



SPAREKASSEN SJÆLLAND-FYN

H1 2023

Interim Report

 SPAREKASSEN
SJÆLLAND-FYN

SPAREKASSEN
SJÆLLAND-FYN

H1 2023 highlights

PROFIT BEFORE TAX

Totals DKK 340.7m

Pre-tax profit provides returns on the opening equity at a rate equivalent to 16.5% a year. Net profit stands at DKK 265.2m, equivalent to a return on opening equity of 12.8%.

NET INTEREST INCOME

Up 26%

Net interest income is up by DKK 82.3m and totals DKK 397.1m.

FEE AND COMMISSION INCOME

Down 8%

Fee and commission income is down by DKK 26.3m to stand at DKK 309.3m. The decline is still attributable to lower activity in the housing market.

NET INTEREST AND FEE INCOME

Up 7%

Total net interest and fee income is up by DKK 49.0m and comes to DKK 718.2m.

STAFF COSTS AND ADMINISTRATIVE EXPENSES

Up 4%

Staff costs and administrative expenses have gone up by DKK 14.0m and amount to DKK 405.0m.

CORE EARNINGS

Up 8%

H1 2023 continued to present satisfactory developments in core earnings.

IMPAIRMENT LOSSES ON LOANS AND ADVANCES ETC

Total DKK 6.0m

Despite slightly increasing impairment losses, the credit quality of Sparekassen's customers is still perceived to be fine. Provisions in the form of management add-ons total DKK 204.1m at 30 June 2023.

DEPOSITS

Up 4%

Deposits have increased by DKK 0.8bn since 30 June 2022 and total DKK 21.1bn. Since year-end 2022, deposits have gone up by 2%.

LOANS TO CORPORATE CUSTOMERS

Up 4%

Corporate customer loans have increased by 4% since 30 June 2022. Since year-end 2022, total loans and advances have gone up by 4%.

CAPITAL RATIO

Is 24.1%

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

PRE-TAX EARNINGS EXPECTATIONS FOR 2023

Ranging between DKK 650m and DKK 725m

As net interest income is expected to go up and impairment losses are expected to be lower than those budgeted, Sparekassen has adjusted its earnings expectations upwards on two occasions - the last one being in company announcement no 15/2023 of 26 June 2023.

Contents

2 Management commentary

H1 2023 highlights	page	2
Management commentary	page	4
Outlook for 2023	page	5
Financial highlights	page	6
Financial ratios	page	7
Core earnings	page	8
The Supervisory Diamond	page	9
Financial review of the Group	page	10
Towards New Goals - Sparekassen's 2025 strategy	page	14
Capital structure and liquidity of the Group	page	18
Credit quality categories	page	21
Financial review of the Parent	page	22

24 Interim financial statements

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

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

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

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

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

Morten Huse Eikrem-Jeppesen
Press Officer
+45 5385 0770

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

Management commentary

Sparekassen continued along the positive path in H1 2023 and produced a pre-tax profit of DKK 340.7m that is up 60%..

Continued improvement of core earnings

Recent years' satisfactory development in core earnings is continuing, and in H1 2023 Sparekassen has increased its core earnings by 8%. Particularly the rising interest rate levels have contributed to this positive development. Danmarks Nationalbank has continued to raise interest rates in 2023 in an attempt to curb the historic high levels of inflation. Overall, the positive key interest rate has contributed to a positive development in Sparekassen's net interest income which has increased by DKK 82.3m to a total of DKK 397.1m in H1 2023. Like in Q1 this year, some of the increase is attributable to Sparekassen's placement of surplus liquidity with Danmarks Nationalbank, interest income from Sparekassen's bond portfolio, and increasing interest income from loans and advances.

Fee and commission income stands at DKK 309.3m at 30 June 2023, representing a decline of 8% on the same date last year. The primary reasons for the decline are lower activity in the housing market and that the number of loan conversions has gone down to a more normal level after a busy 2022.

In total, Sparekassen's net interest and fee income has increased to DKK 718.2m, or 7% in all.

Staff costs and administrative expenses are up 4%. The increase has been caused by some strategic investments, including increased PR costs to promote Sparekassen, increased costs to instruct and train staff and to attract specialist competencies that are to accelerate Sparekassen's current positive development, for example, in the data and product development area.

Growth in the corporate customer area

Sparekassen's total lending has increased by 4% since 30 June 2022. The corporate customer area in particular is developing positively, alongside Sparekassen strengthening its position in the corporate customer segment. Corporate customer loans have gone up by 4% on H1 2022, and this is considered very positive. Also, funding of commercial properties and farms through DLR Kredit has increased by 6% over the past 12 months. So, this increase bears witness of the continuously fine activity with existing corporate and agricultural customers and the influx of new customers in this segment.

Especially Sparekassen's short response times are highlighted positively by the customers.

Corporate customer lending is expected to increase further in 2023. This, along with the generally high interest rate levels, will support a continuously positive development in interest income. Core business thus continues to develop positively.

Impairment losses remain low

A sustainedly strong credit quality of its private and corporate customers means that Sparekassen's is still seeing generally low impairment losses which stand at DKK 6.0m in H1.

This development is supported by deposits which at 30 June 2023 amounted to DKK 21.1bn, which is 2% up on the amount at 30 June 2022. The increase bears witness of a continuously fine savings capacity with our customers and generally sound finances.

However, across the board, inflation readings are in decline again, and employment rates remain high with fine job market activity, and these factors are considered to have a positive impact on private households and business operators. Yet Sparekassen is maintaining

its management add-ons and provisions for potential losses at a conservative level because uncertainty remains about the implications of the rising interest rate levels, geopolitical tensions, etc. Management add-ons total DKK 204.1m at 30 June 2023. So Sparekassen is well equipped to handle any losses.

Towards New Goals

In April 2022, Sparekassen launched its four-year strategy "Towards New Goals" to ensure that it will remain strong also in future and keep up with current opportunities and requirements. The execution of the strategic initiatives that are intended, for example, to strengthen Sparekassen's commercial processes, product and service offerings and to unlock much more time for customer service, is proceeding as planned. By strengthening Sparekassen's operations, competitive power and earnings capacity in the short term as well as the long term, these initiatives are intended to assist in Sparekassen meeting its objective of a rate of costs below 50% from the financial year 2026 at the latest.

As part of the ongoing strengthening of Sparekassen and the execution of the "Towards New Goals" strategy, Sparekassen opened a branch

in Gilleleje in North Zealand in Q2 2023. The branch received a warm welcome.

In Q2 2023, Sparekassen also announced the opening of a new 4,500-square metre centre of excellence in 2025 at Carlsberg Byen in Copenhagen. This will enhance the commercial launch pad for further growth, and Sparekassen will be in an even stronger position to attract and retain tomorrow's skilled manpower and capabilities.

Outlook for 2023

At the beginning of the year, the pre-tax earnings expectations for 2023 ranged between DKK 500m and DKK 600m. Considering the rising interest rate levels and lower impairment losses than anticipated, Sparekassen has twice adjusted its pre-tax earnings expectations upwards – the last one being company announcement no 15/2023 of 26 June 2023, when they were raised from between DKK 550m and DKK 650m to between DKK 650m and DKK 725m.

Lars Petersson
Chief Executive Officer

Lars Bolding
Savings Bank
Director

Jan Kolbye Jensen
Savings Bank
Director



LARS BOLDING
Savings Bank Director

LARS PETERSSON
Chief Executive Officer

JAN KOLBYE JENSEN
Savings Bank Director

Financial highlights

Sparekassen Sjælland-Fyn A/S (Group)

Amounts in DKK'm	30.06 2023	30.06 2022	Index ¹	Year-end 2022
Income statement items				
Interest income calculated under the effective interest method	374	258	145	531
Other interest income	106	43	243	133
Negative interest income	-	13	-	15
Interest expenses	83	26	317	64
Positive interest expenses	-	53	-	75
Net interest income	397	315	126	660
Dividends on shares	20	26	75	26
Fees and commission income	309	336	92	665
Fees and commission expenses paid	8	8	104	16
Net interest and fee income	718	669	107	1.335
Translation and market value adjustments	36	-96	-	-73
Other operating income	10	8	129	16
Staff costs and administrative expenses	405	391	104	771
Amortisation, depreciation and impairment losses on intangible assets and property, plant and equipment	26	15	172	33
Other operating expenses	15	8	176	19
Impairment losses on loans and advances etc	6	-35	-	-16
Investments in associates and group enterprises	28	11	255	11
Profit for the year before tax	341	213	160	482
Income tax	76	43	175	110
Profit for the year after tax	265	170	156	372
Profit allocated to shareholders	245	158	155	346

Sparekassen Sjælland-Fyn A/S (Group)

Amounts in DKK'm	30.06 2023	30.06 2022	Index ¹	Year-end 2022
Balance sheet items				
Loans and advances etc	12,153	12,277	99	11,690
Deposits	21,139	20,300	104	20,673
Deposits in pooled plans	2,020	2,047	99	1,976
Total deposits	23,159	22,347	104	22,649
Subordinated loan capital	442	621	71	571
Equity	4,223	3,842	110	4,129
Balance sheet total	30,949	28,391	109	29,631
Capital resources	3,797	3,808	100	4,133
Guarantees	5,153	7,126	72	5,613
Total credits arranged	60,626	60,589	100	59,946
Custody accounts	14,723	13,159	112	13,771

Developments in Sparekassen's business areas

Loans and advances etc	12,153	12,277	99	11,690
Totalkredit	35,010	35,635	98	35,080
DLR	13,463	12,677	106	13,176
Guarantees (exclusive of loss guarantees for mortgage loans)	2,932	4,394	67	3,213
Deposits	21,139	20,300	104	20,673
Deposits in pooled plans	2,020	2,047	99	1,976
Custody accounts	14,723	13,159	112	13,771
Total	101,440	100,489	101	99,579
Average headcount (full-time employees on average)	551	544	101	546
Per employee	184	185	100	182

¹ Index: 30.06.2023 relative to 30.06.2022.

Financial ratios

Sparekassen Sjælland-Fyn A/S (Group)

	30.06 2023	30.06 2022	Index ¹	Year-end 2022
Financial ratios				
Capital ratio ²	22.6	22.4	101	25.1
Core capital ratio ²	20.1	18.7	107	21.9
Common equity Tier 1 capital ²	17.5	16.5	106	18.9
Excess capital adequacy in percentage points ²	11.2	11.9	94	14.2
Return on equity before tax (for the period)	8.2	5.6	146	12.2
Return on equity after tax (for the period)	6.4	4.5	142	9.4
Income/cost ratio DKK	1.75	1.56	112	1.60
Rate of cost	61.2	61.2	100	60.9
Interest rate risk relative to core capital net of deductions	4.8	0.9	533	5.2
Currency position relative to core capital net of deductions	1.0	1.3	77	1.5
Currency risk relative to core capital net of deductions	0.0	0.0	-	0.0
Loans and advances relative to equity	2.9	3.2	91	2.8
Loans and advances plus loan impairment losses relative to deposits	54.8	57.3	96	54.0
Growth in loans and advances for the for the period	4.0	1.7	235	-3.1
Impairment ratio for the for the period	0.0	-0.2	-	-0.1
Accumulated impairment ratio	3.4	2.9	117	3.5
Zero interest loans and advances relative to total loans and advances	0.2	0.1	200	0.2
Liquidity benchmark	566	488	116	481
Liquidity LCR	385	499	77	372
Total large exposures	81.7	79.0	103	62.9
Return on invested capital	0.9	0.6	150	1.3
Earnings per share (DKK) ³	14.2	9.1	156	20.0
Dividend per share (DKK)	0.0	0.0	-	6.0
Book value per share (DKK)	218.3	199.8	109	209.3
Price/earnings per share ³	13.2	16.1	82	9.7
Price/equity per share ⁴	0.9	0.7	129	0.9
Price at year-end (DKK)	187.4	147.5	127	193.5
Average headcount (full-time employees on average) ⁵	551	544	101	546
Average headcount (converted into full-time employees at year-end) ⁵	555	542	102	555

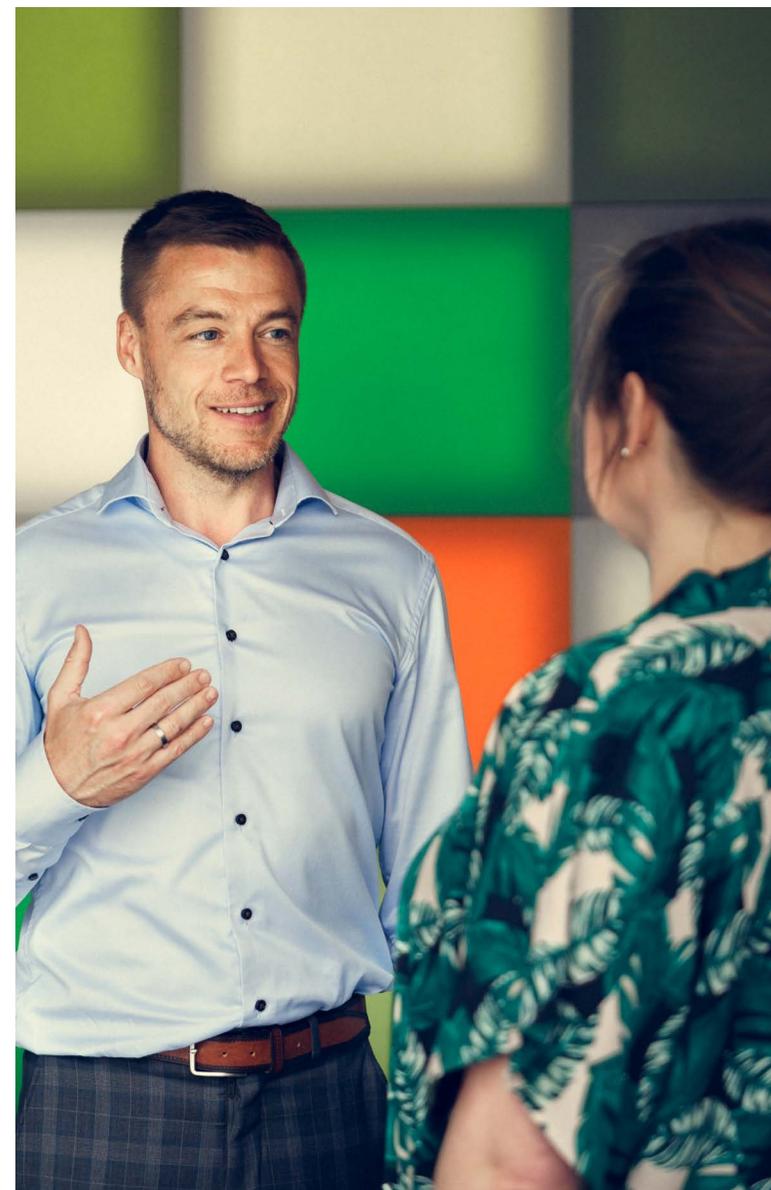
1 Index: 30.06.2023 relative to 30.06.2022.

2 30.06.2023 and 30.06.2022 have been calculated exclusive of profit for the period. If the profit for the period after tax is reduced with the dividend policy's target was included in the capital base, the capital ratio, core capital ratio, actual core capital ratio, and capital transfer would be 1.5 pct. points higher. (30.06.2022: capital ratio, core capital ratio, actual core capital ratio, and capital transfer 0.7 pct. points higher)

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

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

5 Engaged in financial business.

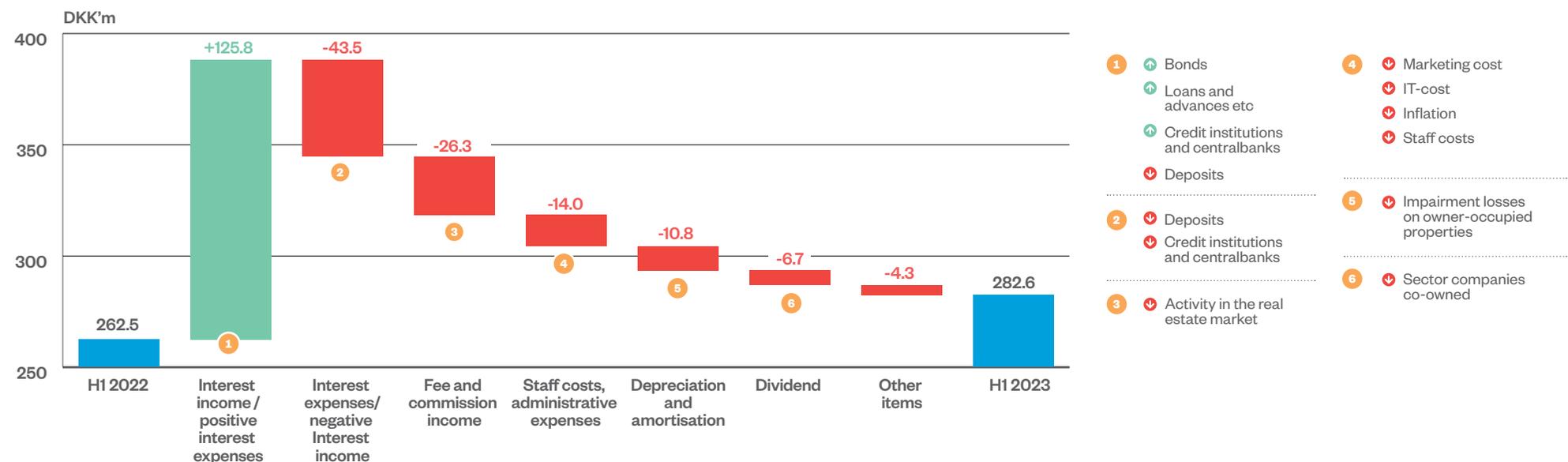


Core earnings

Sparekassen Sjælland-Fyn A/S (Group)

Amounts in DKK'm	YTD 2023	Q2 2023	Q1 2023	YTD 2022	Q4 2022	Q3 2022	Q2 2022	Q1 2022	YTD 2021	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Core earnings													
Net interest income	397.0	206.9	190.1	659.5	174.1	170.7	168.7	146.1	581.6	142.6	143.4	149.6	146.0
Dividends on shares	19.7	0.6	19.1	26.5	0	0	21.4	5.1	18.5	0.3	0	15.8	2.4
Fees and commission income	309.3	143.2	166.1	664.6	162.1	166.9	158.4	177.2	634.6	156.2	156.2	155.9	166.3
Fees and commission income paid	7.9	4.1	3.8	15.5	4.0	3.8	3.8	3.9	17.2	4.3	4.3	4.0	4.5
Other operating income	9.9	6.0	3.9	16.0	4.2	4.2	4.7	2.9	15.6	4.1	4.2	3.9	3.5
Other operating expenses	14.6	7.5	7.1	18.9	6.2	4.3	3.9	4.4	19.7	6.2	4.3	6.5	2.7
Core income	713.4	345.1	368.3	1,332.2	330.2	333.7	345.5	323.0	1,213.5	292.7	295.2	314.8	311.0
Staff costs and administrative expenses	405.0	202.9	202.1	771.2	192.1	188.1	204.1	186.9	723.1	188.8	176.3	184.9	173.1
Amortisation, depreciation and impairment losses on intangible assets and property, plant and equipment	25.8	13.8	12.0	32.9	5.1	12.9	7.7	7.3	35.8	7.0	11.4	8.2	9.2
Core earnings	282.6	128.4	154.2	528.1	133.0	132.7	133.7	128.8	454.7	96.9	107.5	121.7	128.7

Development in core earnings



The Supervisory Diamond

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

The four benchmarks and the current calculations are:

Benchmark	Threshold	Group at 30.06.2023	Group at 30.06.2022
The total of large exposures as a percentage of common equity tier 1 capital	<175 %	81.7 %	79.0 %
Loan growth per annum	<20 %	-1.0 %	0.7 %
Property exposure of loans advances and guarantees	<25 %	9.5 %	10.8 %
Liquidity benchmark	>100 %	566.2 %	488.1 %

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

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

Financial review of the Group

H1 2023

Profit before tax amounts to DKK 340.7m against DKK 213.3m in H1 2022, corresponding to an increase of 60%

Core earnings are affected by a highly positive development in net interest income, declining fee and commission income, and an increase in staff costs and administrative expenses of close on 4%. Core earnings have gone up by 8% on H1 2022 and total DKK 282.6m. Here it should be pointed out that the comparison period in 2022 is affected by major non-recurring items such as interest income of DKK 15.9m and non-recurring remuneration, strategy launching costs etc of DKK 22.7m.

Total translation and market value adjustments have seen a positive development and stand at DKK 36.4m. By comparison, these adjustments were negative by DKK 95.6m in H1 2022.

Also, the line item of impairment losses has seen a decline in that at 30 June 2023 it stands at DKK 6.0m compared to a reversal of DKK 35.5m at the same date last year. Despite increasing impairment losses, the general credit quality of Sparekassen's customers is still perceived to be fine.

Pre-tax profit and earnings expectations for H2 2023 have developed more positively than forecasted, for which reason Sparekassen has in H1 adjusted its pre-tax earnings expectations upwards – twice. The last time being in compa-

ny announcement no 15/2023 of 26 June 2023 when they were adjusted from ranging between DKK 550 and DKK 650m to ranging between DKK 650m and DKK 725.

Net profit stands at DKK 265.2m, equivalent to an annual return on opening equity of 12.8%.

The performance for H1 2023 is considered satisfactory.

Income statement

Net interest income

Net interest income has increased by DKK 82.3m, or 26%, and amounts to DKK 397.1m against DKK 314.8m in H1 2022.

Total interest income has seen an increase of DKK 178.6m and amounts to DKK 480.0m. The increasing interest rate levels throughout 2022 have continued in 2023, which overall has a positive impact on Sparekassen's large surplus liquidity. Interest income from credit institutions and central banks is up by DKK 46.2m, primarily resulting from an increasing interest rate on Sparekassen's current account with Danmarks Nationalbank and secondarily from income from repo transactions. Interest income from the bond portfolio has gone up by DKK 66.2m, which is attributable to a higher yield overall as well as a larger average portfolio. Interest income from loans and advances has increased by DKK 70.2m to DKK 327.7m. Concurrently with Danmarks Nationalbank's continuous increases in the interest rate levels, Spareka-

ssen too is adjusting its interest rates on loans and advances, which is the reason for the rising interest income from loans and advances. Conversely, the average level of loans and advances in H1 2023 is marginally lower than that in H1 2022. The development in loans and advances represents a general increase in loans to corporate customers and a decline in those to private customers. Several private customers have utilised the price decrease of mortgage credit bonds to convert any subordinated debt into mortgage credit loans when refinancing their loans. This has reduced the volume of residential mortgages on Sparekassen's own books. Also, a decline in activity is seen with respect to the funding of private households' purchases of land, construction projects and bridging loans to buy a new home. However, the balance of loans and advances has been on the rise since the end of 2022, representing a continuous increase in loans to corporate customers and a flat development in loans to private households. Overall, Sparekassen's lending has increased by 4% since year-end 2022. Sparekassen also expects contained positive loan growth in H2 2023. Interest income from loans and advances in H1 2022 included major non-recurring items, for which reason the increase in interest income from loans and advances would have been higher if these items had been adjusted for. Interest income from derivatives stands at DKK 16.3m against DKK 20.4m at the same date last year, and other interest income amounts to DKK 0.3m against DKK 0.1m at 30 June 2022.

Total negative interest income has decreased by DKK 13.2m and amounts to DKK 0 in H1 2023. This development is attributable to generally increasing interest rate levels, entailing that Sparekassen's placement of surplus liquidity on, for example, the current account with Danmarks Nationalbank is no longer burdened by a negative interest rate level.

Total interest expenses have gone up by DKK 56.8m to DKK 82.9m. Following Danmarks Nationalbank's increases in interest rate levels, Sparekassen has re-introduced positive deposit rates on a wide range of products and regularly raised them. Moreover, interest expenses for credit institutions have gone up by DKK 18.4m. This increase is primarily attributable to repo transactions with other credit institutions.

Positive interest expenses total DKK 0, which is DKK 52.8m down on H1 2022. Sparekassen discontinued negative deposit rates in the autumn of 2022, which is the reason why the line item stands at DKK 0.

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

Dividend

In H1 2023, Sparekassen received DKK 19.7m in dividends, which is DKK 6.7m less than in H1 2022. Generally, Sparekassen receives dividends almost entirely from the sector compa-

nies that we co-own. So, the decline is primarily a result of lower dividends paid by these sector companies.

Fee and commission income

Fee and commission income is down by DKK 26.3m, or 8%, to stand at DKK 309.3m.

Sparekassen is generally experiencing reasonable activity in many business areas from both new and existing customers in the corporate customer segment and the private customer segment. Like in Q1 2023, fee and commission income, however, is highly affected by the pace in the loan conversion and trading activity in the real estate market having been on the decline compared with the same period last year. The decline in fees etc related to the real estate market activity – including loan application fees and brokerage fees on property transactions and loan conversions – is therefore the predominant reason for the development in fee and commission income.

Translation and market value adjustments

H1 2023 was affected by positive translation and market value adjustments of DKK 36.4m whereas in the same period in 2022 they were negative by DKK 95.6m. Since early Q2 2022, an increasing portion of Sparekassen's bond portfolio has been administered with a view to collecting contractual cash flows (bonds at amortised cost/held to maturity). Therefore, only a small portion of the bond portfolio has in H1 2023 been subjected to fair value adjustment through profit or loss. Market value adjustments of bonds through profit or loss stand at a positive DKK 7.7m compared to a negative DKK 98.9m in H1 2022. In H1 2022, the financial markets were impacted by surging interest

rates on Danish mortgage credit bonds, which was the reason for the relatively heavy negative market value adjustments in 2022. Market value adjustments of shares stand at a positive DKK 16.3m against a negative DKK 2.9m at 30 June 2022. Market value adjustments of shares primarily arise from Sparekassen's portfolio of sector shares.

Translation and market value adjustments of investment property, foreign currencies and other financial instruments total DKK 12.5m against DKK 6.2m for the same period in 2022.

Other operating income

Other operating income stands at DKK 9.8m against DKK 7.6m for the same period last year. This line item is primarily composed of rental income from external lessees in the property portfolio of the subsidiary Ejendomsselskabet Sjælland-Fyn A/S.

Staff costs and administrative expenses

Staff costs and administrative expenses have gone up by DKK 14.0m and amount to DKK 405.0m, equalling an increase of close on 4%. Overall, staff costs inclusive of remuneration for the Executive Board and the Board of Directors have gone up by a total of 1% to DKK 253.7m. For H1 2022, this line item included, quite extraordinarily, a non-recurring amount for the employees' contribution in the continued consolidation of Sparekassen. Adjusted for this amount, the increase in staff costs would have been larger. The development primarily covers pay and pension adjustments arising from collective agreements and engagement of staff to execute Sparekassen's new strategy, "Towards New Goals".

Other administrative expenses have gone up by DKK 10.6m to DKK 151.3m, or 8%. The item is affected by the past year's general rise in prices and high rate of inflation along with increased IT costs, increased PR costs to promote Sparekassen, and increased costs to instruct and train staff. In H1 2022, this line item was affected by multiple non-recurring matters caused by the launch of Sparekassen's "Towards New Goals" strategy

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

Amortisation, depreciation and impairment losses on intangible assets and property, plant and equipment total DKK 25.8m, which is DKK 10.8m up on the same period last year. Impairment losses on some of Sparekassen's owner-occupied property are the primary reason for the increase.

Impairment losses on loans and advances etc

Impairment losses stand at DKK 6.0m as opposed to a reversal of impairment losses of DKK 35.5m in the same period in 2022. The financial years 2021 and 2022 were both marked by the impairment item representing an income due to the reversal of impairment losses, among other factors. Obviously, such development cannot continue indefinitely, particularly in view of the rate of inflation and the rising interest rates. Compared to the same period last year, individual impairment losses and impairment loss related to IFRS 9 have gone up, and management add-ons have been lowered.

Although the impairment item reflects a negative trend, impairment losses at the level of DKK 6.0m must be considered extremely small in a

historical perspective. So, it is still Sparekassen's general view that the credit quality of its customers is quite satisfactory, and the losses recorded indeed remain quite small.

Even though the rate of increase in inflation seems to be on the decline, energy prices have fallen to a lower level, and employment remains high, the economic and geopolitical situation is still marked by uncertainty.

This uncertainty is considered inherent particularly in relation to the war in Ukraine, the rate of inflation, and the implications of the rising interest rates. These are all factors that Sparekassen estimates may have an impact on certain customers' future ability to pay. As a result, management add-ons at 30 June 2023 remain at a relatively conservative level in that they stand at DKK 204.1m compared to DKK 227.4m at 30 June 2022 and DKK 220.9m at 31 December 2022.

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

Profit from investments in associates and group enterprises

Profit from investments in associates and group enterprises stands at DKK 27.8m compared to DKK 10.9m at the same date last year. Normally, this line item primarily relates to Sparekassen's stake in Lollands Bank and the continuous value adjustment to equity value thereof. In H1 2023, however, the increase mainly results from a

non-recurring income from Sparekassen's stake in Investeringselskabet Finance Zealand.

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

Profit for the period

Pre-tax profit at 30 June 2023 comes to DKK 340.7m against DKK 213.3m at the same date in 2022. Net profit amounts to DKK 265.2m against DKK 170.1m for the first six months of 2022. DKK 20.5m of the profit for the period is allocated to interest on hybrid core capital. So, the shareholders' share of profit for the period amounts to DKK 244.7m.

The financial performance is considered highly satisfactory.

Subsequent events

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

Balance sheet

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

Assets

Cash and demand deposits with central banks

Sparekassen's business has for some years been characterised by a considerable deposit surplus, amounting to DKK 9.0bn, exclusive of deposits in pooled plans, at 30 June 2023. The primary placement channels for this type of liquidity are mortgage credit bonds and the current account. The line item of cash and demand deposits with central banks, standing at DKK 2.1bn at 30 June 2023 against DKK 4.5bn at 30 June 2022, is primarily composed of Sparekassen's current account deposit. The reason for the reduction in the current account deposit is that a large portion of Sparekassen's liquidity is placed in bonds.

Bonds

The total bond portfolio stands at DKK 10.4bn compared to DKK 7.2bn at the same date last year. The increase is attributable to a higher deposit surplus and to a larger portion of Sparekassen's surplus liquidity being placed in bonds compared to the situation at 30 June 2022.

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

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

Bonds at fair value total DKK 0.7bn at 30 June 2023. Thereof, bonds at fair value through profit or loss account for DKK 0.3bn and bonds at fair value through other comprehensive income account for DKK 0.4bn. Please also refer to note 17 on page 41.

Sparekassen has acquired a number of bonds where the primary focus is on collecting contractual cash flows (held to maturity). The bonds in question will mature successively within a relatively short period of between three months and four years, with around 70% of the portfolio having a time to maturity of less than two years. These bonds are recognised in the line item "Bonds at amortised cost", which stands at DKK 9.7bn at 30 June 2023 against DKK 3.4bn at 30 June 2022. At 30 June 2023, the difference between carrying amount and fair value was DKK 229.1m. Since Sparekassen's intention is to hold the relevant portfolio of bonds, which are characterised by having a high credit rating, to maturity at par (100), this is a snapshot of a capital loss that will not be

realised. Please refer to note 18 on page 44 for supplementary information. At 30 June 2023, Sparekassen has allocated DKK 96m of the capital requirement to hedge the negative difference on bonds calculated at amortised cost and fair value of the bonds.

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

Loans and advances

The balance of loans and advances stands at DKK 12.2bn at 30 June 2023, which represents a marginal decrease of approximately DKK 0.1bn, or 1%, on the balance at 30 June 2022. As described above, there has overall been an increase in loans to corporate customers and a decrease in loans to private customers. Yet the development in lending seems to have changed, and since year-end 2022 there has been a 4% increase in total lending. Generally, the development in on-balance sheet loans and advances should be compared with developments in mortgage credit loans arranged by Sparekassen. At 30 June 2023, total credits arranged remain at the same level as at 30 June 2022

Total credits arranged

	30.06.2023	2022	30.06.2022	2021	2020	2019
	DKK'm	DKK'm	DKK'm	DKK'm	DKK'm	DKK'm
Loans and advances etc, Sparekassen	12,153	11,690	12,277	12,067	11,951	12,217
Totalkredit	35,010	35,080	35,635	34,980	32,331	29,811
DLR	13,463	13,176	12,677	12,639	11,794	10,250
Total	60,626	59,946	60,589	59,686	56,076	52,278

even though many customers primarily used the price decreases on mortgage credit bonds in 2022 to reduce their outstanding debts. Total credits arranged have since year-end 2022 seen an increase of slightly over 1%, or around DKK 0.7bn.

Shares

The total portfolio of shares stands at DKK 891.7m compared to DKK 853.7m at the same time last year. A large portion of this portfolio is made up of shares in sector companies such as DLR Kredit, BI Holding and PRAS along with major stakes in Nordfyns Bank and Møns Bank.

Investments in associates

Investments in associates amount to DKK 266.8m and primarily relate to the block of shares of over 20% of the share capital in Lollands Bank.

Land and buildings

Land and buildings total DKK 799.6m against DKK 541.7m at 30 June 2022. The increase primarily reflects the acquisition of owner-occupied properties.

Equity and liabilities

Deposits

The deposits balance exclusive of deposits in pooled plans has gone up by over DKK 0.8bn to DKK 21.1bn, or 4%. This development is primarily attributable to an increase in deposits by private customers. The rising interest rate levels have resulted in a substantial increase in funds on, for example, savings accounts and shareholder accounts that are yielding the highest interest for the customers.

Deposits in pooled plans

Deposits in pooled plans largely remain unchanged and total DKK 2.0bn. This line item is generally heavily affected by market value adjustments of assets in the underlying pools.

Bonds issued

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

Subordinated loan capital

Subordinated loan capital amounts to DKK 441.8m against DKK 620.7m at 30 June 2022. The reduction reflects Sparekassen's December 2022 and June 2023 settlement of DKK 50.0m and DKK 130m, respectively, in subordinated capital at a first call. Generally, Sparekassen regularly endeavours to optimise its capital structure, for example, by issuing subordinated loan capital, hybrid core capital and SNP bonds.

Equity

Equity amounts to DKK 4,222.7m at 30 June 2023 against DKK 3,842.0m at 30 June 2022. The increase in equity is broadly attributable to the profit for the period and other comprehensive income along with an increase in hybrid core capital reduced by dividend paid and interest paid on hybrid core capital.

Financial review for Q2 2023

First it should be pointed out that Q2 2022 was affected by major non-recurring items such as interest income of DKK 15.9m and non-recur-

ring remuneration, strategy launching costs etc of DKK 22.7m.

Net interest income has gone up by DKK 38.3m to DKK 206.9m compared to the same period in 2022. This development has primarily been caused by an increase in interest income from loans and advances of DKK 36.9m and from bonds of DKK 30.7m. Also, interest income from credit institutions and central banks is up by DKK 28.9m, primarily resulting from an increasing interest rate on the current account with Danmarks Nationalbank and secondarily from income from repo transactions. Positive interest expenses for deposits, however, are down by DKK 27.0m and interest expenses for deposits are up by DKK 23.5m. This development is primarily a consequence of interest rates having increased in 2022 and 2023. Also, interest expenses for credit institutions are up by DKK 11.4m, primarily resulting from repo transactions with other credit institutions.

Q2 2023 is marked by a timing difference in distribution of dividend from a sector company which used to distribute dividend in Q2 but which has this year made the distribution in Q1. That is why the line item is down by DKK 20.7m on Q2 2022.

Fee and commission income is down 10% and can be calculated at DKK 143.2m against DKK 158.4m in Q2 2022. Fee and commission income is highly affected by the pace of both the loan conversion and trading activity in the real estate market having been on the decline compared with the same period last year.

Staff costs and administrative expenses and amortisation, depreciation and impairment losses on intangible assets and property, plant and equipment have gone up by 2% to DKK 216.8m.

Q2 2023 core earnings have fallen by 4% to stand at DKK 128.4m against DKK 133.7m at the same time in 2022. The primary reason for the decline is the difference in timing of the distribution of dividend. Adjusted for this, core earnings would have increased by approximately 9%.

Translation and market value adjustments are positive by DKK 24.3m, and in Q2 2022 they were negative by DKK 59.8m. This development is primarily attributable to market value adjustments of bonds and shares which have developed positively by DKK 43.5m and DKK 38.8m, respectively, compared to the same quarter last year.

Impairment losses on loans and advances etc amount to DKK 7.9m in Q2 2023 as opposed to a reversal of DKK 32.4m in the same period last year. Compared to the same quarter last year, individual impairment losses and impairment loss related to IFRS 9 have gone up whereas management add-ons have been lowered.

Pre-tax profit for Q2 2023 then amounts to DKK 165.6m against DKK 112.5m for the same quarter last year. Net profit stands at DKK 134.3m against DKK 87.8m for Q2 2022. As is evident above, the improved profit for Q2 is primarily attributable to the increasing net interest income and the positive translation and market value adjustments. The development in performance for Q2 2023 is considered satisfactory.

Sparekassen's 2025 strategy

Towards New Goals

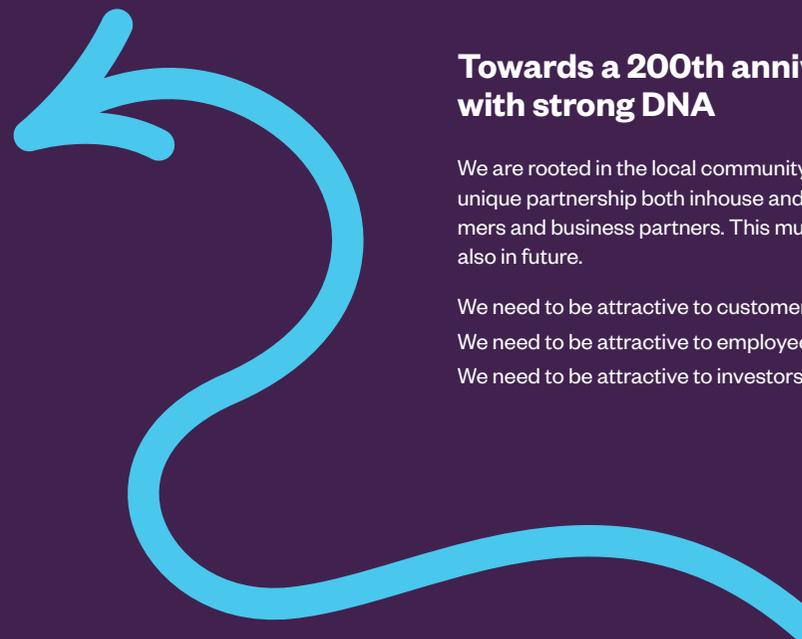


The purpose of Sparekassen is to help make Zealand and Funen a better place to live, work and operate.

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

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

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



Towards a 200th anniversary with strong DNA

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

We need to be attractive to customers.

We need to be attractive to employees.

We need to be attractive to investors.

How to achieve our goals

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

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

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



Our purpose must be known and recognised

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



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

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



We must strengthen the internal and external digital dialogue

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



We must develop and train to attract and retain more customers

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



We must optimise our systems and processes

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



We must use data to improve our business

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



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

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



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

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

Initiatives executed and launched in H1 2023

We are working on a wide range of initiatives. Their common denominator is that it must be easier and even more attractive to be both a customer and an employee with Sparekassen - in the short run as well as in the long run. In H1 2023, we:



Purpose

- Opened Health Centre Faaborg at Sparekassen's former domicile at Markedspladsen 15 in Faaborg, Funen. With the opening of the new health centre, Faaborg is no longer categorised as a "medical care endangered area" and more health services and jobs etc have been secured locally.
- Launched a new electric car loan to fund both current and new customers' dream of buying an electric car while contributing to sustainable development.
- Helped ensure, together with the foundation Sparekassen Sjælland Fonden, that headspace Slagelse, which has offered free help and counselling over the past three years to children and young people aged 12 to 25 in the Municipality of Slagelse, can stay open after cost-cutting meant that the survival of the counselling centre was endangered.



Savings bank for corporate customers

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



Marketing digitalisation

- Improved our internal communication channels by means of a new intranet, through which we have, for example:
 - Implemented best practice and aligned the set-up
 - Supported and improved internal communication opportunities.
- Trimmed contents and implemented a new search feature to make it easier for Sparekassen's advisers to retrieve relevant content, which will save time for them.



Sales development

- Launched a new concept for specialist advisers that is to further enhance professional competence when meeting with customers.
- Hired a corporate banking product manager who is to drive the development of new products and services for corporate customers.
- Opened a branch in Gilleleje, North Zealand.
- Entered into a partnership on will services which will be introduced to Sparekassen's customers in the second half of 2023.



Optimisation and operation management

- Further optimised our processes for home purchases and for e-signing documents.
- Launched a new system, Halo, for ordering tasks internally, error recovery, etc.
- The new system will ensure a more efficient transfer of tasks, knowledge exchange and follow-up, etc.



Data and decision support

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



Staff support and governance

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



People and culture

- Announced that Sparekassen will invest DKK 285m in a new 4,500-square metre centre of excellence at Carlsberg Byen in Copenhagen. This will enhance our commercial launch pad for further growth and put us in an even stronger position to attract and retain tomorrow's skilled manpower and capabilities.

Financial targets

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

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

Increased efficiency

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



Solid foundation

Our capital ratio must be no less than 20%.



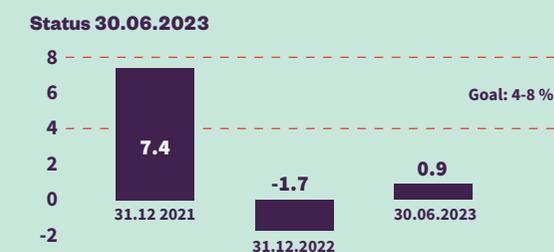
Solid profitability

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



Solid and controlled growth

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



Attractive dividend

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

Capital structure and liquidity of the Group

Capital structure

At 30 June 2023, capital resources are DKK 11m smaller than at 30 June 2022 and amount to DKK 3,797m. The primary reasons for the decline are settlement of supplementary capital and phase-out of the IFRS 9 transitional scheme. Retained earnings, the issuance of hybrid core capital, and lower deductions for deferred tax assets contribute in the opposite direction.

Capital (DKK'm)

	30.06. 2023	31.12. 2022	30.06. 2022
Common equity tier 1 capital	2,935	3,109	2,811
Core capital (including hybrid core capital)	3,381	3,605	3,187
Capital resources	3,797	4,133	3,808

Sparekassen's risk exposures total DKK 16,805m against DKK 17,029m at 30 June 2022, which is a decrease of DKK 224m. Credit risk has gone up by DKK 26m, and this is primarily attributable to an increase arising from bonds at amortised cost of DKK 620m that is counter-balanced by a decrease in other exposures and the weighting thereof. Market risk has gone down by DKK 373m because a larger portion of the portfolio is placed outside the trading portfolio at amortised cost. Operational risk has increased by DKK 122m.

Risk exposures (DKK'm)

	30.06. 2023	31.12. 2022	30.06. 2022
Credit risk	14,150	13,845	14,124
Market risk	321	387	694
Operational risk	2,333	2,211	2,211
Total	16,805	16,443	17,029

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

Sparekassen's capital ratio is then 22.6% against 22.4% at 30 June 2022. The core capital ratio has gone up by 1.4 percentage points on the same date last year and stands at 20.1% whereas the common equity tier 1 capital ratio is up 1.0 percentage point to 17.5%.

Capital ratios (%)

	30.06. 2023	31.12. 2022	30.06. 2022
Capital ratio	22.6	25.1	22.4
Core capital ratio (Including hybrid core capital)	20.1	21.9	18.7
Common equity tier 1 capital ratio	17.5	18.9	16.5

The capital requirement has been calculated at 11.4%, leading to an excess capital adequacy ratio of 11.2 percentage points. In Danish kroner, this excess is equivalent to DKK 1,875m.

The combined buffer requirement has been calculated at 5.0 percentage points after the countercyclical capital buffer was raised by 0.5 percentage points in Q1 2023 and has now been fully phased in. This results in Sparekassen's excess capital adequacy ratio net of capital requirement and combined buffer requirement standing at 6.2 percentage points. In Danish kroner, this excess is equivalent to DKK 1,035m.

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

Eligible liabilities

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

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

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

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

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

Eligible liabilities (adjusted)

	Requirement (%)	DKK'm
Risk exposures		16,805
Total requirement (adjusted)	16.24	2,729
Capital resources	22.60	3,797
SNP loans	2.25	379
	24.85	4,176
Capital conservation buffer	-5.0	-840
Total eligible liabilities	19.85	3,336
MREL excess cover	3.61	607

Net of adjustment of the phased-in requirement using the latest figures, Sparekassen is at 30 June 2023 meeting the MREL requirement with a margin of 3.6 percentage points based on current capital resources and the MREL capital issued (senior non-preferred bonds). With the current capital resources and MREL capital, the fully phased-in MREL requirement is met with a margin of 2.3 percentage points. With Sparekassen's current and expected development in its capital resources, the phase-in established and the development in risk-weighted exposures, we do not expect to face any challenges in meeting the requirement for eligible liabilities in future either. Sparekassen intends to regularly evaluate the opportunities for optimising the composition of the capital and liability instruments that meet the MREL requirement.

Capital measure

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

Liquidity

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

At the end of Q2 2023, Sparekassen has a deposit surplus of DKK 9.0bn exclusive of deposits in pooled plans. Its deposits are primarily made by private customers and small business



operators. There are no large single deposits of major significance or deposits of significance from other financial services companies.

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

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

Liquidity Coverage Ratio (LCR)

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

At 30 June 2023, Sparekassen's LCR is 385% against the applicable statutory requirement of a minimum LCR of 100%. So, the excess liquidity coverage ratio relative to the statutory requirement is 285 percentage points.

LCR (DKK'm)

	30.06. 2023	31.12. 2022	30.06. 2022
Total liquidity buffer	7,786	7,993	11,144
Net outflow	2,022	2,148	2,234
LCR %	385	372	499

Given the current excess liquidity coverage, and even without regularly optimising the composition of liquid assets to improve the LCR, Spare-

kassen expects to have a solid excess cover for this liquidity requirement also in future.

Liquidity surplus according to the Supervisory Diamond benchmark

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

Sparekassen has a liquidity benchmark that has been calculated at 566% under the Supervisory Diamond rules for the benchmark relative to a minimum surplus threshold of 100%. Consequently, Sparekassen continues to have a solid surplus.

Liquidity benchmark (%)

	30.06. 2023	31.12. 2022	30.06. 2022
Liquidity benchmark	11,542	11,683	11,162
Net outflow	2,038	2,431	2,287
LCR %	566	481	488

Liquidity target

Sparekassen's liquidity target in the short and long term is to constantly have sufficient liquidi-

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

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

Net Stable Funding Ratio (NSFR)

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

With a calculated NSFR of 207% at 30 June 2003, Sparekassen is in compliance with the new requirement with a healthy margin.

NSFR (DKK'm)

	30.06. 2023	31.12. 2022	30.06. 2022
Required stable funding	12,633	12,005	11,834
Available stable funding	26,172	25,260	24,084
NSFR %	207	210	204

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



Credit quality categories

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

	30.06.2023		2022		2021		2020		2019	
	DKK'm	%								
3 / 2a – Loans, advances and guarantees with normal credit quality	10,302	59.5	10,591	61.2	11,480	59.5	10,677	56.0	10,768	56.8
2b – Loans, advances and guarantees with certain indications of weakness	5,798	33.5	5,576	32.2	6,681	34.6	6,911	36.2	6,424	33.9
2c – Loans, advances and guarantees with substantial weaknesses	770	4.4	702	4.1	715	3.7	911	4.8	1,058	5.6
1 – Loans, advances and guarantees with objective evidence of impairment	437	2.5	434	2.5	431	2.2	578	3.0	704	3.7
Total	17,307	100.0	17,303	100.0	19,307	100.0	19,077	100.0	18,954	100.0

Loans, advances, and guarantee debtors by sector

	30.06.2023	2022	2021	2020	2019
	%	%	%	%	%
Loans, advances, and guarantee debtors by sector	0.1	0.1	0.1	0.1	0.4
Business					
Agriculture, hunting, forestry and fisheries	10.3	9.7	9.1	8.5	8.2
Industry and extraction of raw materials	3.3	3.2	2.4	2.3	2.1
Energy supply	0.4	0.3	0.2	0.2	0.1
Building and construction	5.6	5.7	5.9	6.0	5.3
Trade	7.8	7.0	5.3	4.8	5.8
Transport, hotels and restaurants	2.6	2.3	1.9	1.8	1.9
Information and communication	0.8	0.9	0.7	0.9	0.8
Financing and insurance	5.0	5.1	5.0	4.7	5.3
Real property	8.3	9.0	9.4	9.3	9.9
Other business	8.1	7.5	6.1	6.3	7.0
Total business	52.2	50.6	46.0	44.8	46.3
Private	47.7	49.3	53.9	55.1	53.3
Total	100.0	100.0	100.0	100.0	100.0

Financial review of the Parent

H1 2023

The profit or loss and the balance sheet of the Parent are to a great extent reflected in the consolidated financial statements as only a small portion of the Group's total business activities are carried on in the subsidiaries, for which reason reference is made to the financial review of the Group for supplementary information. Most of the Group's property portfolio is held by the subsidiary Ejendomsselskabet Sjælland-Fyn A/S.

The Parent's pre-tax profit is up 61% to stand at DKK 338.8m against DKK 210.9m at the same time in 2022.

Core earnings are affected by a highly positive development in net interest income, declining fee and commission income, and an increasing level of costs. Core earnings have gone up by 12% on H1 2022 and total DKK 276.6m. Here it should be pointed out that the comparison period in 2022 is affected by major non-recurring items such as interest income of DKK 15.9m and non-recurring remuneration, strategy launching costs etc of DKK 22.7m.

Total translation and market value adjustments have increased to a positive DKK 41.2m from a negative DKK 85.3m measured against the same period last year.

Also, the line item of impairment losses has seen a decline in that at 30 June 2023 it stands

at DKK 5.9m compared to a reversal of DKK 35.5m at the same date last year. Despite slightly increasing impairment losses, the general credit quality of Sparekassen's customers is still perceived to be fine.

Net profit stands at DKK 265.2m, equivalent to an annual return on opening equity of 12.8%.

The performance for H1 2023 is considered satisfactory.

Income statement

Net interest income

Net interest income has increased by DKK 79.1m, or 27%, and amounts to DKK 377.5m against DKK 298.4m in H1 2022.

Total interest income has seen an increase of DKK 175.6m and amounts to DKK 461.4m. The increasing interest rate levels throughout 2022 have continued in 2023, which overall has a positive impact on Sparekassen's large surplus liquidity. Interest income from credit institutions and central banks is up by DKK 46.0m, primarily resulting from an increasing interest rate on Sparekassen's current account with Danmarks Nationalbank and secondarily from income from repo transactions. Interest income from the bond portfolio has gone up by DKK 66.2m, which is attributable to a higher yield overall as well as a larger average portfolio. Interest income from loans and advances has increased by DKK 67.5m to DKK

309.5m. Because of Danmarks Nationalbank's continuous increases in the interest rate levels, Sparekassen too is adjusting its interest rates on loans and advances, which is the reason for the rising interest income from loans and advances. On average, the level of loans and advances in H1 2023 is marginally lower than that in H1 2022. The development in loans and advances represents a general increase in loans to corporate customers and a decline in those to private customers. However, the balance of loans and advances has been on the rise since the end of 2022, representing a continuous increase in loans to corporate customers and a flat development in loans to private households. Overall, Sparekassen's lending has increased by 5% since year-end 2022.

Total negative interest income has decreased by DKK 13.2m and amounts to DKK 0 in H1 2023. This development is attributable to generally increasing interest rate levels, entailing that Sparekassen's placement of surplus liquidity on, for example, the current account with Danmarks Nationalbank is no longer burdened by a negative interest rate level.

Total interest expenses have gone up by DKK 56.8m to DKK 83.9m. This development is essentially attributable to an increase in interest expenses on deposits. Following Danmarks Nationalbank's increases in interest rate levels, Sparekassen has re-introduced positive deposit rates on a wide range of products and regularly

raised them. Moreover, interest expenses for credit institutions have gone up by DKK 18.4m. This increase is attributable to repo transactions with other credit institutions.

Positive interest expenses total DKK 0, which is DKK 53.0m down on H1 2022. Sparekassen discontinued negative deposit rates in the autumn of 2022, which is the reason why the line item stands at DKK 0.

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

Dividend

In H1 2023, Sparekassen received DKK 19.7m in dividends, which is a decrease of DKK 6.6m. Generally, Sparekassen receives dividends almost entirely from the sector companies that we co-own. So, the decline is primarily a result of lower dividends paid by these sector companies.

Fee and commission income

Fee and commission income is down by DKK 25.4m, or 8%, to stand at DKK 311.1m. Sparekassen is generally experiencing reasonable activity in many business areas from both new and existing customers in the corporate customer segment and the private customer segment. Fee income, however, is affected by the pace in both loan conversion and trading

activities in the real estate market having been on the decline compared with the same period last year. Loan application fees and brokerage fees related to property transactions and loan conversions therefore reflect a downward trend.

Translation and market value adjustments

The financial statements for H1 2023 show positive translation and market value adjustments of DKK 41.2m whereas in the same period in 2022 these adjustments were negative by DKK 85.3m. Since early Q2 2022, an increasing portion of Sparekassen's bond portfolio has been administered with a view to collecting contractual cash flows (bonds at amortised cost/held to maturity). Therefore, only a small portion of the bond portfolio has in H1 2023 been subjected to fair value adjustment through profit or loss. Market value adjustments of bonds through profit or loss stand at a positive DKK 7.8m compared to a negative DKK 99.9m in H1 2022. In H1 2022, the financial markets were impacted by surging interest rates on Danish mortgage credit bonds, which was the reason for the relatively heavy negative market value adjustments in 2022. Market value adjustments of shares stand at a positive DKK 16.3m against a negative DKK 2.9m at 30 June 2022. Market value adjustments of shares primarily arise from Sparekassen's portfolio of sector shares.

Translation and market value adjustments of investment property, foreign currencies and other financial instruments total DKK 17.1m against DKK 16.6m for the same period in 2022.

Staff costs and administrative expenses

Staff costs and administrative expenses have gone up by DKK 12.3m and amount to DKK

395.8m, equalling an increase of 3%. Overall, staff costs inclusive of remuneration for the Executive Board and the Board of Directors have gone up by a total of 1% to DKK 253.6m. For H1 2022, this line item included, quite extraordinarily, a non-recurring amount for the employees' contribution in the continued consolidation of Sparekassen. Adjusted for this amount, the increase in staff costs would have been larger. The development primarily covers pay and pension adjustments arising from collective agreements and engagement of staff to execute Sparekassen's new strategy, "Towards New Goals".

Other administrative expenses have gone up by DKK 8.9m to DKK 142.2m, or 7%. The item is affected by the past year's general rise in prices and high rate of inflation along with increased IT costs, increased PR costs to promote Sparekassen, and increased costs to instruct and train staff. In H1 2022, the item was affected by multiple non-recurring matters caused by the launch of Sparekassen's "Towards New Goals" strategy.

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

Amortisation, depreciation and impairment losses on intangible assets and property, plant and equipment total DKK 24.0m, which is an increase of DKK 1.9m on the same period last year.

Impairment losses on loans and advances etc

Impairment losses stand at DKK 5.9m as opposed to a reversal of impairment losses of DKK 35.5m in the same period in 2022. Compared to

the same period last year, individual impairment losses and impairment loss related to IFRS 9 have gone up, and management add-ons have been lowered.

Although the impairment item reflects a negative trend, impairment losses at the level of DKK 5.9m must be considered extremely small in a historical perspective. So it is still Sparekassen's general view that the credit quality of its customer is quite satisfactory, and the losses recorded indeed remain quite small. Because of continued uncertainty about the implications of the economic and geopolitical developments, management add-ons remain at a relatively high level at 30 June 2023, when they stand at DKK 204.1m.

Profit from investments in associates and group enterprises

Profit from investments in associates and group enterprises stands at DKK 26.9m compared to DKK 14.4m at the same date last year. This line item primarily relates to Sparekassen's stake in Lollands Bank, the continuous value adjustment to equity value thereof, and the results of Sparekassen's subsidiaries. In H1 2023, however, the increase mainly results from a non-recurring income from Sparekassen's stake in Investeringsselskabet Finance Zealand.

Profit for the period

Pre-tax profit at 30 June 2023 comes to DKK 338.8m against DKK 210.9m at the same date in 2022. Net profit amounts to DKK 265.2m against DKK 170.1m for the first six months of 2022.

The financial performance is considered satisfactory.

Interim financial statements

H1 2023

Statement by Management on the Interim Report

The Board of Directors and the Executive Board have today considered and approved the Interim Report of Sparekassen Sjælland-Fyn A/S for the period 1 January to 30 June 2023.

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

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

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

financial position at 30 June 2023 and of their financial performance and the consolidated cash flows for the period 1 January to 30 June 2023.

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

of uncertainty that may affect the Group and Sparekassen.

The Interim Report has not been audited or reviewed.

Holbæk 10 August 2023

Executive Board

Lars Petersson
Chief Executive Officer

Lars Bolding
Savings Bank Director

Jan Mark Kolbye Jensen
Savings Bank Director

Board of Directors

Jakob Nørrekjær Andersson
Chairman

Erik Larsen
Vice-Chairman

Torben Dalby Larsen

Liselotte Munk Poulsen

Otto Frederik Spliid

Per Sønderup

Per Olsen

Helle Lindhof Bjørnøe

Mads Wallin

Income statement

		Sparekassen Sjælland-Fyn A/S (Group)			
Note	Amounts in DKK'000	H1 2023	H1 2022	Q2 2023	Q2 2022
4	Interest income calculated using the effective interest method	374,482	257,953	203,505	137,504
4	Other interest income	105,532	43,473	51,586	23,928
4a	Negative interest income	0	13,234	0	6,587
5	Interest expenses	82,948	26,177	48,148	13,199
5a	Positive interest expenses	0	52,751	0	27,008
	Net interest income	397,066	314,766	206,943	168,654
	Dividends on shares etc	19,737	26,450	652	21,375
6	Fees and commission income	309,330	335,617	143,213	158,444
	Fees and commission expenses	7,947	7,671	4,111	3,751
	Net interest and fee income	718,186	669,162	346,697	344,722
7	Market value adjustments	36,383	-95,573	24,284	-59,840
	Other operating income	9,828	7,623	5,972	4,681
8	Staff costs and administrative expenses	404,976	391,022	202,912	204,095
	Amortisation, depreciation and impairment losses on intangible assets and property, plant and equipment	25,816	14,968	13,838	7,710
	Other operating expenses	14,620	8,307	7,541	3,944
9	Impairment losses on loans and advances etc	6,012	-35,458	7,855	-32,425
	Profit/loss on investments in associates and group enterprises	27,776	10,899	20,762	6,260
	Profit before tax	340,749	213,272	165,569	112,499
	Income tax	75,539	43,158	31,232	24,731
	Profit after tax	265,210	170,114	134,337	87,768
	Earnings per share				
	Earnings per share (DKK)	14.2	9.1	7.1	4.7
	Diluted earnings per share (DKK)	14.2	9.1	7.1	4.7
	Distributed as follows:				
	Retained earnings (profit allocated to shareholders)	244,747	157,975	122,859	81,664
	Interest, hybrid core capital	20,463	12,139	11,478	6,104
	Total	265,210	170,114	134,337	87,768

Statement of comprehensive income

		Sparekassen Sjælland-Fyn A/S (Group)			
Note	Amounts in DKK'000	H1 2023	H1 2022	Q2 2023	Q2 2022
	Profit for the period	265,210	170,114	134,337	87,768
	Other comprehensive income that may not be reclassified to profit or loss				
	Tax related to fair value adjustment of properties	2	2	1	1
	Other comprehensive income that may be reclassified to profit or loss				
	Value adjustment of certain strategic shares	21,829	-5,116	9,060	-9,061
	Value adjustment of bonds at fair value through other comprehensive income	-5,771	-29,945	-8,769	-29,945
	Recirculation at the end of recognition	-629	0	-313	0
	Fair value adjustment of financial instruments entered into to hedge future cash flows ¹	-342	1,835	-84	796
	Tax on other comprehensive income	1,699	6,184	2,390	6,413
	Total other comprehensive income	16,788	-27,040	2,285	-31,796
	Total comprehensive income	281,998	143,074	136,622	55,972

¹ The fair value adjustment concerns a jointly controlled enterprise.

Balance sheet

Sparekassen Sjælland-Fyn A/S (Group)				
Note	Amounts in DKK'000	30.06.2023	31.12.2022	30.06.2022
Assets				
	Cash and balances on demand at central banks	2,079,823	2,156,355	4,521,321
	Amounts owed by credit institutions and central banks	1,869,280	1,155,847	180,158
	Loans and other amounts owed at amortised cost	12,153,483	11,690,084	12,276,690
	Bonds at fair value	706,597	1,686,068	3,820,188
18	Bonds at amortised cost	9,664,633	8,785,452	3,364,211
	Shares etc	891,688	811,926	853,678
	Investments in associates	266,834	257,043	245,730
	Assets related to pooled plans	2,020,443	1,976,120	2,047,418
	Intangible assets	91,154	91,154	91,154
10	Total land and buildings	799,555	561,943	541,734
	<i>Investment property</i>	140,306	135,902	145,249
	<i>Owner-occupied property</i>	659,249	426,041	396,485
	Other property, plant and equipment	25,806	22,637	23,359
	Current tax assets	29,668	24,281	26,438
	Deferred tax assets	13,770	55,272	94,698
	Other assets	292,630	315,869	258,067
	Prepayments	43,693	41,145	46,496
	Total assets	30,949,057	29,631,196	28,391,340

Sparekassen Sjælland-Fyn A/S (Group)				
Note	Amounts in DKK'000	30.06.2023	31.12.2022	30.06.2022
Equity and liabilities				
Liabilities other than provisions				
	Amounts owed to credit institutions and central banks	1,950,771	1,384,156	708,250
	Deposits and other debt	21,139,052	20,672,709	20,299,748
	Deposits in pooled plans	2,020,443	1,976,120	2,047,418
	Bonds issued at amortised cost	378,821	378,484	378,147
	Other liabilities	669,904	389,364	369,061
	Deferred income	44,088	38,747	41,712
	Total liabilities other than provisions	26,203,079	24,839,580	23,844,336
Provisions				
	Provisions for losses on guarantees etc	63,870	73,609	66,056
	Other provisions	17,600	18,153	18,324
	Total provisions	81,470	91,762	84,380
11	Subordinated loan capital	441,772	571,247	620,664
Equity				
12	Share capital	173,750	173,750	173,750
	Revaluation reserves	1,420	1,419	1,417
	Undistributable savings bank reserve, other reserves	561,378	561,378	561,378
	Retained earnings	3,032,031	2,884,532	2,725,588
	Total equity exclusive of hybrid core capital	3,768,579	3,621,079	3,462,133
	Hybrid core capital	454,157	507,528	379,827
	Total equity	4,222,736	4,128,607	3,841,960
	Total equity and liabilities	30,949,057	29,631,196	28,391,340

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 1.1.2023	173,750	1,419	561,378	2,202	104,250	2,778,081	3,621,079	507,528	4,128,607
	Profit for the period	0	0	0	0	0	244,747	244,747	20,463	265,210
	Other comprehensive income that may not be reclassified to profit or loss									
	Tax related to fair value adjustment of properties	0	2	0	0	0	0	2	0	2
	Other comprehensive income that may be reclassified to profit or loss									
	Value adjustments of certain strategic shares	0	0	0	0	0	21,829	21,829	0	21,829
	Value adjustment of bonds at fair value through other comprehensive income	0	0	0	0	0	-5,771	-5,771	0	-5,771
	Recirculation at the end of recognition	0	0	0	0	0	-629	-629	0	-629
	Fair value adjustment of financial instruments entered into to hedge future cash flows, Value adjustment for the period	0	0	0	-342	0	0	-342	0	-342
	Tax on other comprehensive income	0	0	0	86	0	1,613	1,699	0	1,699
	Total other comprehensive income	0	2	0	-256	0	17,042	16,788	0	16,788
	Comprehensive income for the period	0	2	0	-256	0	261,790	261,535	20,463	281,998
	Additions, hybrid core capital	0	0	0	0	0	-1,725	-1,725	230,000	228,275
	Disposals, hybrid core capital	0	0	0	0	0	0	0	-280,000	-280,000
	Purchase of treasury shares	0	0	0	0	0	-12,789	-12,789	0	-12,789
	Sale of treasury shares	0	0	0	0	0	4,114	4,114	0	4,114
	Dividends paid	0	0	0	0	-104,250	614	-103,636	0	-103,636
	Interest paid on hybrid core capital	0	0	0	0	0	0	0	-23,835	-23,835
	Equity at 30.06.2023	173,750	1,420	561,378	1,946	0	3,030,085	3,768,579	454,157	4,222,736

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

Statement of changes in equity

Sparekassen Sjælland-Fyn A/S (Group)

Note	Amounts in DKK'000	Share capital	Revaluation reserves	Undistributable savings bank reserve	Reserve for value adjustment of hedging instrument ¹	Dividend	Retained earnings	Total equity exclusive of hybrid core capital	Hybrid core capital	Total equity
	Equity at 1.1.2022	173,750	1,415	561,378	65	104,250	2,568,770	3,409,628	385,888	3,795,516
	Profit for the period	0	0	0	0	0	157,975	157,975	12,139	170,114
	Other comprehensive income that may not be reclassified to profit or loss									
	Tax related to fair value adjustment of properties	0	2	0	0	0	0	2	0	2
	Other comprehensive income that may be reclassified to profit or loss									
	Value adjustments of certain strategic shares	0	0	0	0	0	-5,116	-5,116	0	-5,116
	Value adjustment of bonds at fair value through other comprehensive income	0	0	0	0	0	-29,945	-29,945	0	-29,945
	Fair value adjustment of financial instruments entered into to hedge future cash flows, Value adjustment for the period	0	0	0	1,835	0	0	1,835	0	1,835
	Tax on other comprehensive income	0	0	0	-404	0	6,588	6,184	0	6,184
	Total other comprehensive income	0	2	0	1,431	0	-28,473	-27,040	0	-27,040
	Totalindkomst for regnskabsperioden	0	2	0	1,431	0	129,502	130,935	12,139	143,074
	Purchase of treasury shares	0	0	0	0	0	-9,281	-9,281	0	-9,281
	Sale of treasury shares	0	0	0	0	0	34,939	34,939	0	34,939
	Dividends paid	0	0	0	0	-104,250	162	-104,088	0	-104,088
	Interest paid on hybrid core capital	0	0	0	0	0	0	0	-18,200	-18,200
	Equity at 30.06.2022	173,750	1,417	561,378	1,496	0	2,724,092	3,462,133	379,827	3,841,960

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	H1 2023	H1 2022
	Comprehensive income for the period	265,210	170,114
	Adjustment for amounts without cash flow effect		
	Market value adjustment, shares	-16,262	2,895
	Market value adjustment, bonds	-7,663	98,927
	Impairment losses on loans and advances etc	6,012	-35,458
	Amortisation, depreciation and impairment losses on intangible assets and property, plant and equipment	25,816	13,839
	Prepayments (net)	-282	-763
	Provisions	-10,292	-14,164
	Value adjustments of investment property	5,977	8,439
	Deferred income tax	75,539	43,158
	Adjustment for amounts with cash flow effect		
	Income tax paid	-42,913	-26,438
	Cash flows from ordinary operating activities	301,143	260,549
	Working capital changes		
	Credit institutions	566,615	130,477
	Loans and advances adjusted for impairment losses etc for the period	-469,129	-173,083
	Other assets and liabilities (net)	302,490	116,355
	Shares etc	-41,671	-138,564
	Bonds at fair value	980,734	3,367,283
	Bonds at amortised cost	-879,181	-3,364,211
	Deposits and other debt	466,343	533,789
	Total working capital changes	926,201	472,046
	Cash flows from operating activities	1,227,344	732,595

Sparekassen Sjælland-Fyn A/S (Group)			
Note	Amounts in DKK'000	H1 2023	H1 2022
	Investing activities		
	Additions, investments in associate	0	-13,760
	Purchase of intangible assets	-2,155	-2,548
	Purchase of property, plant and equipment	-273,617	-79,741
	Sale of property, plant and equipment	3,200	10,700
	Cash flows from investing activities	-272,572	-85,349
	Financing activities		
	Disposals, subordinated loan capital	-130,000	-50,000
	Additions, hybrid core capital	230,000	0
	Disposals, hybrid core capital	-280,000	0
	Purchase of treasury shares	-12,789	-9,281
	Sale of treasury shares	4,114	34,939
	Interest and expenses paid on hybrid core capital	-25,560	-18,200
	Dividend paid	-103,636	-104,088
	Cash flows from financing activities	-317,871	-146,630
	Increase/decrease in cash	636,901	500,616
	Cash and cash equivalents at beginning of period	3,312,202	4,200,863
	Cash and cash equivalents at end of period	3,949,103	4,701,479
	Cash and cash equivalents		
	Cash and balances on demand at central banks	2,079,823	4,521,321
	Amounts owed by credit institutions and central banks	1,869,280	180,158
	Cash and cash equivalents at end of period	3,949,103	4,701,479

Notes

2 Summary of significant accounting policies

The Interim Report for H1 2023 has been presented in accordance with IAS 34. The presentation of interim financial statements is consistent with EU provisions and additional Danish disclosure requirements for interim reports of listed financial companies. Applying ISA 34 entails that presentation is more limited than in a complete annual report and that the measurement principles of the International Financial Reporting Standards (IFRS) have been used.

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

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

3 Significant accounting judgements and estimates, assumptions and uncertainties

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

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 to prepare the interim financial statements for the year as those used to prepare the consolidated financial statements for 2022.

Notes

Sparekassen Sjælland-Fyn A/S (Group)

Note	Amounts in DKK'000	H1 2023	H1 2022
4	Interest income		
	Credit institutions and central banks	46,535	352
	Loans and other amounts owed	327,652	257,479
	Bonds	89,282	23,060
	Total derivatives	16,250	20,413
	Thereof: - Interest rate contracts	16,284	20,594
	- Foreign exchange contracts	-34	-181
	Other interest income	295	122
	Total interest income	480,014	301,426
4a	Negative interest income		
	Credit institutions and central banks	0	9,907
	Bonds	0	3,327
	Total negative interest income	0	13,234
5	Interest expenses		
	Credit institutions and central banks	18,800	387
	Deposits and other debt	45,767	6,895
	Bonds issued	4,214	4,265
	Subordinated loan capital	13,843	14,070
	Other interest expenses	324	560
	Total interest expenses	82,948	26,177
5a	Positive interest expenses		
	Credit institutions and central banks	0	0
	Deposits and other debt	0	52,751
	Total positive interest expenses	0	52,751

Sparekassen Sjælland-Fyn A/S (Group)

Note	Amounts in DKK'000	H1 2023	H1 2022
6	Fees and commission income		
	Securities trading and custody accounts	30,182	36,746
	Payment services	37,312	36,535
	Loan fees	18,442	26,470
	Guarantee commission	110,679	115,975
	Custody services	38,969	41,084
	Other fees and commissions	73,746	78,807
	Total fees and commission income	309,330	335,617
7	Market value adjustments		
	Bonds	7,663	-98,927
	Shares	16,262	-2,895
	Investment property	-4,609	-7,166
	Foreign exchange	9,239	5,545
	Currency, interest rate, share, commodity and other contracts and derivatives	7,828	7,870
	Assets related to pooled plans	134,542	-313,320
	Deposits in pooled plans	-134,542	313,320
	Total market value adjustments	36,383	-95,573
8	Staff costs and administrative expenses		
	Remuneration of the Board of Directors and Executive Board*		
	Board of Directors and Executive Board	10,214	10,465
	Total	10,214	10,465
	Staff costs		
	Wages and salaries	191,675	189,600
	Pension contributions	21,293	20,245
	Social security expenses	30,521	29,995
	Total staff costs	243,489	239,840
	Other administrative expenses	151,273	140,717
	Total staff costs and administrative expenses	404,976	391,022

* Board of Directors has been reduced from 4 to 3 persons in Q2 2023

Notes

Note	Amounts in DKK'000	Sparekassen Sjælland-Fyn A/S (Group)	
		H1 2023	H1 2022
9	Impairment losses on loans and advances and other receivables and provisions for guarantees and undrawn credit facilities (impairment account)		
	Stage 1 impairment		
	Balance of stage 1 impairment losses at beginning of period	98,339	105,974
	New impairment losses (net)	947	-2,997
	Balance of stage 1 impairment losses at end of period	99,286	102,977
	- Of which amounts owed by credit institutions and central banks	135	248
	- Of which bonds at amortized cost	218	0
	Stage 2 impairment		
	Balance of stage 2 impairment losses at beginning of period	190,280	173,238
	New impairment losses (net)	1,946	454
	Balance of stage 2 impairment losses at end of period	192,226	173,692
	- Of which amounts owed by credit institutions and central banks	685	699
	Stage 3 impairment		
	Balance of stage 3 impairment losses at beginning of period	259,664	270,733
	New impairment losses (net)	17,150	-9,348
	Other changes	8,525	7,200
	Previously written down, now finally written off	28,636	25,555
	Balance of stage 3 impairment losses at end of period	256,703	243,030

Note	Amounts in DKK'000	Sparekassen Sjælland-Fyn A/S (Group)	
		H1 2023	H1 2022
9	Impairment losses on loans and advances and other receivables and provisions for guarantees and undrawn credit facilities (impairment account)		
	Provisions losses for guarantees and undrawn credit facilities		
	Balance of provisions at beginning of year	91,502	98,284
	New provisions (net)	-5,259	-10,713
	Previously provided for, now finally written off	4,773	3,450
	Balance of provisions at end of period	81,470	84,121
	Total		
	Balance of impairment losses/provisions at beginning of period	639,785	648,229
	Impairment losses/provisions for the period (net)	14,785	-22,604
	Other changes	8,525	7,200
	Finally written off, previously written down/provided for	33,409	29,005
	Balance of impairment losses/provisions at end of period	629,686	603,820
	Impairment losses/provisions for the period (net)	14,785	-22,604
	Written off, not previously written down/provided for	2,369	3,110
	Recovery of claims previously written off	11,141	15,964
	Total recognised in the income statement	6,012	-35,458

Notes

Sparekassen Sjælland-Fyn A/S (Group)					
Note	Amounts in DKK'000	30.06.2023	31.12.2022	30.06.2022	
10 Land and buildings					
Investment property					
Fair value at beginning of period		135,902	121,503	121,503	
Additions		12,213	64,747	42,662	
Disposals		3,200	31,781	10,700	
Fair value adjustments for the period		-4,609	-18,567	-8,216	
Fair value at end of period		140,306	135,902	145,249	
Rental income		3,893	7,144	3,414	
Operating expenses		2,850	4,938	1,584	
Thereof, operating expenses recognised for investment property not having generated rental income for the year		610	2,129	573	
		Quoted prices	Observable input	Non-observable input	Total
Fair value hierarchy for investment property					
Group 30.06.2023		0	0	140,306	140,306
Group 31.12.2022		0	0	135,902	135,902
Group 30.06.2022		0	0	145,249	145,249

Sparekassen Sjælland-Fyn A/S (Group)				
Note	Amounts in DKK'000	30.06.2023	31.12.2022	30.06.2022
10 Land and buildings (continued)				
Owner-occupied property				
Cost at beginning of period		449,178	379,701	379,701
Additions		251,205	69,477	29,859
Disposals		0	0	0
Cost at end of period		700,383	449,178	409,560
Accumulated depreciation/impairment losses at beginning of period		55,157	50,861	50,861
Depreciation for the period		1,550	396	1,248
Impairment losses for the period		10,248	3,900	0
Disposals for the period		0	0	1,050
Accumulated depreciation/impairment losses at end of period		66,955	55,157	51,059
Accumulated revaluation at beginning of period		1,447	1,447	1,447
Additions for the period		0	0	0
Disposals for the period		0	0	0
Accumulated revaluation at end of period		1,447	1,447	1,447
Revalued amount at end of period		634,875	395,468	359,948
If no revaluation had been made, the carrying amount of owner-occupied property would have been:		633,428	394,021	358,501

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

Notes

Sparekassen Sjælland-Fyn A/S (Group)

Note	Amounts in DKK'000	Quoted prices	Observable input	Non-observable input	Total
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10 Land and buildings (continued)

Fair value hierarchy for owner-occupied property

Group 30.06.2023	0	0	634,875	634,875
Group 31.12.2022	0	0	395,468	395,468
Group 30.06.2022	0	0	359,948	359,948

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 4.77 % and 12.53 % has been used in measuring properties located on Zealand and Funen and in Jutland (H1 2022: 4.51 % and 13.28 %). An increase in the required rate of return would result in a decline in the property's fair value, whereas an increase in rent per square metre relative to the assumptions applied would result in an increase in the value of the property.

	30.06.2023	31.12.2022	30.06.2022
Owner-occupied property, revalued amount at period-end, see above	634,875	395,468	359,948
Owner-occupied property, leased assets	24,374	30,573	36,537
Total owner-occupied property, see balance sheet	659,249	426,041	396,485

Sparekassen Sjælland-Fyn A/S (Group)

Note	Amounts in DKK'000	Current interest rate	30.06.2023	31.12.2022	30.06.2022
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11 Subordinated loan capital

Supplementary capital

Floating interest rate, maturing in December 2027, redeemable in 2022, from 2022 to 2027, the interest rate will be six months' CIBOR + 4.39% with half-yearly adjustment,	4.75 % ¹⁾	0	0	50,000
Floating interest rate, maturing in June 2028, redeemable in 2023, from 2023 to 2028, the interest rate will be six months' CIBOR + 4.11% with half-yearly adjustment,	4.50 % ¹⁾	0	130,000	130,000
Floating interest rate, maturing in November 2028, redeemable in 2023, from 2023 to 2028, the interest rate will be six months' CIBOR + 4.24% with half-yearly adjustment,	4.75 % ¹⁾	41,000	41,000	41,000
Floating interest rate, maturing in December 2029, redeemable in 2024, from 2024 to 2029, the interest rate will be six months' CIBOR + 4.51% with half-yearly adjustment,	4.50 % ¹⁾	150,000	150,000	150,000
Floating interest rate, maturing in December 2029, redeemable in 2024, from 2024 to 2029, the interest rate will be six months' CIBOR + 4.51% with half-yearly adjustment,	4.45 % ¹⁾	152,000	152,000	152,000
Floating interest rate, maturing in August 2032, redeemable in 2027, the interest rate will be six months' CIBOR + 3.10% with half-yearly adjustment,	6.39 %	100,000	100,000	100,000
Total supplementary capital		443,000	573,000	623,000
Total hybrid capital		0	0	0
Total subordinated loan capital		443,000	573,000	623,000
Costs of establishment are charged to profit or loss over the expected term to maturity		1,228	1,753	2,336
Total subordinated loan capital according to balance sheet		441,772	571,247	620,664

Notes

Sparekassen Sjælland-Fyn A/S (Group)

Note	Amounts in DKK'000	Current interest rate	30.06.2023	31.12.2022	30.06.2022
1.1 Subordinated loan capital (continued)					
Hybrid capital reclassified to equity					
Floating interest rate, perpetual, redeemable in 2022. From 2022, the interest rate will be six months' CIBOR + 6.39% with half-yearly adjustment.	6.75 % ¹⁾		0	0	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⁾		0	280,000	280,000
Floating interest rate, perpetual, redeemable in 2023. From 2023, the interest rate will be six months' CIBOR + 5.74% with half-yearly adjustment.	6.25 % ¹⁾		41,000	41,000	41,000
Floating interest rate, perpetual, redeemable in 2028. The interest rate will be six months' CIBOR + 6.50% with half-yearly adjustment.	9.97 %		175,000	175,000	0
Floating interest rate, perpetual, redeemable in 2028. The interest rate will be six months' CIBOR + 6.75% with half-yearly adjustment.	10.55 %		230,000	0	0
Total hybrid capital, reclassified to equity			446,000	496,000	376,000
Subordinated loan capital included in the calculation of capital resources			887,772	1,067,247	996,664

1) Fixed interest rate for the first 5 years.

The Sparekassen Sjælland-Fyn A/S Group

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

Sparekassen Sjælland-Fyn A/S (Group)

Note	Amounts in DKK'000	30.06.2023	31.12.2022	30.06.2022
1.1 Subordinated loan capital (continued)				
Interest etc on subordinated loan capital				
Interest (excluding interest on reclassified hybrid core capital recognised as equity)		13,843	28,464	14,070
Extraordinary repayments/redemptions/remortgaging		130,000	100,000	50,000
Expenses for raising subordinated loan capital		0	0	0
Expenses for redeeming subordinated loan capital		0	0	0

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

Notes

Sparekassen Sjælland-Fyn A/S (Group)

Note	Amounts in DKK'000	Number of shares		Nominal value (DKK'000)	
		30.06.2023	30.06.2022	30.06.2023	30.06.2022

12 Share capital

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

	Number of shares	Nominal value (DKK'000)	Participation %
Treasury shares			
Treasury shares at 31.12.2021	164,796	1,648	0.9
Purchased	50,314	503	0.3
Sold	164,796	1,648	0.9
Treasury shares at 30.06.2022	50,314	503	0.3
Treasury shares at 31.12.2022			
Treasury shares at 31.12.2022	71,559	716	0.4
Purchased	64,828	648	0.4
Sold	21,884	219	0.1
Treasury shares at 30.06.2023	114,503	1,145	0.7

Total purchase price DKK 12,789k (H1 2022: DKK 9,281k)

Total selling price DKK 4,114k (H1 2022: DKK 34,937k)

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

Sparekassen has been authorised by the general meeting to acquire treasury shares for up to 3% of the share capital. Sparekassen has been permitted by the Danish FSA to acquire treasury shares for DKK 1.2m in market value until 1 march 2024.

Sparekassen Sjælland-Fyn A/S (Group)

Note	Amounts in DKK'000	30.06.2023	30.06.2022
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12 Share capital (continued)

Earnings per share			
Earnings of shareholders of the Parent Sparekassen Sjælland-Fyn A/S	244,747	157,975	
Average number of shares	17,374,973	17,374,973	
Average number of treasury shares	100,188	107,555	
Average number of shares outstanding	17,274,785	17,267,418	
Average dilution effect of outstanding share options	0	0	
Average number of outstanding shares (diluted)	17,274,785	17,267,418	
Earnings per share (DKK)	14.2	9.1	
Diluted earnings per shares (DKK)	14.2	9.1	

Notes

Note	Amounts in DKK'000	Sparekassen Sjælland-Fyn A/S (Group)		
		30.06.2023	31.12.2022	30.06.2022
13 Assets provided as collateral				
Bonds deposited with Danmarks Nationalbank, clearing centres etc	1,190,124	1,177,409	1,443,261	
Cash deposited with credit institutions, CSA agreements	3,807	3,806	3,806	
Loss limit towards the Danish Growth Fund	258	257	258	
Total	1,194,189	1,181,472	1,447,325	

Unencumbered deposited securities may be released at call

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

Assets sold in reverse transactions

Bonds at fair value	1,420,655	905,728	0
Fair value, reverse transactions	1,424,360	912,069	0
Net position	3,705	6,341	0

14 Related party transactions

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

There have been no unusual related party transactions in H1 2023.

Note	Amounts in DKK'000	Sparekassen Sjælland-Fyn A/S (Group)		
		30.06.2023	31.12.2022	30.06.2022
15 Contingent liabilities and assets				
Financial guarantees	182,237	265,209	424,727	
Mortgage finance guarantees	2,221,355	2,399,544	2,731,978	
Registration and remortgaging guarantees	0	15,177	10,949	
Other contingent liabilities	2,749,658	2,933,451	3,958,069	
Total	5,153,250	5,613,381	7,125,723	

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 Investeringsselskabet Sjælland-Fyn A/S and Leasing Fyn Faaborg A/S, Sparekassen Sjælland-Fyn A/S is jointly registered for VAT and payroll tax.

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

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

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

Notes

Note	Amounts in DKK'000	Sparekassen Sjælland-Fyn A/S (Group)		
		30.06.2023	31.12.2022	30.06.2022
16 Capital resources				
Equity excluding hybrid core capital	3,768,579	3,621,079	3,462,133	
Intangible assets	-91,154	-91,154	-91,154	
Deferred tax assets	-13,770	-55,272	-94,698	
Proposed dividend	0	-104,250	0	
Deduction, capital instruments	-477,363	-360,312	-434,787	
Other additions/deductions	-251,645	99,192	-30,538	
Common Equity Tier 1 capital	2,934,647	3,109,283	2,810,955	
Hybrid core capital	446,000	496,000	376,000	
Core capital (including hybrid core capital) net of primary deductions	3,380,647	3,605,283	3,186,955	
Supplementary capital	441,772	571,247	620,664	
Deduction capital instruments	-24,972	-43,500	0	
Capital resources	3,797,447	4,133,030	3,807,620	
Risk exposures				
Credit risk	14,149,856	13,844,963	14,123,491	
Market risk	321,268	387,135	693,998	
Operational risk	2,333,473	2,211,099	2,211,099	
Total risk exposures	16,804,597	16,443,197	17,028,588	
Capital ratio	22.6	25.1	22.4	
Core capital ratio	20.1	21.9	18.7	
Common Equity Tier 1 capital ratio	17.5	18.9	16.5	
Capital resources, requirement under Section 124(2) of the Danish Financial Business Act	1,344,368	1,315,456	1,362,287	

Sparekassen's capital resources and capital ratios calculated inclusive of transitional scheme and exclusive of net profit for the period at 30.06.2023 and 30.06.2022.

Had net profit for the period, reduced by the target dividend payment stated in the dividend policy, been included in capital resources, the capital ratio, the core capital ratio and the common equity tier 1 capital ratio would have been 1.5 percentage points higher (30.06.2022: capital ratio, core capital ratio and common equity tier 1 capital ratio 0.7 percentage points higher).

Note	Amounts in DKK'000	Sparekassen Sjælland-Fyn A/S (Group)		
		30.06.2023	31.12.2022	30.06.2022
16 Capital resources (continued)				
Solvency capital elements calculated exclusive of transitional scheme				
Common Equity Tier 1 capital	2,875,117	2,993,289	2,700,545	
Core capital (including hybrid core capital) net of primary deductions	3,321,117	3,489,289	3,076,545	
Capital resources	3,737,917	4,017,036	3,697,210	
Total risk exposures	16,760,462	16,354,712	16,958,753	
Capital ratio	22.3	24.6	21.8	
Core capital ratio	19.8	21.3	18.1	
Common Equity Tier 1 capital ratio	17.2	18.3	15.9	

Sparekassen's capital resources and capital ratios calculated inclusive of transitional scheme and exclusive of net profit for the period at 30.06.2023 and 30.06.2022.

Had net profit for the period, reduced by the target dividend payment stated in the dividend policy, been included in capital resources, the capital ratio, the core capital ratio and the common equity tier 1 capital ratio would have been 1.5 percentage points higher (30.06.2022: capital ratio, core capital ratio and common equity tier 1 capital ratio 0.7 percentage points higher).

Notes

Sparekassen Sjælland-Fyn A/S (Group)

Note	Amounts in DKK'000	30.06.2023			30.06.2022		
		Fair value through profit or loss	Fair value through other comprehensive income	Amortised costs	Fair value through profit or loss	Fair value through other comprehensive income	Amortised costs
17	Financial assets and liabilities, Sparekassen Sjælland-Fyn A/S Group						
	Financial assets and liabilities are recognised in the balance sheet either at fair value, fair value through other comprehensive income or at amortised cost. Below, the valuation method is stated for each financial statement item.						
	Financial assets						
	Cash and balances on demand at central banks			2,079,823			4,521,321
	Amounts owed by credit institutions and central banks			1,869,280			180,158
	Loans and other amounts owed at amortised cost			12,153,483			12,276,690
	Bonds at fair value	319,079	387,518		3,363,468	456,720	
	Bonds at amortised cost			9,664,633			3,364,211
	Shares etc	781,308	110,380		757,714	95,964	
	Assets in pooled plans	2,020,443			2,047,418		
	Positive market value, derivatives	19,281			35,688		
	Total financial assets	3,140,111	497,898	25,767,219	6,204,288	552,684	20,342,380
	Financial liabilities						
	Amounts owed to credit institutions and central banks			1,950,771			708,250
	Deposits and other debt			21,139,052			20,299,748
	Deposits in pooled plans	2,020,443			2,047,418		
	Bonds issued at amortised cost			378,821			378,147
	Subordinated loan capital			441,772			620,664
	Negative market value of derivatives	14,516			31,121		
	Total financial liabilities	2,034,959	0	23,910,416	2,078,539	0	22,006,809

Notes

Sparekassen Sjælland-Fyn A/S (Group)

Note

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

Financial instruments recognised at fair value

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

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

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

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

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

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

Sparekassen Sjælland-Fyn A/S (Group)

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

30.06.2023

Financial assets

Bonds at fair value	706,597	0	0	706,597
Shares etc	154,027	656,231	81,430	891,688
Assets related to pooled plans	2,011,918	8,525	0	2,020,443
Derivatives	0	19,281	0	19,281
Total financial assets	2,872,542	684,037	81,430	3,638,009

Financial liabilities

Deposits in pooled plans	0	2,020,443	0	2,020,443
Derivative financial liabilities	0	14,516	0	14,516
Total financial liabilities	0	2,034,959	0	2,034,959

30.06.2022

Financial assets

Bonds at fair value	3,820,188	0	0	3,820,188
Shares etc	135,608	639,538	78,532	853,678
Assets related to pooled plans	2,037,927	9,491	0	2,047,418
Derivatives	0	35,688	0	35,688
Total financial assets	5,993,723	684,717	78,532	6,756,972

Financial liabilities

Deposits in pooled plans	0	2,047,418	0	2,047,418
Derivative financial liabilities	0	31,121	0	31,121
Total financial liabilities	0	2,078,539	0	2,078,539

Notes

Note	Amounts in DKK'000	Sparekassen Sjælland-Fyn A/S (Group)	
		30.06.2023	30.06.2022
17	Financial assets and liabilities, Sparekassen Sjælland-Fyn A/S Group (continued)		
	Financial instruments measured at fair value in balance sheet based on Level 3		
	Carrying amount at beginning of period	79,068	67,997
	Market value adjustment in profit or loss, under market value adjustments	1,026	-1,839
	Purchased	2,453	12,374
	Sold	1,117	0
	Carrying amount at end of period	81,430	78,532

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

Note	Sparekassen Sjælland-Fyn A/S (Group)	
	30.06.2023	30.06.2022
17	Financial assets and liabilities, Sparekassen Sjælland-Fyn A/S Group (continued)	
	Financial instruments recognised at amortised cost	

Financial instruments recognised at amortised cost The predominant portion of the Group's receivables, loans and advances and deposits cannot be transferred without the customers' prior consent, and no active market exists for trading in such financial instruments. Fair value estimates are based on factors where changes have occurred in market conditions subsequent to initial recognition of the instrument that are of relevance to the price which would have been agreed had the terms and conditions been agreed on the balance sheet date. Other parties might reach another amount for such estimates.

The data on fair value of financial instruments recognised at amortised cost is based on the following assessments:

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

Notes

Sparekassen Sjælland-Fyn A/S (Group)

Note	Amounts in DKK'000	30.06.2023		30.06.2022	
		Carrying amount	Fair value	Carrying amount	Fair value
17	Financial assets and liabilities, Sparekassen Sjælland-Fyn A/S Group (continued)				
	Financial instruments recognised at amortised cost, disclosures on fair value				
	Financial assets				
	Cash and balances on demand at central banks	2,079,823	2,079,823	4,521,321	4,521,321
	Amounts owed by credit institutions and central banks	1,869,280	1,869,280	180,158	180,158
	Loans and advances and other amounts owed at amortised cost	12,153,483	12,207,837	12,276,690	12,334,058
	Bonds at amortised cost	9,664,633	9,435,551	3,364,211	3,327,407
	Total financial assets	25,767,219	25,592,491	20,342,380	20,362,944
	Financial liabilities				
	Amounts owed to credit institutions and central banks	1,950,771	1,950,771	708,250	708,250
	Deposits and other debt	21,139,052	21,139,052	20,299,748	20,299,748
	Bonds issued at amortised cost	378,821	378,821	378,147	378,147
	Subordinated loan capital	441,772	441,772	620,664	620,664
	Total financial liabilities	23,910,416	23,910,416	22,006,809	22,006,809

Note	Amounts in DKK'000	Sparekassen Sjælland-Fyn A/S (Group)	
		30.06.2023	30.06.2022
18	Bonds at amortised cost		
	Carrying amount of bonds at amortised cost	9,664,633	3,364,211
	Fair value of bonds at amortised cost	9,435,551	3,327,407
	Fair value of bonds at amortised cost compared to carrying amount	-229,082	-36,804

Income statement

		Sparekassen Sjælland-Fyn A/S (Parent)			
Note	Amounts in DKK'000	H1 2023	H1 2022	Q2 2023	Q2 2022
4	Interest income calculated using the effective interest method	355,864	242,298	194,422	129,678
4	Other interest income	105,532	43,472	51,586	23,928
4a	Negative interest income	0	13,234	0	6,588
5	Interest expenses	83,898	27,132	48,614	13,673
5a	Positive interest expenses	0	52,979	0	27,107
	Net interest income	377,498	298,383	197,395	160,452
	Dividends on shares etc	19,737	26,356	652	21,281
6	Fees and commission income	311,148	336,529	144,088	158,895
	Fees and commission expenses	7,847	7,577	4,064	3,707
	Net interest and fee income	700,536	653,691	338,071	336,921
7	Market value adjustments	41,173	-85,257	28,401	-54,025
	Other operating income	3,737	2,293	2,816	1,427
8	Staff costs and administrative expenses	395,750	383,443	198,713	199,900
	Amortisation, depreciation and impairment losses on intangible assets and property, plant and equipment	24,038	22,094	12,284	11,356
	Other operating expenses	7,917	4,256	3,638	1,530
9	Impairment losses on loans and advances etc	5,863	-35,539	7,320	-31,601
	Profit/loss on investments in associates and group enterprises	26,947	14,426	17,388	8,056
	Profit before tax	338,824	210,898	164,723	111,193
	Income tax	73,614	40,784	30,386	23,425
	Profit after tax	265,210	170,114	134,337	87,768
	Earnings per share				
	Earnings per share (DKK)	14.2	9.1	7.1	4.7
	Diluted earnings per share (DKK)	14.2	9.1	7.1	4.7
	Distributed as follows:				
	Retained earnings (profit allocated to shareholders)	244,747	157,975	122,859	81,664
	Interest, hybrid core capital	20,463	12,139	11,478	6,104
	Total	265,210	170,114	134,337	87,768

Statement of comprehensive income

		Sparekassen Sjælland-Fyn A/S (Parent)			
Note	Amounts in DKK'000	H1 2023	H1 2022	Q2 2023	Q2 2022
	Profit for the period	265,210	170,114	134,337	87,768
	Other comprehensive income that may not be reclassified to profit or loss				
	Tax related to fair value adjustment of properties	2	2	1	1
	Other comprehensive income that may be reclassified to profit or loss				
	Value adjustment of certain strategic shares	21,829	-5,116	9,060	-9,061
	Value adjustment of bonds at fair value through other comprehensive income	-5,771	-29,945	-8,769	-29,945
	Recirculation at the end of recognition	-629	0	-313	0
	Fair value adjustment of financial instruments entered into to hedge future cash flows ¹	-342	1,835	-84	796
	Tax on other comprehensive income	1,699	6,184	2,390	6,413
	Total other comprehensive income	16,788	-27,040	2,285	-31,796
	Total comprehensive income	281,998	143,074	136,622	55,972

¹ The fair value adjustment concerns a jointly controlled enterprise.

Balance sheet

Sparekassen Sjælland-Fyn A/S (Parent)				
Note	Amounts in DKK'000	30.06.2023	31.12.2022	30.06.2022
Assets				
	Cash and balances on demand at central banks	2,079,824	2,156,355	4,521,321
	Amounts owed by credit institutions and central banks	1,856,814	1,144,538	170,424
	Loans and other amounts owed at amortised cost	12,169,458	11,637,530	12,213,322
	Bonds at fair value	706,597	1,686,068	3,820,188
12	Bonds at amortised cost	9,664,633	8,785,452	3,364,211
	Shares etc	887,454	808,720	850,688
	Investments in associates	219,845	211,886	201,907
	Investments in group enterprises	578,069	582,468	582,588
	Assets related to pooled plans	2,020,443	1,976,120	2,047,418
	Intangible assets	91,154	91,154	91,154
	Total land and buildings	162,551	172,918	181,339
	<i>Investment property</i>	0	0	0
	<i>Owner-occupied property</i>	162,551	172,918	181,339
	Other property, plant and equipment	25,806	22,637	23,359
	Current tax assets	34,210	72,012	31,995
	Deferred tax assets	0	2,045	84,733
	Other assets	244,631	264,509	208,966
	Prepayments	46,050	43,569	48,554
	Total assets	30,787,539	29,657,981	28,442,167

Sparekassen Sjælland-Fyn A/S (Parent)				
Note	Amounts in DKK'000	30.06.2023	31.12.2022	30.06.2022
Equity and liabilities				
Liabilities other than provisions				
	Amounts owed to credit institutions and central banks	1,950,045	1,383,426	707,439
	Deposits and other debt	21,121,546	20,650,272	20,288,693
	Deposits in pooled plans	2,020,443	1,976,120	2,047,418
	Bonds issued at amortised cost	378,821	378,484	378,147
	Other liabilities	519,144	468,705	458,115
	Deferred income	12,106	9,358	15,351
	Total liabilities other than provisions	26,002,105	24,866,365	23,895,163
Provisions				
	Provisions for deferred taxes	39,457	0	0
	Provisions for losses on guarantees etc	63,870	73,609	66,056
	Other provisions	17,600	18,153	18,324
	Total provisions	120,927	91,762	84,380
	Subordinated loan capital	441,772	571,247	620,664
Equity				
	Share capital	173,750	173,750	173,750
	Revaluation reserves	1,420	1,419	1,417
	Undistributable savings bank reserve, other reserves	561,378	561,378	561,378
	Retained earnings	3,032,031	2,884,532	2,725,588
	Total equity exclusive of hybrid core capital	3,768,579	3,621,079	3,462,133
	Hybrid core capital	454,167	507,528	379,827
	Total equity	4,222,736	4,128,607	3,841,960
	Total equity and liabilities	30,787,539	29,657,981	28,442,167

Statement of changes in equity

Sparekassen Sjælland-Fyn A/S (Parent)

Note	Amounts in DKK'000	Share capital	Revaluation reserves	Undistributable savings bank reserve	Reserve for value adjustment of hedging instrument ¹	Dividend	Retained earnings	Total equity exclusive of hybrid core capital	Hybrid core capital	Total equity
	Equity at 1.1.2023	173,750	1,419	561,378	2,202	104,250	2,778,081	3,621,079	507,528	4,128,607
	Profit for the period	0	0	0	0	0	244,747	244,747	20,463	265,210
	Other comprehensive income that may not be reclassified to profit or loss									
	Tax related to fair value adjustment of properties	0	2	0	0	0	0	2	0	2
	Other comprehensive income that may be reclassified to profit or loss									
	Value adjustments of certain strategic shares	0	0	0	0	0	21,829	21,829	0	21,829
	Value adjustment of bonds at fair value through other comprehensive income	0	0	0	0	0	-5,771	-5,771	0	-5,771
	Recirculation at the end of recognition	0	0	0	0	0	-629	-629	0	-629
	Fair value adjustment of financial instruments entered into to hedge future cash flows, Value adjustment for the period	0	0	0	-342	0	0	-342	0	-342
	Tax on other comprehensive income	0	0	0	86	0	1,613	1,699	0	1,699
	Total other comprehensive income	0	2	0	-256	0	17,042	16,788	0	16,788
	Comprehensive income for the period	0	2	0	-256	0	261,790	261,535	20,463	281,998
	Additions, hybrid core capital	0	0	0	0	0	-1,725	-1,725	230,000	228,275
	Disposals, hybrid core capital	0	0	0	0	0	0	0	-280,000	-280,000
	Purchase of treasury shares	0	0	0	0	0	-12,789	-12,789	0	-12,789
	Sale of treasury shares	0	0	0	0	0	4,114	4,114	0	4,114
	Dividends paid	0	0	0	0	-104,250	614	-103,636	0	-103,636
	Interest paid on hybrid core capital	0	0	0	0	0	0	0	-23,835	-23,835
	Equity at 30.06.2023	173,750	1,420	561,378	1,946	0	3,030,085	3,768,579	454,157	4,222,736

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

Statement of changes in equity

Sparekassen Sjælland-Fyn A/S (Parent)

Note	Amounts in DKK'000	Share capital	Revaluation reserves	Undistributable savings bank reserve	Reserve for value adjustment of hedging instrument ¹	Dividend	Retained earnings	Total equity exclusive of hybrid core capital	Hybrid core capital	Total equity
	Equity at 1.1.2022	173,750	1,415	561,378	65	104,250	2,568,770	3,409,628	385,888	3,795,516
	Profit for the period	0	0	0	0	0	157,975	157,975	12,139	170,114
	Other comprehensive income that may not be reclassified to profit or loss									
	Tax related to fair value adjustment of properties	0	2	0	0	0	0	2	0	2
	Other comprehensive income that may be reclassified to profit or loss									
	Value adjustments of certain strategic shares	0	0	0	0	0	-5,116	-5,116	0	-5,116
	Value adjustment of bonds at fair value through other comprehensive income	0	0	0	0	0	-29,945	-29,945	0	-29,945
	Fair value adjustment of financial instruments entered into to hedge future cash flows, Value adjustment for the period	0	0	0	1,835	0	0	1,835	0	1,835
	Tax on other comprehensive income	0	0	0	-404	0	6,588	6,184	0	6,184
	Total other comprehensive income	0	2	0	1,431	0	-28,473	-27,040	0	-27,040
	Totalindkomst for regnskabsperioden	0	2	0	1,431	0	129,502	130,935	12,139	143,074
	Purchase of treasury shares	0	0	0	0	0	-9,281	-9,281	0	-9,281
	Sale of treasury shares	0	0	0	0	0	34,939	34,939	0	34,939
	Dividends paid	0	0	0	0	-104,250	162	-104,088	0	-104,088
	Interest paid on hybrid core capital	0	0	0	0	0	0	0	-18,200	-18,200
	Equity at 30.06.2022	173,750	1,417	561,378	1,496	0	2,724,092	3,462,133	379,827	3,841,960

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	H12023	H12022	Financial year 2022
1	Financial highlights			
	Principal items of income statement			
	Net interest income	377	298	627
	Net interest and fee income	701	654	1,304
	Market value adjustments	41	-85	-52
	Staff costs and administrative expenses	396	383	754
	Amortisation, depreciation and impairment losses on assets	24	22	46
	Impairment losses on loans and advances etc	6	-36	-16
	Profit on investments in associates and group enterprises	27	14	14
	Income tax	74	41	107
	Profit for the period	265	170	372
	Principal items of balance sheet			
	Loans and advances	12,169	12,213	11,638
	Securities portfolio	11,259	8,035	11,280
	Deposits including pooled deposits	23,142	22,336	22,626
	Subordinated loan capital	442	621	571
	Equity	4,223	3,842	4,129
	Total assets	30,788	28,442	29,658

Sparekassen Sjælland-Fyn A/S (Parent)			
	H12023	H12022	Financial year 2022
Financial ratios			
Capital ratio ⁵	22.6	22.4	25.1
Core capital ratio ⁵	20.1	18.7	21.9
Return on equity before tax	8.1	5.5	12.1
Return on equity after tax	6.4	4.5	9.4
Operating income over operating expenses	1.78	1.56	1.60
Interest rate risk relative to core capital net of deductions	4.7	0.7	5.1
Currency position relative to core capital net of deductions	1.0	1.3	1.5
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	54.9	56.9	53.8
Loans and advances relative to equity	2.9	3.2	2.8
Growth in loans and advances for the period	4.6	2.1	-2.7
Liquidity, LCR	385	499	372
Total large exposures (<175 %)	81.7	78.6	62.9
Impairment ratio for the period	0.0	-0.2	-0.1
Accumulated impairment ratio ¹	3.3	2.8	3.4
Return on capital employed	0.9	0.6	1.3
Earnings per share (DKK) ³	14.2	9.1	20.0
Book value per share (DKK) ²	218.3	199.8	209.3
Dividend per share (DKK)	-	-	6.0
Price/earnings per share ³	13.2	16.1	9.7
Price/equity per share ²	0.9	0.7	0.9
Share price at end of period	187.4	147.5	193.5
Staff			
Average number of employees for the period converted into full-time employees ⁴	551	544	546

1 Refer to note 9 for a specification of total impairment losses and provisions.

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 H1 2023 and H2 2022 have been calculated exclusive of the profit for the period.

Notes

2 Summary of significant accounting policies

The Interim Report for H1 2023 (parent) has been presented in accordance with IAS 34. The presentation of interim financial statements is consistent with EU provisions and additional Danish disclosure requirements for interim reports of listed financial companies. Applying ISA 34 entails that presentation is more limited than in a complete annual report and that the measurement principles of the International Financial Reporting Standards (IFRS) have been used.

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

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

3 Significant judgements and estimates, assumptions and uncertainties

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

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

Notes

Sparekassen Sjælland-Fyn A/S (Parent)

Note	Amounts in DKK'000	H1 2023	H1 2022
4	Interest income		
	Credit institutions and central banks	46,317	318
	Loans and other amounts owed	309,470	241,980
	Bonds	89,282	23,060
	Total derivatives	16,250	20,413
	Thereof: - Interest rate contracts	16,284	20,594
	- Foreign exchange contracts	-34	-181
	Other interest income	76	0
	Total interest income	461,396	285,770
4a	Negative interest income		
	Credit institutions and central banks	0	9,907
	Bonds	0	3,327
	Total negative interest income	0	13,234
5	Interest expenses		
	Credit institutions and central banks	18,777	381
	Deposits and other debt	45,767	6,895
	Bonds issued	4,214	4,265
	Subordinated loan capital	13,843	14,070
	Other interest expenses	1,297	1,521
	Total interest expenses	83,898	27,132
5a	Positive interest expenses		
	Credit institutions and central banks	0	0
	Deposits and other debt	0	52,979
	Total positive interest expenses	0	52,979

Sparekassen Sjælland-Fyn A/S (Parent)

Note	Amounts in DKK'000	H1 2023	H1 2022
6	Fees and commission income		
	Securities trading and custody accounts	30,182	36,746
	Payment services	37,312	36,535
	Loan fees	18,442	26,470
	Guarantee commission	110,679	115,975
	Custody services	38,969	41,084
	Other fees and commissions	75,563	79,719
	Total fees and commission income	311,148	336,529
7	Market value adjustments		
	Bonds	7,817	-98,957
	Shares	16,289	-2,895
	Investment property	0	3,180
	Foreign exchange	9,239	5,545
	Currency, interest rate, share, commodity and other contracts and derivatives	7,828	7,870
	Assets related to pooled plans	134,542	-313,320
	Deposits in pooled plans	-134,542	313,320
	Total market value adjustments	41,173	-85,257
8	Staff costs and administrative expenses		
	Remuneration of the Board of Directors and Executive Board*		
	Board of Directors and Executive Board	10,074	10,289
	Total	10,074	10,289
	Staff costs		
	Wages and salaries	191,675	189,600
	Pension contributions	21,293	20,245
	Social security expenses	30,521	29,995
	Total staff costs	243,489	239,840
	Other administrative expenses	142,186	133,315
	Total staff costs and administrative expenses	395,750	383,443

* Board of Directors has been reduced from 4 to 3 persons in Q2 2023

Notes

Note	Amounts in DKK'000	Sparekassen Sjælland-Fyn A/S (Parent)	
		H1 2023	H1 2022
9	Impairment losses on loans and advances and other receivables and provisions for guarantees and undrawn credit facilities (impairment account)		
	Stage 1 impairment		
	Balance of stage 1 impairment losses at beginning of period	94,514	103,003
	New impairment losses (net)	1,157	-3,701
	Balance of stage 1 impairment losses at end of period	95,671	99,302
	- Of which amounts owed by credit institutions and central banks	135	248
	- Of which bonds at amortized cost	218	0
	Stage 2 impairment		
	Balance of stage 2 impairment losses at beginning of period	184,140	166,670
	New impairment losses (net)	2,048	551
	Balance of stage 2 impairment losses at end of period	186,188	167,221
	- Of which amounts owed by credit institutions and central banks	685	699
	Stage 3 impairment		
	Balance of stage 3 impairment losses at beginning of period	253,297	265,016
	New impairment losses (net)	16,453	-10,243
	Other changes	8,525	7,200
	Previously written down, now finally written off	28,172	25,555
	Balance of stage 3 impairment losses at end of period	250,103	236,418

Note	Amounts in DKK'000	Sparekassen Sjælland-Fyn A/S (Parent)	
		H1 2023	H1 2022
9	Impairment losses on loans and advances and other receivables and provisions for guarantees and undrawn credit facilities (impairment account)		
	Provisions losses for guarantees and undrawn credit facilities		
	Balance of provisions at beginning of year	91,502	98,284
	New provisions (net)	-5,259	-10,713
	Previously provided for, now finally written off	4,773	3,450
	Balance of provisions at end of period	81,470	84,121
	Total		
	Balance of impairment losses/provisions at beginning of period	623,453	632,973
	Impairment losses/provisions for the period (net)	14,399	-24,106
	Other changes	8,525	7,200
	Finally written off, previously written down/provided for	32,945	29,005
	Balance of impairment losses/provisions at end of period	613,432	587,062
	Impairment losses/provisions for the period (net)	14,399	-24,106
	Written off, not previously written down/provided for	1,745	2,448
	Recovery of claims previously written off	10,280	13,881
	Total recognised in the income statement	5,863	-35,539

Notes

Note	Amounts in DKK'000	Sparekassen Sjælland-Fyn A/S (Parent)		
		30.06.2023	31.12.2022	30.06.2022
10 Assets provided as collateral				
Bonds deposited with Danmarks Nationalbank, clearing centres etc	1,190,124	1,177,409	1,443,261	
Cash deposited with credit institutions, CSA agreements	3,807	3,806	3,806	
Loss limit towards the Danish Growth Fund	258	257	258	
Total	1,194,189	1,181,472	1,447,325	
Unencumbered deposited securities may be released at call				
In reverse transactions, Sparekassen still holds the risk related to the securities. The securities remain on the balance sheet, and the consideration received is recognised as amounts owed to credit institutions. Securities in reverse transactions are accounted for as assets provided as collateral for liabilities. The counterparty is entitled to sell or re-borrow money on the securities received.				
Assets sold in reverse transactions				
Bonds at fair value	1,420,655	905,728	0	
Fair value, reverse transactions	1,424,360	912,069	0	
Net position	3,705	6,341	0	

Note	Amounts in DKK'000	Sparekassen Sjælland-Fyn A/S (Parent)		
		30.06.2023	31.12.2022	30.06.2022
11 Capital resources				
Equity excluding hybrid core capital	3,768,579	3,621,079	3,462,133	
Intangible assets	-91,154	-91,154	-91,154	
Deferred tax assets	0	-2,045	-84,733	
Proposed dividend	0	-104,250	0	
Deduction, capital instruments	-477,466	-360,419	-432,375	
Other additions/deductions	-265,941	45,431	-28,446	
Common Equity Tier 1 capital	2,934,018	3,108,642	2,825,425	
Hybrid core capital	446,000	496,000	376,000	
Core capital (including hybrid core capital) net of primary deductions	3,380,018	3,604,642	3,201,425	
Supplementary capital	441,772	571,247	620,664	
Deductions capital instruments	-24,975	-43,500	0	
Capital resources	3,796,815	4,132,389	3,822,089	
Risk exposures				
Credit risk	14,190,522	13,863,941	14,203,921	
Market risk	321,266	387,133	694,053	
Operational risk	2,297,626	2,181,118	2,181,118	
Total risk exposures	16,809,414	16,432,192	17,079,092	
Capital ratio	22.6	25.1	22.4	
Core capital ratio	20.1	21.9	18.7	
Common Equity Tier 1 capital ratio	17.5	18.9	16.5	
Capital resources, requirement under Section 124(2) of the Danish Financial Business Act	1,344,753	1,314,575	1,366,327	

Sparekassen's capital resources and capital ratios calculated inclusive of transitional scheme and exclusive of net profit for the period at 30.06.2023 and 30.06.2022.

Had net profit for the period, reduced by the target dividend payment stated in the dividend policy, been included in capital resources, the capital ratio, the core capital ratio and the common equity tier 1 capital ratio would have been 1.5 percentage points higher (30.06.2022: capital ratio, core capital ratio and common equity tier 1 capital ratio 0.7 percentage points higher).

Notes

		Sparekassen Sjælland-Fyn A/S (Parent)		
Note	Amounts in DKK'000	30.06.2023	31.12.2022	30.06.2022
11	Capital resources (continued)			
	Solvency capital elements calculated exclusive of transitional scheme			
	Common Equity Tier 1 capital	2,874,487	2,992,648	2,715,015
	Core capital (including hybrid core capital) net of primary deductions	3,320,487	3,488,648	3,091,015
	Capital resources	3,737,285	4,016,395	3,711,679
	Total risk exposures	16,765,279	16,343,708	17,009,258
	Capital ratio	22.3	24.6	21.8
	Core capital ratio	19.8	21.3	18.2
	Common Equity Tier 1 capital ratio	17.1	18.3	16.0

Sparekassen's capital resources and capital ratios calculated inclusive of transitional scheme and exclusive of net profit for the period at 30.06.2023 and 30.06.2022.

Had net profit for the period, reduced by the target dividend payment stated in the dividend policy, been included in capital resources, the capital ratio, the core capital ratio and the common equity tier 1 capital ratio would have been 1.5 percentage points higher (30.06.2022: capital ratio, core capital ratio and common equity tier 1 capital ratio 0.7 percentage points higher).

		Sparekassen Sjælland-Fyn A/S (Parent)	
Note	Amounts in DKK'000	30.06.2023	30.06.2022
12	Bonds at amortised cost		
	Carrying amount of bonds at amortised cost	9,664,633	3,364,211
	Fair value of bonds at amortised cost	9,435,551	3,327,407
	Fair value of bonds at amortised cost compared to carrying amount	-229,082	-36,804

Definitions of official key ratios etc

Return on invested capital

Calculated profit for the year relative to total assets in %

Accumulated impairment ratio

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

Price/earnings per share

Price/earnings per share for the period

Price/equity per share

Price/equity value per share (DKK)

Return on equity before tax

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

Return on equity after tax

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

Common equity tier 1 capital ratio

Common equity tier 1 capital/Risk-weighted exposures

Book value per share (DKK)

Equity/Share capital exclusive of treasury shares

Income/cost ratio (DKK)

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

Capital ratio

Capital resources as a percentage of total risk exposure

Core capital ratio

Core capital as a percentage of total risk exposure

Excess capital adequacy in percentage points

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

Liquidity coverage ratio (LCR)

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

Liquidity benchmark

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

Eligible liabilities (%)

Eligible liabilities as a percentage of total risk exposure

Rate of cost

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

Impairment ratio for the period

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

Earnings per share (DKK)

Profit for the period after tax/Average number of shares

Growth in loans and advances for the period

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

Zero interest loans and advances relative to total loans and advances

Zero interest loans and advances/Total loans and advances

Interest rate risk relative to core capital net of deductions

Interest rate risk as a percentage of core capital

Total large exposures (<175%)

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

Dividend per share (DKK)

Dividend proposed/Share capital

Loans and advances relative to equity

Loans and advances/Equity

Loans and advances and loan impairment losses relative to deposits

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

Currency position relative to core capital net of deductions

Currency indicator 1 as a percentage of core capital

Currency risk relative to core capital net of deductions

Currency indicator 2 as a percentage of core capital

