

A harbor scene with modern buildings and boats. The water is dark blue, and the sky is clear. Several boats are docked along the pier, including a large white boat and a dark wooden boat. The buildings are modern, with large windows and balconies. The text 'Q1 2019 Interim Report' is overlaid in white on the water.

Q1 2019 Interim Report

Contents

03 Management commentary

Sparekassen Sjælland-Fyn A/S - in brief	page	3
Q1 2019 highlights	page	4
Management commentary	page	5
Outlook for 2019	page	5
Financial highlights	page	6
Core earnings, deposits, loans and advances and business volume	page	7
Financial review of the Group	page	8
Financial review of the Parent	page	10
Credit quality categories and total credits arranged	page	11
The Supervisory Diamond	page	12
“New Ways” – Sparekassen’s 2021 strategy project	page	13
Capital structure and liquidity of the Group	page	15

Cover photo: The Sparekassen Sjælland-Fyn Group’s head office by the Fjord of Holbæk.

17 Quarterly financial statements

Statement by Management on the Interim Report	page	18
Income statement	page	19
Statement of comprehensive income	page	19
Balance sheet at 31 March 2019	page	20
Statement of changes in equity	page	21
Cash flow statement	page	23
Notes	page	24

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 go to spks.dk or contact:

Lars Petersson
Chief Executive Officer
+45 5948 1111
lap@spks.dk

Lars Bolding
Executive Officer of
the Savings Bank
+45 5948 1085
lbo@spks.dk

Morten Huse Eikrem-Jeppesen
Press Officer
+45 5385 0770

Sparekassen Sjælland-Fyn A/S - in brief

Sparekassen's Q1 Pre-tax profit of DKK 78.5m

- 49 branches and
- ⦿ 4 corporate customer centres

on Zealand and Funen, with headquarters in Holbæk

609 staff

is the average number of salaried employees in branches and staff functions in Q1 2019

>165.000 customers





Q1 2019 highlights

PROFIT

DKK 71.3m

Net profit provides an annual 9.2% return on equity

PROFIT ALLOCATED TO SHAREHOLDERS

DKK 65.3m

With a net profit of DKK 65.3m and the reduction achieved in interest paid on hybrid capital, the Q1 2019 profit allocated to shareholders is on a par with the same period last year (see page 19).

UPWARD ADJUSTMENT OF EXPECTATIONS

DKK 200-230m

The upward adjustment of pre-tax earnings expectations for 2019 relies on a broad-based earnings improvement, the momentum in customer inflow and an activity level beyond expectations. Refer to company announcement no 6/2019 of 24 April.

CORE EARNINGS UP

+112 %

Core earnings are up 112% on Q4 2018. Adjusted for the effect of implementing IFRS 16, the rate would have been 102%. The increase from Q1 2018 to Q1 2019 is 34% (see page 7).

COST CONTROL

Decline in costs

Controlling costs is a key element of Sparekassen's 2021 strategy plan "New Ways". The flat trend in costs is expected to continue for the rest of the year.

CAPITAL RATIO

17 %

The Group's capital structure has been strengthened compared to the same time last year. If net profit for the period reduced by the target dividend payment according to the dividend policy had been included in the capital resources, the capital ratio would be 0.3 percentage points higher and stand at 17.3%.

LOW IMPAIRMENT LOSSES

DKK 8.8m

The positive development in the credit book is continuing, and the share of OEI customers has been steadily reduced over a period of 17 quarters (see page 11).

DIVIDEND POLICY

Share buy-back

Sparekassen's Executive Board and Board of Directors will specifically assess whether a share buy-back programme should be combined with dividends from 2020.

BENCHMARKS

Supervisory diamond

All benchmarks are observed with a large margin.

Management commentary

Pre-tax profit of DKK 78.5m exceeds the forecasted earnings expectations.

The core earnings realised for Q1 2019 are up 112% on those for Q4 2018 and are among the Group's record highs. These results also exceed the Q1 2019 forecast so markedly that, on 24 April, it led to an upward adjustment of earnings expectations for the financial year 2019.

In view of this, the earnings realised for Q1 2019 are considered most satisfactory and somewhat better than expected.

One of the reasons for this heavy increase in core earnings is the optimisation strategy, "New Ways", that was announced on 6 November 2017, under which not least dedicated cost control is a high priority and will be maintained in the quarters ahead. Prior years' investments in distribution power are one of the reasons why total income has gone up because of another increase in market shares in Q1 2019.

The financial statements still reflect low impairment losses, and reducing risk is a deliberate element of the "New Ways" strategy. Please refer to page 11 of the financial statements, from which it is evident that the share of the weakest loan customers (the Danish Financial Supervisory Authority's credit quality category 1: OEI customers) has been steadily reduced over a period of 17 quarters. This development is expected to continue for the remainder of 2019.

Dividend policy

During the summer, the Board of Directors will reconsider Sparekassen's dividend policy. In view of Sparekassen's capital planning, it is contemplated to combine dividends with a share buy-back programme.

Executive Board and asset management strengthened

On 1 April 2019, another member – Savings Bank Executive Officer Lars Bolding – was added to the Executive Board (see company announcement no 24/2018). The other members of the Executive Board are Savings Bank Executive Officer Bruno Riis-Nielsen and Chief Executive Officer Lars Petersson.

Effective from 1 May 2019, Sparekassen has set up an asset management division headed by Asset Management Director Kenn Andersen in order to focus on this area. Expectations are that the establishment of this business area will have a positive effect on the financial statements in 2020.

The enlargement of the Executive Board and the establishment of the asset management division are part of the strategy plan "New Ways".

Consolidation in the sector

Sparekassen has developed massively in the wake of the financial crisis, for example, through the acquisition of two banks and the admission for listing on the stock exchange in 2015. The number of customers has gone from 60,000 to now over 165,000, and based on this the organisation has built considerable competencies in areas such as acquisition, IT conversions and capital procurement.

And even though growth through further acquisitions or mergers with Sparekassen as the surviving party is not as such part of the strategy, Sparekassen is with its extensive experience

quite naturally alert and positive should opportunities arise that make sense and add value to Sparekassen and our shareholders.

Outlook for 2019

Economic trends are expected to remain stable, with high employment rates. Danish economy is expected to grow consistently with 2018. Global economic trends are subject to uncertainty, also as to how this might affect Danish economy, for example, the implications of Brexit.

In 2019, Sparekassen is embarking on year two of its four-year strategy, "New Ways". The expansion of the branch network along with other major investments have been completed for now. Focus is now on optimising income and expenses. For example, the number of employees is expected to go down next year through natural turnover.

The strategy is expected to lead to an improved income/cost ratio. Based on this, expectations are that recent years' growth rate for staff costs and administrative expenses will decline in 2019. Consequently, core earnings (profit/loss before translation and market value adjustments and impairment losses) are expected to increase in 2019.

Impairment losses are expected to remain low although they will inherently increase considering the extremely low level in 2018.

Expectations are that translation and market value adjustments will break even in 2019, assuming that the interest rate remains un-

changed. With the results achieved in Q1 2019, Sparekassen announced an upward adjustment of pre-tax profit expectations in company announcement no 6/2019 of 24 April, from between DKK 180m and DKK 210m, as stated in the 2018 Annual Report, to a pre-tax profit ranging between DKK 200m and DKK 230m.

The reason for this upward adjustment is that core earnings (calculated as profit before impairment losses and translation and market value adjustments) are above budget in Q1 2019 and up 34% on Q1 2018.

These results have been caused by the following:

- ✔ The optimisation measures announced under the "New Ways" strategy have generally fared better than anticipated.
- ✔ Total costs are below budget.
- ✔ Total income is above budget.
- ✔ Impairment losses and translation and market value adjustments are consistent with those announced.
- ✔ Momentum on customer inflow and activities exceed expectations.

Lars Petersson
Chief Executive Officer

Bruno Riis-Nielsen
Officer of
the Savings Bank

Lars Bolding
Officer of
the Savings Bank



Financial highlights

Sparekassen Sjælland-Fyn A/S Group

Amounts in DKK'm	Q1 2019	Q1 2018	Index ¹	Year-end 2018
Income statement items				
Net interest and fee income	273	252	108	1,005
Translation and market value adjustments	-1	29	-	21
Other operating income	9	4	225	16
Staff costs and administrative expenses	175	176	99	746
Impairment losses on loans and advances etc	9	12	73	4
Investments in associates and group enterprises	1	1	109	8
Profit for the period before tax	79	83	95	230
Profit for the period after tax	71	80	89	208

Sparekassen Sjælland-Fyn A/S Group

Amounts in DKK'm	31.03 2019	31.03 2018	Index ¹	31.12 2018
Balance sheet items				
Loans and advances etc	12,247	11,665	105	12,174
Deposits	18,151	16,846	108	18,223
Deposits in pooled plans	1,421	973	146	1,313
Total deposits	19,572	17,820	110	19,536
Subordinated loan capital	455	403	113	454
Equity	3,111	2,783	112	3,083
Balance sheet total	24,209	21,726	111	23,857
Capital resources	3,080	2,680	115	3,125
Total business volume (deposits, loans, advances and guarantees)	37,097	34,247	108	37,068
Total credits arranged (loans and advances, Totalkredit and DLR)	49,244	45,282	109	48,404
Custody accounts	10,224	10,541	97	9,558

¹ Index – 31.03.2019 relative to 31.03.2018

Sparekassen Sjælland-Fyn A/S Group

	31.03 2019	31.03 2018	Index ¹	31.12 2018
Financial ratios				
Capital ratio ²	17.0	16.1	106	17.7
Core capital ratio ²	14.5	13.7	106	15.1
Excess capital adequacy in percentage points ²	7.5	7.0	107	8.2
Return on equity before tax (for the period) ³	2.5	3.0	83	8.0
Return on equity after tax (for the period) ³	2.3	2.9	79	7.2
Income/cost ratio DKK	1.39	1.41	99	1.28
Interest rate risk relative to core capital net of deductions	1.7	-0.4	-	-1.0
Currency position relative to core capital net of deductions	0.5	0.7	71	0.7
Currency risk relative to core capital net of deductions	0.0	0.0	100	0.0
Loans and advances relative to equity	3.9	4.2	93	3.9
Loans and advances plus loan impairment losses relative to deposits	67.0	71.2	94	67.5
Growth in loans and advances for the period ³	0.6	0.9	67	5.5
Impairment ratio for the period	0.0	0.1	-	0.0
Accumulated impairment ratio ⁴	5.0	6.3	79	5.8
Liquidity benchmark (new benchmark)	850	-	-	318
Liquidity, LCR	639	268	238	278
Total large exposures (new benchmark)	95.9	126.8	76	96.1
Total large exposures relative to capital resources	0.0	0.0	100	0.0
Return on invested capital ³	0.3	0.4	75	0.9
Earnings per share (DKK) ⁵	3.8	5.0	76	9.3
Dividend per share (DKK)	0.0	0.0	100	2.5
Book value per share at period-end (DKK)	156.6	167.6	93	155.3
Price/earnings per share ⁵	23.1	21.3	108	8.7
Price/equity per share ⁶	0.6	0.6	100	0.5
Price at period-end (DKK)	86.8	107.3	81	80.4
Average headcount (full-time employees on average) ⁷	609	607	100	616

² 31 March 2019 and 31 March 2018 have been calculated exclusive of profit for the period.

³ In 2018, the ratio was calculated based on the opening balance sheet following the implementation of IFRS 9.

⁴ The ratio does not include discount. Please refer to note 9 for a specification of total impairment losses, provisions and discounts.

⁵ Calculated based on the average number of shares during the period.

⁶ Calculated based on the number of outstanding shares at end of period.

⁷ Engaged in financial business.

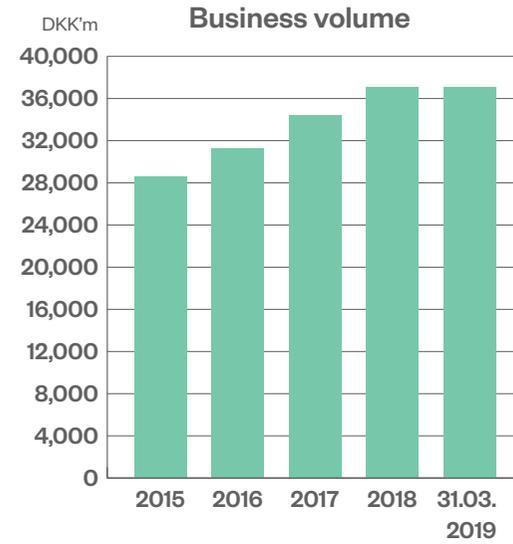
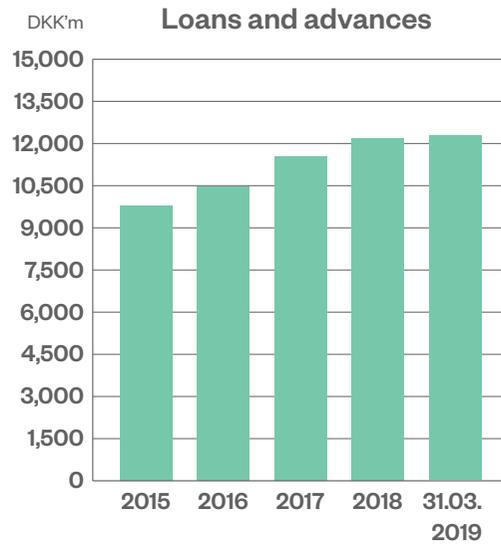
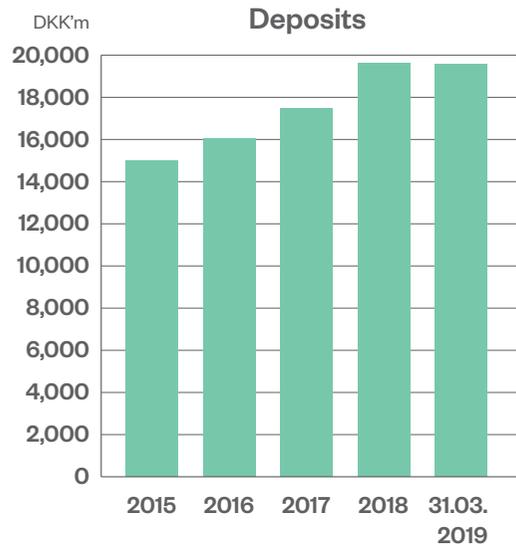
Core earnings, deposits, loan and advances and business volume

Sparekassen Sjælland-Fyn A/S Group

Amounts in DKK'm	Q1 2019	Q4 2018*	Q3 2018	Q2 2018	Q1 2018
Core earnings					
Net interest income	137.2	142.3	133.1	136.4	129.0
Dividend	3.3	0.8	2.3	16.1	5.2
Net fees and commission income	132.7	109.5	102.4	109.8	117.9
Other operating income	8.8	3.4	4.9	3.6	3.9
Other operating expenses	3.4	7.2	3.8	2.1	2.7
Core income	278.6	248.8	238.9	263.8	253.3
Staff costs and administrative expenses**	174.6	199.7	184.3	186.5	175.6
Core earnings	104.0	49.1	54.6	77.3	77.7

* Q4 2018 is affected by extraordinary non-recurring expenses of DKK 16.9m.

** Q1 2019 is positively affected by the implementation of IFRS 16, according to which DKK 5.0m in lease payments, rent etc is now taken to amortisation, depreciation and impairment losses.





Financial review of the Group

Q1 2019

Q1 2019 has produced massively improved core earnings which are up 112% on Q4 2018. Pre-tax profit of DKK 78.5m is above budget. This profit is based on improved earnings, a flat development in costs and a continued low level of impairment losses.

The Q1 2018 pre-tax profit was DKK 82.7m and so slightly higher than the profit for Q1 2019, however, this is attributable particularly to the effect of an extraordinary income of DKK 35m from market value adjustments of sector shares. In light of this, the profit realised for Q1 2019 is highly satisfactory.

This profit is the reason why the earnings expectations for the financial year 2019 have been adjusted upwardly from between DKK 180m and DKK 210m to between DKK 200m and DKK 230m, as published in company announcement no 6/2019 of 24 April.

Income statement

Income

Net interest income

Net interest income has increased to DKK 137.2m for Q1 2019 against DKK 129.0m in 2018. Compared to last year, the general interest rate level has largely remained unchanged and is at a historical low.

One of the reasons for net interest income going up by DKK 8.2m, or 6.3%, is that a

strategic decision has been made to optimise the placement of excess liquidity. In absolute figures, interest expenses for credit institutions and central banks are down DKK 1.4m whereas interest income from the bond portfolio is up DKK 6.3m.

As mentioned, interest income from loans and advances and interest expenses for deposits are still subject to an interest rate level that is challenging on the interest margin. For Sparekassen, this is compensated for by an increase in the total volume of loans and advances although the deposits balance is on the rise as well, and moreover market-conform price adjustments have been made to support the business model and in future to help ensure the profitability of operations.

As mentioned in connection with last year's share issue and capital transactions, one of the objectives was to reduce interest expenses on Sparekassen's supplementary loan capital. Sparekassen is seeing the initial results of this after Q1 2019 when its interest expenses for subordinated loan capital are down DKK 0.5m while interest paid on hybrid capital is down DKK 8.8m. The amount saved is evident from the distribution of profit for the period.

The total amount of interest saved on subordinated loan capital reached DKK 9.3m in Q1 2019. So Sparekassen is well on track to meet the objective of annual savings of DKK 35m.

The Q1 2019 profit allocated to shareholders that is composed of net profit less interest on hybrid capital can be calculated at DKK 65.3m, which is on a par with the amount last year when the profit allocated to shareholders was DKK 65.5m.

Dividend

With DKK 3.3m in dividends received for the quarter, Sparekassen realised a little lower amount than for the same period last year when total dividends on shares reached DKK 5.2m.

Fees and commission income

Net fees and commission income stand at DKK 132.7m against DKK 117.9m for the same period in 2018. The improvement arises from the increase in business activities where, for example, commissions from loans arranged by Sparekassen to the mortgage credit companies, Totalkredit and DLR, have increased quite positively. The total amount of loans arranged to Totalkredit stands at DKK 27.7bn at the end of Q1 2019 while at the end of Q1 2018 it was DKK 25.8bn, and the figures for DLR show an increase from DKK 7.8bn to DKK 9.3bn. The rise in business volume in this area has caused guarantee commissions to go up by 8.5% from DKK 40.9m to DKK 44.4m.

The increase in business activities is also reflected in the areas of asset management and investments where Sparekassen's pooled

Subsequent events

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

Profit allocated to shareholders

With a net profit of DKK 65.3m and the reduction achieved in interest paid on hybrid capital, the Q1 2019 profit allocated to shareholders is on a par with the same period last year (see page 19).



deposits have gone up from DKK 973m to DKK 1,421m. This yields more fees for Sparekassen.

With respect to interest, the related fees have also been subjected to some price adjustments, primarily intended to ensure that Sparekassen can cover its production costs for the facilities and services provided. Secondly, these adjustments are to support the desire of having even more customers become full-service customers who are overall able to obtain discounts and be exempted from fees.

Translation and market value adjustments

Translation and market value adjustments for the quarter are negative by DKK 1.2m. In comparison, they were last year positive by DKK 29.1m, of which the extraordinary revaluation of sector shares in BI Holding A/S (BankInvest) contributed positively by DKK 35.0m.

Market value adjustments of shares are positive by DKK 9.3m. Since Sparekassen does not have any significant exposures in market positions, the positive development in Sparekassen's portfolio of sector shares is the primary reason for the positive results.

A negative price adjustment of DKK 5.8m can be calculated for the bond portfolio, which is DKK 2.3m up on the same period last year. This development has been caused by the increase in the bond portfolio and by interest rate developments.

The movements in market prices of Sparekassen's portfolio of investment properties stand at a negative DKK 0.7m compared to a negative DKK 3.9m last year. Foreign exchange gains are stable at DKK 2.0m.

Other operating income

Other operating income has gone up by DKK 8.8m. This line item primarily consists of rent from the property portfolio and profits from the sale of depreciated operating equipment.

Costs inclusive of amortisation, depreciation and impairment losses

As stated in the 2018 Annual Report, part of the next phase of Sparekassen's "New Ways" strategy is to ensure improvement of the financial targets. This means that, towards 2021, costs are to develop at a slower pace than income.

In Q1 2019, staff costs and administrative expenses have decreased to DKK 174.6m against DKK 175.6m for the same period last year. Total staff costs have gone up by DKK 3.3m.

Other administrative expenses have decreased from DKK 63.6m to DKK 59.3m. The primary reason for this is the implementation of IFRS 16 (Leases) under which lease costs – and for Sparekassen, primarily rental costs – are reclassified to amortisation, depreciation and impairment losses. This is also mainly why this line item in turn goes up from DKK 10.7m to DKK 16.3m. It should be pointed out that the comparative figures for Q1 2018 have not been restated (for further information on the implementation of IFRS 16, please refer to note 2 "Summary of significant accounting policies").

Overall, administrative expenses and amortisation, depreciation and impairment losses have increased from DKK 74.3m to DKK 75.6m – or by DKK 1.3m, equivalent to 1.7%.

While some cost items have decreased because of the focus on costs, amortisation,

depreciation and impairment losses have gone up due to the effect of IFRS 16, including slightly higher rental costs. Although the planned establishment of branches has been completed for now, and no new costs are envisaged in this respect, Sparekassen still has room in the budget to make relevant upgradings of the existing branch network, and one of the results of this later in the year will be when Sparekassen's Holbæk branch will move to whole new premises at Holbæk Havneby. The branch will be arranged so that it will be possible to service customers with new technologies and experiences

Impairment losses on loans and advances etc

Impairment losses for the quarter total DKK 8.8m compared to DKK 12.0m for the same period last year, which means a decline of DKK 3.2m. In net terms, this development reflects new provisions for the increasing loan portfolio, reversal of previous provisions due to customers' improved credit quality, and amounts received on claims previously written off, the latter by an amount of DKK 7.1m in Q1. So the trend seen in recent years is continuing, which is most positive.

Please refer to the comments on Sparekassen's total loan book, the summary of credit quality, on page 11 as a basis for Sparekassen's impairment losses.

Balance sheet

At the end of Q1 2019, the balance sheet total had grown to DKK 24.2bn from DKK 21.7bn. This increase reflects the rise in business activities, with customer arrangements being the driving factor. Below, key balance sheet items are commented on along with line items that developed considerably.

Assets

Loans and advances etc

The balance of loans and advances has grown to DKK 12.2bn from DKK 11.7bn at 31 March 2018. This is a 5% increase that reflects new loan exposures with both private customers and corporate customers. Sparekassen's credit policy supports that the loan exposures are kept within the limits of the credit risk set. They are managed through a close dialogue with the customers and the specific advisory sessions that benefit from the fact that Sparekassen is a locally based financial institution, close to the customers and their lives.

The balance of loans and advances is developing according to the strategy plans on growth, and Sparekassen expects this area to continue to develop in a positive and controlled manner.

Bonds

As is evident from the comments regarding net interest income in the income statement, Sparekassen has since the comparison period made a strategic choice of placing a larger portion of the liquidity surplus in Danish mortgage credit bonds subject to low interest rate risk instead of in certificates of deposit issued by Danmarks Nationalbank. The latter carries negative interest at the rate of 0.65%.

Through this decision and a concurrent increase in the liquidity surplus, the bond portfolio has increased from DKK 4.4bn to DKK 6.7bn.

Shares etc

The total portfolio of shares etc remains at around DKK 750m and is composed of shares in sector companies etc. The investments in the sector companies help support Spareka-



ssen's overall business activities and earnings. Moreover, Sparekassen has placed amounts in investment funds that are exposed to credit risk while the portfolio of Danish and foreign shares held is small.

Land and buildings

In the balance sheet, the Group's land and buildings stand at DKK 545.0m against DKK 381.7m after Q1 2018. The increase reflects acquisitions of investment properties in the net amount of DKK 40.6m. The value of owner-occupied property has been adjusted by DKK 77.0m due to the addition of discounted rent according to IFRS 16.

Equity and liabilities

Deposits

At the balance sheet date, the deposits balance can be calculated at DKK 18.2bn (exclusive of deposits in pooled plans) and it continues to increase. So the increase from last year's DKK 16.8bn is DKK 1.3bn, or 7.7%. Besides the propensity to save generally witnessed in society, Sparekassen has also had an inflow of new customers that create the basis for this development.

The liquidity surplus, calculated as the deposits balance net of the balance of loans of advances excluding deposits in pooled plans, stands at DKK 5.9bn against DKK 5.2bn at the end of Q1 2018.

Deposits in pooled plans

Another growing business activity is Sparekassen's pooled plans under which customers' deposits in accounts are placed in different investment pools that are decided by the cus-

tomers' risk appetite. At the end of Q1 2019, the pools amount to DKK 1.4bn compared to DKK 1.0bn at the same time last year. This is equivalent to a 45% increase. Sparekassen expects these activities to see substantial growth also in future although at a rate that will probably be a little lower.

Subordinated loan capital

In 2018, Sparekassen implemented a number of capital transactions according to its strategy plan that have strengthened the common equity tier 1 capital (share transaction in the spring of 2018) and that have now – as is evident from the comments on net interest income – also fed through to savings in interest expenses for hybrid and supplementary capital.

The subordinated loan capital on the balance sheet totals DKK 454.8m against DKK 403.1m while the hybrid capital stands at DKK 376m against DKK 575m at 31 March 2018. It is possible to repay supplementary capital of DKK 82m in July 2018, and Sparekassen expects to use this option subject to the Danish FSA's prior approval. Ongoing assessments are made of the total capital needed which is affected by the increased business volume in particular but not least by capital requirements such as larger capital buffers and the requirement for eligible liabilities.

Sparekassen's subordinated loan capital is disclosed note 11 to the financial statements.

Equity

Since Q1 2018, equity has grown from DKK 2.8bn to DKK 3.1bn. This growth results from the increase from the share issue which contributed more than DKK 400m, the net repayment of

old hybrid core capital and the raising of new hybrid core capital by a negative DKK 119m, recognition of profit for the period, and finally distribution of dividend of slightly over DKK 43m. The latter was adopted at the Annual General Meeting.

Sparekassen has thus met the objectives set for its capital structure:

1. Increase in total capital
2. Increase in common equity tier 1 capital
3. Reduction in interest expenses for subordinated loan capital, and finally
4. Distribution of dividend to the shareholders in accordance with the dividend policy.

Q1 2019

Parent

Q1 2019 has seen much improved core earnings before translation and market value adjustments and impairment losses for the Parent, Sparekassen Sjælland-Fyn A/S.

Net interest and fee income have increased from DKK 245.9m to DKK 267.0m, corresponding to an increase of DKK 21.1m, or 8.6%. It is the combination of increasing net interest income and increasing net fees that improves this performance whereas dividends received are a little lower.

This development has been achieved through a general increase in business with new and current customers.

As for costs, the implementation of IFRS 16 has resulted in rental costs and similar liabilities that were previously taken to staff costs and

administrative expenses, now being recognised in amortisation, depreciation and impairment losses for intangible assets and property, plant and equipment. This has caused staff costs and administrative expenses to go down by DKK 5.6m whereas amortisation, depreciation and impairment losses have gone up by DKK 10.4m.

Market value adjustments are down by just over DKK 33m although last year they were affected extraordinarily by a non-recurring revaluation of sector shares in BI Holding A/S (BankInvest) by DKK 35m.

Impairment losses on loans and advances to customers have decreased to DKK 7.8m from DKK 12.1m. So this line item is continuing its positive development which is a result of the favourable economic climate and thus improves Sparekassen's loan book.

Pre-tax profit reaches DKK 77.0m against DKK 81.6m for Q1 2018 and net profit stands at DKK 71.3m against DKK 80.3m last year.

Credit quality categories and total credits arranged

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

	Q1 2019		2018		2017		2016		2015	
	DKK'm	%								
3 / 2a – Loans, advances and guarantees with normal credit quality	10,015	57.1	10,249	58.5	9,965	59.0	9,011	59.2	5,791	42.7
2b – Loans, advances and guarantees with certain indications of weakness	5,259	30.0	4,942	28.2	4,174	24.7	2,850	18.7	3,486	25.7
2c – Loans, advances and guarantees with substantial weaknesses	1,228	7.0	1,143	6.5	1,389	8.2	1,434	9.4	1,994	14.7
1 – Loans, advances and guarantees with objective evidence of impairment	1,023	5.8	1,197	6.8	1,366	8.1	1,914	12.6	2,300	16.9
Total	17,525	100.0	17,531	100.0	16,894	100.0	15,209	100.0	13,571	100.0

Breakdown- Agricultural sector

	Q1 2019		2018		2017	
	DKK'm	%	DKK'm	%	DKK'm	%
3 / 2a – Loans, advances and guarantees with normal credit quality	548	37.8	572	39.4	539	43.1
2b – Loans, advances and guarantees with certain indications of weakness	594	41.0	579	39.9	396	31.7
2c – Loans, advances and guarantees with substantial weaknesses	164	11.4	163	11.2	154	12.3
1 – Loans, advances and guarantees with objective evidence of impairment	141	9.8	139	9.5	162	12.9
Total	1,448	100.0	1,453	100.0	1,251	100.0

Total credits arranged

	Q1 2019	2018	2017	2016
	DKK'm	DKK'm	DKK'm	DKK'm
Loans and advances etc, Sparekassen	12,247	12,174	11,681	10,474
Totalkredit	27,671	27,229	25,336	24,293
DLR	9,326	9,001	7,857	6,927
Total	49,244	48,404	44,874	41,694

The Supervisory Diamond

Sparekassen respects 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 five specific areas that credit institutions must comply with.

The five benchmarks and the current calculations are:

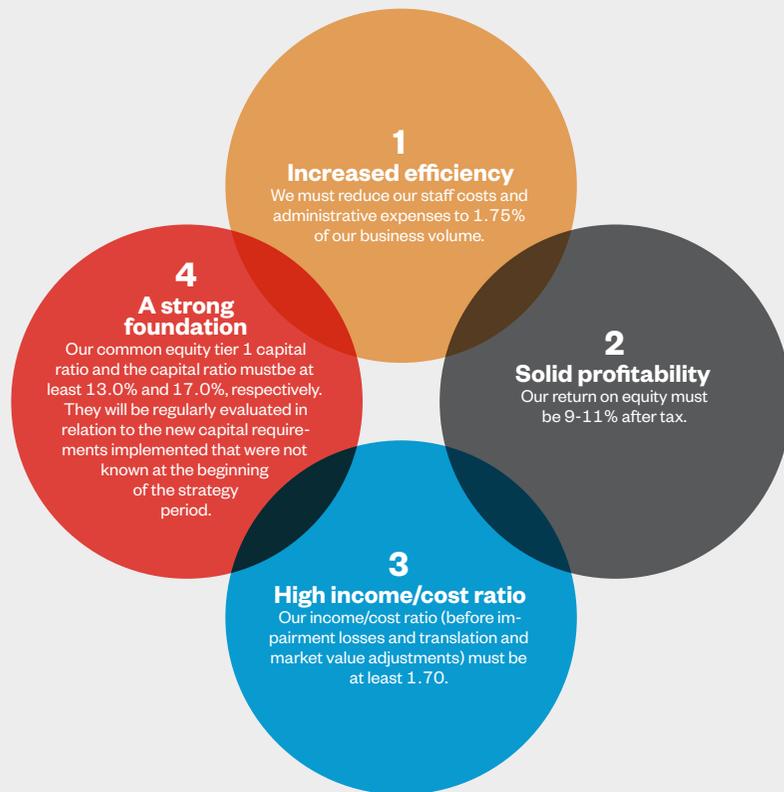
Benchmark	Threshold	Group at 31.03.2019
Total large exposures of common equity tier 1 capital (new benchmark)	< 175 %	95.9 %
Sum of large commitments (former benchmark)	< 125 %	0.0 %
Loan growth per annum	< 20 %	5.0 %
Property exposure of loans, advances and guarantees	< 25 %	12.1 %
Liquidity surplus	> 100 %	850 %
Stable funding Loans and advances/working capital less bonds with a term to maturity of less than one year	< 1.00	0.53

Due to the controlled management of developments, nor in future does Sparekassen expect to have any difficulties in respecting the thresholds of the Supervisory Diamond.



“New Ways” – Sparekassen’s 2021 strategy plan

In company announcement no 18 of 6 November 2017, Sparekassen introduced its strategy plan "New Ways". The plan contains seven strategic paths and four financial targets to be executed by the end of 2021.



1 Increased efficiency

Staff costs and administrative expenses and business volume (deposits, loans and advances and guarantees), with business volume being calculated as a simple average of opening and closing amounts for the financial period. In interim statements, the ratio is annualised. The ratio is calculated in per cent.

It is Sparekassen's objective to have the development in efficiency reduce the ratio to 1.75% by the end of 2021 at the latest. This is equivalent to an efficiency improvement of 15%, which in an arithmetical example is equal to DKK 100m using 30 September 2017 figures. To make sure that this objective for the ratio is met by the end of 2021, Sparekassen has set up an internal dedicated unit with relevant competencies to focus on efficiency improvements, not least by using new and improved IT solutions.

The calculated ratio at 30 June 2018 is 2.07%.
The calculated ratio at 31 March 2019 is 1.88%.

2 Solid profitability

This financial ratio reflects the net profit amount relative to equity. Equity is calculated as a simple average of opening and closing amounts for the financial period. In interim statements, the ratio is annualised. The ratio is calculated in per cent.

The calculated ratio at 30 June 2018 is 7.4%.
The calculated ratio at 31 March 2019 is 9.2%.

3 High income/cost ratio

This financial ratio reflects the income/cost ratio DKK but exclusive of the effect of impairment losses and translation and market value adjustments. The financial ratio reflects how much income in DKK can be calculated per DKK unit of cost. It is Sparekassen's objective to optimise the income/cost ratio DKK in the strategy period. Realising the objective will lead to a substantial improvement of ordinary profit before impairment losses and translation and market value adjustments.

The ambitious objective will be attempted to be realised through a combination of the following elements:

- 1) Strong focus on efficiency measures so as to be able to handle more business with the same amount or a reduced amount of resources.
- 2) Tight cost control to utilise savings potential, including savings through procurement optimisations and administrative efficiency improvements.
- 3) Optimisation of the earnings potential of business activities. Some initiatives have already been identified. They are being implemented and will have full earnings effect from 2019.
- 4) Increase in income because of an expected rise in the total business volume resulting from the much stronger distribution power now in place through the establishment of a number of new private customer branches, the addition of staff to the asset management area, as well as the opening of four corporate customer centres. These quite considerable investments have been completed and have had a relatively higher effect on costs than on income in the preceding periods. In the years ahead, the aim is that these investments will produce a satisfactory additional return.

The calculated ratio at 30 June 2018 is DKK 1.31.
The calculated ratio at 31 March 2019 is DKK 1.45.

4 A strong foundation

This financial ratio reflects the amount of common equity tier 1 capital and capital resources, respectively, relative to risk-weighted items.

The calculations are evident from the financial statements and are stated in percent.

Calculated ratio at	Common equity tier 1 capital	Capital ratios
31.12.2017	10.7 %	16.3 %
31.03.2019	12.4 %	17.0 %



The seven paths

The strategic plan, "New Ways", has seven strategic focus areas



Path 1 Our object must be the driving force for our growth

Sparekassen must be known and recognised for its object. We must be recognised as an engine in our local communities. This means that we must be known as the financial institution that drives local communities, links businesses with each other and backs both private customers and corporate customers. At the same time, we must be known as the financial sector's local and digital alternative to the large national banks.



Path 2 We must increase the inflow of small and medium-sized corporate customers

Sparekassen must be strengthened as a savings bank for corporate customers. Based on the network of branches and the four corporate customer centres, corporate business must contribute to joint developments towards 2021. The synergies between corporate customer, private customer and asset management areas must be strengthened. Sparekassen's trademark in the corporate customer and asset management areas must be improved further, and the corporate customer centres must also be enabled to better attract small and medium-sized enterprises, and the branches must have the conditions in place for entering into dialogue with crafts firms, retailers and other businesses.



Path 3 We must realise the digital potential

Sparekassen's digital marketing and its digital path must be developed further. The digital savings bank must ensure that digital prospective customers and inquiries are guided all the way through to an adviser so as to reach more customers. Digital marketing is to be used to profile Sparekassen's values and efforts locally, including the efforts of the foundation, Sparekassen Sjælland Fonden. Customer dialogue through social media must be developed and optimised by building a customer-oriented model for profiling Sparekassen. Also, digital campaigns must be launched on social media such as Facebook, Twitter, LinkedIn, etc.



Path 4 We need to train to create more business

Sparekassen must be best at driving a large network of branches, and a precondition for this is that we become better at developing sales through natural upselling of services and products. Sparekassen's three business divisions – private customers, corporate customers and asset management – must be better at working together on the individual customers. Focus on asset management must be intensified. Sparekassen intends to invest massively in sales training and management training so as to develop skills in both advisers and managers.



Path 5 We need to optimise our systems and processes

Sparekassen's internal processes and procedures need to be optimised. In the years ahead, Sparekassen must grow without costs growing equally. By 2021, we must be able to run a large business with relatively lower costs than today. This means that Sparekassen must be able to use its systems better and reduce time consumption on administrative tasks. The purpose of all optimising efforts must be that each adviser will have more time for dialogue with customers. The optimising efforts will lead to changes in both branches and staff functions. This will entail the introduction of new ways of doing tasks and that some employees will see a change in their job description.



Path 6 Our data must be used to improve business

Sparekassen must be better at harnessing digital opportunities and the vast quantities of data we have. This must put Sparekassen in a better position to support business and work life of managers and staff. New technological solutions must be implemented, and internal digital skills must be improved.



Path 7 Our organisation must be structured to strengthen growth of the branches

Sparekassen's staff functions must be structured to support the branch network as well as business in the private customer, corporate customer and asset management areas. Concurrently, the staff functions must ensure continued development of business and improvement of the head office throughout the strategy period.



Capital structure and liquidity of the Group

Capital structure

The legislation governing solvency and capital requirements is to ensure that Sparekassen will regularly have adequate capital to absorb potential losses arising from business operations.

In this context, credit risk and market risk are determined using the standard method of Danish law whereas operational risk is determined based on the basic indicator model.

Sparekassen calculates its individual solvency needs and capital adequacy according to relevant financial regulations, based on the developments inferable from current and expected business activities.

As a supplement to the Annual Report's comments on and disclosure of Sparekassen's solvency and capital structure, a specific report is prepared that is published on Sparekassen's website:

www.spks.dk/om_sparekassen/regnskab

Risk exposures and capital resources

Sparekassen's risk exposures total DKK 18,101m at the balance sheet date and, as a result of developments in business activities and the composition of the balance sheet, they have gone up by DKK 463m during the year.

The rise in risk exposures has occurred in credit exposures to businesses and real property etc. as well as other exposures – a natural devel-

opment related to Sparekassen's growth. Risk exposures to debt instruments have increased as well. A decline in accounts overdrawn and in arrears contributes in the opposite direction.

Sparekassen's capital ratio is 17.0%. The capital requirement has been calculated at 9.5%, leading to an excess capital adequacy ratio of 7.5 percentage points. In Danish kroner, this excess is equivalent to DKK 1,360m.

The combined buffer requirement has been calculated at 3.0 percentage points. This results in Sparekassen's excess capital adequacy ratio net of capital requirement and combined buffer requirements standing at 4.5 percentage points. In Danish kroner, this excess is equivalent to DKK 817m.

Eligible liabilities

Financial sector regulation has implemented a requirement for financial institutions regarding the amount of on-balance sheet eligible liabilities.

The requirement for eligible liabilities 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.

The requirement for eligible liabilities 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 which also comply with the requirements for eligible liabilities.

The total requirement for eligible liabilities is calculated as the total amount of the solvency needs, the combined buffer requirements (the countercyclical buffer and the capital conservation buffer) and an eligible liabilities add-on. The eligible liabilities add-on is composed of a loss absorption add-on and a recapitalisation amount.

The requirement for eligible liabilities will be phased in stepwise over a five-year period, starting 1 January 2019. Consequently, the requirement will take full effect from 1 January 2023.

It is the Danish Financial Supervisory Authority that lays the requirement for eligible liabilities for each financial institution. The requirement will be recalculated once a year and be determined relative to the financial institution's risk-weighted exposures.

In 2018, Sparekassen received a first preliminary requirement for eligible liabilities based on the 2016 accounting figures and in December 2018 received the final requirement based on the 2017 accounting figures, which are therefore currently applicable from 1 January 2023. At group level, the requirement for eligible liabilities

has been calculated at 17.6% (equivalent to 14.2% of its total liabilities and capital resources). The requirement for the Parent is largely the same. With the current capital resources, Sparekassen complies with the phased-in element of the calculated requirement for eligible liabilities with a good margin at the end of Q1 2019. With Sparekassen's current and expected development in its capital resources and the phase-in established as well as the development in risk-weighted exposures, we do not expect to face any challenges in meeting the requirement for eligible liabilities in future either. We intend to regularly evaluate the opportunities for optimising the composition of the capital and liability instruments that meet the requirement for eligible liabilities.

Capital measure

Sparekassen's objective is to have a capital ratio surplus of at least 2 percentage points. This surplus should be viewed in relation to the total amount of (i) Pillar I requirements, (ii) Pillar II add-on (8+ add-on) and (iii) expected combined buffer requirements for each year (3.0% at 31 March 2019, going up to a maximum of 5.0%). Another objective of Sparekassen is to have a common equity tier 1 capital ratio surplus of at least 2 percentage points. This surplus should be viewed in relation to the total amount of common equity tier 1 capital to meet (i) Pillar I requirements (at least 4.5%) and (ii) expected combined buffer requirements for each year (3.0% in 2018, going up to a maximum



of 5.0%) as well as Pillar II requirements that are not covered by supplementary capital or hybrid core capital.

According to Sparekassen's strategy plan, "New Ways", the long-term objective is for the common equity tier 1 capital ratio and the capital ratio to be at least 13.0% and 17.0%, respectively, by the end of 2021.

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 at least once a year when preparing the ICAAP report that is submitted to the Danish Financial Supervisory Authority. Considering its business plans as well as individual and societal matters, Sparekassen's capital plan must ensure adequate capital to meet the capital measures and excess covers as regulatory capital requirements come into force.

Liquidity

Sparekassen wants to always hold liquidity that in amount and composition ensures adequate compliance with applicable legal requirements for liquidity with a handsome margin and ensures that it will always be able to make payments consistently with the contracts signed. Also, liquidity must be adequate so as to enable the realisation of Sparekassen's strategic goals.

This is why Sparekassen's business model dictates that deposits must fund loans and advances and that it must not be dependent on external funding by way of market funding and transient deposits.

At the end of Q1 2019, Sparekassen has a large deposit surplus of over DKK 5.9bn 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 significance. There are no deposits of significance from other financial services companies.

Deposits are also characterised by a very 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 statutory LCR requirement is to ensure that credit institutions have sufficient liquid funds to honour expected cash outflows over a 30-day horizon, calculated using an applicable stress model. In addition to the amount of the required liquidity buffer, the requirements define the required quality of the liquid assets that may be used in the buffer.

At 31 March 2019, Sparekassen's LCR is 639% against the applicable statutory requirement of a minimum LCR ratio of 100%.

So the liquidity surplus relative to the statutory requirement is 539 percentage points. This extraordinarily large surplus has been caused by the transfer of liquidity of DKK 1.4bn from pooled plans in connection with the change of pool manager.

With the comfortable liquidity surplus, 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 in future too.

Liquidity surplus according to the Supervisory Diamond benchmark

Sparekassen has a liquidity surplus that has been calculated at 850% under the Supervisory Diamond rules for the benchmark relative to a minimum surplus threshold of 100%. Consequently, Sparekassen continues to have a solid surplus, also for this calculation of liquidity. The aim is always to have a sufficiently high level of liquidity, which is both currently and historically the case.

For Sparekassen's values of the Supervisory Diamond benchmarks, see page 12.

Liquidity target

Sparekassen's liquidity target in the short as well as long term is to have constant sufficient liquidity with comfortable excess cover in accordance with current liquidity requirements. A comfortable excess cover means a level in the range of 25 percentage points in accordance with the LCR requirement, which prescribes a liquidity coverage of 100% of net cash outflow covering a period of 30 days. The same excess cover is the target for the liquidity benchmark of the FSA Supervisory Diamond. Here the requirement is also 100%. The internal liquidity management uses considerably 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 size of the liquidity surplus, the ratio of deposits to loans and advances (liquidity funding) as well as the composition and quality of placements of liquidity are monitored on an ongoing basis.

Sparekassen's liquidity plans are updated at least once a year and are included in Sparekassen's ICAAP reporting submitted to the Financial Supervisory Authority.

Quarterly financial statements

Q1 2019

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 2019.

The Interim Report of the Group has been prepared in accordance with 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 2019 and of their

financial performance and the consolidated cash flows for the period 1 January to 31 March 2019.

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, 9 May 2019

Executive Board

Lars Petersson
Chief Executive Officer

Bruno Riis-Nielsen
Officer of the Savings Bank

Lars Bolding
Officer of the Savings Bank

Board of Directors

Thomas Kullegaard
Chairman

Jakob Nørrekjær Andersson
Vice-Chairman

Bent Andersen

Erik Larsen

Otto Frederik Spliid

Kirsten Hede Nielsen

Per Olsen

Helle Lindhof Bjørnøe

Mads Wallin



Income statement

		Sparekassen Sjælland-Fyn A/S Group	
Note	Amounts in DKK'000	Q1 2019	Q1 2018
4	Interest income calculated using the effective interest method	136,083	138,212
4	Other interest income	13,394	6,778
5	Interest expenses	12,263	15,946
	Net interest income	137,214	129,044
	Dividends on shares etc	3,331	5,199
6	Fees and commission income	137,651	123,047
	Fees and commission expenses	4,919	5,130
	Net interest and fee income	273,277	252,160
7	Market value adjustments	-1,172	29,134
	Other operating income	8,797	3,904
8	Staff costs and administrative expenses	174,562	175,632
	Amortisation, depreciation and impairment losses on intangible assets and property, plant and equipment	16,311	10,663
	Other operating expenses	3,429	4,764
9	Impairment losses on loans and advances etc	8,801	12,050
	Profit/loss on investments in associates and group enterprises	708	647
	Profit before tax	78,507	82,736
12	Income tax	7,217	2,460
	Profit after tax	71,290	80,276
	Earnings per share		
	Earnings per share (DKK)	3.8	5.0
	Diluted earnings per share (DKK)	3.8	5.0
	Distributed as follows:		
	Retained earnings (profit allocated to shareholders)	65,255	65,468
	Interest, hybrid core capital	6,035	14,808
	Total	71,290	80,276

Statement of comprehensive income

		Sparekassen Sjælland-Fyn A/S Group	
Note	Amounts in DKK'000	Q1 2019	Q1 2018
	Profit for the period	71,290	80,276
	Other comprehensive income that may not be reclassified to profit or loss		
	Fair value adjustment of properties	0	-250
	Tax related to fair value adjustment of properties	0	0
	Other comprehensive income that may be reclassified to profit or loss		
	Fair value adjustment of financial instruments entered into to hedge future cash flows ¹		
	- Value adjustment for the period	-94	2
	- Tax on other comprehensive income	21	0
	Total other comprehensive income	-73	-248
	Total comprehensive income	71,217	80,028

¹The fair value adjustment concerns a jointly controlled enterprise.



Balance sheet at 31 March

		Sparekassen Sjælland-Fyn A/S Group		
Note	Amounts in DKK'000	31.03.2019	31.12.2018	31.03.2018
Assets				
	Cash and balances on demand at central banks	399,557	412,575	359,967
	Amounts owed by credit institutions and central banks	1,374,554	1,408,153	2,489,038
	Loans and other amounts owed at amortised cost	12,246,885	12,173,964	11,664,770
	Bonds at fair value	6,672,360	6,620,883	4,382,198
	Shares etc	757,152	801,307	749,618
	Investments in associates	72,928	75,340	68,485
	Assets related to pooled plans	1,420,963	1,313,431	973,377
	Intangible assets	122,017	125,090	134,538
10	Total land and buildings	544,988	427,460	381,700
	<i>Investment property</i>	199,353	158,728	107,497
	<i>Owner-occupied property</i>	345,635	268,732	274,203
	Other property, plant and equipment	49,960	48,861	49,850
	Current tax assets	4,944	0	11,009
	Deferred tax assets	170,409	175,689	191,495
	Other assets	302,521	210,334	247,638
	Prepayments	69,696	64,277	22,657
	Total assets	24,208,934	23,857,364	21,726,340

		Sparekassen Sjælland-Fyn A/S Group		
Note	Amounts in DKK'000	31.03.2019	31.12.2018	31.03.2018
Equity and liabilities				
Liabilities other than provisions				
	Amounts owed to credit institutions and central banks	545,328	425,191	337,424
	Deposits and other debt	18,151,460	18,222,949	16,846,420
	Deposits in pooled plans	1,420,963	1,313,431	973,377
	Current tax liabilities	0	960	0
	Other liabilities	423,490	261,486	266,571
	Deferred income	29,799	23,928	22,921
	Total liabilities other than provisions	20,571,040	20,247,945	18,446,713
Provisions				
	Provisions for losses on guarantees etc	62,806	61,096	73,128
	Other provisions	9,149	10,512	20,097
	Total provisions	71,955	71,608	93,225
11	Subordinated loan capital	454,825	454,499	403,128
Equity				
12	Share capital	173,750	173,750	130,312
	Revaluation reserves	2,882	2,882	2,878
	Undistributable savings bank reserve, other reserves	561,378	561,378	561,378
	Retained earnings	1,981,177	1,959,410	1,489,061
	Total equity exclusive of hybrid core capital	2,719,187	2,697,420	2,183,629
	Hybrid core capital	391,927	385,892	599,645
	Total equity	3,111,114	3,083,312	2,783,274
	Total equity and liabilities	24,208,934	23,857,364	21,726,340

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 1.1.2019	173,750	2,882	561,378	-177	43,437	1,916,152	2,697,420	385,892	3,083,312
	Profit for the period	0	0	0	0	0	65,255	65,255	6,035	71,290
	Other comprehensive income									
	Fair value adjustment of financial instruments entered into to hedge future cash flows:									
	Value adjustment for the period	0	0	0	-94	0	0	-94	0	-94
	Tax on other comprehensive income	0	0	0	21	0	0	21	0	21
	Total other comprehensive income	0	0	0	-73	0	0	-73	0	-73
	Comprehensive income for the period	0	0	0	-73	0	65,255	65,182	6,035	71,217
	Purchase of treasury shares	0	0	0	0	0	0	0	0	0
	Sale of treasury shares	0	0	0	0	0	0	0	0	0
	Dividends paid	0	0	0	0	-43,437	23	-43,414	0	-43,414
	Equity at 31.03.2019	173,750	2,882	561,378	-250	0	1,981,429	2,719,187	391,927	3,111,114

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 1.1.2018	130,312	3,128	561,378	-119	0	1,532,878	2,227,576	584,837	2,812,413
	Change in accounting policies	0	0	0	0	0	-109,167	-109,167	0	-109,167
	Equity at 01.01.2018, following this	130,312	3,128	561,378	-119	0	1,423,711	2,118,409	584,837	2,703,246
	Profit for the period	0	0	0	0	0	65,468	65,468	14,808	80,276
	Other comprehensive income									
	Fair value adjustment of owner-occupied property	0	-250	0	0	0	0	-250	0	-250
	Fair value adjustment of financial instruments entered into to hedge future cash flows:									
	Value adjustment for the period	0	0	0	2	0	0	2	0	2
	Tax on other comprehensive income	0	0	0	0	0	0	0	0	0
	Total other comprehensive income	0	-250	0	2	0	0	-248	0	-248
	Comprehensive income for the period	0	-250	0	2	0	65,468	65,220	14,808	80,028
	Purchase of treasury shares	0	0	0	0	0	0	0	0	0
	Sale of treasury shares	0	0	0	0	0	0	0	0	0
	Equity at 31.03.2018	130,312	2,878	561,378	-117	0	1,489,179	2,183,629	599,645	2,783,274

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 2019	Q1 2018
	Comprehensive income for the period	71,217	80,028
	Adjustment for amounts without cash flow effect		
	Market value adjustment, shares	-9,273	-38,209
	Market value adjustment, bonds	5,763	3,510
	Impairment losses on loans and advances etc	8,801	12,050
	Amortisation, depreciation and impairment losses on intangible assets and property, plant and equipment	15,950	10,060
	Prepayments (net)	926	282
	Provisions	347	97
	Value adjustments of investment property	714	4,319
	Deferred income tax	-7,217	-2,460
	Adjustment for amounts with cash flow effect		
	Income tax paid	5,786	187
	Cash flows from ordinary operating activities	93,014	69,864
	Working capital changes		
	Credit institutions	120,137	-101,805
	Loans and advances adjusted for impairment losses etc for the period	-82,322	-113,510
	Other assets and liabilities (net)	-12,781	49,795
	Shares etc	53,428	-57,826
	Bonds at fair value	-57,240	454,034
	Bonds at amortised cost - held to maturity	0	99,999
	Deposits and other debt	-71,489	257,088
	Total working capital changes	-50,267	587,775
	Cash flows from operating activities	42,747	657,639

Sparekassen Sjælland-Fyn A/S Group			
Note	Amounts in DKK'000	Q1 2019	Q1 2018
	Investing activities		
	Additions, investments in associate	0	-850
	Purchase of intangible assets	-2,622	-1,288
	Sale of intangible assets	0	0
	Purchase of property, plant and equipment	-60,261	-7,569
	Sale of property, plant and equipment	16,933	13,377
	Cash flows from investing activities	-45,950	3,670
	Financing activities		
	Dividend paid	-43,414	0
	Cash flows from financing activities	-43,414	0
	Increase/decrease in cash	-46,617	661,309
	Cash and cash equivalents at beginning of period	1,820,728	2,187,696
	Cash and cash equivalents at end of period	1,774,111	2,849,005
	Cash and cash equivalents		
	Cash and balances on demand at central banks	399,557	359,967
	Amounts owed by credit institutions and central banks	1,374,554	2,489,038
	Cash and cash equivalents at end of period	1,774,111	2,849,005

Notes

Sparekassen Sjælland-Fyn A/S Group				
Note	Amounts in DKK'm	Q1 2019	Q1 2018	Financial year 2018
1	Financial highlights			
	Principal items of income statement			
	Net interest income	137	129	541
	Net interest and fee income	273	252	1,005
	Market value adjustments	-1	29	21
	Staff costs and administrative expenses	175	176	746
	Amortisation, depreciation and impairment losses on assets	16	11	49
	Impairment losses on loans and advances etc	9	12	4
	Profit on investments in associates and group enterprises	1	1	8
	Income tax	7	2	22
	Profit for the period	71	80	208
	Principal items of balance sheet			
	Loans and advances	12,247	11,665	12,174
	Securities portfolio	7,430	5,132	7,422
	Deposits including pooled deposits	19,572	17,820	19,536
	Subordinated loan capital	455	403	454
	Equity	3,111	2,784	3,083
	Total assets	24,209	21,726	23,857

Sparekassen Sjælland-Fyn A/S Group				
Note	Amounts in DKK'm	Q1 2019	Q1 2018	Financial year 2018
	Financial ratios			
	Capital ratio ⁵	17.0	16.1	17.7
	Core capital ratio ⁵	14.5	13.7	15.1
	Return on equity before tax	2.5	3.0	8.0
	Return on equity after tax	2.3	2.9	7.2
	Operating income over operating expenses	1.39	1.41	1.28
	Interest rate risk relative to core capital net of deductions	1.7	-0.4	-1.0
	Currency position relative to core capital net of deductions	0.5	0.7	0.7
	Currency risk relative to core capital net of deductions	0.0	0.0	0.0
	Loans and advances plus loan impairment losses relative to deposits	67.0	71.2	67.5
	Loans and advances relative to equity	3.9	4.2	3.9
	Growth in loans and advances for the period	0.6	0.9	5.5
	Liquidity, LCR	639	268	278
	Total large exposures relative to capital resources	0.0	0.0	0.0
	Impairment ratio for the period	0.0	0.1	0.0
	Accumulated impairment ratio ¹	5.0	6.3	5.8
	Return on capital employed	0.3	0.4	0.9
	Earnings per share (DKK) ³	3.8	5.0	9.3
	Dividend per share (DKK)	0.0	0.0	2.5
	Book value per share (DKK) ²	156.6	167.6	155.3
	Price/earnings per share ³	23.1	21.3	8.7
	Price/equity per share ²	0.6	0.6	0.5
	Share price at end of period	86.8	107.3	80.4
	Staff			
	Average number of employees for the period converted into full-time employees ⁴	609	607	616

¹ The ratio does not include discount. Please refer to note 9 for a specification of total impairment losses, provisions and discounts.

² Calculated based on the number of outstanding shares at end of period.

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

⁴ Engaged in financial business.

⁵ Q1 2019 and Q1 2018 have been calculated exclusive of the profit for the period.

Notes

2 Summary of significant accounting policies

The Q1 2019 Interim Report has been prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU 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.

The accounting policies have been changed compared to those applied in the presentation of the consolidated financial statements for 2018.

The change has been prompted by the implementation of IFRS 16, and it will be of substantial significance to the accounting treatment of the leases incepted by Sparekassen as a lessee. IFRS 16 requires all leases (except for leases of short duration and on low-value assets) to be recognised in the balance sheet as a right of use and a lease commitment that is measured at present value of minimum lease payments over the lease term. Subsequently, the right of use must be amortised like other non-current assets, typically straight-line over the lease term, and interest must be calculated for the lease commitment consistent with the treatment of finance leases under IAS 17.

The Standard is effective from 1 January 2019.

The effect of the implementation of IFRS 16 on Sparekassen's opening balance sheet is disclosed below. The models etc adopted by Sparekassen are evident from the section "Summary of significant accounting policies" in Sparekassen's 2018 Annual Report. Comparative figures will not be restated. Otherwise, the accounting policies have not been changed.

Leases on low-value assets are included in other non-current assets. At 1 January 2019, low-value asset leases accounted for DKK 3,072k.

Sparekassen's 2018 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_sparekassen/regnskab

3 Critical accounting estimates, assumptions and key sources of estimation uncertainty

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 as well as provisions. The estimates used are based on assumptions which are considered reasonable by Management, but which are inherently uncertain.

The most significant estimates made by Management in using the Group's accounting policies and the related key sources of estimation uncertainty are the same used in the preparation of the interim financial statements for 2019 as those used to prepare the consolidated financial statements for 2018.

Amounts in DKK'000	Contingent liabilities	Owner-occupied-property	Other non-current assets	Lease commitments
Corrections to the opening balance sheet (Group)				
Operating lease commitments at 31 December 2018	78.071	-	-	-
Corrections to the opening balance sheet, implementation of IFRS 16	-78.071	81.848	4.420	84.529



Notes

Sparekassen Sjælland-Fyn A/S Group

Note	Amounts in DKK'000	Q1 2019	Q1 2018
4	Interest income		
	Credit institutions and central banks	165	117
	Loans and advances and other amounts owed	135,791	137,961
	Bonds	11,250	4,969
	Total derivatives	2,144	1,809
	Thereof: - Interest rate contracts	2,447	2,057
	- Foreign exchange contracts	-303	-248
	Other interest income	127	134
	Total interest income	149,477	144,990
5	Interest expenses		
	Credit institutions and central banks	1,872	3,238
	Deposits and other debt	2,878	5,072
	Subordinated loan capital	7,130	7,607
	Other interest expenses	383	29
	Total interest expenses	12,263	15,946
6	Fees and commission income		
	Securities trading and custody accounts	26,168	23,301
	Payment services	14,845	12,992
	Loan fees	10,067	8,833
	Guarantee commission	44,371	40,885
	Other fees and commissions	42,200	37,036
	Total fees and commission income	137,651	123,047

Sparekassen Sjælland-Fyn A/S Group

Note	Amounts in DKK'000	Q1 2019	Q1 2018
7	Market value adjustments		
	Bonds	-5,763	-3,510
	Shares	9,273	38,209
	Investment property	-666	-3,931
	Foreign exchange	2,007	2,199
	Currency, interest rate, share, commodity and other contracts and derivatives	-6,023	-3,833
	Assets related to pooled plans	95,046	8,807
	Deposits in pooled plans	-95,046	-8,807
	Total market value adjustments	-1,172	29,134
8	Staff costs and administrative expenses		
	Remuneration of the Board of Directors and Executive Board		
	Board of Directors and Executive Board	3,001	2,846
	Total	3,001	2,846
	Staff costs		
	Wages and salaries	88,141	86,007
	Pension contributions	9,737	9,528
	Social security expenses	14,424	13,629
	Total staff costs	112,302	109,164
	Other administrative expenses	59,259	63,622
	Total staff costs and administrative expenses	174,562	175,632



Notes

Note	Amounts in DKK'000	Sparekassen Sjælland-Fyn A/S Group	
		31.03.2019	31.03.2018
9	Impairment losses on loans and advances and other receivables and provisions for guarantees and undrawn credit facilities (impairment account)		
	Individual impairment losses/provisions		
	Balance of impairment losses/provisions at beginning of period		935,421
	Change in accounting policies		-935,421
	Balance of impairment losses/provisions at end of period		0
	Collective impairment losses/provisions		
	Balance of impairment losses/provisions at beginning of period		75,374
	Change in accounting policies		-55,697
	Transferred to management estimates		-19,677
	Balance of impairment losses/provisions at end of period		0
	Stage 1 impairment		
	Balance of stage 1 impairment losses at beginning of period	59,013	0
	Change in accounting policies		44,088
	New impairment losses (net)	-49	3,542
	Balance of stage 1 impairment losses at end of period	58,964	47,630
	- Of which amounts owed by credit institutions and central banks	1	2
	Stage 2 impairment		
	Balance of stage 2 impairment losses at beginning of period	106,153	0
	Change in accounting policies		139,360
	New impairment losses (net)	5,378	-7,916
	Balance of stage 2 impairment losses at end of period	111,531	131,444
	- Of which amounts owed by credit institutions and central banks	248	41

Note	Amounts in DKK'000	Sparekassen Sjælland-Fyn A/S Group	
		31.03.2019	31.03.2018
9	Impairment losses on loans and advances and other receivables and provisions for guarantees and undrawn credit facilities (impairment account) (continued)		
	Stage 3 impairment		
	Balance of stage 3 impairment losses at beginning of period	848,954	0
	Change in accounting policies		882,587
	New impairment losses (net)	7,671	27,383
	Other changes	8,250	39,467
	Value adjustment of assets acquired	0	-4
	Previously written down, now finally written off	166,675	100,807
	Balance of stage 3 impairment losses at end of period	698,200	848,626
	- Of which amounts owed by credit institutions and central banks	0	0
	Provisions losses for guarantees and undrawn credit facilities		
	Balance of provisions at beginning of year	67,183	0
	Change in accounting policies		84,439
	New provisions (net)	2,124	-4,951
	Previously provided for, now finally written off	719	0
	Balance of provisions at end of period	68,588	79,488



Notes

Note	Amounts in DKK'000	Sparekassen Sjælland-Fyn A/S Group	
		31.03.2019	31.03.2018
9	Impairment losses on loans and advances and other receivables and provisions for guarantees and undrawn credit facilities (impairment account) (continued)		
Total			
Balance of impairment losses/provisions at beginning of period	1,081,302	1,010,795	
Change in accounting policies		139,679	
Impairment losses/provisions for the period (net)	15,124	18,058	
Other changes	8,250	39,467	
Value adjustment of assets acquired	0	-4	
Finally written off, previously written down/provided for	167,394	100,807	
Balance of impairment losses/provisions at end of period	937,282	1,107,188	
Discount regarding business acquisitions	0	96,361	
Balance of impairment losses/provisions and discount at end of period	937,282	1,203,549	
Impairment losses/provisions for the period (net)	15,123	18,058	
Value adjustment of assets acquired	0	-4	
Written off, not previously written down/provided for	732	1,699	
Recovery of claims previously written off	7,054	7,704	
Total recognised in the income statement	8,801	12,050	

Note	Amounts in DKK'000	Sparekassen Sjælland-Fyn A/S Group			
		31.03.2019	31.12.2018	31.03.2018	
10	Land and buildings				
	Investment property				
Fair value at beginning of period		158,728	124,446	124,446	
Additions		58,288	91,819	0	
Disposals		16,949	50,512	12,630	
Fair value adjustments for the period		-714	-7,026	-4,319	
Fair value at end of period		199,353	158,728	107,497	
Rental income		4,161	9,621	2,093	
Operating expenses		983	4,565	1,416	
Thereof, operating expenses recognised for investment property not having generated rental income for the year		345	820	312	
		Quoted prices	Observable input	Non-observable input	Total
Fair value hierarchy for investment property					
Group at 31.03.2019		0	0	199,353	199,353
Group at 31.12.2018		0	0	158,728	158,728
Group at 31.03.2018		0	0	107,497	107,497



Notes

Sparekassen Sjælland-Fyn A/S
Group

Note	Amounts in DKK'000	31.03.2019	31.12.2018	31.03.2018
10 Land and buildings (continued)				
Owner-occupied property				
Cost at beginning of period		337,803	337,803	337,803
Additions		0	0	0
Disposals		0	0	0
Cost at end of period		337,803	337,803	337,803
Accumulated depreciation/impairment losses at beginning of period		71,997	65,926	65,926
Depreciation for the period		106	1,864	495
Impairment losses for the period		0	4,207	743
Disposals for the period		0	0	388
Accumulated depreciation/impairment losses at end of period		72,103	71,997	66,776
Accumulated revaluation at beginning of period		2,926	3,176	3,176
Additions for the period		0	0	0
Disposals for the period		0	-250	0
Accumulated revaluation at end of period		2,926	2,926	3,176
Revalued amount at end of period		268,626	268,732	274,203
If no revaluation had been made, the carrying amount of owner-occupied property would have been:		265,700	265,806	271,027

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.

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 at 31.03.2019	0	0	268,626	268,626
Group at 31.12.2018	0	0	268,732	268,732
Group at 31.03.2018	0	0	274,203	274,203

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 4.3% and 11.4% has been used in measuring properties located on Zealand and Funen and in Jutland (Q1 2018: 4.7% and 9.4%). 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.

	31.03.2019	31.12.2018	31.03.2018
Owner-occupied property, revalued amount at period-end, see above	268,626	268,732	274,203
Owner-occupied property, leased assets	77,009	-	-
Total owner-occupied property, see balance sheet	345,635	268,732	274,203



Notes

Sparekassen Sjælland-Fyn A/S Group

Note	Amounts in DKK'000	Current interest rate	31.03.2019	31.12.2018	31.03.2018
11 Subordinated loan capital					
Supplementary capital					
Floating interest rate, maturing Oct, 2023, redeemable in 2018 2), from 2018 to 2023, the interest rate will be 3 months CIBOR + 6,8% with quarterly adjustment,	8,38 % ¹⁾				118,000
Floating interest rate, maturing July 2024, redeemable in 2019 2), from 2019 to 2024, the interest rate will be 3 months CIBOR + 6,75% with quarterly adjustment,	7,81 % ¹⁾		82,000	82,000	82,000
Floating interest rate, maturing July 2025, redeemable in 2020 2), from 2020 to 2025, the interest rate will be 6 months CIBOR + 6,9% with half-yearly adjustment,	7,66 % ¹⁾		105,000	105,000	105,000
Floating interest rate, maturing February 2027, redeemable in 2022, From 2022 to 2027, the interest rate will be 6 months CIBOR + 5,5% with half-yearly adjustment,	5,94 % ¹⁾		50,000	50,000	50,000
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⁾		50,000	50,000	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	
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	
Other ³⁾					520
Total supplementary capital			458,000	458,000	405,520
Total hybrid capital			0	0	0
Total subordinated loan capital			458,000	458,000	405,520
Allowance account			3,175	3,501	2,392
Total subordinated loan capital according to balance sheet			454,825	454,499	403,128

Sparekassen Sjælland-Fyn A/S Group

Note	Amounts in DKK'000	Current interest rate	31.12.2018	31.12.2018	31.03.2018
11 Subordinated loan capital (continued)					
Hybrid capital reclassified to equity					
Floating interest rate, perpetual, redeemable in 2018. ²⁾ From 2018, the interest rate will be a five-year SWAP rate + 9.25% with adjustment every five years.	10.83 % ¹⁾				520,000
Floating interest rate, perpetual, redeemable in 2022. From 2022, the interest rate will be six months' CIBOR + 6.39% with half-yearly adjustment.	6.50 % 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	
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	
Total hybrid capital, reclassified to equity			376,000	376,000	575,000
Subordinated loan capital included in the calculation of capital resources			830,825	830,499	977,608

1) Fixed interest rate for the first 5 years.

2) The issue may be used without restrictions to fulfil the capital requirement addition under the 8+ approach until end 2021

3) 'TTop interest-rate certificates', 10-year maturity period. Fixed interest rate of 4.5% to 5.75% maturing in December 2018 (DKK 20k).

Cannot be included in the calculation of capital resources or to fulfil the capital requirement requirement addition under the 8+ approach.

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.



Notes

Sparekassen Sjælland-Fyn A/S Group

Note	Amounts in DKK'000	31.03.2019	31.12.2018	31.03.2018
------	--------------------	------------	------------	------------

11 Subordinated loan capital (continued)

Interest etc on subordinated loan capital

	31.03.2019	31.12.2018	31.03.2018
Interest (excluding interest on reclassified hybrid core capital recognised as equity)	7,130	32,545	7,607
Extraordinary repayments/redemptions/remortgaging	0	118,520	0
Expenses for raising subordinated loan capital	0	2,086	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.

	Number of shares		Nominal value (DKK'000)		
Note	Amounts in DKK'000	31.03.2019	31.03.2018	31.03.2019	31.03.2018

12 Share capital

Share capital, Sparekassen Sjælland-Fyn A/S	17,374,973	13,031,230	173,750	130,312
Total	17,374,973	13,031,230	173,750	130,312

	Number of shares	Nominal value (DKK'000)	Participation %
--	------------------	-------------------------	-----------------

Treasury shares

Treasury shares at 31.12.2017	0	0	0.0
Purchased	0	0	0.0
Sold	0	0	0.0
Treasury shares at 31.03.2018	0	0	0.0
Treasury shares at 31.12.2018	9,265	93	0.1
Purchased	0	0	0.0
Sold	0	0	0.0
Treasury shares at 31.03.2019	9,265	93	0.1

Total purchase price DKK 0k (Q1 2018: DKK 0k)

Total selling price DKK 0k (Q1 2018: DKK 0k)

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 9,250 shares, corresponding to 0,05% 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 2% of the share capital. Sparekassen has been permitted by the Danish FSA to acquire treasury shares for up to DKK 6m in market value in 2019.

Notes

Note	Amounts in DKK'000	Sparekassen Sjælland-Fyn A/S Group	
		31.03.2019	31.03.2018
12 Share capital (continued)			
Earnings per share			
Earnings of shareholders of the Parent Sparekassen Sjælland-Fyn A/S		65,255	65,468
Average number of shares		17,374,973	13,213,667
Average number of treasury shares		9,265	0
Average number of shares outstanding		17,365,708	13,213,667
Average dilution effect of outstanding share options		0	0
Average number of outstanding shares (diluted)		17,365,708	13,213,667
Earnings per share (DKK)		3.8	5.0
Diluted earnings per shares (DKK)		3.8	5.0

Note	Amounts in DKK'000	Sparekassen Sjælland-Fyn A/S Group		
		31.03.2019	31.12.2018	31.03.2018
13 Assets provided as collateral				
Bonds deposited with Danmarks Nationalbank, clearing centres etc		430,886	935,928	436,252
Cash deposited with credit institutions, CSA agreements		18,423	22,902	22,827
Loss limit towards the Danish Growth Fund		448	291	291
Total		449,757	959,121	459,370

Unencumbered deposited securities may be released at call.

Note

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 2019.



Notes

Sparekassen Sjælland-Fyn A/S
Group

Note	Amounts in DKK'000	31.03.2019	31.12.2018	31.03.2018
15	Contingent liabilities and assets			
	Financial guarantees	1,224,599	1,237,861	1,074,607
	Mortgage finance guarantees	2,429,173	2,402,119	2,197,145
	Registration and remortgaging guarantees	67,046	87,343	43,483
	Other contingent liabilities	1,556,824	1,630,001	1,447,013
	Total	5,277,642	5,357,324	4,762,248

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.

The Group has entered into a number of leases on premises used for bank operations or other activities. If the leases entered into are terminated, a maximum amount of DKK 63.4m (31 December 2018: DKK 73.6m; 31 March 2018: DKK 74.2m) will have to be paid.

The Group has other lease commitments for which a maximum of DKK 4.6m will be payable upon termination of the leases. (31 December 2018: DKK 4.5m; 31 March 2018: DKK 1.1m)

Note Amounts in DKK'000

15 Contingent liabilities and assets (continued)

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.

31.03.2019 31.12.2018 31.03.2018

Contingent assets, group

	31.03.2019	31.12.2018	31.03.2018
Deferred tax assets, written down	106,978	106,978	115,579

Deferred tax assets have been partially written down as it is difficult to document with sufficient certainty that they can be used in full within the foreseeable future. Subsequent use of the written-down asset is not subject to any time limits.



Notes

Sparekassen Sjælland-Fyn A/S Group

Note	Amounts in DKK'000	31.03.2019	31.12.2018	31.03.2018
16 Capital resources ¹				
Equity excluding hybrid core capital		2,719,187	2,697,420	2,183,987
Intangible assets		-122,017	-125,090	-134,538
Tax assets		-170,409	-175,689	-191,495
Proposed dividend		0	-43,437	0
Deduction, capital instruments exceeding 10%		-203,522	-174,878	-215,706
Other deductions etc		26,226	116,644	60,496
Common Equity Tier 1 capital		2,249,465	2,294,970	1,702,744
Hybrid core capital		376,000	376,000	575,000
Core capital (including hybrid core capital) net of primary deductions		2,625,465	2,670,970	2,277,744
Supplementary capital		454,825	454,499	402,608
Capital resources		3,080,290	3,125,469	2,680,352
Risk exposures				
Credit risk		14,938,784	14,621,223	13,965,104
Market risk		1,306,345	1,202,515	906,337
Operational risk		1,856,049	1,814,764	1,814,764
Total risk exposures		18,101,178	17,638,502	16,686,205
Capital ratio		17.0	17.7	16.1
Core capital ratio		14.5	15.1	13.7
Common Equity Tier 1 capital ratio		12.4	13.0	10.2
Capital resources, requirement under Section 124(2) of the Danish Financial Business Act		1,448,094	1,411,080	1,334,896

1) Sparekassen's capital resources and capital ratios calculated inclusive of transitional scheme and exclusive of net profit for the period at 31.03.2019 and 31.03.2018.

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 0.3 percentage points higher (31 March 2018: 0.4 percentage points higher).

Sparekassen Sjælland-Fyn A/S Group

Note	Amounts in DKK'000	31.03.2019	31.12.2018	31.03.2018
16 Capital resources ¹ (continued)				
Sparekassen applies the transitional scheme in the implementation of IFRS 9. Under the transitional scheme, Sparekassen may phase in the negative consequences of IFRS 9 into the capital resources over a five-year period.				
Solvency capital elements calculated exclusive of transitional scheme ²				
Common Equity Tier 1 capital		2,149,615	2,183,373	1,591,146
Core capital (including hybrid core capital) net of primary deductions		2,525,615	2,559,373	2,166,146
Capital resources		2,980,440	3,013,872	2,568,754
Total risk exposures		18,123,923	17,705,728	16,677,783
Capital ratio		16.4	17.0	15.4
Core capital ratio		13.9	14.5	13.0
Common Equity Tier 1 capital ratio		11.9	12.3	9.5

2) Sparekassen's capital resources and capital ratios calculated inclusive of transitional scheme and exclusive of net profit for the period at 31.03.2019 and 31.03.2018.

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 0.3 percentage points higher (31 March 2018: 0.4 percentage points higher).



Notes

Note	31.03.2019		31.03.2018		
	Amounts in DKK'000	Fair value	Amortised costs	Fair value	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 through profit or loss 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			399,557		359,967
Amounts owed by credit institutions and central banks			1,374,554		2,489,038
Loans and advances and other amounts owed at amortised cost			12,246,885		11,664,770
Bonds at fair value	6,672,360			4,382,198	
Shares etc	757,152			749,618	
Assets related to pooled plans	1,420,963			973,377	
Positive market value of derivatives	27,846			27,148	
Total financial assets	8,878,321	14,020,996	6,132,341	14,513,775	
Financial liabilities					
Amounts owed to credit institutions and central banks			545,328		337,424
Deposits and other debt			18,151,460		16,846,420
Deposits in pooled plans	1,420,963			973,377	
Subordinated loan capital			454,825		403,128
Negative market value of derivatives	30,624			31,838	
Total financial liabilities	1,451,587	19,151,613	1,005,215	17,586,972	

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.



Notes

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

	31.03.2019			
Financial assets				
Bonds at fair value	6,672,360	0	0	6,672,360
Shares etc	60,429	388,847	307,876	757,152
Assets related to pooled plans	0	1,420,963	0	1,420,963
Derivatives	0	27,846	0	27,846
Total financial assets	6,732,789	1,837,656	307,876	8,878,321
Financial liabilities				
Deposits in pooled plans	0	1,420,963	0	1,420,963
Derivative financial liabilities	0	30,624	0	30,624
Total financial liabilities	0	1,451,587	0	1,451,587
	31.03.2018			
Financial assets				
Bonds at fair value	4,357,198	25,000	0	4,382,198
Shares etc	64,910	247,928	436,780	749,618
Assets related to pooled plans	929,887	43,490	0	973,377
Derivatives	0	27,148	0	27,148
Total financial assets	5,351,995	343,566	436,780	6,132,341
Financial liabilities				
Deposits in pooled plans	0	973,377	0	973,377
Derivative financial liabilities	0	31,838	0	31,838
Total financial liabilities	0	1,005,215	0	1,005,215

Note	Amounts in DKK'000	Sparekassen Sjælland-Fyn A/S Group	
		31.03.2019	31.03.2018

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	382,871	410,826
Market value adjustment in profit or loss, under market value adjustments	120	-4,015
Purchased	0	68,057
Sold	75,115	38,088
Carrying amount at end of period	307,876	436,780

Sparekassen does not have data to make a sensitivity analysis of the investment fund certificates that are measured at fair value in the balance sheet based on Level 3. The investment fund certificates amount to DKK 279.8m (31 March 2018: DKK 315.4m).

Sparekassen's portfolio of Kapitalforeningen BI Private Equity instruments of DKK 7m has been transferred from Level 1 to Level 3 as the investment fund was delisted on 14 December 2018. In 2019, 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.



Notes

Note

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.

Note	Amounts in DKK'000	31.03.2019		31.03.2018	
		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	399,557	399,557	359,967	359,967
	Amounts owed by credit institutions and central banks	1,374,554	1,374,554	2,489,038	2,489,038
	Loans and advances and other amounts owed at amortised cost	12,246,885	12,303,370	11,664,770	11,719,339
	Total financial assets	14,020,996	14,077,481	14,513,775	14,568,344
	Financial liabilities				
	Amounts owed to credit institutions and central banks	545,328	545,328	337,424	337,424
	Deposits and other debt	18,151,460	18,151,460	16,846,420	16,846,420
	Subordinated loan capital	454,825	454,825	403,128	403,128
	Total financial liabilities	19,151,613	19,151,613	17,586,972	17,586,972



Income statement

		Sparekassen Sjælland-Fyn A/S (Parent)	
Note	Amounts in DKK'000	Q1 2019	Q1 2018
4	Interest income calculated using the effective interest method	130,123	131,916
4	Other interest income	13,393	6,778
5	Interest expenses	12,692	15,945
	Net interest income	130,824	122,749
	Dividends on shares etc	3,331	5,199
6	Fees and commission income	137,682	123,004
	Fees and commission expenses	4,858	5,044
	Net interest and fee income	266,979	245,908
7	Market value adjustments	-553	32,585
	Other operating income	3,333	854
8	Staff costs and administrative expenses	169,701	175,301
	Amortisation, depreciation and impairment losses on intangible assets and property, plant and equipment	20,219	9,781
	Other operating expenses	2,065	2,733
9	Impairment losses on loans and advances etc	7,767	12,135
	Profit/loss on investments in associates and group enterprises	6,981	2,216
	Profit before tax	76,988	81,613
	Income tax	5,698	1,337
	Profit after tax	71,290	80,276
	Earnings per share		
	Earnings per share (DKK)	3.8	5.0
	Diluted earnings per share (DKK)	3.8	5.0
	Distributed as follows:		
	Retained earnings (profit allocated to shareholders)	65,255	65,468
	Interest, hybrid core capital	6,035	14,808
	Total	71,290	80,276

Statement of comprehensive income

		Sparekassen Sjælland-Fyn A/S (Parent)	
Note	Amounts in DKK'000	Q1 2019	Q1 2018
	Profit for the period	71,290	80,276
	Other comprehensive income that may not be reclassified to profit or loss		
	Fair value adjustment of properties	0	-250
	Tax related to fair value adjustment of properties	0	0
	Other comprehensive income that may be reclassified to profit or loss		
	Fair value adjustment of financial instruments entered into to hedge future cash flows ¹		
	- Value adjustment for the period	-94	2
	- Tax on other comprehensive income	21	0
	Total other comprehensive income	-73	-248
	Total comprehensive income	71,217	80,028

¹ The fair value adjustment concerns a jointly controlled enterprise.



Balance sheet at 31 March

Sparekassen Sjælland-Fyn A/S (Parent)				
Note	Amounts in DKK'000	31.03.2019	31.12.2018	31.03.2018
Assets				
	Cash and balances on demand at central banks	399,557	412,575	359,967
	Amounts owed by credit institutions and central banks	1,361,251	1,402,499	2,475,866
	Loans and other amounts owed at amortised cost	12,379,629	12,239,986	11,667,164
	Bonds at fair value	6,672,360	6,620,883	4,382,198
	Shares etc	757,152	801,307	749,618
	Investments in associates	38,315	38,315	33,801
	Investments in group enterprises	354,185	352,514	341,553
	Assets related to pooled plans	1,420,962	1,313,431	973,377
	Intangible assets	122,017	125,090	134,538
	Total land and buildings	226,682	58,082	58,763
	<i>Investment property</i>	4,641	7,289	7,649
	<i>Owner-occupied property</i>	222,041	50,793	51,114
	Other property, plant and equipment	49,960	48,861	49,850
	Current tax assets	10,124	2,700	15,851
	Deferred tax assets	160,346	165,626	180,944
	Other assets	269,610	172,106	226,690
	Prepayments	69,401	64,209	22,429
	Total assets	24,291,551	23,818,184	21,672,609

Sparekassen Sjælland-Fyn A/S (Parent)				
Note	Amounts in DKK'000	31.03.2019	31.12.2018	31.03.2018
Equity and liabilities				
Liabilities other than provisions				
	Amounts owed to credit institutions and central banks	543,976	423,810	335,916
	Deposits and other debt	18,187,875	18,236,324	16,837,298
	Deposits in pooled plans	1,420,963	1,313,431	973,377
	Current tax liabilities	0	0	0
	Other liabilities	488,152	228,568	238,167
	Deferred income	12,691	6,632	8,224
	Total liabilities other than provisions	20,653,657	20,208,765	18,392,982
Provisions				
	Provisions for losses on guarantees etc	62,806	61,096	73,128
	Other provisions	9,149	10,512	20,097
	Total provisions	71,955	71,608	93,225
	Subordinated loan capital	454,825	454,499	403,128
Equity				
	Share capital	173,750	173,750	130,312
	Revaluation reserves	2,882	2,882	2,878
	Undistributable savings bank reserve, other reserves	561,378	561,378	561,378
	Retained earnings	1,981,177	1,959,410	1,489,061
	Total equity exclusive of hybrid core capital	2,719,187	2,697,420	2,183,629
	Hybrid core capital	391,927	385,892	599,645
	Total equity	3,111,114	3,083,312	2,783,274
	Total equity and liabilities	24,291,551	23,818,184	21,672,609

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 1.1.2019	173,750	2,882	561,378	-177	43,437	1,916,152	2,697,420	385,892	3,083,312
	Profit for the period	0	0	0	0	0	65,255	65,255	6,035	71,290
	Other comprehensive income									
	Fair value adjustment of financial instruments entered into to hedge future cash flows:									
	Value adjustment for the period	0	0	0	-94	0	0	-94	0	-94
	Tax on other comprehensive income	0	0	0	21	0	0	21	0	21
	Total other comprehensive income	0	0	0	-73	0	0	-73	0	-73
	Comprehensive income for the period	0	0	0	-73	0	65,255	65,182	6,035	71,217
	Purchase of treasury shares	0	0	0	0	0	0	0	0	0
	Sale of treasury shares	0	0	0	0	0	0	0	0	0
	Dividends paid	0	0	0	0	-43,437	23	-43,414	0	-43,414
	Equity at 31.03.2019	173,750	2,882	561,378	-250	0	1,981,429	2,719,187	391,927	3,111,114

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 1.1.2018	130,312	3,128	561,378	-119	0	1,532,878	2,227,576	584,837	2,812,413
	Change in accounting policies	0	0	0	0	0	-109,167	-109,167	0	-109,167
	Equity at 01.01.2018, following this	130,312	3,128	561,378	-119	0	1,423,711	2,118,409	584,837	2,703,246
	Profit for the period	0	0	0	0	0	65,468	65,468	14,808	80,276
	Other comprehensive income									
	Fair value adjustment of owner-occupied property	0	-250	0	0	0	0	-250	0	-250
	Fair value adjustment of financial instruments entered into to hedge future cash flows:									
	Value adjustment for the period	0	0	0	2	0	0	2	0	2
	Tax on other comprehensive income	0	0	0	0	0	0	0	0	0
	Total other comprehensive income	0	-250	0	2	0	0	-248	0	-248
	Comprehensive income for the period	0	-250	0	2	0	65,468	65,220	14,808	80,028
	Purchase of treasury shares	0	0	0	0	0	0	0	0	0
	Sale of treasury shares	0	0	0	0	0	0	0	0	0
	Equity at 31.03.2018	130,312	2,878	561,378	-117	0	1,489,179	2,183,629	599,645	2,783,274

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



Notes

Sparekassen Sjælland-Fyn A/S (Parent)

Note	Amounts in DKK'm	Q1 2019	Q1 2018	Financial year 2018
1	Financial highlights			
	Principal items of income statement			
	Net interest income	131	123	517
	Net interest and fee income	267	246	981
	Market value adjustments	-1	33	27
	Staff costs and administrative expenses	170	175	745
	Amortisation, depreciation and impairment losses on assets	20	10	43
	Impairment losses on loans and advances etc	8	12	5
	Profit on investments in associates and group enterprises	7	2	18
	Income tax	6	1	18
	Profit for the period	71	80	208
	Principal items of balance sheet			
	Loans and advances	12,380	11,667	12,240
	Securities portfolio	7,429	5,132	7,422
	Deposits including pooled deposits	19,609	17,810	19,549
	Subordinated loan capital	455	403	454
	Equity	3,111	2,783	3,083
	Total assets	24,292	21,673	23,818

Sparekassen Sjælland-Fyn A/S (Parent)

Note	Amounts in DKK'm	Q1 2019	Q1. 2018	Financial year 2018
	Financial ratios			
	Capital ratio ⁵	16.9	16.1	17.7
	Core capital ratio ⁵	14.4	13.7	15.2
	Return on equity before tax	2.5	3.0	7.8
	Return on equity after tax	2.3	2.9	7.2
	Operating income over operating expenses	1.39	1.41	1.28
	Interest rate risk relative to core capital net of deductions	1.4	-0.7	-1.2
	Currency position relative to core capital net of deductions	0.5	0.7	0.7
	Currency risk relative to core capital net of deductions	0.0	0.0	0.0
	Loans and advances plus loan impairment losses relative to deposits	67.4	71.0	67.6
	Loans and advances relative to equity	4.0	4.2	4.0
	Growth in loans and advances for the period	1.1	1.0	6.1
	Liquidity, LCR	639	268	278
	Total large exposures relative to capital resources	0.0	0.0	0.0
	Impairment ratio for the period	0.0	0.1	0.0
	Accumulated impairment ratio ¹	4.8	5.7	5.6
	Return on capital employed	0.3	0.4	0.9
	Earnings per share (DKK) ³	3.8	5.0	9.3
	Dividend per share (DKK)	0.0	0.0	2.5
	Book value per share (DKK) ²	156.6	167.6	155.3
	Price/earnings per share ³	23.1	21.3	8.7
	Price/equity per share ²	0.6	0.6	0.5
	Share price at end of period	86.8	107.3	80.4
	Staff			
	Average number of employees for the period converted into full-time employees ⁴	609	607	616

¹ The ratio does not include discount. Please refer to note 9 for a specification of total impairment losses, provisions and discounts.

² Calculated based on the number of outstanding shares at end of period.

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

⁴ Engaged in financial business.

⁵ Q1 2019 and Q1 2018 have been calculated exclusive of the profit for the period.

Notes

Summary of significant accounting policies

The Q1 2019 financial statements of Sparekassen (Parent) have been prepared in accordance with the Danish Executive Order on Financial Reports for Credit Institutions and Investment Companies, etc, as well as additional Danish disclosure requirements for interim reports for listed financial companies.

The accounting policies have been changed compared to those applied in the presentation of the consolidated financial statements for 2018.

The change has been prompted by the implementation of IFRS 16, and it will be of substantial significance to the accounting treatment of the leases incepted by Sparekassen as a lessee. IFRS 16 requires all leases (except for leases of short duration and on low-value assets) to be recognised in the balance sheet as a right of use and a lease commitment that is measured at present value of minimum lease payments over the lease term. Subsequently, the right of use must be amortised like other non-current assets, typically straight-line over the lease term, and interest must be calculated for the lease commitment consistent with the treatment of finance leases under IAS 17.

The Standard is effective from 1 January 2019.

Sparekassen has opted for early adoption of the Danish FSA's amending executive order no 1441 of 3 December 2018 so that leases will be recognised and measured in the same manner at parent level as well as at group level.

The effect of the implementation of IFRS 16 on Sparekassen's opening balance sheet is disclosed below. The models etc adopted by Sparekassen are evident from the section "Summary of significant accounting policies" in Sparekassen's 2018 Annual Report. Comparative figures will not be restated. Otherwise, the accounting policies have not been changed.

Leases on low-value assets are included in other non-current assets. At 1 January 2019, low-value asset leases accounted for DKK 3,072k.

Sparekassen's 2018 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_sparekassen/regnskab

3 Critical accounting estimates, assumptions and key sources of estimation uncertainty

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 as well as provisions. The estimates used are based on assumptions which are considered reasonable by Management, but which are inherently uncertain.

The most significant estimates made by Management in using Sparekassen's accounting policies and the related key sources of estimation uncertainty are the same used in the preparation of the interim financial statements for 2019 as those used to prepare the parent financial statements for 2018.

Amounts in DKK'000	Contingent liabilities	Owner-occupied property	Other non-current assets	Lease commitments
Corrections to the opening balance sheet (Group)				
Operating lease commitments at 31 December 2018	158,751	-	-	-
Corrections to the opening balance sheet, implementation of IFRS 16	-158,751	180,461	4,420	181,653



Notes

Note	Amounts in DKK'000	Sparekassen Sjælland-Fyn A/S (Parent)	
		Q1 2019	Q1 2018
4 Interest income			
Credit institutions and central banks		130	80
Loans and advances and other amounts owed		129,913	131,753
Bonds		11,249	4,968
Total derivatives		2,144	1,810
Thereof: - Interest rate contracts		2,447	2,057
- Foreign exchange contracts		-303	-248
Other interest income		80	83
Total interest income		143,516	138,694
5 Interest expenses			
Credit institutions and central banks		1,872	3,237
Deposits and other debt		2,851	5,072
Subordinated loan capital		7,130	7,607
Other interest expenses		839	29
Total interest expenses		12,692	15,945
6 Fees and commission income			
Securities trading and custody accounts		26,169	23,301
Payment services		14,845	12,993
Loan fees		10,067	8,833
Guarantee commission		44,370	40,885
Other fees and commissions		42,231	37,036
Total fees and commission income		137,682	123,004

Note	Amounts in DKK'000	Sparekassen Sjælland-Fyn A/S (Parent)	
		Q1 2019	Q1 2018
7 Market value adjustments			
Bonds		-5,860	-3,532
Shares		9,273	38,209
Investment property		49	-458
Foreign exchange		2,006	2,199
Currency, interest rate, share, commodity and other contracts and derivatives		-6,021	-3,833
Assets related to pooled plans		95,046	8,807
Deposits in pooled plans		-95,046	-8,807
Total market value adjustments		-553	32,585
8 Staff costs and administrative expenses			
Remuneration of the Board of Directors and Executive Board			
Board of Directors and Executive Board		3,001	2,846
Total		3,001	2,846
Staff costs			
Wages and salaries		88,141	86,007
Pension contributions		9,737	9,528
Social security expenses		14,424	13,629
Total staff costs		112,302	109,164
Other administrative expenses		54,398	63,292
Total staff costs and administrative expenses		169,701	175,301



Notes

Note	Amounts in DKK'000	Sparekassen Sjælland-Fyn A/S (Parent)	
		31.03.2019	31.03.2018
9	Impairment losses on loans and advances and other receivables and provisions for guarantees and undrawn credit facilities (impairment account)		
	Individual impairment losses/provisions		
	Balance of impairment losses/provisions at beginning of period		893,100
	Change in accounting policies		-893,100
	Balance of impairment losses/provisions at end of period		0
	Collective impairment losses/provisions		
	Balance of impairment losses/provisions at beginning of period		74,514
	Change in accounting policies		-55,389
	Transferred to management estimates		-19,125
	Balance of impairment losses/provisions at end of period		0
	Stage 1 impairment		
	Balance of stage 1 impairment losses at beginning of period	57,590	0
	Change in accounting policies		44,088
	New impairment losses (net)	-304	3,542
	Balance of stage 1 impairment losses at end of period	57,286	47,630
	- Of which amounts owed by credit institutions and central banks	1	2
	Stage 2 impairment		
	Balance of stage 2 impairment losses at beginning of period	104,699	0
	Change in accounting policies		135,734
	New impairment losses (net)	5,533	-7,886
	Balance of stage 2 impairment losses at end of period	110,232	127,848
	- Of which amounts owed by credit institutions and central banks	248	41

Note	Amounts in DKK'000	Sparekassen Sjælland-Fyn A/S (Parent)	
		31.03.2019	31.03.2018
9	Impairment losses on loans and advances and other receivables and provisions for guarantees and undrawn credit facilities (impairment account) (continued)		
	Stage 3 impairment		
	Balance of stage 3 impairment losses at beginning of period	814,534	0
	Change in accounting policies		840,266
	New impairment losses (net)	6,107	27,000
	Other changes	8,250	39,467
	Value adjustment of assets acquired	0	-4
	Previously written down, now finally written off	166,675	98,549
	Balance of stage 3 impairment losses at end of period	662,216	808,180
	- Of which amounts owed by credit institutions and central banks	0	0
	Provisions losses for guarantees and undrawn credit facilities		
	Balance of provisions at beginning of year	67,183	0
	Change in accounting policies		84,439
	New provisions (net)	2,124	-4,951
	Previously provided for, now finally written off	719	0
	Balance of provisions at end of period	68,588	79,488



Notes

Sparekassen Sjælland-Fyn A/S
(Parent)

Note	Amounts in DKK'000	31.03.2019	31.03.2018
9	Impairment losses on loans and advances and other receivables and provisions for guarantees and undrawn credit facilities (impairment account) (continued)		
Total			
Balance of impairment losses/provisions at beginning of period	1,044,006	967,614	
Change in accounting policies		136,913	
Impairment losses/provisions for the period (net)	13,460	17,705	
Other changes	8,250	39,467	
Value adjustment of assets acquired	0	-4	
Finally written off, previously written down/provided for	167,394	98,549	
Balance of impairment losses/provisions at end of period	898,322	1,063,146	
Discount regarding business acquisitions	0	96,361	
Balance of impairment losses/provisions and discount at end of period	898,322	1,159,507	
Impairment losses/provisions for the period (net)	13,461	17,705	
Value adjustment of assets acquired	0	-4	
Written off, not previously written down/provided for	696	1,426	
Recovery of claims previously written off	6,390	6,993	
Total recognised in the income statement	7,767	12,135	

Sparekassen Sjælland-Fyn A/S (Parent)

Note	Amounts in DKK'000	31.03.2019	31.12.2018	31.03.2018
10	Assets provided as collateral			
Bonds deposited with Danmarks Nationalbank, clearing centres etc		430,886	935,928	436,252
Cash deposited with credit institutions, CSA agreements		18,423	22,902	22,827
Loss limit towards the Danish Growth Fund		448	291	291
Total		449,757	959,121	459,370

Unencumbered deposited securities may be released at call.



Notes

Sparekassen Sjælland-Fyn A/S (Parent)				
Note	Amounts in DKK'000	31.03.2019	31.12.2018	31.03.2018
11 Capital resources ¹				
Equity excluding hybrid core capital		2,719,187	2,697,420	2,183,987
Intangible assets		-122,017	-125,090	-134,538
Tax assets		-160,346	-165,626	-180,944
Proposed dividend		0	-43,437	0
Deduction, capital instruments exceeding 10%		-202,332	-173,404	-214,675
Other deductions etc		28,064	121,319	60,254
Common Equity Tier 1 capital		2,262,556	2,311,182	1,714,084
Hybrid core capital		376,000	376,000	575,000
Core capital (including hybrid core capital) net of primary deductions		2,638,556	2,687,182	2,289,084
Supplementary capital		454,825	454,499	402,608
Capital resources		3,093,381	3,141,681	2,691,692
Risk exposures				
Credit risk		15,158,491	14,765,100	14,053,976
Market risk		1,306,528	1,203,013	906,640
Operational risk		1,805,486	1,764,583	1,764,583
Total risk exposures		18,270,505	17,732,696	16,725,199
Capital ratio		16.9	17.7	16.1
Core capital ratio		14.4	15.2	13.7
Common Equity Tier 1 capital ratio		12.4	13.0	10.2
Capital resources, requirement under Section 124(2) of the Danish Financial Business Act		1,461,640	1,418,616	1,338,016

1) Sparekassen's capital resources and capital ratios calculated inclusive of transitional scheme and exclusive of net profit for the period at 31.03.2019 and 31.03.2018.

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 0.3 percentage points higher (31 March 2018: 0.4 percentage points higher).

Sparekassen Sjælland-Fyn A/S (Parent)				
Note	Amounts in DKK'000	31.03.2019	31.12.2018	31.03.2018
11 Capital resources ¹ (continued)				
Sparekassen applies the transitional scheme in the implementation of IFRS 9. Under the transitional scheme, Sparekassen may phase in the negative consequences of IFRS 9 into the capital resources over a five-year period.				
Solvency capital elements calculated exclusive of transitional scheme ²				
Common Equity Tier 1 capital		2,162,706	2,199,585	1,602,486
Core capital (including hybrid core capital) net of primary deductions		2,538,706	2,575,585	2,177,486
Capital resources		2,993,531	3,030,084	2,580,094
Total risk exposures		18,301,102	17,737,813	16,716,777
Capital ratio		16.4	17.1	15.4
Core capital ratio		13.9	14.5	13.0
Common Equity Tier 1 capital ratio		11.8	12.4	9.6

2) Sparekassen's capital resources and capital ratios calculated inclusive of transitional scheme and exclusive of net profit for the period at 31.03.2019 and 31.03.2018.

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 0.3 percentage points higher (31 March 2018: 0.4 percentage points higher).

