

Company announcement no. 17/2021

Holbæk, August 11, 2021

Profit before tax in the first half of 2021 of DKK 301.6m – Return on equity at the beginning of the year equal to 17.8% p.a. before taxes

Sparekassen continues the execution of the 4-year strategy NEW WAYS and the positive development of core earnings in recent years. And this has resulted in H1 2021 realising a most satisfactory pre-tax profit. Net of tax, profit stands at DKK 253.1m, an increase of 199%.

The positive development is partly due to high business activity combined with the fact that Sparekassen is gaining market share and experiencing increasing customer satisfaction. Corporate customers in particular appreciate Sparekassen's short chain of command

Highlights

- Return on equity 15% p.a. after tax
- Net interest income increases by DKK 9%
- Fees and commission income is up 7%
- Rate of cost decreases to 60.6
- Income/cost ratio increases 58% to DKK 1.86
- Core earnings increases 19%
- Impairment losses represent a reversal of DKK 33.8m
- Total credit intermediation increases by 8% and totals DKK 58.6bn
- Pre-tax earnings expectations for 2021 were adjusted upwardly in company announcement no. 16/2021 to range between DKK 450-525m

Income statement items (DKK thousands)	H1 2021	Index*	H1 2020
Net interest and fee income	627,500	106	592,322
Other operating income	7,429	80	9,281
Staff cost and administrative expenses	357,943	100	356,300
Amortisation, depreciation and impairment losses on assets	17,390	71	24,624
Other operating expenses	9,160	87	10,527
Core earnings	250,436	119	210,152
Translation and market value adjustments	8,378	-	-30,393
Total impairment losses and provisions	-33,822	-	112,760
Profit on investments in associates and group enterprises	9,005	35	25,584
Profit before tax	301,641	326	92,583
Tax	48,542	-	7,887
Profit after tax	253,099	299	84,696

Balance sheet items (DKK million)	30.06.2021	Index*	30.06.2020
Loans and advances	12,194	103	11,807
Deposits	20,296	104	19,423
Deposits in pension plans	2,248	121	1,853
Total deposits	22,544	106	21,276
Equity	3,616	111	3,250
Balance	28,427	108	26,337
Capital resources	3,578	108	3,316
Total business volume	42,879	109	39,473
Total credits arranged	58,575	108	54,013
Financial ratios			
Capital ratio**	20.1	99	20.4
Core capital ratio**	16.9	100	16.9
Excess capital adequacy in percentage**	10.4	99	10.5
Earnings per share (DKK)	14.0	333	4.2
Book value per share	187.7	113	165.8
Share price at end of period (DKK)	151.0	181	83.6
Average headcount (converted into full-time employees at year-end)	545	97	559

* Index 30.06.2021 compared to 30.06.2020

** 30.06.2021 and 30.06.2020 has been calculated exclusive of profit for the period. If the profit for the period after tax, reduced with the dividend policy target, were included in the capital base, the capital ratio and capital transfer would be 1.1 percentage points higher (30.06.2020: 1.0 percentage point higher)

Kind regards

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