



# Q1-Q3 2023

## Interim Report

# Q1-Q3 2023 highlights

## PROFIT BEFORE TAX

### Totals DKK 521.1m

Pre-tax profit provides returns on the opening equity at a rate equivalent to 16.8% a year. Net profit stands at DKK 406.7m, equivalent to a return on opening equity of 13.1%.

## PROFIT BEFORE TAX IN Q3 2023

### Up 31%

Pre-tax profit in Q3 2023 comes to DKK 180.3m against DKK 137.7m in Q3 2022.

## CORE EARNINGS

### Up 11%

Q1-Q3 2023 reflect a continuously satisfactory development in core earnings.

## LOANS AND ADVANCES

### Up 1%

Loans and advances have increased by DKK 0.1bn on the 30 September 2022 balance. Since year-end 2022, total loans and advances have gone up by DKK 0.7bn, or 6%. This development has primarily been driven by loans to corporate customer that have increased by over 12% since year-end 2022.

## DEPOSITS

### Up 3%

Deposits have increased by DKK 0.6bn compared to the balance at 30 September 2022 and total DKK 21.3bn.

## NET INTEREST AND FEE INCOME

### Up 8%

Total net interest and fee income is up by DKK 80.4m to stand at DKK 1,083.4m.

## STAFF COSTS AND ADMINISTRATIVE EXPENSES

### Up 3%

Staff costs and administrative expenses have gone up by DKK 20.3m and amount to DKK 599.4m.

## CAPITAL RATIO

### Is 24.3%

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

## IMPAIRMENT LOSSES ON LOANS AND ADVANCES ETC

### Total DKK 19.2m

Despite slightly increasing impairment losses, the credit quality of Sparekassen's customers is still perceived to be fine. In Q3 2023, provisions in the form of management add-ons have increased by DKK 9.6m to a total of DKK 213.7m.

## SHARE BUY-BACK PROGRAMME

### Of up to DKK 100m launched

The share buy-back programme was launched on 10 August 2023 and will end no later than 9 February 2024.

## SPECIFICATION OF EARNINGS EXPECTATIONS TO RANGE BETWEEN

### DKK 680m and DKK 725m before tax

In view of a continuously strong development in earnings in Q3 2023, the pre-tax earnings expectations range for the year has been narrowed.

# Contents

## 2 Management commentary

Q1-Q3 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	10
Financial review of the Group	page	11
Towards New Goals - Sparekassen's 2025 strategy	page	15
Capital structure and liquidity of the Group	page	19
Credit quality categories	page	22
Financial review of the Parent	page	23

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

## 25 Interim financial statements

Statement by Management on the Interim Report	page	26
Income statement	page	27
Statement of comprehensive income	page	27
Balance sheet	page	28
Statement of changes in equity	page	29
Cash flow statement	page	31
Notes	page	32
Parent	page	46
Definitions of official key ratios etc	page	56

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

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# Management commentary

Sparekassen Sjælland-Fyn delivers a pre-tax profit of DKK 521.1m, providing a 16.8% return on opening equity.

## Increasing core earnings

Sparekassen's net interest income has gone up by DKK 138.2m, or 28%, over the first nine months of 2023. This increase reflects the generally higher interest rate levels as a result of Danmarks Nationalbank having raised interest rates several times, last in September 2023. This has, for example, led to increased interest income for Sparekassen from the surplus liquidity placed with Danmarks Nationalbank, and Sparekassen's interest income from loans and advances has gone up as well.

Fee and commission income has gone down by DKK 50.8m, or 10%, on Q1-Q3 2022. Primarily lower activity in the housing market and a lower demand for new residential mortgages and for refinancing of existing mortgage credit loans because of the higher interest rate levels have contributed to the decline in fee and commission income. Moreover, the doubts about the new preliminary public land assessments along with increasing interest rates have led to uncertainty for first-time buyers, among others. This has reduced activities in the housing market. Sparekassen has huge focus on accommodating first-time buyers in so far as this is possible.

Taken together, net interest and fee income has gone up by 8% to DKK 1,083.4m in total. Compared with a 3% increase in staff costs and administrative expenses caused, for example, by the engagement of more specialist competencies along with increased PR costs, Sparekassen has increased its core earnings again in the first three quarters of 2023. Core earnings are up 11% during the period.

## Growth in the corporate customer area

Sparekassen is experiencing handsome growth in the corporate customer segment. Loans to corporate customers have increased by 12% since year-end 2022, which is considered quite positive. This development reflects that Sparekassen is expanding its business with existing corporate customers as well as winning market shares. For example, Sparekassen is seeing a fine ambassador effect with existing customers, which has resulted in more referrals, among them from major corporate and agricultural customers in both Zealand and Funen.

Overall, Sparekassen's loans and advances have increased by DKK 0.1bn compared to Q3

2022 whereas they have gone up by DKK 0.7bn, or 6%, on the balance at year-end 2022.

## Level of impairment losses still low

The credit quality of Sparekassen's private and corporate customers is still strong, and this is attributable, for example, to employment rates remaining high and to the rate of inflation now returning to a normal level after the heavy rises in prices of electricity and gas etc in 2022. This development is supported by an increase in deposits which at 30 September 2023 amounted to DKK 21.3bn, which is 3% up on the amount at 31 December 2022.

At 30 September 2023, impairment losses total DKK 19.2m and so remain low.

In Q3 2023, Sparekassen has increased its management add-ons to DKK 213.7m. This increase represents a continuously conservative approach to the implications of the increasing interest rate levels and the economic forecasts, including the consequences of the geopolitical situation.

On 3 October 2023, the Systemic Risk Council recommended that the Danish Minister for

Industry, Business and Financial Affairs activate a systemic capital buffer of 7% for exposures to property companies effective from 30 June 2024, one of the reasons being the rising interest rate levels. The Minister is required to state his position, within a period of three months from 3 October, on the Council's recommendation. However, the Minister has already stated that the Danish Government intends to follow the recommendation.

For Sparekassen, this is expected to lead to an increase in the capital adequacy requirement of around 0.5 percentage point.

Effective from 30 September 2023, Sparekassen has raised its management add-ons for property companies, and an amount has been earmarked in the capital requirement to cover the recommendation of the Systemic Risk Council.

## Towards New Goals

Sparekassen has – as a step in its four-year strategy “Towards New Goals” – started some internal strategic initiatives that are designed, for example, to free up 90,000 hours for customer service. This work is proceeding as

planned. At the end of Q3 2023, 98,000 hours' worth of optimisation initiatives had been identified.

As part of the "Towards New Goals" strategy, Sparekassen has also defined a series of financial objectives, among them, that shareholders' cash dividend is to be at least 25% of Sparekassen's profit. Another objective has been to increase total distribution by means of share buy-backs. This objective is now being met in that Sparekassen launched a share buy-back programme on 10 August amounting to up to DKK 100m.

The share buy-back will end no later than 9 February 2024 and reflects that Sparekassen wants to pursue an attractive shareholder policy and consider both existing and potential shareholders.

### Outlook for 2023

In June 2023, Sparekassen adjusted its pre-tax earnings expectations range for the year upward from DKK 550-650m to DKK 650-725m. In view of sustained strong earnings in Q3 2023, the pre-tax earnings expectations range for the year has been narrowed to DKK 680-725m.

**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'000	30.09 2023	30.09 2022	Index <sup>1</sup>	Year-end 2022
<b>Income statement items</b>				
Interest income calculated under the effective interest method	603,504	384,372	157	530,620
Other interest income	156,804	82,676	190	133,131
Negative interest income	-	14,963	-	14,963
Interest expenses	136,659	40,094	341	63,917
Positive interest expenses	-	73,489	-	74,671
<b>Net interest income</b>	<b>623,649</b>	<b>485,480</b>	<b>128</b>	<b>659,542</b>
Dividends on shares	19,739	26,451	75	26,451
Fees and commission income	451,764	502,517	90	664,661
Fees and commission expenses paid	11,796	11,513	102	15,547
<b>Net interest and fee income</b>	<b>1,083,356</b>	<b>1,002,935</b>	<b>108</b>	<b>1,335,107</b>
Translation and market value adjustments	63,078	-83,269	-	-73,492
Other operating income	13,768	11,864	116	16,030
Staff costs and administrative expenses	599,352	579,086	103	771,235
Amortisation, depreciation and impairment losses on intangible assets and property, plant and equipment	36,038	27,824	130	32,930
Other operating expenses	21,030	12,625	167	18,867
Impairment losses on loans and advances etc	19,187	-30,934	-	-15,952
Investments in associates and group enterprises	36,468	8,063	452	11,481
<b>Profit for the year before tax</b>	<b>521,063</b>	<b>350,992</b>	<b>148</b>	<b>482,046</b>
Income tax	114,340	74,589	153	110,281
<b>Profit for the year after tax</b>	<b>406,723</b>	<b>276,403</b>	<b>147</b>	<b>371,765</b>
<b>Profit allocated to shareholders</b>	<b>374,955</b>	<b>258,095</b>	<b>145</b>	<b>345,651</b>

## Sparekassen Sjælland-Fyn A/S (Group)

Amounts in DKK'm	30.09 2023	30.09 2022	Index <sup>1</sup>	Year-end 2022
<b>Balance sheet items</b>				
Loans and advances etc	12,390	12,324	101	11,690
Deposits	21,302	20,665	103	20,673
Deposits in pooled plans	1,968	1,983	99	1,976
Total deposits	23,270	22,649	103	22,649
Subordinated loan capital	596	621	96	571
Equity	4,350	3,911	111	4,129
Balance sheet total	30,570	28,529	107	29,631
Capital resources	3,735	3,755	99	4,133
Guarantees	5,121	6,412	80	5,613
Total credits arranged	60,917	60,558	101	59,946
Custody accounts	15,177	12,809	118	13,771

## Developments in Sparekassen's business areas

Loans and advances etc	12,390	12,324	101	11,690
Totalkredit	35,097	35,531	99	35,080
DLR	13,430	12,703	106	13,176
Guarantees (exclusive of loss guarantees for mortgage loans)	2,968	3,928	76	3,213
Deposits	21,302	20,665	103	20,673
Deposits in pooled plans	1,968	1,983	99	1,976
Custody accounts	15,177	12,809	118	13,771
<b>Total</b>	<b>102,332</b>	<b>99,943</b>	<b>102</b>	<b>99,579</b>
Average headcount (full-time employees on average)	552	544	101	546
Per employee	185	184	101	182

<sup>1</sup> Index:: 30.09.2023 relative to 30.09.2022.

# Financial ratios

## Sparekassen Sjælland-Fyn A/S (Group)

	30.09 2023	30.09 2022	Index <sup>1</sup>	Year-end 2022
<b>Financial ratios</b>				
Capital ratio <sup>2</sup>	22.1	22.3	99	25.1
Core capital ratio <sup>2</sup>	19.0	18.6	102	21.9
Common equity Tier 1 capital <sup>2</sup>	16.6	16.4	101	18.9
Excess capital adequacy in percentage points <sup>2</sup>	11.3	11.6	97	14.2
Return on equity before tax (for the period)	12.3	9.1	135	12.2
Return on equity after tax (for the period)	9.6	7.2	133	9.4
Income/cost ratio DKK	1.77	1.60	111	1.60
Rate of cost	59.8	61.1	98	60.9
Interest rate risk relative to core capital net of deductions	4.4	0.4	1,100	5.2
Currency position relative to core capital net of deductions	1.3	1.5	87	1.5
Currency risk relative to core capital net of deductions	0.0	0.0	-	0.0
Loans and advances relative to equity	2.8	3.2	88	2.8
Loans and advances plus loan impairment losses relative to deposits	55.6	56.8	98	54.0
Growth in loans and advances for the for the period	6.0	2.1	286	-3.1
Impairment ratio for the for the period	0.1	-0.2	-	-0.1
Accumulated impairment ratio	3.4	3.1	110	3.5
Zero interest loans and advances relative to total loans and advances	0.3	0.1	300	0.2
Liquidity benchmark	563	472	119	481
Liquidity LCR	435	377	115	372
Total large exposures	85.1	78.7	108	62.9
Return on invested capital	1.4	1.0	140	1.3
Earnings per share (DKK) <sup>3</sup>	21.7	14.9	146	20.0
Dividend per share (DKK)	0.0	0.0	-	6.0
Book value per share (DKK)	225.7	203.2	111	209.3
Price/earnings per share <sup>3</sup>	9.1	10.2	89	9.7
Price/equity per share <sup>4</sup>	0.9	0.8	113	0.9
Price at year-end (DKK)	197.4	153.0	129	193.5
Average headcount (full-time employees on average) <sup>5</sup>	552	544	101	546
Average headcount (converted into full-time employees at year-end) <sup>5</sup>	558	553	101	555

1 Index: 30.09.2023 relative to 30.09.2022.

2 30.09.2023 and 30.09.2022 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 2.2 pct. points higher. (30.09.2022: capital ratio, core capital ratio, actual core capital ratio, and capital transfer 1.0 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.

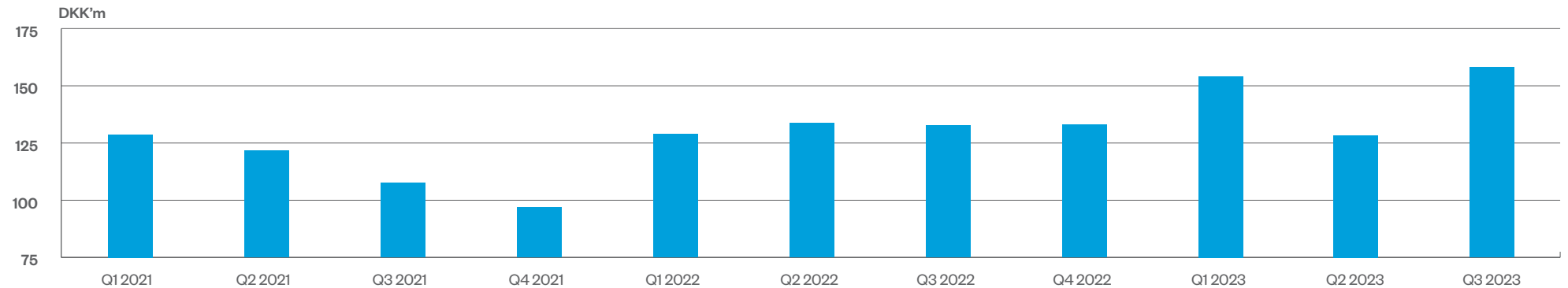


# Core earnings

## Sparekassen Sjælland-Fyn A/S (Group)

Amounts in DKK'm	YTD 2023	Q3 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
<b>Core earnings</b>														
Net interest income	623.6	226.6	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	0.0	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	451.7	142.4	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	11.7	3.8	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	13.8	3.9	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	21.0	6.4	7.5	7.1	18.9	6.2	4.3	3.9	4.4	19.7	6.2	4.3	6.5	2.7
<b>Core income</b>	<b>1,076.1</b>	<b>362.7</b>	<b>345.1</b>	<b>368.3</b>	<b>1,332.2</b>	<b>330.2</b>	<b>333.7</b>	<b>345.5</b>	<b>323.0</b>	<b>1,213.5</b>	<b>292.7</b>	<b>295.2</b>	<b>314.8</b>	<b>311.0</b>
Staff costs and administrative expenses	599.4	194.4	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	36.0	10.2	13.8	12.0	32.9	5.1	12.9	7.7	7.3	35.8	7.0	11.4	8.2	9.2
<b>Core earnings</b>	<b>440.7</b>	<b>158.1</b>	<b>128.4</b>	<b>154.2</b>	<b>528.1</b>	<b>133.0</b>	<b>132.7</b>	<b>133.7</b>	<b>128.8</b>	<b>454.7</b>	<b>96.9</b>	<b>107.5</b>	<b>121.7</b>	<b>128.7</b>

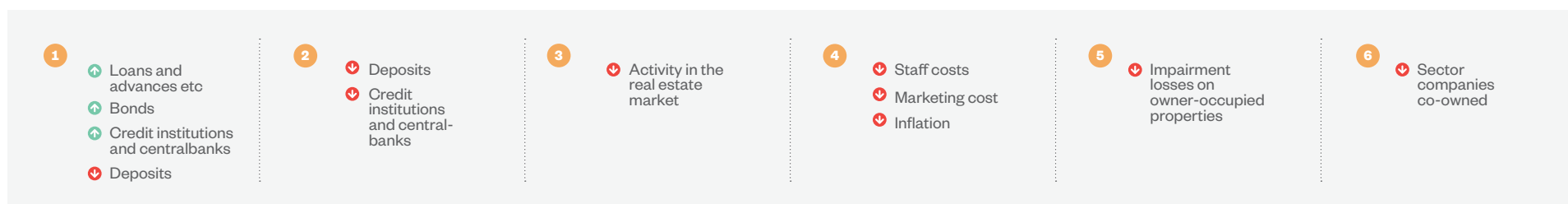
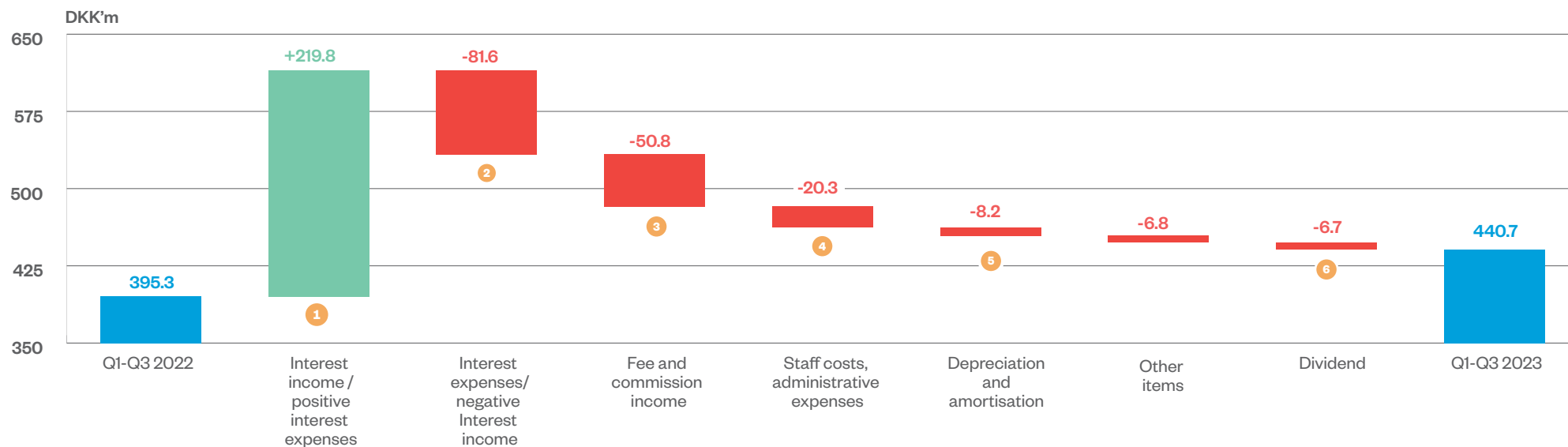
## Quarterly development in core earnings





# Core earnings

## 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 30.09.2023	Group at 30.09.2022
<b>The total of large exposures</b> as a percentage of common equity tier 1 capital	<b>&lt;175 %</b>	<b>85.1 %</b>	<b>78.7 %</b>
<b>Loan growth per annum</b>	<b>&lt;20 %</b>	<b>0.5 %</b>	<b>1.7 %</b>
<b>Property exposure of loans</b> advances and guarantees	<b>&lt;25 %</b>	<b>11.4 %</b>	<b>10.6 %</b>
<b>Liquidity benchmark</b>	<b>&gt;100 %</b>	<b>562.8 %</b>	<b>472.0 %</b>

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

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



# Financial review of the Group

## Q1-Q3 2023

Profit before tax amounts to DKK 521.1m against DKK 351.0m after Q3 2022, corresponding to an increase of 48%.

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 11% on Q1-Q3 2022 and total DKK 440.7m.

Total translation and market value adjustments have seen a positive development and stand at DKK 63.1m. By comparison, these adjustments were negative by DKK 83.3m in the same period in 2022.

Also, the line item of impairment losses has seen an increase of DKK 19.2m compared to a reversal of DKK 30.9m in the same period last year. However, 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 the rest of 2023 have developed more positively than forecasted, for which reason Sparekassen has adjusted its pre-tax earnings expectations upwards – twice – during the year. The last time being in company announcement no 15/2023 of 26 June 2023 when they were adjusted from ranging between DKK 550m and DKK 650m to ranging between DKK 650m and DKK 725m. In view of sustainedly strong developments in earnings in Q3 2023, the pre-tax earnings

expectations range for the year has been narrowed to DKK 680-725m.

Net profit stands at DKK 406.7m, equivalent to an annual return on opening equity of 13.1%.

The financial performance is considered satisfactory.

## Income statement

### Net interest income

Net interest income has increased by DKK 138.2m, or 28%, and amounts to DKK 623.6m against DKK 485.5m after Q3 2022.

Total interest income has seen an increase of DKK 293.3m and amounts to DKK 760.3m. 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 for instance up by DKK 78.6m, 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 89.1m, 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 140.0m to DKK 522.6m. This is primarily a result of increasing interest rates that Sparekassen adjusts to Danmarks Nationalbank's continuous increases in interest rate levels.

At 30 September 2023, loans and advances have gone up by around DKK 0.1bn on the same date last year. 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 in connection with refinancing, which has reduced the volume of residential mortgages on Sparekassen's own books. Also, a decline in activity is seen with respect to the funding of private households' purchases of land, construction projects and bridging loans to buy a new home. Conversely, there has been an increase in car loans, with Sparekassen's highly competitive electric car loans being popular among the customers. Sparekassen expects contained positive loan growth in the quarters ahead.

Interest income from derivatives stands at DKK 23.4m against DKK 38.3m for the same period last year, and other interest income amounts to DKK 0.9m against DKK 0.3m at 30 September 2022.

Sparekassen has no negative interest income after Q3 whereas it stood at DKK 15.0m for the same period last year. 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 96.6m to DKK 136.7m. 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, resulting in a DKK 66.2m increase in interest expenses for deposits. Moreover, interest expenses for credit institutions have gone up by DKK 32.2m. This increase is primarily attributable to repo transactions with other credit institutions.

Sparekassen discontinued negative deposit rates in the autumn of 2022, which is the reason why there has not been any positive interest expenses in 2023. At 30 September 2022, positive interest expenses amounted to DKK 73.5m.

### Dividend

In Q1-Q3 2023, Sparekassen received DKK 19.7m in dividends, which is DKK 6.7m less than in the same period last year. Generally, Sparekassen primarily receives dividends from the sector companies that we co-own. So, the decline is a result of lower dividends paid by these sector companies.

### Fee and commission income

Fee and commission income is down by DKK 50.8m, or 10%, to stand at DKK 451.8m. 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 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. Loan application fees and brokerage fees related to property transactions and loan conversions therefore continue to reflect a downward trend.

#### **Translation and market value adjustments**

The first three quarters of 2023 have been affected by positive translation and market value adjustments of DKK 63.1m whereas in the same period in 2022 they were negative by DKK 83.3m. 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 the first three quarters of 2023 been subjected to fair value adjustment through profit or loss. Market value adjustments of bonds to fair value through profit or loss stand at a positive DKK 9.5m compared to a negative DKK 98.0m for the same period last year. In Q1-Q3 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 DKK 33.6m compared to DKK 11.5m for the same period last year. These adjustments 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 20.0m against DKK 3.2m for the same period in 2022.

#### **Other operating income**

Other operating income stands at DKK 13.8m against DKK 11.9m 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 20.3m and amount to DKK 599.4m, equalling an increase of just over 3%. As an underlying element, staff costs inclusive of remuneration for the Executive Board and the Board of Directors have gone up by a total of 2% to DKK 372.9m. For the first three quarters of 2022, this line item included, quite extraordinarily, a non-recurring amount for the employees' contribution in the continued consolidation of Sparekassen, and adjusted for this the increase in staff costs would have been higher. 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 11.5m to DKK 226.5m, or 5%. The line item is affected by the recent year's general rise in prices and high rate of inflation along with increased PR costs to promote Sparekassen, and increased costs to instruct and train staff.

#### **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 36.0m, which is an increase of DKK 8.2m 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 19.2m as opposed to a reversal of impairment losses of DKK 30.9m 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 IFRS 9 impairment losses have an adverse effect on profit or loss, whereas management add-ons affect profit or loss positively. When looking at developments from 30 June 2023 to 30 September 2023 separately, management add-ons have increased though, and this is primarily attributable to increased provisions related to exposures to property companies.

Although the impairment item reflects a negative trend – and particularly in view of a continuously low level of individual impairment losses – impairment losses at the level of DKK 19.2m must be considered small in a historical perspective. So, it is still Sparekassen's overall view that the credit quality of its customers is quite satisfactory.

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

the situation in Ukraine and the Middle East, the rate of inflation, and the implications of the rising interest rates. These are all factors that Sparekassen estimates may have a bearing on certain customers' future ability to pay. As a result, management add-ons at 30 September 2023 remain at a relatively conservative level in that they stand at DKK 213.7m compared to DKK 204.1m at 30 June 2023 and DKK 220.9m at 31 December 2022.

In Sparekassen's view, the level of management add-ons still 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 36.5m compared to DKK 8.1m for the same period last year. Normally, this line item mainly relates to Sparekassen's stake in Lollands Bank and the continuous value adjustment to equity value thereof. However, the increase in the profit from these investments mainly results from a non-recurring income from Sparekassen's stake in Investeringsselskabet Finance Zealand that was received in 2023.

#### **Profit for the period**

Pre-tax profit at 30 September 2023 comes to DKK 521.1m against DKK 351.0m at the same date in 2022. Net profit amounts to DKK 406.7m against DKK 276.4m for the same period in 2022. DKK 31.8m 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 375.0m.

The financial performance is considered 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

This line item stands at DKK 2.4bn compared to DKK 2.2bn at the same date last year. Sparekassen's business has for some years been characterised by a considerable deposit surplus, amounting to DKK 8.9bn, exclusive of deposits in pooled plans, at 30 September 2023. The primary placement channels for this type of liquidity are mortgage credit bonds and the current account. The current account makes up the main portion of this line item.

#### Bonds

The total bond portfolio stands at DKK 10.2bn compared to DKK 9.4bn at the same date last year. The increase is mainly 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 September 2022.

As a consequence of having had considerable surplus liquidity for many years, Sparekassen has since the beginning of Q2 2022 been administering most of the bond portfolio in such manner that focus is 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 0.5bn at 30 September 2023. Thereof, bonds at fair value through profit or loss account for DKK 0.1bn and bonds at fair value through other comprehensive income account for DKK 0.4bn. Please also refer to note 17 on page 42.

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 75% 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 September 2023 against DKK 7.1bn at 30 September 2022. At 30 September 2023, the difference between carrying amount and fair value was DKK 188.5m. 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 45 for supplementary information. At 30 September 2023, Sparekassen has allocated DKK 72m 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 and to a larger deposit surplus.

#### Loans and advances

The balance of loans and advances totals DKK 12.4bn at 30 September 2023, representing a marginal increase of DKK 0.1bn on the balance at 30 September 2022. Since year-end 2022, total loans and advances have gone up by 6%. As an underlying element, loans to corporate customers have increased by 12% and loans

to private customers by 1%. Particularly the increase in loans to corporate customers since year-end 2022 is satisfactory.

Generally, the development in on-balance sheet loans and advances should, however, be compared with developments in mortgage credit loans arranged by Sparekassen. At 30 September 2023, total credits arranged have increased by 1% on the level at 30 September 2022 – even though many customers primarily used the price decreases on mortgage credit bonds to reduce their outstanding debts primarily in 2022. Total credits arranged have since year-end 2022 seen an increase of almost 2%, or around DKK 1.0bn.

#### Shares

The total portfolio of shares stands at DKK 908.5m compared to DKK 857.1m 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 292.9m and primarily relate to the block of

#### Total credits arranged

	30.09.2023	2022	30.09.2022	2021	2020	2019
	DKK'm	DKK'm	DKK'm	DKK'm	DKK'm	DKK mio.
Loans and advances etc, Sparekassen	12,390	11,690	12,324	12,067	11,951	12,217
Totalkredit	35,097	35,080	35,531	34,980	32,331	29,811
DLR	13,430	13,176	12,703	12,639	11,794	10,250
<b>Total</b>	<b>60,917</b>	<b>59,946</b>	<b>60,558</b>	<b>59,686</b>	<b>56,076</b>	<b>52,278</b>

shares of over 20% of the share capital in Lollands Bank.

#### Land and buildings

Land and buildings total DKK 579.5m against DKK 549.5m at 30 September 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 DKK 0.6bn to DKK 21.3bn, or 3%. This development is primarily attributable to an increase in private customer deposits. 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 596.2m against DKK 621.0m at 30 September 2022.

The reduction reflects Sparekassen's September 2023 issuance of DKK 155m in subordinated capital and the December 2022 and June 2023 settlements 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 4,349.5m at the balance sheet date against DKK 3,910.9m at 30 September 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 Q3 2023

Net interest income has gone up by DKK 55.9m to DKK 226.6m compared to the same period in 2022. This development has been caused by an increase in interest income from loans and advances of DKK 69.8m and from bonds of DKK 22.8m. Also, interest income from credit institutions and central banks is up by DKK 32.4m, 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 20.7m and interest expenses for deposits are up by DKK 27.3m. This development is primarily a consequence of interest rates having increased in 2022 and 2023. Interest expenses for credit institutions are up by DKK 13.8m and amount to DKK 13.9m, primarily resulting from repo transactions with other credit institutions.

Fee and commission income stands at DKK 142.4m against DKK 166.9m for Q3 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 204.6m.

Aggregate core earnings in Q3 2023 have gone up to DKK 158.1m, corresponding to a 19% increase on the same period in 2022. The main reason for this increase is the positive development in net interest income and contained growth in costs.

Translation and market value adjustments stand at DKK 26.7m against DKK 12.3m in Q3 2022, with adjustments of all the underlying asset items having seen a positive development from Q3 2022.

Q3 2023 impairment losses on loans and advances etc amount to DKK 13.2m against DKK 4.5m in the same period last year. Q3 in both 2022 and 2023 is affected by low individual impairment losses and an increase in management add-ons and in IFRS 9 impairment losses.

Pre-tax profit for Q3 2023 then amounts to DKK 180.3m against DKK 137.7m for the same quarter last year. Net profit stands at DKK 141.5m against DKK 106.3m for Q3 2022.

The development in financial performance for Q3 2023 is considered satisfactory.

# Sparekassen's 2025 strategy

## Towards New Goals

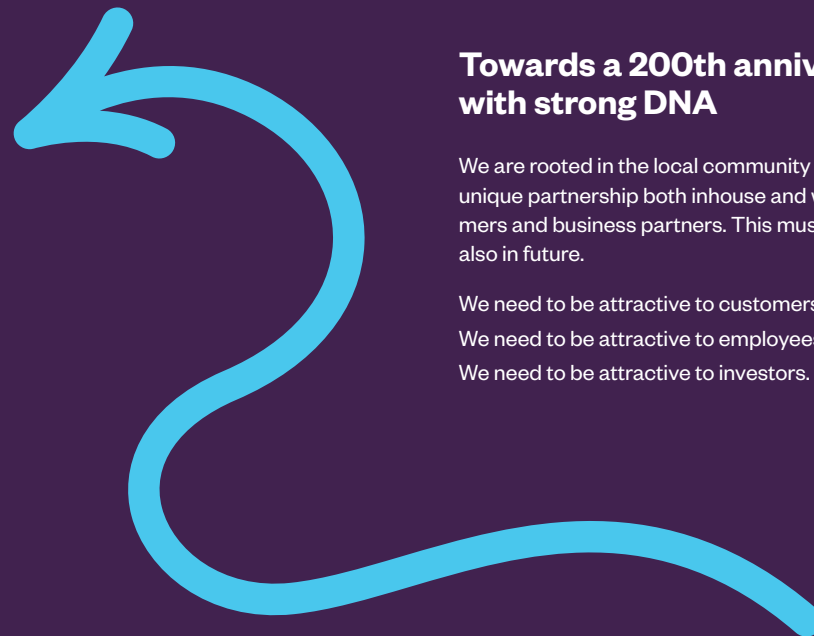


The purpose of Sparekassen is to help make Zealand and Funen a better place to live, work and operate.

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 2023

We work with a wide range of initiatives which have as their common denominator that it must be made easier and even more attractive to be both a customer and an employee with Sparekassen - in the short term as well as the long term. In the first three quarters of 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.
- As co-founder of Sjællands Udviklingsalliance (the Zealand Development Alliance), held "Udviklingskonferencen 2023" (Development Conference 2023) with focus on tomorrow's production of energy, green business opportunities, the development of strong local communities, etc.



### 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.
- Implemented a new Marketing Automation platform.



### 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.
- Launched an internal quality assurance module (line and staff) with focus on operation management and a consistent approach to solving tasks as a basis for future optimisation opportunities.



### Data and decision support

- Developed new internal self-service solutions that have, for example, automated data extraction tasks in Sparekassen's staff functions.
- Converted existing systems and data solutions over to Power BI.



### Staff support and governance

- Implemented new systems, among them an improved system for reporting operational events, to optimise some internal work processes and free up time for customer-oriented activities.
- Improved and re-launched Sparekassen's management model designed to increase efficiency and speed in handling projects from the strategic to the operational level.



### 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.

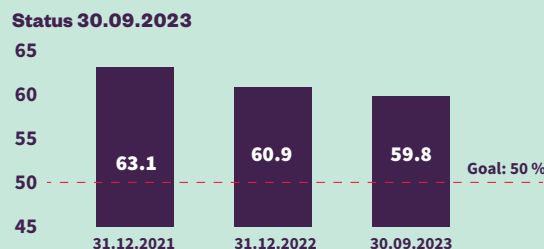
## Financial targets

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:

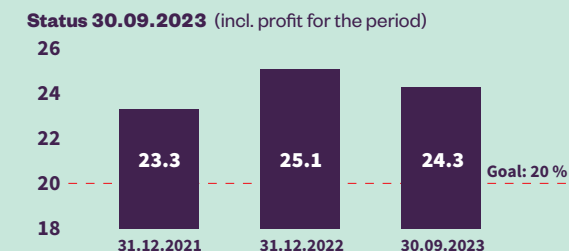
### Increased efficiency

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.



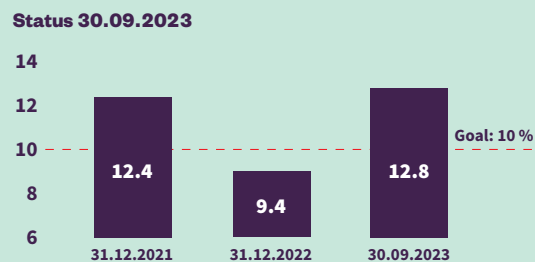
### Solid foundation

Our capital ratio must be no less than 20%.



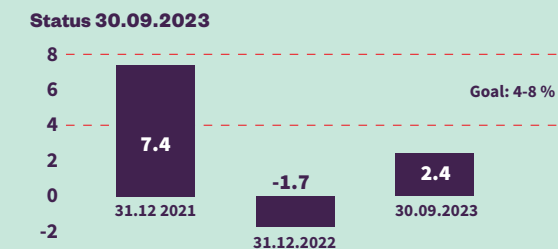
### Solid profitability

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 September 2023, capital resources are DKK 20m smaller than at 30 September 2022 and amount to DKK 3,735m. The primary reasons for the decline are settlement of supplementary capital, launching of the share buy-back programme, 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)

	30.09. 2023	31.12. 2022	30.09. 2022
Common equity tier 1 capital	2,801	3,109	2,758
Core capital (including hybrid core capital)	3,206	3,605	3,134
Capital resources	3,735	4,133	3,755

Sparekassen's risk exposures total DKK 16,870m against DKK 16,854m at 30 September 2022, which is an increase of DKK 46m. Credit risk is up DKK 31m. As an underlying element, there has been an increase related to bonds at amortised cost of DKK 254m that is counter-balanced by a reduction in other exposures and the weighting thereof. Market risk has gone down by DKK 108m 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)

	30.09. 2023	31.12. 2022	30.09. 2022
Credit risk	14,224	13,845	14,193
Market risk	312	387	420
Operational risk	2,333	2,211	2,211
Total	16,870	16,443	16,824

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 22.1% against 22.3% at 30 September 2022. The core capital ratio has gone up by 0.4 percentage point on the same date last year and stands at 19.0% whereas the common equity tier 1 capital ratio is up 0.2 percentage point to 16.6%.

### Capital ratios (%)

	30.09. 2023	31.12. 2022	30.09. 2022
Capital ratio	22.1	25.1	22.3
Core capital ratio (Including hybrid core capital)	19.0	21.9	18.6
Common equity tier 1 capital ratio	16.6	18.9	16.4

The capital requirement has been calculated at 10.8%, leading to an excess capital adequacy ratio of 11.3 percentage points. In Danish kroner, this excess is equivalent to DKK 1,913m.

The combined buffer requirement has been calculated at 5.0 percentage points after the countercyclical capital buffer was raised by 0.5 percentage point 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 6.3 percentage points. In Danish kroner, this excess is equivalent to DKK 1,070m.

The capital requirement has declined compared to recent quarters, and this is primarily due to interest rate risks on bonds outside the trading portfolio.

### 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 Sparekassen. The MREL requirement will be recalculated once a year and be determined relative to Sparekassen'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		16,870
Total requirement (adjusted)	15.60	2,632
Capital resources	22.14	3,735
SNP loans	2.25	379
	24.39	4,114
Combined buffer requirement	-5.00	-844
Total eligible liabilities	19.39	3,271
MREL excess cover	3.79	639

Net of adjustment of the phased-in requirement using the latest figures, Sparekassen is at 30 September 2023 meeting the MREL requirement with a margin of 3.8 percentage points based on current capital resources and the MREL capital issued (senior non-preferred bonds). With the current capital resources and MREL capital, the fully phased-in MREL requirement is met with a margin of 2.5 percentage points. With Sparekassen's current and expected development in its capital resources, the phase-in established, and the development in risk-weighted exposures, we do not expect to face any challenges in meeting the requirement for eligible liabilities in future either. Sparekassen intends to regularly evaluate the opportunities for optimising the composition of the capital and liability instruments that meet the MREL requirement.

**Capital measure**

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

**Liquidity**

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

At the end of Q3 2023, Sparekassen has a deposit surplus of DKK 8.9bn exclusive of deposits in pooled plans. Its deposits are primarily



made by private customers and small business operators. There are no large single deposits of 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 September 2023, Sparekassen's LCR is 435% against the applicable statutory requirement of a minimum LCR of 100%. So, the excess LCR relative to the statutory requirement is 335 percentage points.

**LCR (DKK'm)**

	30.09. 2023	31.12. 2022	30.09. 2022
Total liquidity buffer	8,913	7,993	8,152
Net outflow	2,050	2,148	2,162
LCR %	435	372	377

Given the current excess liquidity coverage, and even without regularly optimising the composition of liquid assets to improve the LCR, Sparekassen expects to have a solid

excess cover for this liquidity requirement also in future.

**Liquidity surplus according to the Supervisory Diamond benchmark**

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

Sparekassen has a liquidity benchmark that has been calculated at 563% 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 (%)**

	30.09. 2023	31.12. 2022	30.09. 2022
Liquidity benchmark	11,732	11,683	10,797
Net outflow	2,085	2,431	2,287
LCR %	563	481	472

**Liquidity target**

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

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

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

**Net Stable Funding Ratio (NSFR)**

The NSFR 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 208% at 30 June 2003, Sparekassen is in compliance with the new requirement with a healthy margin.

**NSFR (DKK'm)**

	30.09. 2023	31.12. 2022	30.09. 2022
Required stable funding	12,518	12,005	12,331
Available stable funding	26,001	25,260	24,287
NSFR %	208	210	197

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)

	30.09.2023		2022		2021		2020		2019	
	DKK'm	%	DKK'm	%	DKK'm	%	DKK'm	%	DKK'm	%
3 / 2a – Loans, advances and guarantees with normal credit quality	10,204	58.3	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	6,056	34.6	5,576	32.2	6,681	34.6	6,911	36.2	6,424	33.9
2c – Loans, advances and guarantees with substantial weaknesses	827	4.7	702	4.1	715	3.7	911	4.8	1,058	5.6
1 – Loans, advances and guarantees with objective evidence of impairment	423	2.4	434	2.5	431	2.2	578	3.0	704	3.7
<b>Total</b>	<b>17,510</b>	<b>100.0</b>	<b>17,303</b>	<b>100.0</b>	<b>19,307</b>	<b>100.0</b>	<b>19,077</b>	<b>100.0</b>	<b>18,954</b>	<b>100.0</b>

Loans, advances, and guarantee debtors by sector

	30.09.2023	2022	2021	2020	2019
	%	%	%	%	%
<b>Loans, advances, and guarantee debtors by sector</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.4</b>
<b>Business</b>					
Agriculture, hunting, forestry and fisheries	10.3	9.7	9.1	8.5	8.2
Industry and extraction of raw materials	3.1	3.2	2.4	2.3	2.1
Energy supply	0.4	0.3	0.2	0.2	0.1
Building and construction	5.8	5.7	5.9	6.0	5.3
Trade	7.0	7.0	5.3	4.8	5.8
Transport, hotels and restaurants	2.5	2.3	1.9	1.8	1.9
Information and communication	0.8	0.9	0.7	0.9	0.8
Financing and insurance	5.3	5.1	5.0	4.7	5.3
Real property	9.8	9.0	9.4	9.3	9.9
Other business	8.7	7.5	6.1	6.3	7.0
<b>Total business</b>	<b>53.7</b>	<b>50.6</b>	<b>46.0</b>	<b>44.8</b>	<b>46.3</b>
Private	46.2	49.3	53.9	55.1	53.3
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

# Financial review of the Parent

## Q1-Q3 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 49% to stand at DKK 518.4m against DKK 347.5m for the same period 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 15% on Q1-Q3 2022 and total DKK 429.0m.

Total translation and market value adjustments have increased to a positive DKK 69.3m from a negative DKK 67.0m measured against the same period last year.

Also, the line item of impairment losses has seen an increase of DKK 17.8m compared to a reversal of DKK 32.1m in the same period last year. Despite increasing impairment losses, the general credit quality of Sparekassen's customers is still perceived to be fine.

Net profit stands at DKK 406.7m, equivalent to an annual return on opening equity of 13.1%. The financial performance is considered satisfactory.

## Income statement

### Net interest income

Net interest income has increased by DKK 134.1m, or 29%, and amounts to DKK 595.1m against DKK 461.0m after Q3 2022.

Total interest income has seen an increase of DKK 289.6m and amounts to DKK 733.1m. 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 78.4m, 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 89.1m, 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 136.7m to DKK 496.1m. This is primarily a result of increasing interest rates that Sparekassen adjusts to Danmarks Nationalbank's continuous increases in interest rate levels. At 30 September 2023, loans and advances have gone up by around DKK 0.2bn on the same date last year. The development

in loans and advances represents a general increase in loans to corporate customers and a decline in those to private customers. Sparekassen expects contained positive loan growth in the quarters ahead.

Sparekassen has no negative interest income after Q3 whereas it stood at DKK 15.0m for the same period last year. 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 96.5m to DKK 138.1m. 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, resulting in a DKK 66.2m increase in interest expenses for deposits. Moreover, interest expenses for credit institutions have gone up by DKK 32.2m. This increase is primarily attributable to repo transactions with other credit institutions.

Sparekassen discontinued negative deposit rates in the autumn of 2022, which is the reason why there has not been any positive interest expenses in 2023. At 30 September 2022, positive interest expenses amounted to DKK 74.0m.

## Dividend

In Q1-Q3 2023, Sparekassen received DKK 19.7m in dividends, which is DKK 6.6m less than in the same period last year. Generally, Sparekassen primarily receives dividends from the sector companies that we co-own. So, the decline is a result of lower dividends paid by these sector companies.

## Fee and commission income

Fee and commission income is down by DKK 49.4m, or 10%, to stand at DKK 454.5m. 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 and commission 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 first three quarters of 2023 have been affected by positive translation and market value adjustments of DKK 69.3m whereas in the same period in 2022 they were negative by DKK 67.0m. 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 the first three quarters of 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 9.5m compared to a negative DKK 97.6m for the same period last year. In Q1-Q3 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 DKK 33.6m compared to DKK 11.5m for the same period last year. These adjustments 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 26.2m against DKK 19.2m for the same period in 2022.

#### **Staff costs and administrative expenses**

Staff costs and administrative expenses have gone up by DKK 17.8m and amount to DKK 585.6m, equalling an increase of 3%. As an underlying element, staff costs inclusive of remuneration for the Executive Board and the Board of Directors have gone up by a total of 2% to DKK 372.5m. For the first three quarters of 2022, this line item included, quite extraordinarily, a non-recurring amount for the employees' contribution in the continued consolidation of Sparekassen, and, adjusted for this, the increase in staff costs would have been higher. 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 9.2m, or 5%, to DKK 213.1m. The item is affected by the recent year's general rise in prices and high rate of inflation along with increased PR costs to promote Sparekassen, and increased costs to instruct and train staff.

#### **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 36.7m, which is an increase of DKK 2.3m on the same period last year.

#### **Impairment losses on loans and advances etc**

Impairment losses stand at DKK 17.8m as opposed to a reversal of impairment losses of DKK 32.1m in the same period in 2022. Compared to the same period last year, individual impairment losses and IFRS 9 impairment losses have an adverse effect on profit or loss, whereas management add-ons affect profit or loss positively. When looking at developments from 30 June 2023 to 30 September 2023 separately, management add-ons have increased though, and this is primarily attributable to increased provisions related to exposures to property companies. At 30 September 2023, management add-ons come to DKK 213.7m.

Although the impairment item reflects a negative trend, impairment losses at the level of DKK 17.8m must be considered small in a historical perspective. So, it is still Sparekassen's overall view that the credit quality of its customers is satisfactory.

#### **Profit from investments in associates and group enterprises**

Profit from investments in associates and group enterprises stands at DKK 37.9m compared to DKK 7.8m at the same date last year. Normally, this line item mainly relates to Sparekassen's stake in Lollands Bank, the continuous value adjustment to equity value thereof, and the results of Sparekassen's subsidiaries. However, the increase in the profit from investments in the current financial year mainly results from a non-recurring income from Sparekassen's stake in Investeringsselskabet Finance Zealand that has been received in 2023.

#### **Profit for the period**

Pre-tax profit amounts to DKK 518.4m against DKK 347.5m for the same period in 2022. Net profit stands at DKK 406.7m against DKK 276.4m for the same period in 2022.

The financial performance is considered satisfactory.



# Interim financial statements

Q1-Q3 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 September 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 September 2023 and of their financial performance and the consolidated cash flows for the period 1 January to 30 September 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 2 November 2023

## Executive Board

Lars Petersson  
Chief Executive Officer

Lars Bolding  
Savings Bank Director

Jan Mark Kolbye Jensen  
Savings Bank Director

## Bestyrelsen

Jakob Nørrekjær Andersson  
Chairman

Erik Larsen  
Vice-Chairman

Torben Dalby Larsen

Liselotte Munk Poulsen

Otto Frederik Spliid

Per Sønderup

Per Olsen

Helle Lindhof Bjørnøe

Mads Wallin

## Income statement

		Sparekassen Sjælland-Fyn A/S (Group)			
Note	Amounts in DKK'000	Q1-Q3 2023	Q1-Q3 2022	Q3 2023	Q3 2022
4	Interest income calculated using the effective interest method	603,504	384,372	229,022	126,419
4	Other interest income	156,804	82,676	51,272	39,203
4a	Negative interest income	0	14,963	0	1,729
5	Interest expenses	136,659	40,094	53,711	13,917
5a	Positive interest expenses	0	73,489	0	20,738
	<b>Net interest income</b>	<b>623,649</b>	<b>485,480</b>	<b>226,583</b>	<b>170,714</b>
	Dividends on shares etc	19,739	26,451	2	1
6	Fees and commission income	451,764	502,517	142,434	166,900
	Fees and commission expenses	11,796	11,513	3,849	3,842
	<b>Net interest and fee income</b>	<b>1,083,356</b>	<b>1,002,935</b>	<b>365,170</b>	<b>333,773</b>
7	Market value adjustments	63,078	-83,269	26,695	12,304
	Other operating income	13,768	11,864	3,940	4,241
8	Staff costs and administrative expenses	599,352	579,086	194,376	188,064
	Amortisation, depreciation and impairment losses on intangible assets and property, plant and equipment	36,038	27,824	10,222	12,856
	Other operating expenses	21,030	12,625	6,410	4,318
	Impairment losses on loans and advances etc	19,187	-30,934	13,175	4,524
9	Profit/loss on investments in associates and group enterprises	36,468	8,063	8,692	-2,836
	<b>Profit before tax</b>	<b>521,063</b>	<b>350,992</b>	<b>180,314</b>	<b>137,720</b>
	Income tax	114,340	74,589	38,801	31,431
	<b>Profit after tax</b>	<b>406,723</b>	<b>276,403</b>	<b>141,513</b>	<b>106,289</b>
	<b>Earnings per share</b>				
	Earnings per share (DKK)	21.7	14.9	7.6	5.8
	Diluted earnings per share (DKK)	21.7	14.9	7.6	5.8
	<b>Distributed as follows:</b>				
	Retained earnings (profit allocated to shareholders)	374,955	258,095	130,208	100,120
	Interest, hybrid core capital	31,768	18,308	11,305	6,169
	<b>Total</b>	<b>406,723</b>	<b>276,403</b>	<b>141,513</b>	<b>106,289</b>

## Statement of comprehensive income

		Sparekassen Sjælland-Fyn A/S (Group)			
Note	Amounts in DKK'000	Q1-Q3 2023	Q1-Q3 2022	Q3 2023	Q3 2022
	<b>Profit for the period</b>	<b>406,723</b>	<b>276,403</b>	<b>141,513</b>	<b>106,289</b>
	<b>Other comprehensive income that may not be reclassified to profit or loss</b>				
	Tax related to fair value adjustment of properties	3	3	1	1
	<b>Other comprehensive income that may be reclassified to profit or loss</b>				
	Value adjustment of certain strategic shares	21,829	-13,765	0	-8,649
	Value adjustment of bonds at fair value through other comprehensive income	-11,416	-71,433	-5,645	-41,488
	Recirculation at the end of recognition	-940	0	-311	0
	Fair value adjustment of financial instruments entered into to hedge future cash flows <sup>1</sup>	-510	2,738	-168	903
	Tax on other comprehensive income	3,243	15,113	1,544	8,929
	<b>Total other comprehensive income</b>	<b>12,209</b>	<b>-67,344</b>	<b>-4,579</b>	<b>-40,304</b>
	<b>Total comprehensive income</b>	<b>418,932</b>	<b>209,059</b>	<b>136,934</b>	<b>65,985</b>

<sup>1</sup> The fair value adjustment concerns a jointly controlled enterprise.

# Balance sheet

Sparekassen Sjælland-Fyn A/S (Group)				
Note	Amounts in DKK'000	30.09.2023	31.12.2022	30.09.2022
<b>Assets</b>				
	Cash and balances on demand at central banks	2,425,874	2,156,355	2,206,805
	Amounts owed by credit institutions and central banks	1,348,067	1,155,847	349,894
	Loans and other amounts owed at amortised cost	12,389,733	11,690,084	12,324,287
	Bonds at fair value	492,465	1,686,068	2,301,512
18	Bonds at amortised cost	9,681,880	8,785,452	7,143,781
	Shares etc	908,505	811,926	857,093
	Investments in associates	292,903	257,043	243,600
	Assets related to pooled plans	1,968,387	1,976,120	1,983,396
	Intangible assets	91,154	91,154	91,154
10	Total land and buildings	579,495	561,943	549,523
	<i>Investment property</i>	140,228	135,902	149,822
	<i>Owner-occupied property</i>	439,267	426,041	399,701
	Other property, plant and equipment	26,770	22,637	23,877
	Current tax assets	1,550	24,281	36,987
	Deferred tax assets	4,591	55,272	61,654
	Other assets	320,819	315,869	309,558
	Prepayments	38,042	41,145	46,073
	<b>Total assets</b>	<b>30,570,235</b>	<b>29,631,196</b>	<b>28,529,194</b>

Sparekassen Sjælland-Fyn A/S (Group)				
Note	Amounts in DKK'000	30.09.2023	31.12.2022	30.09.2022
<b>Equity and liabilities</b>				
<b>Liabilities other than provisions</b>				
	Amounts owed to credit institutions and central banks	1,448,696	1,384,156	462,594
	Deposits and other debt	21,302,180	20,672,709	20,665,273
	Deposits in pooled plans	1,968,387	1,976,120	1,983,396
	Bonds issued at amortised cost	378,989	378,484	378,316
	Other liabilities	400,655	389,364	376,683
	Deferred income	44,860	38,747	44,264
	<b>Total liabilities other than provisions</b>	<b>25,543,767</b>	<b>24,839,580</b>	<b>23,910,526</b>
<b>Provisions</b>				
	Provisions for losses on guarantees etc	61,865	73,609	67,141
	Other provisions	18,917	18,153	19,667
	<b>Total provisions</b>	<b>80,782</b>	<b>91,762</b>	<b>86,808</b>
11	<b>Subordinated loan capital</b>	<b>596,174</b>	<b>571,247</b>	<b>620,956</b>
<b>Equity</b>				
12	Share capital	173,750	173,750	173,750
	Revaluation reserves	1,421	1,419	1,418
	Undistributable savings bank reserve, other reserves	561,378	561,378	561,378
	Retained earnings	3,147,501	2,884,532	2,788,362
	<b>Total equity exclusive of hybrid core capital</b>	<b>3,884,050</b>	<b>3,621,079</b>	<b>3,524,908</b>
	Hybrid core capital	465,462	507,528	385,996
	<b>Total equity</b>	<b>4,349,512</b>	<b>4,128,607</b>	<b>3,910,904</b>
	<b>Total equity and liabilities</b>	<b>30,570,235</b>	<b>29,631,196</b>	<b>28,529,194</b>

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 <sup>1</sup>	Dividend	Retained earnings	Total equity exclusive of hybrid core capital	Hybrid core capital	Total equity
	<b>Equity at 1.1.2023</b>	<b>173,750</b>	<b>1,419</b>	<b>561,378</b>	<b>2,202</b>	<b>104,250</b>	<b>2,778,081</b>	<b>3,621,079</b>	<b>507,528</b>	<b>4,128,607</b>
	Profit for the period	0	0	0	0	0	374,955	374,955	31,768	406,723
	<b>Other comprehensive income that may not be reclassified to profit or loss</b>									
	Tax related to fair value adjustment of properties	0	3	0	0	0	0	3	0	3
	<b>Other comprehensive income that may be reclassified to profit or loss</b>									
	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	-11,416	-11,416	0	-11,416
	Recirculation at the end of recognition	0	0	0	0	0	-940	-940	0	-940
	Fair value adjustment of financial instruments entered into to hedge future cash flows, Value adjustment for the period	0	0	0	-510	0	0	-510	0	-510
	Tax on other comprehensive income	0	0	0	129	0	3,114	3,243	0	3,243
	<b>Total other comprehensive income</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>-381</b>	<b>0</b>	<b>12,587</b>	<b>12,209</b>	<b>0</b>	<b>12,209</b>
	<b>Comprehensive income for the period</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>-381</b>	<b>0</b>	<b>387,542</b>	<b>387,163</b>	<b>31,768</b>	<b>418,931</b>
	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	-27,751	-27,751	0	-27,751
	Sale of treasury shares	0	0	0	0	0	8,921	8,921	0	8,921
	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
	<b>Equity at 30.09.2023</b>	<b>173,750</b>	<b>1,421</b>	<b>561,378</b>	<b>1,821</b>	<b>0</b>	<b>3,145,682</b>	<b>3,884,049</b>	<b>465,462</b>	<b>4,349,512</b>

<sup>1</sup> 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 <sup>1</sup>	Dividend	Retained earnings	Total equity exclusive of hybrid core capital	Hybrid core capital	Total equity
	<b>Equity at 1.1.2022</b>	<b>173,750</b>	<b>1,415</b>	<b>561,378</b>	<b>65</b>	<b>104,250</b>	<b>2,568,770</b>	<b>3,409,628</b>	<b>385,888</b>	<b>3,795,516</b>
	Profit for the period	0	0	0	0	0	258,095	258,095	18,308	276,403
	<b>Other comprehensive income that may not be reclassified to profit or loss</b>									
	Tax related to fair value adjustment of properties	0	3	0	0	0	0	3	0	3
	<b>Other comprehensive income that may be reclassified to profit or loss</b>									
	Value adjustments of certain strategic shares	0	0	0	0	0	-13,765	-13,765	0	-13,765
	Value adjustment of bonds at fair value through other comprehensive income	0	0	0	0	0	-71,433	-71,433	0	-71,433
	Fair value adjustment of financial instruments entered into to hedge future cash flows, Value adjustment for the period	0	0	0	2,738	0	0	2,738	0	2,738
	Tax on other comprehensive income	0	0	0	-602	0	15,715	15,113	0	15,113
	<b>Total other comprehensive income</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>2,136</b>	<b>0</b>	<b>-69,483</b>	<b>-67,344</b>	<b>0</b>	<b>-67,344</b>
	<b>Comprehensive income for the period</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>2,136</b>	<b>0</b>	<b>188,611</b>	<b>190,750</b>	<b>18,308</b>	<b>209,058</b>
	Purchase of treasury shares	0	0	0	0	0	-15,427	-15,427	0	-15,427
	Sale of treasury shares	0	0	0	0	0	44,045	44,045	0	44,045
	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
	<b>Equity at 30.09.2022</b>	<b>173,750</b>	<b>1,418</b>	<b>561,378</b>	<b>2,201</b>	<b>0</b>	<b>2,786,162</b>	<b>3,524,908</b>	<b>385,996</b>	<b>3,910,904</b>

<sup>1</sup> Reserve for value adjustment of hedging instrument concerns a jointly controlled enterprise.

# Cash flow statement

Sparekassen Sjælland-Fyn A/S (Group)			
Note	Amounts in DKK'000	Q1-Q3 2023	Q1-Q3 2022
	<b>Comprehensive income for the period</b>	<b>406,723</b>	<b>276,403</b>
	<b>Adjustment for amounts without cash flow effect</b>		
	Market value adjustment, shares	-33,607	-11,521
	Market value adjustment, bonds	-9,521	98,025
	Impairment losses on loans and advances etc	19,187	-30,934
	Amortisation, depreciation and impairment losses on intangible assets and property, plant and equipment	36,038	26,034
	Prepayments (net)	863	-1,147
	Provisions	-10,980	-11,736
	Value adjustments of investment property	6,428	15,669
	Deferred income tax	114,340	74,589
	<b>Adjustment for amounts with cash flow effect</b>		
	Income tax paid	-42,913	-26,438
	<b>Cash flows from ordinary operating activities</b>	<b>486,558</b>	<b>408,944</b>
	<b>Working capital changes</b>		
	Credit institutions	64,540	-115,179
	Loans and advances adjusted for impairment losses etc for the period	-719,699	-223,937
	Other assets and liabilities (net)	-5,153	78,065
	Shares etc	-41,143	-136,212
	Bonds at fair value	1,190,768	4,845,373
	Bonds at amortised cost	-896,428	-7,143,781
	Deposits and other debt	629,471	899,314
	<b>Total working capital changes</b>	<b>222,357</b>	<b>-1,796,357</b>
	<b>Cash flows from operating activities</b>	<b>708,915</b>	<b>-1,387,413</b>

Sparekassen Sjælland-Fyn A/S (Group)			
Note	Amounts in DKK'000	Q1-Q3 2023	Q1-Q3 2022
	<b>Investing activities</b>		
	Additions, investments in associate	-10,000	-13,760
	Purchase of intangible assets	-3,249	-3,827
	Purchase of property, plant and equipment	-69,907	-106,194
	Sale of property, plant and equipment	9,006	10,700
	<b>Cash flows from investing activities</b>	<b>-74,150</b>	<b>-113,081</b>
	<b>Finansieringsaktivitet</b>		
	Additions, subordinated loan capital	155,000	0
	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	-27,751	-15,427
	Sale of treasury shares	8,921	44,045
	Interest and expenses paid on hybrid core capital	-25,560	-18,200
	Dividend paid	-103,636	-104,088
	<b>Cash flows from financing activities</b>	<b>-173,026</b>	<b>-143,670</b>
	<b>Increase/decrease in cash</b>	<b>461,739</b>	<b>-1,644,164</b>
	Cash and cash equivalents at beginning of period	3,312,202	4,200,863
	<b>Cash and cash equivalents at end of period</b>	<b>3,773,941</b>	<b>2,556,699</b>
	<b>Cash and cash equivalents</b>		
	Cash and balances on demand at central banks	2,425,874	2,206,805
	Amounts owed by credit institutions and central banks	1,348,067	349,894
	<b>Cash and cash equivalents at end of period</b>	<b>3,773,941</b>	<b>2,556,699</b>

# Notes

Sparekassen Sjælland-Fyn A/S (Group)				
Note	Amounts in DKK'm	Q1-Q3 2023	Q1-Q3 2022	Financial year 2022
<b>1</b>	<b>Financial highlights</b>			
	<b>Principal items of income statement</b>			
	Net interest income	624	485	660
	Net interest and fee income	1,083	1,003	1,335
	Market value adjustments	63	-83	-73
	Staff costs and administrative expenses	599	579	771
	Amortisation, depreciation and impairment losses on assets	36	28	33
	Impairment losses on loans and advances etc	19	-31	-16
	Profit on investments in associates and group enterprises	36	8	11
	Income tax	114	75	110
	Profit for the period	407	276	372
	<b>Principal items of balance sheet</b>			
	Loans and advances	12,390	12,324	11,690
	Securities portfolio	11,083	10,302	11,283
	Deposits including pooled deposits	23,271	22,649	22,649
	Subordinated loan capital	596	621	571
	Equity	4,350	3,911	4,129
	Total assets	30,570	28,529	29,631

Sparekassen Sjælland-Fyn A/S (Group)				
Note	Q1-Q3 2023	Q1-Q3 2022	Financial year 2022	
	<b>Financial ratios</b>			
	Capital ratio <sup>5</sup>	22.1	22.3	25.1
	Core capital ratio <sup>5</sup>	19.0	18.6	21.9
	Return on equity before tax	12.3	9.1	12.2
	Return on equity after tax	9.6	7.2	9.4
	Operating income over operating expenses	1.77	1.60	1.60
	Interest rate risk relative to core capital net of deductions	4.4	0.4	5.2
	Currency position relative to core capital net of deductions	1.3	1.5	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	55.6	56.8	54.0
	Loans and advances relative to equity	2.8	3.2	2.8
	Growth in loans and advances for the period	6.0	2.1	-3.1
	Liquidity, LCR	435	377	372
	Total large exposures (<175 %)	85.1	78.7	62.9
	Impairment ratio for the period	0.1	-0.2	-0.1
	Accumulated impairment ratio <sup>1</sup>	3.4	3.1	3.5
	Return on capital employed	1.4	1.0	1.3
	Earnings per share (DKK) <sup>3</sup>	21.7	14.9	20.0
	Book value per share (DKK) <sup>2</sup>	225.7	203.2	209.3
	Dividend per share (DKK)	-	-	6.0
	Price/earnings per share <sup>3</sup>	9.1	10.2	9.7
	Price/equity per share <sup>2</sup>	0.9	0.8	0.9
	<b>Staff</b>			
	Average number of employees for the period converted into full-time employees <sup>4</sup>	552	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 30.09.2023 og 30.09.2022 have been calculated exclusive of the profit for the period.



# Notes

## 2 Summary of significant accounting policies

The Interim Report for Q1-Q3 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](http://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	Q1-Q3 2023	Q1-Q3 2022
<b>4</b>	<b>Interest income</b>		
	Credit institutions and central banks	80,062	1,456
	Loans and other amounts owed	522,569	382,568
	Bonds	133,420	44,364
	Total derivatives	23,384	38,312
	Thereof: - Interest rate contracts	23,396	38,616
	- Foreign exchange contracts	-12	-304
	Other interest income	873	348
	<b>Total interest income</b>	<b>760,308</b>	<b>467,048</b>
<b>4a</b>	<b>Negative interest income</b>		
	Credit institutions and central banks	0	11,636
	Bonds	0	3,327
	<b>Total negative interest income</b>	<b>0</b>	<b>14,963</b>
<b>5</b>	<b>Interest expenses</b>		
	Credit institutions and central banks	32,699	461
	Deposits and other debt	77,454	11,248
	Bonds issued	6,362	6,416
	Subordinated loan capital	19,669	21,230
	Other interest expenses	475	739
	<b>Total interest expenses</b>	<b>136,659</b>	<b>40,094</b>
<b>5a</b>	<b>Positive interest expenses</b>		
	Credit institutions and central banks	0	0
	Deposits and other debt	0	73,489
	<b>Total positive interest expenses</b>	<b>0</b>	<b>73,489</b>

## Sparekassen Sjælland-Fyn A/S (Group)

Note	Amounts in DKK'000	Q1-Q3 2023	Q1-Q3 2022
<b>6</b>	<b>Fees and commission income</b>		
	Securities trading and custody accounts	43,137	60,086
	Payment services	58,154	57,269
	Loan fees	28,238	42,442
	Guarantee commission	165,409	173,575
	Custody services	59,069	61,589
	Other fees and commissions	97,757	107,556
	<b>Total fees and commission income</b>	<b>451,764</b>	<b>502,517</b>
<b>7</b>	<b>Market value adjustments</b>		
	Bonds	9,521	-98,025
	Shares	33,607	11,521
	Investment property	-6,209	-12,757
	Foreign exchange	14,087	8,979
	Currency, interest rate, share, commodity and other contracts and derivatives	12,072	7,013
	Assets related to pooled plans	96,521	-338,033
	Deposits in pooled plans	-96,521	338,033
	<b>Total market value adjustments</b>	<b>63,078</b>	<b>-83,269</b>
<b>8</b>	<b>Staff costs and administrative expenses</b>		
	<b>Remuneration of the Board of Directors and Executive Board*</b>		
	Board of Directors and Executive Board	15,325	15,993
	<b>Total</b>	<b>15,325</b>	<b>15,993</b>
	<b>Staff costs</b>		
	Wages and salaries	280,036	273,922
	Pension contributions	32,209	30,625
	Social security expenses	45,320	43,632
	<b>Total staff costs</b>	<b>357,565</b>	<b>348,179</b>
	<b>Other administrative expenses</b>	<b>226,462</b>	<b>214,914</b>
	<b>Total staff costs and administrative expenses</b>	<b>599,352</b>	<b>579,086</b>

\* 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)	
		Q1-Q3 2023	Q1-Q3 2022
<b>9</b>	<b>Impairment losses on loans and advances and other receivables and provisions for guarantees and undrawn credit facilities (impairment account)</b>		
	<b>Stage 1 impairment</b>		
	Balance of stage 1 impairment losses at beginning of period	98,339	105,974
	New impairment losses (net)	4,163	5,520
	<b>Balance of stage 1 impairment losses at end of period</b>	<b>102,502</b>	<b>111,494</b>
	- Of which amounts owed by credit institutions and central banks	192	251
	- Of which bonds at amortized cost	218	0
	<b>Stage 2 impairment</b>		
	Balance of stage 2 impairment losses at beginning of period	190,280	173,238
	New impairment losses (net)	14,403	11,907
	<b>Balance of stage 2 impairment losses at end of period</b>	<b>204,683</b>	<b>185,145</b>
	- Of which amounts owed by credit institutions and central banks	600	698
	<b>Stage 3 impairment</b>		
	Balance of stage 3 impairment losses at beginning of period	259,664	270,733
	New impairment losses (net)	19,279	-18,604
	Other changes	11,675	10,100
	Previously written down, now finally written off	42,866	26,876
	<b>Balance of stage 3 impairment losses at end of period</b>	<b>247,752</b>	<b>235,353</b>

Note	Amounts in DKK'000	Sparekassen Sjælland-Fyn A/S (Group)	
		Q1-Q3 2023	Q1-Q3 2022
<b>9</b>	<b>Impairment losses on loans and advances and other receivables and provisions for guarantees and undrawn credit facilities (impairment account) (continued)</b>		
	<b>Provisions losses for guarantees and undrawn credit facilities</b>		
	Balance of provisions at beginning of year	91,502	98,284
	New provisions (net)	-5,947	-8,286
	Previously provided for, now finally written off	4,773	3,450
	<b>Balance of provisions at end of period</b>	<b>80,782</b>	<b>86,548</b>
	<b>Total</b>		
	Balance of impairment losses/provisions at beginning of period	639,785	648,229
	Impairment losses/provisions for the period (net)	31,898	-9,463
	Other changes	11,675	10,100
	Finally written off, previously written down/provided for	47,639	30,326
	<b>Balance of impairment losses/provisions at end of period</b>	<b>635,718</b>	<b>618,540</b>
	Impairment losses/provisions for the period (net)	31,898	-9,463
	Written off, not previously written down/provided for	3,712	4,751
	Recovery of claims previously written off	16,423	26,222
	<b>Total recognised in the income statement</b>	<b>19,187</b>	<b>-30,934</b>

# Notes

## Sparekassen Sjælland-Fyn A/S (Group)

Note	Amounts in DKK'000	30.09.2023	31.12.2022	30.09.2022	
<b>10 Land and buildings</b>					
<b>Investment property</b>					
Fair value at beginning of period		135,902	121,503	121,503	
Additions		19,541	64,747	53,566	
Disposals		9,006	31,781	10,700	
Fair value adjustments for the period		-6,209	-18,567	-14,547	
<b>Fair value at end of period</b>		<b>140,228</b>	<b>135,902</b>	<b>149,822</b>	
Rental income		5,815	7,144	5,404	
Operating expenses		3,562	4,938	3,147	
Thereof, operating expenses recognised for investment property not having generated rental income for the year		862	2,129	1,431	
		<b>Quoted prices</b>	<b>Observable input</b>	<b>Non-observable input</b>	<b>Total</b>
<b>Fair value hierarchy for investment property</b>					
Group 30.09.2023		0	0	140,228	140,228
Group 31.12.2022		0	0	135,902	135,902
Group 30.09.2022		0	0	149,822	149,822

## Sparekassen Sjælland-Fyn A/S (Group)

Note	Amounts in DKK'000	30.09.2023	31.12.2022	30.09.2022
<b>10 Land and buildings (continued)</b>				
<b>Owner-occupied property</b>				
Cost at beginning of period		449,178	379,701	379,701
Additions		33,850	69,477	40,878
Disposals		0	0	0
<b>Cost at end of period</b>		<b>483,028</b>	<b>449,178</b>	<b>420,579</b>
Accumulated depreciation/impairment losses at beginning of period		55,157	50,861	50,861
Depreciation for the period		2,377	396	2,087
Impairment losses for the period		12,020	3,900	3,900
Disposals for the period		0	0	1,790
<b>Accumulated depreciation/impairment losses at end of period</b>		<b>69,554</b>	<b>55,157</b>	<b>55,058</b>
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
<b>Accumulated revaluation at end of period</b>		<b>1,447</b>	<b>1,447</b>	<b>1,447</b>
<b>Revalued amount at end of period</b>		<b>414,921</b>	<b>395,468</b>	<b>366,968</b>
If no revaluation had been made, the carrying amount of owner-occupied property would have been:		413,474	394,021	365,521

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 30.09.2023	0	0	414,921	414,921
Group 31.12.2022	0	0	395,468	395,468
Group 30.09.2022	0	0	366,968	366,968

Investment properties and owner-occupied properties are measured at fair value/revalued amount calculated using a return-based model which is based on an estimate of prices per square metre and a required rate of return. A required rate of return ranging between 5.08% and 10.91% has been used in measuring properties located on Zealand and Funen and in Jutland (Q1-Q3 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.

	30.09.2023	31.12.2022	30.09.2022
Owner-occupied property, revalued amount at period-end, see above	414,921	395,468	366,968
Owner-occupied property, leased assets	24,346	30,573	32,733
<b>Total owner-occupied property, see balance sheet</b>	<b>439,267</b>	<b>426,041</b>	<b>399,701</b>

## Sparekassen Sjælland-Fyn A/S (Group)

Note	Amounts in DKK'000	Current interest rate	30.09.2023	31.12.2022	30.09.2022
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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 % <sup>1)</sup>	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 % <sup>1)</sup>	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 % <sup>1)</sup>	41,000	41,000	41,000
Floating interest rate, maturing in June 2029, redeemable in 2024, from 2024 to 2029, the interest rate will be six months' CIBOR + 4.64% with half-yearly adjustment,	4.50 % <sup>1)</sup>	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 % <sup>1)</sup>	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,	7.14 %	100,000	100,000	100,000
Floating interest rate, maturing in September 2033, redeemable in 2028, the interest rate will be six months' CIBOR + 3.80% with half-yearly adjustment,	7.99 %	155,000	0	0
<b>Total supplementary capital</b>		<b>598,000</b>	<b>573,000</b>	<b>623,000</b>
<b>Total hybrid capital</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Total subordinated loan capital</b>		<b>598,000</b>	<b>573,000</b>	<b>623,000</b>
Costs of establishment are charged to profit or loss over the expected term to maturity		1,826	1,753	2,044
<b>Total subordinated loan capital according to balance sheet</b>		<b>596,174</b>	<b>571,247</b>	<b>620,956</b>

1) Fixed interest rate for the first 5 years.

# Notes

## Sparekassen Sjælland-Fyn A/S (Group)

Note	Amounts in DKK'000	Current interest rate	30.09.2023	31.12.2022	30.09.2022
<b>1.1 Subordinated loan capital (continued)</b>					
<b>Hybrid capital reclassified to equity</b>					
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 % <sup>1)</sup>		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 % <sup>1)</sup>		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 % <sup>1)</sup>		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.	10.69 %		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
<b>Total hybrid capital, reclassified to equity</b>			<b>446,000</b>	<b>496,000</b>	<b>376,000</b>
Subordinated loan capital included in the calculation of capital resources			960,174	1,067,247	996,956

<sup>1)</sup> 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	30.09.2023	31.12.2022	30.09.2022
<b>1.1 Subordinated loan capital (continued)</b>				
<b>Interest etc on subordinated loan capital</b>				
Interest (excluding interest on reclassified hybrid core capital recognised as equity)		19,669	28,464	21,230
Extraordinary repayments/redemptions/remortgaging		130,000	100,000	50,000
Expenses for raising subordinated loan capital		750	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)	
		30.09.2023	30.09.2022	30.09.2023	30.09.2022

### 12 Share capital

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

	Number of shares	Nominal value (DKK'000)	Participation %
<b>Treasury shares</b>			
Treasury shares at 31.12.2021	164,796	1,648	0.9
Purchased	87,143	871	0.5
Sold	221,939	2,219	1.3
<b>Treasury shares at 30.09.2022</b>	<b>30,000</b>	<b>300</b>	<b>0.2</b>
Treasury shares at 31.12.2022	71,559	716	0.4
Purchased	144,824	1,448	0.8
Sold	47,755	478	0.3
<b>Treasury shares at 30.09.2023</b>	<b>168,628</b>	<b>1,686</b>	<b>1.0</b>

Total purchase price DKK 27,751k (Q1-Q3 2022 15,427k)

Total selling price DKK 8,921k (Q1-Q3 2022 44,045k)

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 168,628 shares, corresponding to 1.0 % of the share capital. The shares were acquired as part of ordinary trading.

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

Sparekassen has decided to initiate a share buy-back program on a total of DKK 100 million, however, limited to a maximum of 500,000 shares, with the purpose of cancelling them at a subsequent general meeting. The share buy-back program is carried out based on the authorization granted to Sparekassen at the ordinary general meeting on 9 March 2023, allowing the bank to acquire its own shares. The program will be concluded no later than 9 February 2024.

## Sparekassen Sjælland-Fyn A/S (Group)

Note	Amounts in DKK'000	30.09.2023	30.09.2022
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### 12 Share capital (continued)

<b>Earnings per share</b>			
Earnings of shareholders of the Parent Sparekassen Sjælland-Fyn A/S		<b>374,955</b>	<b>258,095</b>
Average number of shares		17,374,973	17,374,973
Average number of treasury shares		117,298	81,703
<b>Average number of shares outstanding</b>		<b>17,257,675</b>	<b>17,293,270</b>
Average dilution effect of outstanding share options		0	0
Average number of outstanding shares (diluted)		<b>17,257,675</b>	<b>17,293,270</b>
Earnings per share (DKK)		21.7	14.9
Diluted earnings per shares (DKK)		21.7	14.9

# Notes

Note	Amounts in DKK'000	Sparekassen Sjælland-Fyn A/S (Group)		
		30.09.2023	31.12.2022	30.09.2022
<b>13</b>	<b>Assets provided as collateral</b>			
	Bonds deposited with Danmarks Nationalbank, clearing centres etc	1,203,096	1,177,409	1,443,530
	Cash deposited with credit institutions, CSA agreements	3,807	3,806	3,806
	Loss limit towards the Danish Growth Fund	261	257	257
	<b>Total</b>	<b>1,207,164</b>	<b>1,181,472</b>	<b>1,447,593</b>

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	1,013,888	905,728	0
	Fair value, reverse transactions	1,014,840	912,069	0
	<b>Net position</b>	<b>952</b>	<b>6,341</b>	<b>0</b>

## 14 Related party transactions

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

There have been no unusual related party transactions in Q1-Q3 2023.

Note	Amounts in DKK'000	Sparekassen Sjælland-Fyn A/S (Group)		
		30.09.2023	31.12.2022	30.09.2022
<b>15</b>	<b>Contingent liabilities and assets</b>			
	Financial guarantees	175,569	265,209	324,961
	Mortgage finance guarantees	2,152,752	2,399,544	2,484,491
	Registration and remortgaging guarantees	0	15,177	5,862
	Other contingent liabilities	2,792,542	2,933,451	3,596,268
	<b>Total</b>	<b>5,120,863</b>	<b>5,613,381</b>	<b>6,411,582</b>

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

## Sparekassen Sjælland-Fyn A/S (Group)

Note	Amounts in DKK'000	30.09.2023	31.12.2022	30.09.2022
<b>16 Capital resources</b>				
Equity excluding hybrid core capital		3,884,050	3,621,079	3,524,908
Intangible assets		-91,154	-91,154	-91,154
Deferred tax assets		-4,591	-55,272	-61,654
Proposed dividend		0	-104,250	0
Deduction, capital instruments		-521,431	-360,312	-443,373
Other additions/deductions		-465,720	99,192	-171,021
<b>Common Equity Tier 1 capital</b>		<b>2,801,154</b>	<b>3,109,283</b>	<b>2,757,706</b>
Hybrid core capital		405,000	496,000	376,000
<b>Core capital (including hybrid core capital) net of primary deductions</b>		<b>3,206,154</b>	<b>3,605,283</b>	<b>3,133,706</b>
Supplementary capital		555,174	571,247	620,956
Deduction capital instruments		-25,870	-43,500	0
<b>Capital resources</b>		<b>3,735,458</b>	<b>4,133,030</b>	<b>3,754,661</b>
<b>Risk exposures</b>				
Credit risk		14,224,373	13,844,963	14,193,436
Market risk		312,095	387,135	419,795
Operational risk		2,333,473	2,211,099	2,211,099
<b>Total risk exposures</b>		<b>16,869,941</b>	<b>16,443,197</b>	<b>16,824,330</b>
Capital ratio		22.1	25.1	22.3
Core capital ratio		19.0	21.9	18.6
Common Equity Tier 1 capital ratio		16.6	18.9	16.4
Capital resources, requirement under Section 124(2) of the Danish Financial Business Act		1.349.595	1.315.456	1.345.946

Sparekassen's capital resources and capital ratios calculated inclusive of transitional scheme and exclusive of net profit for the period at 30.09.2023 and 30.09.2022.

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 2.2 percentage points higher (30.09.2022: capital ratio, core capital ratio and common equity tier 1 capital ratio 1.0 percentage points higher).

## Sparekassen Sjælland-Fyn A/S (Group)

Note	Amounts in DKK'000	30.09.2023	31.12.2022	30.09.2022
<b>16 Capital resources (continued)</b>				
<b>Solvency capital elements calculated exclusive of transitional scheme</b>				
Common Equity Tier 1 capital		2,741,624	2,993,289	2,647,296
Core capital (including hybrid core capital) net of primary deductions		3,146,624	3,489,289	3,023,296
Capital resources		3,675,927	4,017,036	3,644,251
Total risk exposures		16,826,746	16,354,712	16,958,753
Capital ratio		21.8	24.6	21.5
Core capital ratio		18.7	21.3	17.8
Common Equity Tier 1 capital ratio		16.3	18.3	15.6

Sparekassen's capital resources and capital ratios calculated inclusive of transitional scheme and exclusive of net profit for the period at 30.09.2023 and 30.09.2022.

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 2.2 percentage points higher (30.09.2022: capital ratio, core capital ratio and common equity tier 1 capital ratio 1.0 percentage points higher).

# Notes

## Sparekassen Sjælland-Fyn A/S (Group)

Note	Amounts in DKK'000	30.09.2023			30.09.2022		
		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
<b>17</b>	<b>Financial assets and liabilities, Sparekassen Sjælland-Fyn A/S Group</b>						
	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.						
	<b>Financial assets</b>						
	Cash and balances on demand at central banks			2,425,874			2,206,805
	Amounts owed by credit institutions and central banks			1,348,067			349,894
	Loans and other amounts owed at amortised cost			12,389,733			12,324,287
	Bonds at fair value	115,787	376,678		1,913,253	388,259	
	Bonds at amortised cost			9,681,880			7,143,781
	Shares etc	798,125	110,380		769,778	87,315	
	Assets in pooled plans	1,968,387			1,983,396		
	Positive market value, derivatives	28,699			41,931		
	<b>Total financial assets</b>	<b>2,910,998</b>	<b>487,058</b>	<b>25,845,554</b>	<b>4,708,358</b>	<b>475,574</b>	<b>22,024,767</b>
	<b>Financial liabilities</b>						
	Amounts owed to credit institutions and central banks			1,448,696			462,594
	Deposits and other debt			21,302,180			20,665,273
	Deposits in pooled plans	1,968,387			1,983,396		
	Bonds issued at amortised cost			378,989			378,316
	Subordinated loan capital			596,174			620,956
	Negative market value of derivatives	23,342			38,691		
	<b>Total financial liabilities</b>	<b>1,991,729</b>	<b>0</b>	<b>23,726,039</b>	<b>2,022,087</b>	<b>0</b>	<b>22,127,139</b>

# 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

30.09.2023

#### Financial assets

Bonds at fair value	492,465	0	0	492,465
Shares etc	154,875	672,265	81,365	908,505
Assets related to pooled plans	1,959,229	9,158	0	1,968,387
Derivatives	0	28,699	0	28,699
<b>Total financial assets</b>	<b>2,606,569</b>	<b>710,122</b>	<b>81,365</b>	<b>3,398,056</b>

#### Financial liabilities

Deposits in pooled plans	0	1,968,387	0	1,968,387
Derivative financial liabilities	0	23,342	0	23,342
<b>Total financial liabilities</b>	<b>0</b>	<b>1,991,729</b>	<b>0</b>	<b>1,991,729</b>

30.09.2022

#### Financial assets

Bonds at fair value	2,301,512	0	0	2,301,512
Shares etc	128,893	649,101	79,099	857,093
Assets related to pooled plans	1,975,569	7,827	0	1,983,396
Derivatives	0	41,931	0	41,931
<b>Total financial assets</b>	<b>4,405,974</b>	<b>698,859</b>	<b>79,099</b>	<b>5,183,932</b>

#### Financial liabilities

Deposits in pooled plans	0	1,983,396	0	1,983,396
Derivative financial liabilities	0	38,691	0	38,691
<b>Total financial liabilities</b>	<b>0</b>	<b>2,022,087</b>	<b>0</b>	<b>2,022,087</b>

# Notes

Note	Amounts in DKK'000	Sparekassen Sjælland-Fyn A/S (Group)	
		30.09.2023	30.09.2022
<b>17</b>	<b>Financial assets and liabilities, Sparekassen Sjælland-Fyn A/S Group (continued)</b>		
	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	848	515
	Purchased	2,567	13,645
	Sold	1,118	3,058
	<b>Carrying amount at end of period</b>	<b>81,365</b>	<b>79,099</b>

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)	
	30.09.2023	30.09.2022
<b>17</b>	<b>Financial assets and liabilities, Sparekassen Sjælland-Fyn A/S Group (continued)</b>	
	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:	
	<ul style="list-style-type: none"> <li>• If a quoted market price exists for a financial instrument, such price is used. This is the case for bonds measured at amortised cost.</li> <li>• 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.</li> <li>• 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.</li> <li>• Fair value of amounts owed by credit institutions and central banks is determined using the same method as for loans and advances.</li> <li>• The fair value of deposits, bonds issued and subordinated loan capital is deemed to be equivalent, in all material respects, with the carrying amount.</li> </ul>	

- 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	30.09.2023		30.09.2022	
		Carrying amount	Fair value	Carrying amount	Fair value
<b>17</b>	<b>Financial assets and liabilities, Sparekassen Sjælland-Fyn A/S Group (continued)</b>				
	Financial instruments recognised at amortised cost, disclosures on fair value				
	<b>Financial assets</b>				
	Cash and balances on demand at central banks	2,425,874	2,425,874	2,206,805	2,206,805
	Amounts owed by credit institutions and central banks	1,348,067	1,348,067	349,894	349,894
	Loans and advances and other amounts owed at amortised cost	12,389,733	12,445,232	12,324,287	12,380,388
	Bonds at amortised cost	9,681,880	9,493,415	7,143,781	6,920,563
	<b>Total financial assets</b>	<b>25,845,554</b>	<b>25,712,588</b>	<b>22,024,767</b>	<b>21,857,650</b>
	<b>Financial liabilities</b>				
	Amounts owed to credit institutions and central banks	1,448,696	1,448,696	462,594	462,594
	Deposits and other debt	21,302,180	21,302,180	20,665,273	20,665,273
	Bonds issued at amortised cost	378,989	378,989	378,316	378,316
	Subordinated loan capital	596,174	596,174	620,956	620,956
	<b>Total financial liabilities</b>	<b>23,726,039</b>	<b>23,726,039</b>	<b>22,127,139</b>	<b>22,127,139</b>

Note	Amounts in DKK'000	Sparekassen Sjælland-Fyn A/S (Group)	
		30.09.2023	30.09.2022
<b>18</b>	<b>Bonds at amortised cost</b>		
	Carrying amount of bonds at amortised cost	9,681,880	7,143,781
	Fair value of bonds at amortised cost	9,493,415	6,920,563
	Fair value of bonds at amortised cost compared to carrying amount	<b>-188,465</b>	<b>-223,218</b>

## Income statement

		Sparekassen Sjælland-Fyn A/S (Parent)			
Note	Amounts in DKK'000	Q1-Q3 2023	Q1-Q3 2022	Q3 2023	Q3 2022
4	Interest income calculated using the effective interest method	576,345	360,870	220,481	118,572
4	Other interest income	156,804	82,676	51,272	39,204
4a	Negative interest income	0	14,963	0	1,729
5	Interest expenses	138,060	41,524	54,162	14,392
5a	Positive interest expenses	0	73,966	0	20,987
	<b>Net interest income</b>	<b>595,089</b>	<b>461,025</b>	<b>217,591</b>	<b>162,642</b>
	Dividends on shares etc	19,739	26,357	2	2
6	Fees and commission income	454,533	503,907	143,385	167,378
	Fees and commission expenses	11,650	11,377	3,803	3,800
	<b>Net interest and fee income</b>	<b>1,057,711</b>	<b>979,912</b>	<b>357,175</b>	<b>326,221</b>
7	Market value adjustments	69,315	-66,956	28,142	18,302
	Other operating income	4,651	3,277	914	983
8	Staff costs and administrative expenses	585,595	567,753	189,846	184,309
	Amortisation, depreciation and impairment losses on intangible assets and property, plant and equipment	36,738	34,438	12,700	12,344
	Other operating expenses	11,065	6,377	3,148	2,121
9	Impairment losses on loans and advances etc	17,783	-32,082	11,919	3,457
	Profit/loss on investments in associates and group enterprises	37,878	7,752	10,932	-6,674
	<b>Profit before tax</b>	<b>518,374</b>	<b>347,500</b>	<b>179,550</b>	<b>136,602</b>
	Income tax	111,651	71,097	38,037	30,313
	<b>Profit after tax</b>	<b>406,723</b>	<b>276,403</b>	<b>141,513</b>	<b>106,289</b>
	<b>Earnings per share</b>				
	Earnings per share (DKK)	21.7	14.9	7.6	5.8
	Diluted earnings per share (DKK)	21.7	14.9	7.6	5.8
	<b>Distributed as follows:</b>				
	Retained earnings (profit allocated to shareholders)	374,955	258,095	130,208	100,120
	Interest, hybrid core capital	31,768	18,308	11,305	6,169
	<b>Total</b>	<b>406,723</b>	<b>276,403</b>	<b>141,513</b>	<b>106,289</b>

## Statement of comprehensive income

		Sparekassen Sjælland-Fyn A/S (Parent)			
Note	Amounts in DKK'000	Q1-Q3 2023	Q1-Q3 2022	Q3 2023	Q3 2022
	<b>Profit for the period</b>	<b>406,723</b>	<b>276,403</b>	<b>141,513</b>	<b>106,289</b>
	<b>Other comprehensive income that may not be reclassified to profit or loss</b>				
	Tax related to fair value adjustment of properties	3	3	1	1
	<b>Other comprehensive income that may be reclassified to profit or loss</b>				
	Value adjustment of certain strategic shares	21,829	-13,765	0	-8,649
	Value adjustment of bonds at fair value through other comprehensive income	-11,416	-71,433	-5,645	-41,488
	Recirculation at the end of recognition	-940	0	-311	0
	Fair value adjustment of financial instruments entered into to hedge future cash flows <sup>1</sup>	-510	2,738	-168	903
	Tax on other comprehensive income	3,243	15,113	1,544	8,929
	<b>Total other comprehensive income</b>	<b>12,209</b>	<b>-67,344</b>	<b>-4,579</b>	<b>-40,304</b>
	<b>Total comprehensive income</b>	<b>418,932</b>	<b>209,059</b>	<b>136,934</b>	<b>65,985</b>

<sup>1</sup> The fair value adjustment concerns a jointly controlled enterprise.

# Balance sheet

Sparekassen Sjælland-Fyn A/S (Parent)				
Note	Amounts in DKK'000	30.09.2023	31.12.2022	30.09.2022
<b>Assets</b>				
	Cash and balances on demand at central banks	2,425,874	2,156,355	2,206,805
	Amounts owed by credit institutions and central banks	1,336,264	1,144,538	348,207
	Loans and other amounts owed at amortised cost	12,431,288	11,637,530	12,269,935
	Bonds at fair value	492,466	1,686,068	2,301,512
12	Bonds at amortised cost	9,681,880	8,785,452	7,143,781
	Shares etc	904,271	808,720	853,874
	Investments in associates	237,332	211,886	199,281
	Investments in group enterprises	581,264	582,468	579,069
	Assets related to pooled plans	1,968,387	1,976,120	1,983,396
	Intangible assets	91,154	91,154	91,154
	Total land and buildings	157,551	172,918	174,069
	<i>Investment property</i>	0	0	0
	<i>Owner-occupied property</i>	157,551	172,918	174,069
	Other property, plant and equipment	26,770	22,637	23,877
	Current tax assets	6,856	72,012	43,662
	Deferred tax assets	0	2,045	51,689
	Other assets	272,159	264,509	262,822
	Prepayments	40,612	43,569	48,066
	<b>Total assets</b>	<b>30,654,128</b>	<b>29,657,981</b>	<b>28,581,201</b>

Sparekassen Sjælland-Fyn A/S (Parent)				
Note	Amounts in DKK'000	30.09.2023	31.12.2022	30.09.2022
<b>Equity and liabilities</b>				
<b>Liabilities other than provisions</b>				
	Amounts owed to credit institutions and central banks	1,447,976	1,383,426	461,818
	Deposits and other debt	21,298,826	20,650,272	20,664,502
	Deposits in pooled plans	1,968,387	1,976,120	1,983,396
	Bonds issued at amortised cost	378,989	378,484	378,316
	Other liabilities	472,959	468,705	457,424
	Deferred income	11,886	9,358	17,078
	<b>Total liabilities other than provisions</b>	<b>25,579,024</b>	<b>24,866,365</b>	<b>23,962,534</b>
<b>Provisions</b>				
	Provisions for deferred taxes	48,636	0	0
	Provisions for losses on guarantees etc	61,865	73,609	67,141
	Other provisions	18,917	18,153	19,667
	<b>Total provisions</b>	<b>129,418</b>	<b>91,762</b>	<b>86,808</b>
	<b>Subordinated loan capital</b>	<b>596,174</b>	<b>571,247</b>	<b>620,956</b>
<b>Equity</b>				
	Share capital	173,750	173,750	173,750
	Revaluation reserves	1,421	1,419	1,418
	Undistributable savings bank reserve, other reserves	561,378	561,378	561,378
	Retained earnings	3,147,501	2,884,532	2,788,362
	<b>Total equity exclusive of hybrid core capital</b>	<b>3,884,050</b>	<b>3,621,079</b>	<b>3,524,908</b>
	Hybrid core capital	465,462	507,528	385,996
	<b>Total equity</b>	<b>4,349,512</b>	<b>4,128,607</b>	<b>3,910,904</b>
	<b>Total equity and liabilities</b>	<b>30,654,128</b>	<b>29,657,981</b>	<b>28,581,201</b>

# 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 <sup>1</sup>	Dividend	Retained earnings	Total equity exclusive of hybrid core capital	Hybrid core capital	Total equity
	<b>Equity at 1.1.2023</b>	<b>173,750</b>	<b>1,419</b>	<b>561,378</b>	<b>2,202</b>	<b>104,250</b>	<b>2,778,081</b>	<b>3,621,079</b>	<b>507,528</b>	<b>4,128,607</b>
	Profit for the period	0	0	0	0	0	374,955	374,955	31,768	406,723
	<b>Other comprehensive income that may not be reclassified to profit or loss</b>									
	Tax related to fair value adjustment of properties	0	3	0	0	0	0	3	0	3
	<b>Other comprehensive income that may be reclassified to profit or loss</b>									
	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	-11,416	-11,416	0	-11,416
	Recirculation at the end of recognition	0	0	0	0	0	-940	-940	0	-940
	Fair value adjustment of financial instruments entered into to hedge future cash flows, Value adjustment for the period	0	0	0	-510	0	0	-510	0	-510
	Tax on other comprehensive income	0	0	0	129	0	3,114	3,243	0	3,243
	<b>Total other comprehensive income</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>-381</b>	<b>0</b>	<b>12,587</b>	<b>12,209</b>	<b>0</b>	<b>12,209</b>
	<b>Comprehensive income for the period</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>-381</b>	<b>0</b>	<b>387,542</b>	<b>387,163</b>	<b>31,768</b>	<b>418,931</b>
	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	-27,751	-27,751	0	-27,751
	Sale of treasury shares	0	0	0	0	0	8,921	8,921	0	8,921
	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
	<b>Equity at 30.09.2023</b>	<b>173,750</b>	<b>1,421</b>	<b>561,378</b>	<b>1,821</b>	<b>0</b>	<b>3,145,682</b>	<b>3,884,049</b>	<b>465,462</b>	<b>4,349,512</b>

<sup>1</sup> 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 <sup>1</sup>	Dividend	Retained earnings	Total equity exclusive of hybrid core capital	Hybrid core capital	Total equity
	<b>Equity at 1.1.2022</b>	<b>173,750</b>	<b>1,415</b>	<b>561,378</b>	<b>65</b>	<b>104,250</b>	<b>2,568,770</b>	<b>3,409,628</b>	<b>385,888</b>	<b>3,795,516</b>
	Profit for the period	0	0	0	0	0	258,095	258,095	18,308	276,403
	<b>Other comprehensive income that may not be reclassified to profit or loss</b>									
	Tax related to fair value adjustment of properties	0	3	0	0	0	0	3	0	3
	<b>Other comprehensive income that may be reclassified to profit or loss</b>									
	Value adjustments of certain strategic shares	0	0	0	0	0	-13,765	-13,765	0	-13,765
	Value adjustment of bonds at fair value through other comprehensive income	0	0	0	0	0	-71,433	-71,433	0	-71,433
	Fair value adjustment of financial instruments entered into to hedge future cash flows, Value adjustment for the period	0	0	0	2,738	0	0	2,738	0	2,738
	Tax on other comprehensive income	0	0	0	-602	0	15,715	15,113	0	15,113
	<b>Total other comprehensive income</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>2,136</b>	<b>0</b>	<b>-69,483</b>	<b>-67,344</b>	<b>0</b>	<b>-67,344</b>
	<b>Comprehensive income for the period</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>2,136</b>	<b>0</b>	<b>188,611</b>	<b>190,750</b>	<b>18,308</b>	<b>209,058</b>
	Purchase of treasury shares	0	0	0	0	0	-15,427	-15,427	0	-15,427
	Sale of treasury shares	0	0	0	0	0	44,045	44,045	0	44,045
	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
	<b>Equity at 30.09.2022</b>	<b>173,750</b>	<b>1,418</b>	<b>561,378</b>	<b>2,201</b>	<b>0</b>	<b>2,786,161</b>	<b>3,524,908</b>	<b>385,996</b>	<b>3,910,904</b>

<sup>1</sup> Reserve for value adjustment of hedging instrument concerns a jointly controlled enterprise.

# Notes

Note	Amounts in DKK'm	Sparekassen Sjælland-Fyn A/S (Parent)		
		Q1-Q3 2023	Q1-Q3 2022	Financial year 2022
<b>1</b>	<b>Financial highlights</b>			
	<b>Principal items of income statement</b>			
	Net interest income	595	461	627
	Net interest and fee income	1,058	980	1,304
	Market value adjustments	69	-67	-52
	Staff costs and administrative expenses	586	568	754
	Amortisation, depreciation and impairment losses on assets	37	34	46
	Impairment losses on loans and advances etc	18	-32	-16
	Profit on investments in associates and group enterprises	38	8	14
	Income tax	112	71	107
	Profit for the period	407	276	372
	<b>Principal items of balance sheet</b>			
	Loans and advances	12,431	12,270	11,638
	Securities portfolio	11,079	10,299	11,280
	Deposits including pooled deposits	23,267	22,648	22,626
	Subordinated loan capital	596	621	571
	Equity	4,350	3,911	4,129
	Total assets	30,654	28,581	29,658

	Sparekassen Sjælland-Fyn A/S (Parent)		
	Q1-Q3 2023	Q1-Q3 2022	Financial year 2022
<b>Financial ratios</b>			
Capital ratio <sup>5</sup>	22.2	22.3	25.1
Core capital ratio <sup>5</sup>	19.0	18.6	21.9
Return on equity before tax	12.2	9.0	12.1
Return on equity after tax	9.6	7.2	9.4
Operating income over operating expenses	1.80	1.60	1.60
Interest rate risk relative to core capital net of deductions	4.3	0.3	5.1
Currency position relative to core capital net of deductions	1.3	1.5	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	55.7	56.4	53.8
Loans and advances relative to equity	2.9	3.1	2.8
Growth in loans and advances for the period	6.8	2.6	-2.7
Liquidity, LCR	435	377	372
Total large exposures (<175 %)	85.2	78.3	62.9
Impairment ratio for the period	0.1	-0.2	-0.1
Accumulated impairment ratio <sup>1</sup>	3.3	3.0	3.4
Return on capital employed	1.3	1.0	1.3
Earnings per share (DKK) <sup>3</sup>	21.7	14.9	20.0
Book value per share (DKK) <sup>2</sup>	225.7	203.2	209.3
Dividend per share (DKK)	-	-	6.0
Price/earnings per share <sup>3</sup>	9.1	10.2	9.7
Price/equity per share <sup>2</sup>	0.9	0.8	0.9
Share price at end of period	197.4	153.0	193.5
<b>Staff</b>			
Average number of employees for the period converted into full-time employees <sup>4</sup>	552	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 Q1-Q3 2023 og Q1-Q3 2022 have been calculated exclusive of the profit for the period.

# Notes

## 2 Summary of significant accounting policies

The Interim Report for Q1-Q3 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](http://www.spks.dk/om/fakta/regnskab)

## 3 Significant judgements and estimates, assumptions and uncertainties

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

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

# Notes

Note	Amounts in DKK'000	Sparekassen Sjælland-Fyn A/S (Parent)	
		Q1-Q3 2023	Q1-Q3 2022
<b>4 Interest income</b>			
Credit institutions and central banks	79,715	1,344	
Loans and other amounts owed	496,117	359,384	
Bonds	133,420	44,364	
Total derivatives	23,384	38,312	
Thereof: - Interest rate contracts	23,396	38,616	
- Foreign exchange contracts	-12	-304	
Other interest income	513	142	
<b>Total interest income</b>	<b>733,149</b>	<b>443,546</b>	
<b>4a Negative interest income</b>			
Credit institutions and central banks	0	11,636	
Bonds	0	3,327	
<b>Total negative interest income</b>	<b>0</b>	<b>14,963</b>	
<b>5 Interest expenses</b>			
Credit institutions and central banks	32,672	453	
Deposits and other debt	77,454	11,248	
Bonds issued	6,362	6,416	
Subordinated loan capital	19,669	21,230	
Other interest expenses	1,903	2,178	
<b>Total interest expenses</b>	<b>138,060</b>	<b>41,524</b>	
<b>5a Positive interest expenses</b>			
Credit institutions and central banks	0	0	
Deposits and other debt	0	73,966	
<b>Total positive interest expenses</b>	<b>0</b>	<b>73,966</b>	

Note	Amounts in DKK'000	Sparekassen Sjælland-Fyn A/S (Parent)	
		Q1-Q3 2023	Q1-Q3 2022
<b>6 Fees and commission income</b>			
Securities trading and custody accounts	43,137	60,086	
Payment services	58,154	57,269	
Loan fees	28,238	42,442	
Guarantee commission	165,409	173,575	
Custody services	59,069	61,589	
Other fees and commissions	100,526	108,946	
<b>Total fees and commission income</b>	<b>454,533</b>	<b>503,907</b>	
<b>7 Market value adjustments</b>			
Bonds	9,522	-97,649	
Shares	33,634	11,521	
Investment property	0	3,180	
Foreign exchange	14,087	8,979	
Currency, interest rate, share, commodity and other contracts and derivatives	12,072	7,012	
Assets related to pooled plans	96,521	-338,033	
Deposits in pooled plans	-96,521	338,033	
<b>Total market value adjustments</b>	<b>69,315</b>	<b>-66,956</b>	
<b>8 Staff costs and administrative expenses</b>			
<b>Remuneration of the Board of Directors and Executive Board*</b>			
Board of Directors and Executive Board	14,956	15,747	
<b>Total</b>	<b>14,956</b>	<b>15,747</b>	
<b>Staff costs</b>			
Wages and salaries	280,036	273,922	
Pension contributions	32,209	30,625	
Social security expenses	45,320	43,632	
<b>Total staff costs</b>	<b>357,565</b>	<b>348,178</b>	
<b>Other administrative expenses</b>	<b>213,074</b>	<b>203,827</b>	
<b>Total staff costs and administrative expenses</b>	<b>585,595</b>	<b>567,753</b>	

\* 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)	
		30.09.2023	30.09.2022
<b>9</b>	<b>Impairment losses on loans and advances and other receivables and provisions for guarantees and undrawn credit facilities (impairment account)</b>		
	<b>Stage 1 impairment</b>		
	Balance of stage 1 impairment losses at beginning of period	94,514	103,003
	New impairment losses (net)	4,631	4,435
	<b>Balance of stage 1 impairment losses at end of period</b>	<b>99,145</b>	<b>107,438</b>
	- Of which amounts owed by credit institutions and central banks	192	251
	- Of which bonds at amortized cost	218	0
	<b>Stage 2 impairment</b>		
	Balance of stage 2 impairment losses at beginning of period	184,140	166,670
	New impairment losses (net)	14,779	12,043
	<b>Balance of stage 2 impairment losses at end of period</b>	<b>198,919</b>	<b>178,712</b>
	- Of which amounts owed by credit institutions and central banks	600	698
	<b>Stage 3 impairment</b>		
	Balance of stage 3 impairment losses at beginning of period	253,297	265,016
	New impairment losses (net)	17,081	-19,704
	Other changes	11,675	10,100
	Previously written down, now finally written off	42,217	26,175
	<b>Balance of stage 3 impairment losses at end of period</b>	<b>239,836</b>	<b>229,237</b>

Note	Amounts in DKK'000	Sparekassen Sjælland-Fyn A/S (Parent)	
		30.09.2023	30.09.2022
<b>9</b>	<b>Impairment losses on loans and advances and other receivables and provisions for guarantees and undrawn credit facilities (impairment account)</b>		
	<b>Provisions losses for guarantees and undrawn credit facilities</b>		
	Balance of provisions at beginning of year	91,502	98,284
	New provisions (net)	-5,947	-8,286
	Previously provided for, now finally written off	4,773	3,450
	<b>Balance of provisions at end of period</b>	<b>80,782</b>	<b>86,548</b>
	<b>Total</b>		
	Balance of impairment losses/provisions at beginning of period	623,453	632,973
	Impairment losses/provisions for the period (net)	30,543	-11,512
	Other changes	11,675	10,100
	Finally written off, previously written down/provided for	46,990	29,625
	<b>Balance of impairment losses/provisions at end of period</b>	<b>618,681</b>	<b>601,935</b>
	Impairment losses/provisions for the period (net)	30,543	-11,512
	Written off, not previously written down/provided for	2,351	2,813
	Recovery of claims previously written off	15,112	23,383
	<b>Total recognised in the income statement</b>	<b>17,783</b>	<b>-32,082</b>

# Notes

## Sparekassen Sjælland-Fyn A/S (Parent)

Note	Amounts in DKK'000	30.09.2023	31.12.2022	30.09.2022
<b>10 Assets provided as collateral</b>				
Bonds deposited with Danmarks Nationalbank, clearing centres etc		1,203,096	1,177,409	1,443,530
Cash deposited with credit institutions, CSA agreements		3,807	3,806	3,806
Loss limit towards the Danish Growth Fund		261	257	257
<b>Total</b>		<b>1,207,164</b>	<b>1,181,472</b>	<b>1,447,593</b>

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		1,013,888	905,728	0
Fair value, reverse transactions		1,014,840	912,069	0
<b>Net position</b>		<b>952</b>	<b>6,341</b>	<b>0</b>

## Sparekassen Sjælland-Fyn A/S (Parent)

Note	Amounts in DKK'000	30.09.2023	31.12.2022	30.09.2022
<b>11 Capital resources</b>				
Equity excluding hybrid core capital		3,884,050	3,621,079	3,524,908
Intangible assets		-91,154	-91,154	-91,154
Deferred tax assets		0	-2,045	-51,689
Proposed dividend		0	-104,250	0
Deduction, capital instruments		-521,532	-360,419	-440,960
Other additions/deductions		-470,833	45,431	-168,924
<b>Common Equity Tier 1 capital</b>		<b>2,800,531</b>	<b>3,108,642</b>	<b>2,772,181</b>
Hybrid core capital		405,000	496,000	376,000
<b>Core capital (including hybrid core capital) net of primary deductions</b>		<b>3,205,531</b>	<b>3,604,642</b>	<b>3,148,181</b>
Supplementary capital		555,174	571,247	620,956
Deductions capital instruments		-25,873	-43,500	0
<b>Capital resources</b>		<b>3,734,832</b>	<b>4,132,389</b>	<b>3,769,137</b>
<b>Risk exposures</b>				
Credit risk		14,227,474	13,863,941	14,279,880
Market risk		312,093	387,133	419,849
Operational risk		2,297,626	2,181,118	2,181,118
<b>Total risk exposures</b>		<b>16,837,193</b>	<b>16,432,192</b>	<b>16,880,847</b>
Capital ratio		22.2	25.1	22.3
Core capital ratio		19.0	21.9	18.6
Common Equity Tier 1 capital ratio		16.6	18.9	16.4
Capital resources, requirement under Section 124(2) of the Danish Financial Business Act		1,346,975	1,314,575	1,350,468

Sparekassen's capital resources and capital ratios calculated inclusive of transitional scheme and exclusive of net profit for the period at 30.09.2023 and 30.09.2022.

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 2.2 percentage points higher (30.09.2022: capital ratio, core capital ratio and common equity tier 1 capital ratio 1.0 percentage points higher).

# Notes

		Sparekassen Sjælland-Fyn A/S (Parent)		
Note	Amounts in DKK'000	30.09.2023	31.12.2022	30.09.2022
<b>11</b>	<b>Capital resources (continued)</b>			
	<b>Solvency capital elements calculated exclusive of transitional scheme</b>			
	Common Equity Tier 1 capital	2,741,001	2,992,648	2,661,771
	Core capital (including hybrid core capital) net of primary deductions	3,146,001	3,488,648	3,037,771
	Capital resources	3,675,302	4,016,395	3,658,726
	Total risk exposures	16,793,998	16,343,708	16,795,508
	Capital ratio	21.9	24.6	21.8
	Core capital ratio	18.7	21.3	18.1
	Common Equity Tier 1 capital ratio	16.3	18.3	15.8

Sparekassen's capital resources and capital ratios calculated inclusive of transitional scheme and exclusive of net profit for the period at 30.09.2023 and 30.09.2022.

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 2.2 percentage points higher (30.09.2022: capital ratio, core capital ratio and common equity tier 1 capital ratio 1.0 percentage points higher).

		Sparekassen Sjælland-Fyn A/S (Parent)	
Note	Amounts in DKK'000	30.09.2023	30.09.2022
<b>12</b>	<b>Bonds at amortised cost</b>		
	Carrying amount of bonds at amortised cost	9,681,880	7,143,781
	Fair value of bonds at amortised cost	9,493,415	6,920,563
	Fair value of bonds at amortised cost compared to carrying amount	-188,465	-223,218

# 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



