

Company announcement no. 13/2020

Holbæk, April 22, 2020

Downgrade of profit expectations for 2020

With reference to company announcement no. 9/2020 of March 18, 2020, given the escalating developments in the Covid-19 situation, Sparekassen Sjælland-Fyn A/S suspended the announced expectations for the annual profit for 2020, Sparekassen Sjælland-Fyn A/S's results for Q1 2020 and adjusted profit expectations for 2020 will be announced.

Due to the macroeconomic uncertainty created by the Covid-19 pandemic, including lower market price and spreads increases bonds, as well as expected higher impairments, Sparekassen Sjælland-Fyn A/S's profit expectations are downgraded.

In connection with the publication of the annual report for 2019, Sparekassen Sjælland-Fyn A/S's expectations for 2020 amounted to a profit before tax ranging between DKK 230-270m.

The updated profit expectations for 2020 now represent a profit before tax ranging between DKK 170-210m.

Profit for Q1 2020 was positively affected by a very satisfactory growth in basic earnings, which increased by 38%, and brings income/cost ratio (DKK 1.62) close to the financial target and in line with the announced "NEW WAY" strategy set by Sparekassen Sjælland-Fyn A/S and to be executed by the end of 2021.

Due to the uncertainty associated with Covid-19, impairment losses on loans and advances etc. amounts to DKK 73.9m in Q1 2020. In the calculation of Sparekassen Sjælland-Fyn A/S collective impairment losses, a management estimate of DKK 78m was made, which is set aside to cover any consequences of Covid-19. The total management estimates that have been made subsequently amount to DKK 123m, equivalent to approximately 1% of Sparekassen Sjælland-Fyn A/S's loans and advances.

Despite the large reservations, a profit before tax of DKK 46.8m was realized in Q1 2020.

Sparekassen Sjælland-Fyn A/S's Q1 2020 will be published in its entirety on May 11, 2020.

Financial highlights DKK 1,000	Sparekassen Sjælland- Fyn A/S Group		
Income statement items	Q1 2020	Index*	Q1 2019
Net interest and fee income	311,655	114	273,277
Other operating income	5,204	59	8,797
Staff costs and administrative expenses	178,321	102	174,562
Amortisation, depreciation and impairment losses on assets	11,745	72	16,311
Other operating expenses	5,574	163	3,429
Core earnings	121,219	138	87,772
Market value adjustments	-24,564	2,096	-1,172
Impairment losses on loans and advances etc.	73,900	840	8,801
Profit/loss on investments in associates and group enterprises	24,072	3,400	708
Profit before tax	46,827	60	78,507
Income tax	3,115	43	7,217
Net profit	43,712	61	71,290

* Index 31.03.2020 relative to 31.03.2019

Kind regards

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