

Company announcement no. 1/2017

Holbæk, 27 January 2017

## Sparekassen Sjælland-Fyn A/S is investigating the possibility of issuing of subordinated loan capital (Tier 2)

Sparekassen Sjælland-Fyn has, as part of the ongoing process to optimize the capital structure, decided to investigate the possibility of issuing subordinated loan capital (Tier 2).

The planned issue of subordinated loan capital is expected to take place no later than mid-February 2017. The issue is expected to be DKK 50 million and have a term of 10 years with the possibility of early redemption after 5 years.

Sparekassen has also received the Danish Financial Supervisory Authority's permit for repayment of subordinated loan capital, DKK 148 million falls due on 28 February 2017, as well as redemption of subordinated loan capital of DKK 15 million falling due on 26 June 2017. Danish Financial Supervisory Authority's permit is conditional upon the sale of shares in DLR Kredit on a total market value of DKK 113 million as well as the issuance of new subordinated loan capital of DKK 50 million.

As part of the process of optimizing the capital base, sparekassen has sold shares in DLR Kredit with a total market value of DKK 113 million.

At 30 September 2016, sparekassen had a capital ratio of 15.6. Transactions in obtaining the new subordinated loan capital of DKK 50 million, repayment of subordinated loan capital is DKK 163 million and the sale of shares in DLR Kredit with a market value of a total of DKK 113 million is, not expected to change the capital ratio. The sale of shares in DLR Kredit will strengthen sparekassen's Common Equity Tier 1 capital ratio.

The conversion of the subordinated loan capital will result in a reduction of sparekassen's interest expenses. From and including 2018 is expected savings on interest expenses for subordinated loan capital of DKK 10.5 million annually.

Kind regards

Lars Petersson  
CEO

Thomas Kullegaard  
Chairman

### Further information:

Please contact our Press and Management Adviser Jan Løve, tel. +45 40 10 76 44

Investor Relations Manager Jan Justesen  
CEO Lars Petersson