

Company announcement no. 4/2017

Holbæk, 9 March 2017

Progress and historical profits after tax of DKK 215.7 m in Sparekassen Sjælland-Fyn A/S

Sparekassen Sjælland-Fyn had a historically good year in 2016. Profit after tax increased by almost 50 % to DKK 215.7 million, which provides returns on the opening equity at a rate to 8.7 % a year. The profit is considered very satisfactory.

Sparekassen has over the year increased the profit after tax outlook to top of the range of DKK 190 - 210 million. Profit after tax landed at DKK 215.7 million, and thus higher than the most recently announced outlook.

2016 in brief:

- The historically best profit after tax in sparekassens 191-year history
- After tax profit provides returns on the opening equity at a rate equivalent to 8,7% a year
- The result is 12.3 DKK per share
- The during the year announced outlook for core earnings are met
- Growth of loans and advances 7 % and growth in deposits 7 %
- Growth Business volume of 9 %
- Continued positive development in the credit quality, including a targeted reduction in property rates, which is reduced to less than 13 %
- Impairment on loans etc. dropped 28 % to DKK 107.2 million.
- Company and IT-related merger of Sparekassen Sjælland-Fyn and Sparekassen Fyn successfully completed in mid-October, will lead to noticeable synergies
- Sparekassen continues their strategy to maintain existing and open new branches
- The profit-realisation for the year means that the board of directors recommends a dividend payment of DKK 3.05 per share, in accordance to sparekassens dividend policy

Outlook 2017

Sparekassen is, as it appears from the above, undergoing an exciting development. In many ways, 2017 marks a new era. After several years of very large tasks in the form of acquisitions of two banks, two large-scale IT conversions, stock exchange listing, and merger, sparekassen now holds considerable competencies and resources in the coming years for optimizing, streamlining and primarily develop the overall business organically. Sparekassen expects in the fourth quarter of 2017, to provide a 4-year strategic plan, which with the current core values in sparekassen, shall ensure continued growth.

Core earnings are expected to be in the range of DKK 290-330 million. The core earnings expectations reflects the negative interest rates in society as well as the possible effects of the changes derived from MIFID II regulation, which has a negative impact on the income from the investment area. The satisfactory growth in business volume and loans is expected to continue, and impairment on loans, etc. is expected to decrease significantly to a maximum of DKK 75 million.

Dkk '000	Sparekassen Sjælland-Fyn Group	
Income statement	2016	2015
Net interest and fee income	972,639	1,020,228
Market value adjustments	46,528	-58,036
Other operating income	23,723	15,319
Staff costs and administrative expenses	643,802	612,753
Impairment losses on loans and advances etc	107,205	149,906
Profit on investments in associates and group enterprises	2,309	2,542
Profit before tax	228,213	136,420
Profit after tax	215,722	144,354
Balance sheet	31.12 2016	31.12.2015
Equity	2,587,771	2,469,210
Capital resources	2,469,398	2,284,635
Loans and advances	10,474,059	9,763,187
Deposits	15,647,044	14,633,032
Deposits in pooled plans	393,877	378,377
Total deposits	16,040,921	15,011,409
Balance sheet total	19,858,998	18,730,226
Total business volume	31,250,073	28,582,500
Headcount (full-time employees average)	546	533
Capital ratio	15.6	15.5
Core capital ratio	12.9	13.0
Excess capital adequacy in percentage points	6.3	5.5
Book value per share, end of year (DKK)	159.1	149.7
Share price at end of year (DKK)	107.0	98.0

Annual general meeting

The annual general meeting is held on Thursday 6 April 2017 at 4 p.m. in Vipperødhallen.

Kind regards

Lars Petersson
CEO

Thomas Kullegaard
Chairman

Further information:

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