insights, changes in interfaces, and by optimising procedures to make sure that we spend our time in the best way possible.



We must use data to improve our business

We have access to huge amounts of data. We must bring these data more into play to better understand our customers and processes, follow up and make the right decisions so that we improve our business.



We must support our customer-facing staff by making things more simple

Our back-office staff must develop effective and efficient methods and processes to support our customer-facing staff. For example, by improving the implementation and follow-up on laws and regulations so that our customer advisors can concentrate as much as possible on advising customers and generating more growth.



We must be an attractive business to be an employee and a customer with

Our employees are our biggest asset. That is why we must strengthen and develop our corporate culture, improve professional and personal development, and safeguard the important balance between work life and personal life so that we can attract and retain talented employees.

Initiatives executed and launched in Q1 2023

We are working on a wide range of initiatives. Their common denominator is that it must be easier and even more attractive to be both a customer and an employee with Sparekassen - in the short run as well as in the long run.



In Q1 2023, we:

- opened Health Centre Faaborg at Sparekassen's former domicile at Markedspladsen 15 in Faaborg, Funen. With the opening of the new health centre, Faaborg is no longer categorised as a "medical care endangered area" and more health services and jobs etc have been secured locally.



In Q1 2023, we:

- set up a series of support functions and digital solutions for the corporate customer organisation to centralise, standardise and automate tasks, among other steps. This has freed additional time for customer and relationship care.
- implemented new solutions in our corporate segment tool "Spotlight" as well as in the anti-money laundering area, and thus further optimised the process for opening customer accounts, etc.



In Q1 2023, we:

- launched a new concept for specialist advisers that is to further enhance professional competence when meeting with customers.



In Q1 2023, we:

- further optimised our processes for home purchases and for e-signing documents.



In Q1 2023, we:

- developed new internal self-service solutions that have, for example, automated data extraction tasks in Sparekassen's staff functions.



In Q1 2023, we:

- implemented new systems, among them an improved system for reporting operational events, to optimise some internal work processes and free time for customer-oriented activities.

Financial targets

Together, the eight paths are intended to strengthen Sparekassen's competitive power and ensure higher efficiency to boost our earnings capacity and lower the total rate of cost, among other elements.

We have set five ambitious financial targets up to the end of 2025 that we must meet:

Increased efficiency

Our rate of cost must be reduced and be less than 50% no later than from the financial year 2026. In 2021, the rate of cost was 63.1%. We need to eliminate 90,000 hours worked by means of optimisation exercises and similar measures.



Solid foundation

Our capital ratio must be no less than 20%.



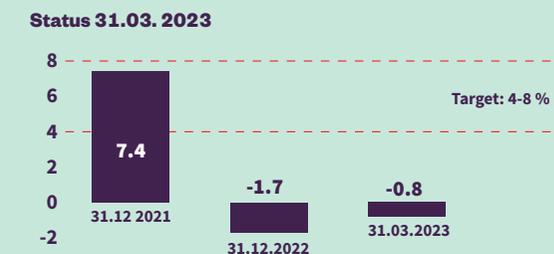
Solid profitability

On average, our return on equity must exceed 10% a year net of tax up to the end of the financial year 2025.



Solid and controlled growth

We must increase our total business volume by 4-8% a year.



Attractive dividend

Our shareholders' cash dividend must be at least 25% of Sparekassen's profit. Another objective is to increase total distribution by means of share buy-backs.

Capital structure and liquidity of the Group

Capital structure

At 31 March 2023, capital resources are DKK 188m larger than at 31 March 2022 and amount to DKK 3,985m. The increase is primarily attributable to retained earnings, the issuance of hybrid core capital, and lower deductions for deferred tax assets. The phase-out of the IFRS 9 transitional scheme and a larger deduction because of the portfolio of sector shares and shareholdings in the financial sector contribute in the opposite direction.

Capital (DKK'm)

	31.03 2023	31.12 2022	31.03 2022
Common equity tier 1 capital	2,943	3,109	2,801
Core capital (including hybrid core capital)	3,439	3,605	3,177
Capital resources	3,985	4,133	3,797

Sparekassen's risk exposures total DKK 16,644m at 31 March 2023 against DKK 17,310m at 31 March 2022, which is a decrease of DKK 666m. Credit risk has gone up by DKK 148m, and this is primarily attributable to an increase arising from bonds at amortised cost of DKK 931m that is counterbalanced by a decrease in other exposures and the weighting thereof. As a result of the new approach adopted for the administration of the bond portfolio, causing a major portion thereof to be placed outside the trading portfolio at amortised cost, market risk has gone down by DKK 936m. Operational risk has increased by DKK 122m.

Risk exposures (DKK'm)

	31.03 2023	31.12 2022	31.03 2022
Credit risk	13,948	13,845	13,800
Market risk	362	387	1,298
Operational risk	2,333	2,211	2,211
Total	16,644	16,443	17,310

Credit risk and market risk have been determined using the standard method. Operational risk has been determined based on the basic indicator method.

Sparekassen's capital ratio is then 23.9% against 21.9% at 31 March 2022. The core capital ratio has gone up by 2.3 percentage points on the same date last year and stands at 20.7% whereas the common equity tier 1 capital ratio is up 1.5 percentage points to 17.7%.

Capital ratios (%)

	31.03 2023	31.12 2022	31.03 2022
Capital ratio	23.9	25.1	21.9
Core capital ratio (Including hybrid core capital)	20.7	21.9	18.4
Common equity tier 1 capital ratio	17.7	18.9	16.2

The capital requirement has been calculated at 11.6%, leading to an excess capital adequacy ratio of 12.3 percentage points. In Danish kroner, this excess is equivalent to DKK 2,051m.

The combined buffer requirement has been calculated at 5.0 percentage points after the countercyclical capital buffer has been fully reintroduced at 2.5 percentage points. This results in Sparekassen's excess capital adequacy ratio net of capital requirement and combined buffer requirement standing at 7.3 percentage points. In Danish kroner, this excess is equivalent to DKK 1,219m.

The increase in capital requirement is related to market risks. Interest risks on non-trading bonds are not included in total risk exposures (Pillar 1), for which reason capital has been allocated for this in the capital requirement (Pillar II).

Eligible liabilities

Financial sector regulation has implemented a requirement for financial institutions regarding the amount of on-balance sheet eligible liabilities (MREL requirement). The MREL requirement aims to ensure that financial institutions have sufficient eligible liabilities to enable the execution of an appropriate restructuring or resolution of a financial institution should it be failing or likely to fail.

It is the Danish Financial Supervisory Authority (Danish FSA) that calculates and lays down the MREL requirement for each credit institution. The MREL requirement will be recalculated once a year and be determined relative to the credit institution's risk-weighted exposures. The

MREL requirement is gradually phased in and will take full effect from 1 January 2024.

The total MREL requirement is calculated as the total amount of the capital requirement, the combined buffer requirement (the countercyclical buffer and the capital conservation buffer) and an MREL add-on. The MREL requirement can be met by capital instruments and debts that, in the event of resolution or bankruptcy, may be written down or converted before unsecured claims and that also comply with the requirements for MREL capital.

In December 2022, Sparekassen received the MREL requirement based on the 2021 accounting figures, which are therefore currently applicable from 1 January 2024. At group level, the MREL requirement has been calculated at 15.9% (phased-in 14.6% at 1 January 2023). The requirement for the Parent is largely the same.

Eligible liabilities (adjusted)

	Requirement (%)	DKK'm
Risk exposures		16,644
Total requirement (adjusted)	16.44	2,736
Capital resources	23.95	3,985
SNP loans	2.25	378
	26.22	4,364
Capital conservation buffer	-5.00	-832
Total eligible liabilities	21.22	3,532
MREL excess cover	4.78	795

Net of adjustment of the phased-in requirement using the latest figures, Sparekassen is at 31 March 2023 meeting the MREL requirement with a margin of 4.8 percentage points based on current capital resources and the MREL capital issued (senior non-preferred bonds). With the current capital resources and MREL capital, the fully phased-in MREL requirement is met with a margin of 3.5 percentage points. With Sparekassen's current and expected development in its capital resources, the phase-in established and the development in risk-weighted exposures, we do not expect to face any challenges in meeting the requirement for eligible liabilities in future either. Sparekassen intends to regularly evaluate the opportunities for optimising the composition of the capital and liability instruments that meet the MREL requirement.

Capital measure

Sparekassen's capital measure, excess capital adequacy and capital plans in the short and long term are discussed and approved by the Board of Directors on a regular basis and at least once a year. According to Sparekassen's new strategy plan, "Towards New Goals", the long-term objective is to have a minimum capital ratio of 20.0%.

Liquidity

Overall, Sparekassen's business model dictates that deposits must fund loans and advances and that Sparekassen must not be dependent on external funding by way of market funding and potentially transient deposits.

At the end of Q1 2023, Sparekassen has a deposit surplus of DKK 9.1bn exclusive of deposits in pooled plans. Its deposits are primarily made by private customers and small business operators. There are no large single deposits of major sig-



nificance or deposits of significance from other financial services companies.

Deposits are also characterised by a large portion of them being covered by the Danish Deposit Guarantee Fund and therefore secured for the customer.

Based on the above and the continued stress testing of liquidity that is carried out, the current funding profile is regarded as being relatively stable and subject to low risk.

Liquidity Coverage Ratio (LCR)

The LCR is calculated as the eligible liquid assets net of a deduction (haircut) depending on the asset type relative to the estimated net outflow which is calculated as the net amount of cash inflow and outflow over a 30-day period.

At 31 March 2023, Sparekassen's LCR is 304% against the applicable statutory requirement of a minimum LCR of 100%. So, the excess liquidity coverage ratio relative to the statutory requirement is 204 percentage points.

LCR (DKK'm)

	31.03 2023	31.12 2022	31.03 2022
Total liquidity buffer	6,763	7,993	10,582
Net outflow	2,222	2,148	2,260
LCR %	304	372	468

Given the current excess liquidity coverage, and even without regularly optimising the composition of liquid assets to improve the LCR, Sparekassen expects to have a solid excess cover for this liquidity requirement also in future.

Liquidity surplus according to the Supervisory Diamond benchmark

The liquidity benchmark of the Danish FSA Supervisory Diamond is a hybrid of the LCR calculation and reflects Sparekassen's ability to stand a three-month stress test. The benchmark is different from the LCR calculation in that liquidity is viewed over three time horizons – after 30 days, two months and three months. The result will be the lowest value calculated for the three time horizons. To calculate the LCR, a more lenient way to calculate the numerator is used and a partial projection of both cash inflow and cash outflow in the denominator. The liquidity benchmark therefore covers a period following the LCR calculation date.

Sparekassen has a liquidity benchmark that has been calculated at 517% under the Supervisory Diamond rules for the benchmark relative to a minimum surplus threshold of 100%. Consequently, Sparekassen continues to have a solid surplus.

Liquidity benchmark (%)

	31.03 2023	31.12 2022	31.03 2022
Liquidity benchmark	11,704	11,683	10,896
Net outflow	2,264	2,431	2,260
LCR %	517	481	482

Liquidity target

Sparekassen's liquidity target in the short and long term is to constantly have sufficient liquidity with a comfortable excess cover relative to current liquidity requirements. A comfortable

excess cover means a level in the range of 25 percentage points relative to the LCR requirement, which prescribes a liquidity coverage of 100% of net cash outflow covering a period of 30 days. The 25-percentage point excess cover is also the target for the liquidity benchmark of the Danish FSA Supervisory Diamond. Here the requirement is 100% as well. The internal liquidity management uses higher requirements for excess covers, which gives a longer response time to handle liquidity transactions before there is a risk of exceeding the high excess cover requirements.

The level of excess liquidity coverage, the ratio of deposits to loans and advances (liquidity funding), and the composition and quality of placements of liquidity are monitored on an ongoing basis. Sparekassen's liquidity plans are updated and approved by the Board of Directors at least once a year.

Net Stable Funding Ratio (NSFR)

On 28 June 2021, a new statutory requirement for financial institutions became effective regarding a stable funding structure. The requirement aims to ensure that financial institutions maintain a stable funding structure over a one-year time horizon. The NSFR is defined as the ratio of Sparekassen's available amount of stable funding to Sparekassen's required amount of stable funding over a one-year time horizon. The requirement is calculated as a percentage and set at at least 100.

With a calculated NSFR of 203% at 31 March 2003, Sparekassen is in compliance with the new requirement with a healthy margin.

NSFR (DKK'm)

	31.03 2023	31.12 2022	31.03 2022
Required stable funding	12,671	12,005	11,650
Available stable funding	25,673	25,260	23,622
NSFR %	203	210	202

With the current and the expected future composition of its balance sheet in mind, Sparekassen expects to have an appropriate excess cover also in future.



Credit quality categories

Loans, advances, and guarantees net of impairment losses by credit quality category of the Danish FSA – the Sparekassen Sjælland-Fyn A/S (Group)

	31.03.2023		2022		2021		2020		2019	
	DKK'm	%								
3 / 2a – Loans, advances and guarantees with normal credit quality	10,347	60.6	10,591	61.2	11,480	59.5	10,677	56.0	10,768	56.8
2b – Loans, advances and guarantees with certain indications of weakness	5,624	33.0	5,576	32.2	6,681	34.6	6,911	36.2	6,424	33.9
2c – Loans, advances and guarantees with substantial weaknesses	665	3.9	702	4.1	715	3.7	911	4.8	1,058	5.6
1 – Loans, advances and guarantees with objective evidence of impairment	432	2.5	434	2.5	431	2.2	578	3.0	704	3.7
Total	17,068	100.0	17,303	100.0	19,307	100.0	19,077	100.0	18,954	100.0

Loans, advances, and guarantee debtors by sector

	31.03.2023	2022	2021	2020	2019
	%	%	%	%	%
Loans, advances, and guarantee debtors by sector	0.1	0.1	0.1	0.1	0.4
Business					
Agriculture, hunting, forestry and fisheries	9.7	9.7	9.1	8.5	8.2
Industry and extraction of raw materials	3.3	3.2	2.4	2.3	2.1
Energy supply	0.4	0.3	0.2	0.2	0.1
Building and construction	5.4	5.7	5.9	6.0	5.3
Trade	7.3	7.0	5.3	4.8	5.8
Transport, hotels and restaurants	2.4	2.3	1.9	1.8	1.9
Information and communication	0.9	0.9	0.7	0.9	0.8
Financing and insurance	5.0	5.1	5.0	4.7	5.3
Real property	9.9	9.0	9.4	9.3	9.9
Other business	7.5	7.5	6.1	6.3	7.0
Total business	51.8	50.6	46.0	44.8	46.3
Private	48.1	49.3	53.9	55.1	53.3
Total	100.0	100.0	100.0	100.0	100.0

Financial review of the Parent

Q1 2023

Since only a small portion of the Group's business activities take place in the subsidiaries, the profit or loss and the balance sheet of the Parent are to a great extent reflected in the consolidated financial statements. Therefore, reference is also made to the comments in the financial review of the Group. Most of the Group's property portfolio is held by the subsidiary Ejendomsselskabet Sjælland-Fyn A/S.

Pre-tax profit of the Parent is up from DKK 99.7m to DKK 174.1m. This is a 75% increase on the same period in 2022.

Core earnings are affected by a highly positive development in net interest income, higher dividend income, a slight decline in fee and commission income, and an increasing level of costs. Core earnings have gone up by 25% on Q1 2022 and total DKK 150.3m.

Total translation and market value adjustments are positive by DKK 12.8m.

Moreover, the credit quality of the customers continues to develop positively, and therefore DKK 1.5m of impairment losses has been reversed.

Net profit stands at DKK 130.9m, equivalent to an annual return on opening equity of 12.7%.

The performance for Q1 2023 is considered very satisfactory.

Income statement Income

Net interest income

Net interest income has increased by DKK 42.2m, or 31%, and amounts to DKK 180.1m against DKK 137.9m after Q1 2022.

Total interest income has seen an increase of DKK 83.2m and amounts to DKK 215.4m. The increasing interest rate levels throughout 2022 have continued in 2023, which overall has a highly positive impact on Sparekassen's traditionally large surplus liquidity. Interest income from credit institutions and central banks is up by DKK 17.2m, one of the reasons being an increasing interest rate on Sparekassen's current account with Danmarks Nationalbank. Interest income from the bond portfolio has gone up by DKK 35.5m, primarily because of a higher flat yield on bonds and secondarily a larger average portfolio. Interest income from loans and advances has increased by DKK 31.7m to DKK 144.1m. Because of Danmarks Nationalbank's continuous increases in the interest rate levels, Sparekassen too is adjusting its interest rates on loans and advances, which is the reason for the rising interest income from loans and advances. On average, the level of loans and advances in Q1 2023 is marginally lower than that in Q1 2022. The development in loans and advances on Sparekassen's own

books represents a general increase in loans to corporate customers and a decline in those to private customers. Several private customers have utilised the price decrease of mortgage credit bonds to convert any subordinated debt into mortgage credit loans in connection with refinancing, which has reduced the volume of residential mortgages on Sparekassen's own books. Also, a decline in activity is seen with respect to the funding of private households' purchases of land and construction and conversion of dwellings.

Total negative interest income has decreased by DKK 6.6m and amounts to DKK 0 in Q1 2023. This development is attributable to generally increasing interest rate levels, entailing that Sparekassen's placement of surplus liquidity on, for example, the current account is no longer burdened by a negative interest rate level.

Total interest expenses have gone up by DKK 21.8m to DKK 35.3m. This development is essentially attributable to an increase in interest expenses on deposits. Following Danmarks Nationalbank's increases in interest rate levels, Sparekassen has re-introduced positive deposit rates on a wide range of products. Moreover, interest expenses for credit institutions have gone up by DKK 7.0m. This increase is attributable to repo transactions with other banks. Overall, Sparekassen has generated an income on these transactions, and the counter entry is

included in interest income from credit institutions.

Positive interest expenses total DKK 0, which is DKK 25.9m down on Q1 2022. Sparekassen discontinued negative deposit rates in the autumn of 2022, which is the reason why the line item stands at DKK 0.

Overall, the increase in interest rate levels is expected to support a sustainedly positive development in both interest income and net interest income in 2023.

Dividend

In Q1 2023, Sparekassen received DKK 19.1m in dividends, which is an increase of DKK 14.0m. Generally, Sparekassen almost entirely receives dividends from the sector companies that we co-own. Q1 this year is marked by a timing difference in distribution from a sector company which used to distribute dividend in Q2 but which has this year made the distribution in Q1.

Fee and commission income

Fee and commission income is down DKK 10.6m, or 6%, totalling DKK 167.1m against DKK 177.6m at the same date last year. Sparekassen is generally experiencing reasonable business activity from both new and existing customers in the corporate customer segment and the private customer segment. Fee income, however, is affected by both trading activity and the level of prices in the real estate market having been

on the decline compared with the same period last year. Loan application fees and brokerage fees in connection with property transactions and conversions therefore reflect a downward trend.

Translation and market value adjustments

Translation and market value adjustments total a positive DKK 12.8m against a negative DKK 31.2m for the same period in 2022. Since early Q2 2022, most of Sparekassen's bond portfolio has been administered with a view to collecting contractual cash flows (bonds at amortised cost/held to maturity). Therefore, only a small portion of the bond portfolio is subjected to fair value adjustment through profit or loss. Market value adjustments of bonds stand at a positive DKK 4.6m compared to a negative DKK 58.5m for the same quarter in 2022. In Q1 2022, the financial markets were impacted by surging interest rates on Danish mortgage credit bonds, which was the reason for the negative market value adjustments in 2022. Market value adjustments of shares stand at a negative DKK 0.9m against a positive DKK 18.8m at 31 March 2022. Market value adjustments of shares primarily arise from Sparekassen's portfolio of sector shares. In Q1 this year, the line item is marked by a timing difference in distribution from a sector company which used to distribute dividend in Q2 but which has this year made the distribution in Q1.

Translation and market value adjustments of investment property, foreign currencies and other financial instruments total DKK 9.0m against DKK 8.5m for the same period in 2022.

Staff costs and administrative expenses

Staff costs and administrative expenses have gone up by DKK 13.5m and amount to DKK 197.0m. Overall, staff costs inclusive of remuneration for the Executive Board and the Board of Directors have gone up by a total of DKK 7.9m. The development covers pay and pension adjustments arising from collective agreements, engagement of staff to execute Sparekassen's new strategy, "Towards New Goals", and provisions for terminated staff.

Other administrative expenses have gone up by DKK 5.6m to DKK 66.5m. This line item is affected by the past year's general rise in prices and high rate of inflation along with increased IT costs.

Amortisation, depreciation and impairment losses on intangible assets and property, plant and equipment

Amortisation, depreciation and impairment losses on intangible assets and property, plant and equipment total DKK 11.8m, which is an increase of DKK 1.0m on the same period last year.

In aggregate, staff costs and administrative expenses and amortisation, depreciation and impairment losses on intangible assets and property, plant and equipment have gone up by 7% to stand at DKK 208.8m.

Impairment losses on loans and advances etc

Overall, the line item of impairment losses represents an income of DKK 1.5m compared to DKK 3.9m for the same period in 2022. Mainly, credit quality of Sparekassen's customers is still considered satisfactory, and the losses record-



ed are still extremely small in scale. Sparekassen believes that, generally, the finances of Danish businesses and private households are strong, which is reflected, for example, in the sustainably low level of individual impairment losses. Management add-ons, however, are still at a relatively high level at 31 March 2023 when they stand at DKK 227.3m.

Profit from investments in associates and group enterprises

Profit from investments in associates and group enterprises stands at DKK 9.6m compared to DKK 6.4m at the same date last year. This line item primarily relates to Sparekassen's stake in Lollands Bank, the continuous value adjustment to equity value thereof, and the results of Sparekassen's subsidiaries.

Profit for the period

Pre-tax profit at 31 March 2023 comes to DKK 174.1m against DKK 99.7m at the same date in 2022. Net profit amounts to DKK 130.9m against DKK 82.3m for the first three months of 2022.

This performance is considered very satisfactory.

Interim financial statements

Q1 2023

Statement by Management on the Interim Report

The Board of Directors and the Executive Board have today considered and approved the Interim Report of Sparekassen Sjælland-Fyn A/S for the period 1 January to 31 March 2023.

The Interim Report of the Group has been prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the EU and Danish disclosure requirements for interim reports

of listed financial companies. Sparekassen's Interim Report and management commentary have been prepared in accordance with the Danish Financial Business Act. Furthermore, the Interim Report is presented in accordance with Danish disclosure requirements for interim reports of listed financial companies.

In our opinion, the Interim Report gives a true and fair view of the Group's and Sparekassen's

financial position at 31 March 2023 and of their financial performance and the consolidated cash flows for the period 1 January to 31 March 2023.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein, as well as a description of the most material risks and elements

of uncertainty that may affect the Group and Sparekassen.

The Interim Report has not been audited or reviewed.

Holbæk 4 May 2023

Executive Board

Lars Petersson
Chief Executive Officer

Lars Bolding
Savings Bank Director

Jan Mark Kolbye Jensen
Savings Bank Director

Board of Directors

Jakob Nørrekjær Andersson
Chairman

Erik Larsen
Vice-Chairman

Torben Dalby Larsen

Liselotte Munk Poulsen

Otto Frederik Spliid

Per Sønderup

Per Olsen

Helle Lindhof Bjørnøe

Mads Wallin

Income statement

		Sparekassen Sjælland-Fyn A/S (Group)	
Note	Amounts in DKK'000	Q1 2023	Q1 2022
	Interest income calculated using the effective interest method	170,977	120,449
4	Other interest income	53,946	19,545
4a	Negative interest income	0	6,647
5	Interest expenses	34,800	12,978
5a	Positive interest expenses	0	25,743
	Net interest income	190,123	146,112
	Dividends on shares etc	19,085	5,075
6	Fees and commission income	166,117	177,173
	Fees and commission expenses	3,836	3,920
	Net interest and fee income	371,489	324,440
7	Market value adjustments	12,099	-35,733
	Other operating income	3,856	2,942
8	Staff costs and administrative expenses	202,064	186,927
	Amortisation, depreciation and impairment losses on intangible assets and property, plant and equipment	11,978	7,258
	Other operating expenses	7,079	4,363
9	Impairment losses on loans and advances etc	-1,843	-3,033
	Profit/loss on investments in associates and group enterprises	7,014	4,639
	Profit before tax	175,180	100,773
	Income tax	44,307	18,427
	Profit after tax	130,873	82,346
	Earnings per share		
	Earnings per share (DKK)	7.1	4.4
	Diluted earnings per share (DKK)	7.1	4.4
	Distributed as follows:		
	Retained earnings (profit allocated to shareholders)	121,888	76,311
	Interest, hybrid core capital	8,985	6,035
	Total	130,873	82,346

Statement of comprehensive income

		Sparekassen Sjælland-Fyn A/S (Group)	
Note	Amounts in DKK'000	Q1 2023	Q1 2022
	Profit for the period	130,873	82,346
	Other comprehensive income that may not be reclassified to profit or loss		
	Fair value adjustment of properties	0	0
	Tax related to fair value adjustment of properties	1	1
	Other comprehensive income that may be reclassified to profit or loss		
	Value adjustment of certain strategic shares	12,769	3,945
	Value adjustment of bonds at fair value through other comprehensive income	2,998	0
	Recirculation at the end of recognition	-316	0
	Fair value adjustment of financial instruments entered into to hedge future cash flows ¹		
	- Value adjustment for the year	-258	1,039
	- Tax on other comprehensive income	-691	-229
	Total other comprehensive income	14,503	4,756
	Total comprehensive income	145,376	87,102

¹ The fair value adjustment concerns a jointly controlled enterprise.

Balance sheet

Sparekassen Sjælland-Fyn A/S (Group)				
Note	Amounts in DKK'000	31.03.2023	31.12.2022	31.03.2022
Assets				
	Cash and balances on demand at central banks	1,744,443	2,156,355	3,174,569
	Amounts owed by credit institutions and central banks	1,785,974	1,155,847	173,688
	Loans and other amounts owed at amortised cost	11,716,062	11,690,084	11,923,738
	Bonds at fair value	1,209,214	1,686,068	8,314,460
18	Bonds at amortised cost	9,647,623	8,785,452	0
	Shares etc	866,960	811,926	875,977
	Investments in associates	263,864	257,043	231,765
	Assets related to pooled plans	1,974,401	1,976,120	2,240,191
	Intangible assets	91,154	91,154	91,160
10	Total land and buildings	565,958	561,943	519,530
	<i>Investment property</i>	141,856	135,902	148,088
	<i>Owner-occupied property</i>	424,102	426,041	371,442
	Other property, plant and equipment	23,742	22,637	24,520
	Current tax assets	38,653	24,281	30,336
	Deferred tax assets	33,253	55,272	104,778
	Other assets	325,083	315,869	296,697
	Prepayments	42,419	41,145	47,845
	Total assets	30,328,803	29,631,196	28,049,254

Sparekassen Sjælland-Fyn A/S (Group)				
Note	Amounts in DKK'000	31.03.2023	31.12.2022	31.03.2022
Equity and liabilities				
Liabilities other than provisions				
	Amounts owed to credit institutions and central banks	1,834,789	1,384,156	814,539
	Deposits and other debt	20,813,542	20,672,709	19,777,190
	Deposits in pooled plans	1,974,401	1,976,120	2,240,191
	Bonds issued at amortised cost	378,652	378,484	377,979
	Other liabilities	471,843	389,364	280,437
	Deferred income	42,491	38,747	39,121
	Total liabilities other than provisions	25,515,718	24,839,580	23,529,457
Provisions				
	Provisions for losses on guarantees etc	66,434	73,609	72,563
	Other provisions	19,104	18,153	18,394
	Total provisions	85,538	91,762	90,957
11	Subordinated loan capital	571,509	571,247	620,373
Equity				
12	Share capital	173,750	173,750	173,750
	Revaluation reserves	1,419	1,419	1,416
	Undistributable savings bank reserve, other reserves	561,378	561,378	561,378
	Retained earnings	2,908,613	2,884,532	2,680,001
	Total equity exclusive of hybrid core capital	3,645,160	3,621,079	3,416,544
	Hybrid core capital	510,878	507,528	391,923
	Total equity	4,156,038	4,128,607	3,808,467
	Total equity and liabilities	30,328,803	29,631,196	28,049,254

15 Contingent liabilities and assets

Statement of changes in equity

Sparekassen Sjælland-Fyn A/S (Group)

Note	Amounts in DKK'000	Share capital	Revaluation reserves	Undistributable savings bank reserve	Reserve for value adjustment of hedging instrument ¹	Dividend	Retained earnings	Total equity exclusive of hybrid core capital	Hybrid core capital	Total equity
	Equity at 1.1.2023	173,750	1,419	561,378	2,202	104,250	2,778,081	3,621,079	507,528	4,128,607
	Profit for the period	0	0	0	0	0	121,888	121,888	8,985	130,873
	Other comprehensive income that may not be reclassified to profit or loss									
	Tax related to fair value adjustment of properties	0	1	0	0	0	0	1	0	1
	Other comprehensive income that may be reclassified to profit or loss									
	Value adjustments of certain strategic shares	0	0	0	0	0	12,769	12,769	0	12,769
	Value adjustment of bonds at fair value through other comprehensive income	0	0	0	0	0	2,998	2,998	0	2,998
	Recirculation at the end of recognition	0	0	0	0	0	-316	-316	0	-316
	Fair value adjustment of financial instruments entered into to hedge future cash flows, Value adjustment for the period	0	0	0	-258	0	0	-258	0	-258
	Tax on other comprehensive income	0	0	0	65	0	-756	-691	0	-691
	Total other comprehensive income	0	1	0	-193	0	14,695	14,503	0	14,503
	Comprehensive income for the period	0	1	0	-193	0	136,582	136,390	8,985	145,376
	Purchase of treasury shares	0	0	0	0	0	-12,789	-12,789	0	-12,789
	Sale of treasury shares	0	0	0	0	0	4,114	4,114	0	4,114
	Dividends paid	0	0	0	0	-104,250	614	-103,636	0	-103,636
	Interest paid on hybrid core capital	0	0	0	0	0	0	0	-5,635	-5,635
	Equity at 31.03.2023	173,750	1,420	561,378	2,009	0	2,906,603	3,645,159	510,878	4,156,038

¹ Reserve for value adjustment of hedging instrument concerns a jointly controlled enterprise.

Statement of changes in equity

Sparekassen Sjælland-Fyn A/S (Group)

Note	Amounts in DKK'000	Share capital	Revaluation reserves	Undistributable savings bank reserve	Reserve for value adjustment of hedging instrument ¹	Dividend	Retained earnings	Total equity exclusive of hybrid core capital	Hybrid core capital	Total equity
	Equity at 1.1.2022	173,750	1,415	561,378	65	104,250	2,568,770	3,409,628	385,888	3,795,516
	Profit for the period	0	0	0	0	0	76,311	76,311	6,035	82,346
	Other comprehensive income that may not be reclassified to profit or loss									
	Tax related to fair value adjustment of properties	0	1	0	0	0	0	1	0	1
	Other comprehensive income that may be reclassified to profit or loss									
	Fair value adjustment of financial instruments entered into to hedge future cash flows, Value adjustment for the period	0	0	0	1,039	0	3,945	4,984	0	4,984
	Tax on other comprehensive income	0	0	0	-229	0	0	-229	0	-229
	Total other comprehensive income	0	1	0	810	0	3,945	4,756	0	4,756
	Comprehensive income for the period	0	1	0	810	0	80,257	81,067	6,035	87,102
	Purchase of treasury shares	0	0	0	0	0	-5,000	-5,000	0	-5,000
	Sale of treasury shares	0	0	0	0	0	34,937	34,937	0	34,937
	Dividends paid	0	0	0	0	-104,250	162	-104,088	0	-104,088
	Equity at 31.03.2022	173,750	1,416	561,378	875	0	2,679,126	3,416,544	391,923	3,808,467

¹ Reserve for value adjustment of hedging instrument concerns a jointly controlled enterprise.

Cash flow statement

Sparekassen Sjælland-Fyn A/S (Group)

Note	Amounts in DKK'000	Q1 2023	Q1 2022
	Comprehensive income for the period	130,873	82,346
	Adjustment for amounts without cash flow effect		
	Market value adjustment, shares	856	-18,755
	Market value adjustment, bonds	-4,573	58,504
	Impairment losses on loans and advances etc	-1,843	-3,033
	Amortisation, depreciation and impairment losses on intangible assets and property, plant and equipment	11,978	7,258
	Prepayments (net)	-352	-456
	Provisions	-6,224	-7,587
	Value adjustments of investment property	2,335	1,345
	Deferred income tax	44,307	18,427
	Adjustment for amounts with cash flow effect		
	Income tax paid	-42,626	-22,275
	Cash flows from ordinary operating activities	134,731	115,774
	Working capital changes		
	Credit institutions	450,633	236,766
	Loans and advances adjusted for impairment losses etc for the period	-23,783	147,137
	Other assets and liabilities (net)	74,362	-13,079
	Shares etc	-43,121	-130,152
	Bonds at fair value	484,109	-1,056,621
	Bonds at amortised cost	-862,171	0
	Deposits and other debt	140,833	11,231
	Total working capital changes	220,862	-804,718
	Cash flows from operating activities	355,593	-688,944

Sparekassen Sjælland-Fyn A/S (Group)

Note	Amounts in DKK'000	Q1 2023	Q1 2022
	Investing activities		
	Additions, investments in associate	0	-2,635
	Purchase of intangible assets	-1,067	-1,146
	Purchase of property, plant and equipment	-21,566	-46,430
	Sale of property, plant and equipment	3,200	10,700
	Cash flows from investing activities	-19,433	-39,511
	Financing activities		
	Disposals, subordinated loan capital	0	-50,000
	Purchase of treasury shares	-12,789	-5,000
	Sale of treasury shares	4,114	34,937
	Interest and expenses paid on hybrid core capital	-5,635	0
	Dividend paid	-103,636	-104,088
	Cash flows from financing activities	-117,946	-124,151
	Increase/decrease in cash	218,215	-852,606
	Cash and cash equivalents at beginning of period	3,312,202	4,200,863
	Cash and cash equivalents at end of period	3,530,417	3,348,257
	Cash and cash equivalents		
	Cash and balances on demand at central banks	1,744,443	3,174,569
	Amounts owed by credit institutions and central banks	1,785,974	173,688
	Cash and cash equivalents at end of period	3,530,417	3,348,257

Notes

2 Summary of significant accounting policies

The Interim Report for Q1 2023 has been presented in accordance with IAS 34. The presentation of interim financial statements is consistent with EU provisions and additional Danish disclosure requirements for interim reports of listed financial companies. Applying ISA 34 entails that presentation is more limited than in a complete annual report and that the measurement principles of the International Financial Reporting Standards (IFRS) have been used.

Otherwise, the accounting policies remain unchanged with respect to those applied in the presentation of the consolidated financial statements for 2022.

Sparekassen's 2022 Annual Report and other reports on capital requirement, statutory report on corporate social responsibility etc can be found on this website: www.spks.dk/om/fakta/regnskab

3 Significant judgements and estimates, assumptions and uncertainties

Measuring certain assets and liabilities is subject to management estimates of how future events affect the value of such assets and liabilities. Estimates, which are significant to the presentation of financial statements, are made, for example, when determining write-downs on impaired loans and advances, and provisions. The estimates used are based on assumptions which are considered reasonable by Management, but which are inherently uncertain.

Except for the addition below, the most significant judgements and estimates made by Management in using the Group's accounting policies and the related key sources of estimation uncertainty are the same used to prepare the interim financial statements for the year as those used to prepare the consolidated financial statements for 2022.

Notes

Note	Amounts in DKK'000	Sparekassen Sjælland-Fyn A/S (Group)	
		Q1 2023	Q1 2022
4 Interest income			
Credit institutions and central banks		17,407	167
Loans and other amounts owed		153,461	120,224
Bonds		45,452	9,971
Total derivatives		8,494	9,574
Thereof: - Interest rate contracts		8,516	9,698
- Foreign exchange contracts		-22	-124
Other interest income		109	58
Total interest income		224,923	139,994
4a Negative interest income			
Credit institutions and central banks		0	4,738
Bonds		0	1,909
Total negative interest income		0	6,647
5 Interest expenses			
Credit institutions and central banks		7,177	213
Deposits and other debt		18,609	3,261
Bonds issued		2,086	2,107
Subordinated loan capital		6,737	7,134
Other interest expenses		191	263
Total interest expenses		34,800	12,978
5a Positive interest expenses			
Deposits and other debt		0	25,743
Total positive interest expenses		0	25,743

Note	Amounts in DKK'000	Sparekassen Sjælland-Fyn A/S (Group)	
		Q1 2023	Q1 2022
6 Fees and commission income			
Securities trading and custody accounts		15,960	19,972
Payment services		18,278	17,392
Loan fees		9,036	13,013
Guarantee commission		55,920	57,890
Custody services		19,184	20,669
Other fees and commissions		47,739	48,237
Total fees and commission income		166,117	177,173
7 Market value adjustments			
Bonds		4,573	-58,504
Shares		-856	18,755
Investment property		-609	-1,345
Foreign exchange		4,330	3,289
Currency, interest rate, share, commodity and other contracts and derivatives		4,661	2,072
Assets related to pooled plans		71,831	-123,823
Deposits in pooled plans		-71,831	123,823
Total market value adjustments		12,099	-35,733
8 Staff costs and administrative expenses			
Remuneration of the Board of Directors and Executive Board*			
Board of Directors and Executive Board		5,236	4,748
Total		5,236	4,748
Staff costs			
Wages and salaries		98,986	93,356
Pension contributions		10,626	10,210
Social security expenses		15,710	14,410
Total staff costs		125,322	117,976
Other administrative expenses		71,506	64,203
Total staff costs and administrative expenses		202,064	186,927

* Board of Directors has been expanded from 3 to 4 persons in Q1 2022

Notes

Note	Amounts in DKK'000	Sparekassen Sjælland-Fyn A/S (Group)	
		Q1 2023	Q1 2022
9	Impairment losses on loans and advances and other receivables and provisions for guarantees and undrawn credit facilities (impairment account)		
	Stage 1 impairment		
	Balance of stage 1 impairment losses at beginning of period	98,339	105,974
	New impairment losses (net)	11,118	-2,008
	Balance of stage 1 impairment losses at end of period	109,457	103,966
	- Of which amounts owed by credit institutions and central banks	77	354
	- Of which bonds at amortized cost	217	0
	Stage 2 impairment		
	Balance of stage 2 impairment losses at beginning of period	190,280	173,238
	New impairment losses (net)	2,774	4,793
	Balance of stage 2 impairment losses at end of period	193,054	178,031
	- Of which amounts owed by credit institutions and central banks	576	396
	Stage 3 impairment		
	Balance of stage 3 impairment losses at beginning of period	259,664	270,733
	New impairment losses (net)	-5,431	2,295
	Other changes	3,700	3,700
	Previously written down, now finally written off	13,712	24,374
	Balance of stage 3 impairment losses at end of period	244,220	252,354

Note	Amounts in DKK'000	Sparekassen Sjælland-Fyn A/S (Group)	
		Q1 2023	Q1 2022
9	Impairment losses on loans and advances and other receivables and provisions for guarantees and undrawn credit facilities (impairment account)		
	Provisions losses for guarantees and undrawn credit facilities		
	Balance of provisions at beginning of year	91,502	98,284
	New provisions (net)	-3,452	-4,137
	Previously provided for, now finally written off	2,773	3,450
	Balance of provisions at end of period	85,277	90,697
	Total		
	Balance of impairment losses/provisions at beginning of period	639,785	648,229
	Impairment losses/provisions for the period (net)	5,009	943
	Other changes	3,700	3,700
	Finally written off, previously written down/provided for	16,485	27,824
	Balance of impairment losses/provisions at end of period	632,008	625,048
	Impairment losses/provisions for the period (net)	5,009	943
	Written off, not previously written down/provided for	799	2,747
	Recovery of claims previously written off	7,651	6,723
	Total recognised in the income statement	-1,843	-3,033

Notes

Sparekassen Sjælland-Fyn A/S (Group)					
Note	Amounts in DKK'000	31.03.2023	31.12.2022	31.03.2022	
10 Land and buildings					
Investment property					
Fair value at beginning of period		135,902	121,503	121,503	
Additions		9,763	64,747	39,155	
Disposals		3,200	31,781	10,700	
Fair value adjustments for the period		-609	-18,567	-1,870	
Fair value at end of period		141,856	135,902	148,088	
Rental income		1,952	7,144	1,436	
Operating expenses		1,083	4,938	954	
Thereof, operating expenses recognised for investment property not having generated rental income for the year		306	2,129	412	
		Quoted prices	Observable input	Non-observable input	Total
Fair value hierarchy for investment property					
Group 31.03.2023		0	0	141,856	141,856
Group 31.12.2022		0	0	135,902	135,902
Group 31.03.2022		0	0	148,088	148,088

Sparekassen Sjælland-Fyn A/S (Group)				
Note	Amounts in DKK'000	31.03.2023	31.12.2022	31.03.2022
10 Land and buildings (continued)				
Owner-occupied property				
Cost at beginning of period		449,178	379,701	379,701
Additions		7,382	69,477	3,509
Disposals		0	0	0
Cost at end of period		456,560	449,178	383,210
Accumulated depreciation/impairment losses at beginning of period		55,157	50,861	50,861
Depreciation for the period		772	396	624
Impairment losses for the period		4,427	3,900	0
Disposals for the period		0	0	525
Accumulated depreciation/impairment losses at end of period		60,356	55,157	50,960
Accumulated revaluation at beginning of period		1,447	1,447	1,447
Additions for the period		0	0	0
Disposals for the period		0	0	0
Accumulated revaluation at end of period		1,447	1,447	1,447
Revalued amount at end of period		397,651	395,468	333,697
If no revaluation had been made, the carrying amount of owner-occupied property would have been:		396,204	394,021	332,250

External experts have been involved in the valuation of owner-occupied property. Impairment losses for the year result from normal value adjustment arising from revaluation.

Notes

Sparekassen Sjælland-Fyn A/S (Group)

Note	Amounts in DKK'000	Quoted prices	Observable input	Non-observable input	Total
10 Land and buildings (continued)					
Fair value hierarchy for owner-occupied property					
Group 31.03.2023		0	0	397,651	397,651
Group 31.12.2022		0	0	395,468	395,468
Group 31.03.2022		0	0	333,697	333,697

Investment properties and owner-occupied properties are measured at fair value/revalued amount calculated using a return-based model which is based on an estimate of prices per square metre and a required rate of return. A required rate of return ranging between 5.04 % and 13.28 % has been used in measuring properties located on Zealand and Funen and in Jutland (Q1 2022: 4.51 % and 13.28 %). An increase in the required rate of return would result in a decline in the property's fair value, whereas an increase in rent per square metre relative to the assumptions applied would result in an increase in the value of the property.

	31.03.2023	31.12.2022	31.03.2022
Owner-occupied property, revalued amount at period-end, see above	397,651	395,468	333,697
Owner-occupied property, leased assets	26,451	30,573	37,745
Total owner-occupied property, see balance sheet	424,102	426,041	371,442

Sparekassen Sjælland-Fyn A/S (Group)

Note	Amounts in DKK'000	Current interest rate	31.03.2023	31.12.2022	31.03.2022
11 Subordinated loan capital					
Supplementary capital					
Floating interest rate, maturing in December 2027, redeemable in 2022, from 2022 to 2027, the interest rate will be six months' CIBOR + 4.39% with half-yearly adjustment,	4.75 % ¹⁾		0	0	50,000
Floating interest rate, maturing in June 2028, redeemable in 2023, from 2023 to 2028, the interest rate will be six months' CIBOR + 4.11% with half-yearly adjustment,	4.50 % ¹⁾		130,000	130,000	130,000
Floating interest rate, maturing in November 2028, redeemable in 2023, from 2023 to 2028, the interest rate will be six months' CIBOR + 4.24% with half-yearly adjustment,	4.75 % ¹⁾		41,000	41,000	41,000
Floating interest rate, maturing in June 2029, redeemable in 2024, from 2024 to 2029, the interest rate will be six months' CIBOR + 4.64% with half-yearly adjustment,	4.50 % ¹⁾		150,000	150,000	150,000
Floating interest rate, maturing in December 2029, redeemable in 2024, from 2024 to 2029, the interest rate will be six months' CIBOR + 4.51% with half-yearly adjustment,	4.45 % ¹⁾		152,000	152,000	152,000
Floating interest rate, maturing in August 2032, redeemable in 2027, the interest rate will be six months' CIBOR + 3.10% with half-yearly adjustment,	6.06 %		100,000	100,000	100,000
Total supplementary capital			573,000	573,000	623,000
Total hybrid capital			0	0	0
Total subordinated loan capital			573,000	573,000	623,000
Costs of establishment are charged to profit or loss over the expected term to maturity			1,491	1,753	2,627
Total subordinated loan capital according to balance sheet			571,509	571,247	620,373

Notes

		Sparekassen Sjælland-Fyn A/S (Group)			
Note	Amounts in DKK'000	Current interest rate	31.03.2023	31.12.2022	31.03.2022
1.1	Subordinated loan capital (continued)				
	Hybrid capital reclassified to equity				
	Floating interest rate, perpetual, redeemable in 2022. From 2022, the interest rate will be six months' CIBOR + 6.39% with half-yearly adjustment.	6.75 % ¹⁾	55,000	55,000	55,000
	Floating interest rate, perpetual, redeemable in 2023. From 2023, the interest rate will be six months' CIBOR + 6.11% with half-yearly adjustment.	6.50 % ¹⁾	280,000	280,000	280,000
	Floating interest rate, perpetual, redeemable in 2023. From 2023, the interest rate will be six months' CIBOR + 5.74% with half-yearly adjustment.	6.25 % ¹⁾	41,000	41,000	41,000
	Floating interest rate, perpetual, redeemable in 2023. From 2023, the interest rate will be six months' CIBOR + 6.50% with half-yearly adjustment.	9.06 %	175,000	175,000	0
	Total hybrid capital, reclassified to equity		496,000	496,000	376,000
	Subordinated loan capital included in the calculation of capital resources		1,067,509	1,067,247	996,373

1) Fixed interest rate for the first 5 years.

The Sparekassen Sjælland-Fyn A/S Group

All of the capital issuances mentioned for Sparekassen are included the capital resources of both the Parent Sparekassen Sjælland-Fyn A/S and the Group.

		Sparekassen Sjælland-Fyn A/S (Group)			
Note	Amounts in DKK'000	31.03.2023	31.12.2022	31.03.2022	
1.1	Subordinated loan capital (continued)				
	Interest etc on subordinated loan capital				
	Interest (excluding interest on reclassified hybrid core capital recognised as equity)	6,737	28,464	7,134	
	Extraordinary repayments/redemptions/remortgaging	0	100,000	50,000	
	Expenses for raising subordinated loan capital	0	0	0	
	Expenses for redeeming subordinated loan capital	0	0	0	

All of Sparekassen's capital issuances may be used to cover the capital requirements under the CRR/CRD IV rules. All capital not applied to cover the capital requirements of the CRR/CRD IV rules may be applied to fulfil the capital requirement addition under the 8+ approach.

Notes

Sparekassen Sjælland-Fyn A/S (Group)

Note	Amounts in DKK'000	Number of shares		Nominal value (DKK'000)	
		31.03.2023	31.03.2022	31.03.2023	31.03.2022

12 Share capital

Share capital, Sparekassen Sjælland-Fyn A/S	17,374,973	17,374,973	173,750	173,750
Total	17,374,973	17,374,973	173,750	173,750

	Number of shares	Nominal value (DKK'000)	Participation %
Treasury shares			
Treasury shares at 31.12.2021	164,796	1,648	0.9
Purchased	26,960	270	0.2
Sold	164,796	1,648	0.9
Treasury shares at 31.03.2022	26,960	270	0.2
Treasury shares at 31.12.2022			
Treasury shares at 31.12.2022	71,559	716	0.4
Purchased	64,828	648	0.4
Sold	21,884	219	0.1
Treasury shares at 31.03.2023	114,503	1,145	0.7

Total purchase price DKK 12,789 t.kr. (Q1 2022: DKK 5.000)

Total selling price DKK 4,114 t.kr. (Q1 2022: DKK 34.937)

The share capital consists of 17,374,973 shares of a nominal value of DKK 10. The shares have been fully paid up. The shares have not been divided into classes and carry no special rights. Sparekassen's treasury share portfolio consists of 114,503 shares, corresponding to 0.7 % of the share capital. The shares were acquired as part of ordinary trading.

Sparekassen has been authorised by the general meeting to acquire treasury shares for up to 3% of the share capital. Sparekassen has been permitted by the Danish FSA to acquire treasury shares for DKK 12m in market value until 1 march 2024.

Sparekassen Sjælland-Fyn A/S (Group)

Note	Amounts in DKK'000	31.03.2023	31.03.2022
------	--------------------	------------	------------

12 Share capital (continued)

Earnings per share			
Earnings of shareholders of the Parent Sparekassen Sjælland-Fyn A/S	121,888	76,311	
Average number of shares	17,374,973	17,374,973	
Average number of treasury shares	93,031	95,878	
Average number of shares outstanding	17,281,942	17,279,095	
Average dilution effect of outstanding share options	0	0	
Average number of outstanding shares (diluted)	17,281,942	17,279,095	
Earnings per share (DKK)	7.1	4.4	
Diluted earnings per shares (DKK)	7.1	4.4	

Notes

Note	Amounts in DKK'000	Sparekassen Sjælland-Fyn A/S (Group)		
		31.03.2023	31.12.2022	31.03.2022
13 Assets provided as collateral				
Bonds deposited with Danmarks Nationalbank, clearing centres etc	1,197,654	1,177,409	1,720,300	
Cash deposited with credit institutions, CSA agreements	3,806	3,806	15,439	
Loss limit towards the Danish Growth Fund	258	257	258	
Total	1,201,718	1,181,472	1,735,997	

Unencumbered deposited securities may be released at call

In reverse transactions, Sparekassen still holds the risk related to the securities. The securities remain on the balance sheet, and the consideration received is recognised as amounts owed to credit institutions. Securities in reverse transactions are accounted for as assets provided as collateral for liabilities. The counterparty is entitled to sell or re-borrow money on the securities received.

Assets sold in reverse transactions			
Bonds at fair value	1,387,927	905,728	0
Fair value, reverse transactions	1,395,833	912,069	0
Net position	7,906	6,341	0

14 Related party transactions

Sparekassen serves as bank to the Group's group enterprises, and intra-group transactions primarily comprise interest payments, settlement of rent and administration fee. All transactions have been conducted at arm's length.

There have been no unusual related party transactions in Q1 2023.

Note	Amounts in DKK'000	Sparekassen Sjælland-Fyn A/S (Group)		
		31.03.2023	31.12.2022	31.03.2022
15 Contingent liabilities and assets				
Financial guarantees	231,219	265,209	383,138	
Mortgage finance guarantees	2,283,845	2,399,544	2,875,333	
Registration and remortgaging guarantees	7,066	15,177	14,223	
Other contingent liabilities	2,830,092	2,933,451	3,998,720	
Total	5,352,222	5,613,381	7,271,414	

Other contingent liabilities include performance guarantees and other contingent liabilities, including commitments towards the Danish Deposit Guarantee Fund (guarantee capital).

Sparekassen's participation in the data centre Bankdata implies that, in the event of withdrawal, it is obliged to pay a withdrawal compensation. Like other Danish financial institutions, Sparekassen is subject to the Danish Deposit Guarantee Fund and is so obliged, together with other financial institutions, to cover depositors' balances etc of up to EUR 100k with financial institutions in the process of liquidation or bankruptcy.

The Parent participates in a Danish joint taxation arrangement with its subsidiaries. According to the joint taxation provisions of the Danish Corporation Tax Act, Sparekassen is therefore liable for income taxes etc for the jointly taxed companies, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies. Together with Investeringselskabet Sjælland-Fyn A/S and Leasing Fyn Faaborg A/S, Sparekassen Sjælland-Fyn A/S is jointly registered for VAT and payroll tax.

Totalkredit loans arranged by the Group from 2007 are subject to an agreed right of set-off against future current commissions which Totalkredit may enforce if any losses are recorded on the loans arranged. Sparekassen does not expect that this right of set-off will have a material effect on its financial position.

Except for ordinary contracts of employment with its staff, Sparekassen does not have any other significant obligating arrangements. Due to its business activities, Sparekassen is or may be party to different lawsuits or disputes. Sparekassen assesses the risk in each case, and any necessary provisions are recorded under provisions.

No other contingent liabilities are estimated to exist that have not been recognised as relevant in the balance sheet.

Notes

Note	Amounts in DKK'000	Sparekassen Sjælland-Fyn A/S (Group)		
		31.03.2023	31.12.2022	31.03.2022
16 Capital resources				
Equity excluding hybrid core capital	3,645,160	3,621,079	3,416,544	
Intangible assets	-91,154	-91,154	-91,160	
Deferred tax assets	-33,253	-55,272	-104,778	
Proposed dividend	0	-104,250	0	
Deduction, capital instruments	-452,468	-360,312	-449,875	
Other additions/deductions	-125,580	99,192	30,367	
Common Equity Tier 1 capital	2,942,705	3,109,283	2,801,098	
Hybrid core capital	496,000	496,000	376,000	
Core capital (including hybrid core capital) net of primary deductions	3,438,705	3,605,283	3,177,098	
Supplementary capital	571,509	571,247	620,373	
Deduction capital instruments	-24,740	-43,500		
Capital resources	3,985,474	4,133,030	3,797,471	
Risk exposures				
Credit risk	13,947,969	13,844,963	13,800,481	
Market risk	362,279	387,135	1,298,353	
Operational risk	2,333,473	2,211,099	2,211,099	
Total risk exposures	16,643,721	16,443,197	17,309,933	
Capital ratio	23.9	25.1	21.9	
Core capital ratio	20.7	21.9	18.4	
Common Equity Tier 1 capital ratio	17.7	18.9	16.2	
Capital resources, requirement under Section 124(2) of the Danish Financial Business Act	1,331,498	1,315,456	1,384,795	

Sparekassen's capital resources and capital ratios calculated inclusive of transitional scheme and exclusive of net profit for the period at 31.03.2023 and 31.03.2022.

Had net profit for the period, reduced by the target dividend payment stated in the dividend policy, been included in capital resources, the capital ratio, the core capital ratio and the common equity tier 1 capital ratio would have been 0.8 percentage points higher (31.03.2022: capital ratio, core capital ratio and common equity tier 1 capital ratio 0.4 percentage points higher).

Note	Amounts in DKK'000	Sparekassen Sjælland-Fyn A/S (Group)		
		31.03.2023	31.12.2022	31.03.2022
16 Capital resources (continued)				
Solvency capital elements calculated exclusive of transitional scheme				
Common Equity Tier 1 capital	2,883,174	2,993,289	2,690,688	
Core capital (including hybrid core capital) net of primary deductions	3,379,174	3,489,289	3,066,688	
Capital resources	3,925,943	4,017,036	3,687,061	
Total risk exposures	16,599,375	16,354,712	17,247,662	
Capital ratio	23.7	24.6	21.4	
Core capital ratio	20.4	21.3	17.8	
Common Equity Tier 1 capital ratio	17.4	18.3	15.6	

Sparekassen's capital resources and capital ratios calculated inclusive of transitional scheme and exclusive of net profit for the period at 31.03.2023 and 31.03.2022.

Had net profit for the period, reduced by the target dividend payment stated in the dividend policy, been included in capital resources, the capital ratio, the core capital ratio and the common equity tier 1 capital ratio would have been 0.8 percentage points higher (31.03.2022: capital ratio, core capital ratio and common equity tier 1 capital ratio 0.4 percentage points higher).

Notes

Sparekassen Sjælland-Fyn A/S (Group)

Note	Amounts in DKK'000	31.03.2023			31.03.2022		
		Fair value through profit or loss	Fair value through other comprehensive income	Amortised costs	Fair value through profit or loss	Fair value through other comprehensive income	Amortised costs
17	Financial assets and liabilities, Sparekassen Sjælland-Fyn A/S Group						
	Financial assets and liabilities are recognised in the balance sheet either at fair value, fair value through other comprehensive income or at amortised cost. Below, the valuation method is stated for each financial statement item.						
	Financial assets						
	Cash and balances on demand at central banks			1,744,443			3,174,569
	Amounts owed by credit institutions and central banks			1,785,974			173,688
	Loans and other amounts owed at amortised cost			11,716,062			11,923,738
	Bonds at fair value	807,732	401,482		8,314,460	0	
	Bonds at amortised cost			9,647,623			0
	Shares etc	765,641	101,319		875,977		
	Assets in pooled plans	1,974,401			2,240,191		
	Positive market value, derivatives	18,022			26,931		
	Total financial assets	3,565,796	502,801	24,894,102	11,457,559	0	15,271,995
	Financial liabilities						
	Amounts owed to credit institutions and central banks			1,834,789			814,539
	Deposits and other debt			20,813,542			19,777,190
	Deposits in pooled plans	1,974,401			2,240,191		
	Bonds issued at amortised cost			378,652			377,979
	Subordinated loan capital			571,509			620,373
	Negative market value of derivatives	14,394			24,713		
	Total financial liabilities	1,988,795	0	23,598,492	2,264,904	0	21,590,081

Notes

Sparekassen Sjælland-Fyn A/S (Group)

Note

17 Financial assets and liabilities, Sparekassen Sjælland-Fyn A/S Group (continued)

Financial instruments recognised at fair value

Financial instruments are measured based on quoted prices in active markets (Level 1), on generally accepted valuation models with observable market data (Level 2) or on available data that is observable only to a limited extent (Level 3).

Measurement of financial instruments for which prices are quoted in active markets or which is based on generally accepted valuation models with observable market data is not subject to significant estimates.

For financial instruments the measurement of which is based on available data that only to a limited extent is observable market data, such measurement is subject to estimates. Shares etc in Levels 2 and 3 primarily comprise unlisted shares in sector companies and unlisted investment fund certificates.

For unlisted shares in the form of shares in sector-owned companies where such shares are reallocated, such reallocation is considered to be the primary market of the shares. Fair value is determined as the reallocation price, and the shares are included as Level 2 input (observable prices).

For other unlisted shares in sector-owned companies for which observable input is not directly available, measurement is subject to estimates which include information from the companies' financial statements, experience from trading in shares in the relevant companies and input from a qualified external party. The industry association Lokale Pengeinstitutter (LOPI) recommends quarterly fair values of some of the so-called sector shares, meaning the shares held by the banks to participate actively in the infrastructure and the ranges of products supporting the business foundation of the sector. The prices recommended by LOPI are based on shareholders' agreements and transactions conducted in the sector.

Sparekassen makes an independent assessment of the prices recommended and verifies consistency with transactions conducted and financial statements published. Sparekassen estimates that alternative methods for measuring fair value of these shares will not led to much different fair values.

Sparekassen Sjælland-Fyn A/S (Group)

Note	Amounts in DKK'000	Quoted prices (Level 1)	Observable input (Level 2)	Non-observable input (Level 3)	Total
------	--------------------	----------------------------	-------------------------------	-----------------------------------	-------

17 Financial assets and liabilities, Sparekassen Sjælland-Fyn A/S Group (continued)

Fair value hierarchy of financial instruments measured at fair value in balance sheet

31.03.2023

	Quoted prices (Level 1)	Observable input (Level 2)	Non-observable input (Level 3)	Total
Financial assets				
Bonds at fair value	1,209,214	0	0	1,209,214
Shares etc	146,046	640,626	80,288	866,960
Assets related to pooled plans	1,965,347	9,054	0	1,974,401
Derivatives	0	18,022	0	18,022
Total financial assets	3,320,607	667,702	80,288	4,068,597
Financial liabilities				
Deposits in pooled plans	0	1,974,401	0	1,974,401
Derivative financial liabilities	0	14,394	0	14,394
Total financial liabilities	0	1,988,795	0	1,988,795

31.03.2022

	Quoted prices (Level 1)	Observable input (Level 2)	Non-observable input (Level 3)	Total
Financial assets				
Bonds at fair value	8,314,460	0	0	8,314,460
Shares etc	161,463	647,576	66,938	875,977
Assets related to pooled plans	2,225,632	14,559	0	2,240,191
Derivatives	0	26,931	0	26,931
Total financial assets	10,701,555	689,066	66,938	11,457,559
Financial liabilities				
Deposits in pooled plans	0	2,240,191	0	2,240,191
Derivative financial liabilities	0	24,713	0	24,713
Total financial liabilities	0	2,264,904	0	2,264,904

Notes

Note	Sparekassen Sjælland-Fyn A/S (Group)	
	31.03.2023	31.03.2022
17 Financial assets and liabilities, Sparekassen Sjælland-Fyn A/S Group (continued)		
Financial instruments measured at fair value in balance sheet based on Level 3		
Carrying amount at beginning of period	79,068	67,997
Market value adjustment in profit or loss, under market value adjustments	284	-1,059
Purchased	1,000	0
Sold	64	0
Carrying amount at end of period	80,288	66,938

No financial instruments were transferred among the different levels. There are no financial instruments for which it has not been possible to measure fair value reliably. If the classification of a financial instrument has changed compared to the beginning of the financial period, such change is deemed to have taken place at the end of the financial period.

Note	Sparekassen Sjælland-Fyn A/S (Group)	
	31.03.2023	31.03.2022
17 Financial assets and liabilities, Sparekassen Sjælland-Fyn A/S Group (continued)		
Financial instruments recognised at amortised cost		
The predominant portion of the Group's receivables, loans and advances and deposits cannot be transferred without the customers' prior consent, and no active market exists for trading in such financial instruments. Fair value estimates are based on factors where changes have occurred in market conditions subsequent to initial recognition of the instrument that are of relevance to the price which would have been agreed had the terms and conditions been agreed on the balance sheet date. Other parties might reach another amount for such estimates.		
The data on fair value of financial instruments recognised at amortised cost is based on the following assessments:		

- If a quoted market price exists for a financial instrument, such price is used. This is the case for bonds measured at amortised cost.
- For some of the Group's deposits and loans and advances etc, the interest rate relies on developments in interest rates. Therefore, the fair value is essentially deemed to be consistent with the carrying amount.
- The fair value of loans and advances has been determined based on an informed estimate that is built on the Group regularly changing its loan covenants to match current market conditions. For loans and advances, the impairment losses recognised are considered to correspond to fair value adjustments of the credit risk. The difference relative to fair values is composed entirely of fees and commission received but not recognised.
- Fair value of amounts owed by credit institutions and central banks is determined using the same method as for loans and advances.
- The fair value of deposits, bonds issued and subordinated loan capital is deemed to be equivalent, in all material respects, with the carrying amount.

Notes

Sparekassen Sjælland-Fyn A/S (Group)

Note	Amounts in DKK'000	31.03.2023		31.03.2022	
		Carrying amount	Fair value	Carrying amount	Fair value
17	Financial assets and liabilities, Sparekassen Sjælland-Fyn A/S Group (continued)				
	Financial instruments recognised at amortised cost, disclosures on fair value				
	Financial assets				
	Cash and balances on demand at central banks	1,744,443	1,744,443	3,174,569	3,174,569
	Amounts owed by credit institutions and central banks	1,785,974	1,785,974	173,688	173,688
	Loans and advances and other amounts owed at amortised cost	11,716,062	11,770,346	11,923,738	11,981,577
	Bonds at amortised cost	9,647,623	9,431,656	0	0
	Total financial assets	24,894,102	24,732,419	15,271,995	15,329,834
	Financial liabilities				
	Amounts owed to credit institutions and central banks	1,834,789	1,834,789	814,539	814,539
	Deposits and other debt	20,813,542	20,813,542	19,777,190	19,777,190
	Bonds issued at amortised cost	378,652	378,652	377,979	377,979
	Subordinated loan capital	571,509	571,509	620,373	620,373
	Total financial liabilities	23,598,492	23,598,492	21,590,081	21,590,081

Note	Amounts in DKK'000	Sparekassen Sjælland-Fyn A/S (Group)	
		31.03.2023	31.03.2022
18	Bonds at amortised cost		
	Carrying amount of bonds at amortised cost	9,647,623	0
	Fair value of bonds	9,431,656	0
	Fair value of bonds compared to carrying amount	-215,967	0

Income statement

		Sparekassen Sjælland-Fyn A/S (Parent)	
Note	Amounts in DKK'000	Q1 2023	Q1 2022
	Interest income calculated using the effective interest method	161,442	112,620
4	Other interest income	53,946	19,544
4a	Negative interest income	0	6,647
5	Interest expenses	35,284	13,459
5a	Positive interest expenses	0	25,872
	Net interest income	180,103	137,931
	Dividends on shares etc	19,085	5,075
6	Fees and commission income	167,059	177,634
	Fees and commission expenses	3,783	3,870
	Net interest and fee income	362,465	316,770
7	Market value adjustments	12,772	-31,232
	Other operating income	920	866
8	Staff costs and administrative expenses	197,037	183,543
	Amortisation, depreciation and impairment losses on intangible assets and property, plant and equipment	11,754	10,738
	Other operating expenses	4,280	2,726
	Impairment losses on loans and advances etc	-1,457	-3,938
9	Profit/loss on investments in associates and group enterprises	9,558	6,370
	Profit before tax	174,101	99,705
	Income tax	43,228	17,359
	Profit after tax	130,873	82,346
	Earnings per share		
	Earnings per share (DKK)	7.1	4.4
	Diluted earnings per share (DKK)	7.1	4.4
	Distributed as follows:		
	Retained earnings (profit allocated to shareholders)	121,888	76,311
	Interest, hybrid core capital	8,985	6,035
	Total	130,873	82,346

Statement of comprehensive income

		Sparekassen Sjælland-Fyn A/S (Parent)	
Note	Amounts in DKK'000	Q1 2023	Q1 2022
	Profit for the period	130,873	82,346
	Other comprehensive income that may not be reclassified to profit or loss		
	Fair value adjustment of properties	0	0
	Tax related to fair value adjustment of properties	1	1
	Other comprehensive income that may be reclassified to profit or loss		
	Value adjustment of certain strategic shares	12,769	3,945
	Value adjustment of bonds at fair value through other comprehensive income	2,998	0
	Recirculation at the end of recognition	-316	0
	Fair value adjustment of financial instruments entered into to hedge future cash flows ¹		
	- Value adjustment for the year	-258	1,039
	- Tax on other comprehensive income	-691	-229
	Total other comprehensive income	14,503	4,756
	Total comprehensive income	145,376	87,102

¹ The fair value adjustment concerns a jointly controlled enterprise.

Balance sheet

Sparekassen Sjælland-Fyn A/S (Parent)				
Note	Amounts in DKK'000	31.03.2023	31.12.2022	31.03.2022
Assets				
	Cash and balances on demand at central banks	1,744,443	2,156,355	3,174,569
	Amounts owed by credit institutions and central banks	1,778,160	1,144,538	164,889
	Loans and other amounts owed at amortised cost	11,675,985	11,637,530	11,833,909
	Bonds at fair value	1,209,214	1,686,068	8,314,460
12	Bonds at amortised cost	9,647,623	8,785,452	0
	Shares etc	863,754	808,720	872,946
	Investments in associates	217,617	211,886	188,160
	Investments in group enterprises	580,836	582,468	580,631
	Assets related to pooled plans	1,974,401	1,976,120	2,240,191
	Intangible assets	91,154	91,154	91,160
	Total land and buildings	170,097	172,918	182,523
	<i>Investment property</i>	0	0	0
	<i>Owner-occupied property</i>	170,097	172,918	182,523
	Other property, plant and equipment	23,742	22,637	24,520
	Current tax assets	87,464	72,012	34,589
	Deferred tax assets	0	2,045	94,813
	Other assets	271,801	264,509	259,924
	Prepayments	44,692	43,569	49,659
	Total assets	30,380,982	29,657,981	28,106,943

Sparekassen Sjælland-Fyn A/S (Parent)				
Note	Amounts in DKK'000	31.03.2023	31.12.2022	31.03.2022
Equity and liabilities				
Liabilities other than provisions				
	Amounts owed to credit institutions and central banks	1,834,065	1,383,426	813,683
	Deposits and other debt	20,792,590	20,650,272	19,770,130
	Deposits in pooled plans	1,974,401	1,976,120	2,240,191
	Bonds issued at amortised cost	378,652	378,484	377,979
	Other liabilities	556,017	468,705	371,095
	Deferred income	12,198	9,358	14,068
	Total liabilities other than provisions	25,547,924	24,866,365	23,587,146
Provisions				
	Provisions for deferred taxes	19,974	0	0
	Provisions for losses on guarantees etc	66,434	73,609	72,563
	Other provisions	19,104	18,153	18,394
	Total provisions	105,511	91,762	90,957
	Subordinated loan capital	571,509	571,247	620,373
Equity				
	Share capital	173,750	173,750	173,750
	Revaluation reserves	1,419	1,419	1,416
	Undistributable savings bank reserve, other reserves	561,378	561,378	561,378
	Retained earnings	2,908,613	2,884,532	2,680,001
	Total equity exclusive of hybrid core capital	3,645,160	3,621,079	3,416,544
	Hybrid core capital	510,878	507,528	391,923
	Total equity	4,156,038	4,128,607	3,808,467
	Total equity and liabilities	30,380,982	29,657,981	28,106,943

Statement of changes in equity

Sparekassen Sjælland-Fyn A/S (Parent)

Note	Amounts in DKK'000	Share capital	Revaluation reserves	Undistributable savings bank reserve	Reserve for value adjustment of hedging instrument ¹	Dividend	Retained earnings	Total equity exclusive of hybrid core capital	Hybrid core capital	Total equity
	Equity at 1.1.2023	173,750	1,419	561,378	2,202	104,250	2,778,081	3,621,079	507,528	4,128,607
	Profit for the period	0	0	0	0	0	121,888	121,888	8,985	130,873
	Other comprehensive income that may not be reclassified to profit or loss									
	Tax related to fair value adjustment of properties	0	1	0	0	0	0	1	0	1
	Other comprehensive income that may be reclassified to profit or loss									
	Value adjustments of certain strategic shares	0	0	0	0	0	12,769	12,769	0	12,769
	Value adjustment of bonds at fair value through other comprehensive income	0	0	0	0	0	2,998	2,998	0	2,998
	Recirculation at the end of recognition	0	0	0	0	0	-316	-316	0	-316
	Fair value adjustment of financial instruments entered into to hedge future cash flows, Value adjustment for the period	0	0	0	-258	0	0	-258	0	-258
	Tax on other comprehensive income	0	0	0	65	0	-756	-691	0	-691
	Total other comprehensive income	0	1	0	-193	0	14,695	14,503	0	14,503
	Comprehensive income for the period	0	1	0	-193	0	136,582	136,390	8,985	145,376
	Purchase of treasury shares	0	0	0	0	0	-12,789	-12,789	0	-12,789
	Sale of treasury shares	0	0	0	0	0	4,114	4,114	0	4,114
	Dividends paid	0	0	0	0	-104,250	614	-103,636	0	-103,636
	Interest paid on hybrid core capital	0	0	0	0	0	0	0	-5,635	-5,635
	Equity at 31.03.2023	173,750	1,420	561,378	2,009	0	2,906,603	3,645,159	510,878	4,156,038

¹ Reserve for value adjustment of hedging instrument concerns a jointly controlled enterprise.

Statement of changes in equity

Sparekassen Sjælland-Fyn A/S (Parent)

Note	Amounts in DKK'000	Share capital	Revaluation reserves	Undistributable savings bank reserve	Reserve for value adjustment of hedging instrument ¹	Dividend	Retained earnings	Total equity exclusive of hybrid core capital	Hybrid core capital	Total equity
	Equity at 1.1.2022	173,750	1,415	561,378	65	104,250	2,568,770	3,409,628	385,888	3,795,516
	Profit for the period	0	0	0	0	0	76,311	76,311	6,035	82,346
	Other comprehensive income that may not be reclassified to profit or loss									
	Tax related to fair value adjustment of properties	0	1	0	0	0	0	1	0	1
	Other comprehensive income that may be reclassified to profit or loss									
	Fair value adjustment of financial instruments entered into to hedge future cash flows, Value adjustment for the period	0	0	0	1,039	0	3,945	4,984	0	4,984
	Tax on other comprehensive income	0	0	0	-229	0	0	-229	0	-229
	Total other comprehensive income	0	1	0	810	0	3,945	4,756	0	4,756
	Comprehensive income for the period	0	1	0	810	0	80,257	81,067	6,035	87,102
	Purchase of treasury shares	0	0	0	0	0	-5,000	-5,000	0	-5,000
	Sale of treasury shares	0	0	0	0	0	34,937	34,937	0	34,937
	Dividends paid	0	0	0	0	-104,250	162	-104,088	0	-104,088
	Equity at 31.03.2022	173,750	1,416	561,378	875	0	2,679,126	3,416,544	391,923	3,808,467

¹ Reserve for value adjustment of hedging instrument concerns a jointly controlled enterprise.

Notes

2 Summary of significant accounting policies

The Interim Report for Q1 2023 has been presented in accordance with IAS 34. The presentation of interim financial statements is consistent with EU provisions and additional Danish disclosure requirements for interim reports of listed financial companies. Applying ISA 34 entails that presentation is more limited than in a complete annual report and that the measurement principles of the International Financial Reporting Standards (IFRS) have been used.

Otherwise, the accounting policies remain unchanged with respect to those applied in the presentation of the consolidated financial statements for 2022.

Sparekassen's 2022 Annual Report and other reports on capital requirement, statutory report on corporate social responsibility etc can be found on this website: www.spks.dk/om/fakta/regnskab

3 Significant judgements and estimates, assumptions and uncertainties

Measuring certain assets and liabilities is subject to management estimates of how future events affect the value of such assets and liabilities. Estimates, which are significant to the presentation of financial statements, are made, for example, when determining write-downs on impaired loans and advances, and provisions. The estimates used are based on assumptions which are considered reasonable by Management, but which are inherently uncertain.

Except for the addition below, the most significant judgements and estimates made by Management in using the Group's accounting policies and the related key sources of estimation uncertainty are the same used to prepare the interim financial statements for the year as those used to prepare the consolidated financial statements for 2022.

Notes

Note	Amounts in DKK'000	Sparekassen Sjælland-Fyn A/S (Parent)	
		Q1 2023	Q1 2022
4 Interest income			
Credit institutions and central banks		17,300	133
Loans and other amounts owed		144,142	112,483
Bonds		45,452	9,971
Total derivatives		8,494	9,574
Thereof: - Interest rate contracts		8,516	9,698
- Foreign exchange contracts		-22	-124
Other interest income		0	5
Total interest income		215,387	132,165
4a Negative interest income			
Credit institutions and central banks		0	4,738
Bonds		0	1,909
Total negative interest income		0	6,647
5 Interest expenses			
Credit institutions and central banks		7,177	213
Deposits and other debt		18,609	3,261
Bonds issued		2,086	2,107
Subordinated loan capital		6,737	7,134
Other interest expenses		674	744
Total interest expenses		35,284	13,459
5a Positive interest expenses			
Deposits and other debt		0	25,872
Total positive interest expenses		0	25,872

Note	Amounts in DKK'000	Sparekassen Sjælland-Fyn A/S (Parent)	
		Q1 2023	Q1 2022
6 Fees and commission income			
Securities trading and custody accounts		15,960	19,972
Payment services		18,278	17,392
Loan fees		9,036	13,013
Guarantee commission		55,920	57,890
Custody services		19,184	20,669
Other fees and commissions		48,681	48,698
Total fees and commission income		167,059	177,634
7 Market value adjustments			
Bonds		4,637	-58,528
Shares		-856	18,755
Investment property		0	3,180
Foreign exchange		4,330	3,289
Currency, interest rate, share, commodity and other contracts and derivatives		4,660	2,072
Assets related to pooled plans		71,831	-123,823
Deposits in pooled plans		-71,831	123,823
Total market value adjustments		12,772	-31,232
8 Staff costs and administrative expenses			
Remuneration of the Board of Directors and Executive Board*			
Board of Directors and Executive Board		5,231	4,666
Total		5,231	4,666
Staff costs			
Wages and salaries		98,986	93,356
Pension contributions		10,626	10,210
Social security expenses		15,710	14,410
Total staff costs		125,322	117,976
Other administrative expenses		66,484	60,901
Total staff costs and administrative expenses		197,037	183,543

* Board of Directors has been expanded from 3 to 4 persons in Q1 2022

Notes

Note	Amounts in DKK'000	Sparekassen Sjælland-Fyn A/S (Parent)	
		Q1 2023	Q1 2022
9	Impairment losses on loans and advances and other receivables and provisions for guarantees and undrawn credit facilities (impairment account)		
	Stage 1 impairment		
	Balance of stage 1 impairment losses at beginning of period	94,514	103,003
	New impairment losses (net)	11,118	-2,725
	Balance of stage 1 impairment losses at end of period	105,632	100,278
	- Of which amounts owed by credit institutions and central banks	77	354
	- Of which bonds at amortized cost	217	354
	Stage 2 impairment		
	Balance of stage 2 impairment losses at beginning of period	184,140	166,670
	New impairment losses (net)	2,972	4,817
	Balance of stage 2 impairment losses at end of period	187,112	171,487
	- Of which amounts owed by credit institutions and central banks	576	396
	Stage 3 impairment		
	Balance of stage 3 impairment losses at beginning of period	253,297	265,016
	New impairment losses (net)	-5,633	1,564
	Other changes	3,700	3,700
	Previously written down, now finally written off	13,344	23,756
	Balance of stage 3 impairment losses at end of period	238,019	246,524

Note	Amounts in DKK'000	Sparekassen Sjælland-Fyn A/S (Parent)	
		Q1 2023	Q1 2022
9	Impairment losses on loans and advances and other receivables and provisions for guarantees and undrawn credit facilities (impairment account)		
	Provisions losses for guarantees and undrawn credit facilities		
	Balance of provisions at beginning of year	91,502	98,284
	New provisions (net)	-3,452	-4,137
	Previously provided for, now finally written off	2,773	3,450
	Balance of provisions at end of period	85,277	90,697
	Total		
	Balance of impairment losses/provisions at beginning of period	623,453	632,973
	Impairment losses/provisions for the period (net)	5,005	-480
	Other changes	3,700	3,700
	Finally written off, previously written down/provided for	16,117	27,206
	Balance of impairment losses/provisions at end of period	616,041	608,987
	Impairment losses/provisions for the period (net)	5,005	-480
	Written off, not previously written down/provided for	789	2,090
	Recovery of claims previously written off	7,251	5,548
	Total recognised in the income statement	-1,457	-3,938

Notes

Sparekassen Sjælland-Fyn A/S (Parent)				
Note	Amounts in DKK'000	31.03.2023	31.12.2022	31.03.2022
10	Assets provided as collateral			
	Bonds deposited with Danmarks Nationalbank, clearing centres etc	1,197,654	1,177,409	1,720,300
	Cash deposited with credit institutions, CSA agreements	3,806	3,806	15,439
	Loss limit towards the Danish Growth Fund	258	257	258
	Total	1,201,718	1,181,472	1,735,997
	Unencumbered deposited securities may be released at call			
	In reverse transactions, Sparekassen still holds the risk related to the securities. The securities remain on the balance sheet, and the consideration received is recognised as amounts owed to credit institutions. Securities in reverse transactions are accounted for as assets provided as collateral for liabilities. The counterparty is entitled to sell or re-borrow money on the securities received.			
	Assets sold in reverse transactions			
	Bonds at fair value	1,387,927	905,728	0
	Fair value, reverse transactions	1,395,833	912,069	0
	Net position	7,906	6,341	0

Sparekassen Sjælland-Fyn A/S (Parent)				
Note	Amounts in DKK'000	31.03.2023	31.12.2022	31.03.2022
11	Capital resources			
	Equity excluding hybrid core capital	3,645,159	3,621,079	3,416,544
	Intangible assets	-91,154	-91,154	-91,160
	Deferred tax assets	0	-2,045	-94,813
	Proposed dividend	0	-104,250	0
	Deduction, capital instruments	-452,571	-360,419	-447,463
	Other additions/deductions	-159,364	45,431	32,462
	Common Equity Tier 1 capital	2,942,070	3,108,642	2,815,570
	Hybrid core capital	496,000	496,000	376,000
	Core capital (including hybrid core capital) net of primary deductions	3,438,070	3,604,642	3,191,570
	Supplementary capital	571,509	571,247	620,373
	Deductions capital instruments	-24,743	-43,500	0
	Capital resources	3,984,836	4,132,389	3,811,943
	Risk exposures			
	Credit risk	13,909,026	13,863,941	13,891,996
	Market risk	362,277	387,133	1,298,412
	Operational risk	2,297,626	2,181,118	2,181,118
	Total risk exposures	16,568,929	16,432,192	17,371,526
	Capital ratio	24.1	25.1	21.9
	Core capital ratio	20.8	21.9	18.4
	Common Equity Tier 1 capital ratio	17.8	18.9	16.2
	Capital resources, requirement under Section 124(2) of the Danish Financial Business Act	1,325,514	1,314,575	1,389,722

Sparekassen's capital resources and capital ratios calculated inclusive of transitional scheme and exclusive of net profit for the period at 31.03.2023 and 31.03.2022.

Had net profit for the period, reduced by the target dividend payment stated in the dividend policy, been included in capital resources, the capital ratio, the core capital ratio and the common equity tier 1 capital ratio would have been 0.8 percentage points higher (31.03.2022: capital ratio, core capital ratio and common equity tier 1 capital ratio 0.4 percentage points higher).

Notes

		Sparekassen Sjælland-Fyn A/S (Parent)		
Note	Amounts in DKK'000	31.03.2023	31.12.2022	31.03.2022
11	Capital resources (continued)			
	Solvency capital elements calculated exclusive of transitional scheme			
	Common Equity Tier 1 capital	2,882,539	2,992,648	2,705,160
	Core capital (including hybrid core capital) net of primary deductions	3,378,539	3,488,648	3,081,160
	Capital resources	3,925,306	4,016,395	3,701,533
	Total risk exposures	16,524,583	16,343,708	17,309,256
	Capital ratio	23.8	24.6	21.4
	Core capital ratio	20.4	21.3	17.8
	Common Equity Tier 1 capital ratio	17.4	18.3	15.6

Sparekassen's capital resources and capital ratios calculated inclusive of transitional scheme and exclusive of net profit for the period at 31.03.2023 and 31.03.2022.

Had net profit for the period, reduced by the target dividend payment stated in the dividend policy, been included in capital resources, the capital ratio, the core capital ratio and the common equity tier 1 capital ratio would have been 0.8 percentage points higher (31.03.2022: capital ratio, core capital ratio and common equity tier 1 capital ratio 0.4 percentage points higher).

		Sparekassen Sjælland-Fyn A/S (Parent)	
Note	Amounts in DKK'000	31.03.2023	31.03.2022
12	Bonds at amortised cost		
	Carrying amount of bonds at amortised cost	9,647,623	0
	Fair value of bonds	9,431,656	0
	Fair value of bonds compared to carrying amount	-215,967	0

Definitions of official key ratios etc

Return on invested capital

Calculated profit for the year relative to total assets in %

Accumulated impairment ratio

Impairment losses on loans and advances and provisions for guarantees etc as a percentage of loans and advances plus impairment losses on loans and advances plus guarantees plus provisions for guarantees etc

Price/earnings per share

Price/earnings per share for the period

Price/equity per share

Price/equity value per share (DKK)

Return on equity before tax

Profit before tax as a percentage of average equity. Average equity is calculated as a simple average of opening and closing amounts.

Return on equity after tax

Profit after tax as a percentage of average equity. Average equity is calculated as a simple average of opening and closing amounts.

Common equity tier 1 capital ratio

Common equity tier 1 capital/Risk-weighted exposures

Book value per share (DKK)

Equity/Share capital exclusive of treasury shares

Income/cost ratio (DKK)

Income for the year divided by costs for the year inclusive of impairment losses on loans and advances and other receivables etc

Capital ratio

Capital resources as a percentage of total risk exposure

Core capital ratio

Core capital as a percentage of total risk exposure

Excess capital adequacy in percentage points

Capital resources – capital requirements/Risk-weighted exposures * 100

Liquidity coverage ratio (LCR)

Amount of liquid assets as a percentage of net outflow over a 30-day period

Liquidity benchmark

The liquidity benchmark reflects Sparekassen's ability to stand a three-month stress test

Eligible liabilities (%)

Eligible liabilities as a percentage of total risk exposure

Rate of cost

Staff costs and administrative expenses, amortisation, depreciation and impairment losses and other operating expenses/Net interest and fee income plus other operating income

Impairment ratio for the period

Impairment losses for the period as a percentage of loans and advances plus impairment losses on loans and advances plus guarantees plus provisions for guarantees etc

Earnings per share (DKK)

Profit for the period after tax/Average number of shares

Growth in loans and advances for the period

Growth in loans and advances from beginning of year to end of year in % (exclusive of reverse business)

Zero interest loans and advances relative to total loans and advances

Zero interest loans and advances/Total loans and advances

Interest rate risk relative to core capital net of deductions

Interest rate risk as a percentage of core capital

Total large exposures (<175%)

The total of the 20 largest exposures as a percentage of common equity tier 1 capital

Dividend per share (DKK)

Dividend proposed/Share capital

Loans and advances relative to equity

Loans and advances/Equity

Loans and advances and loan impairment losses relative to deposits

Loans and advances and loan impairment losses as a percentage of deposits

Currency position relative to core capital net of deductions

Currency indicator 1 as a percentage of core capital

Currency risk relative to core capital net of deductions

Currency indicator 2 as a percentage of core capital

