

**Company announcement no. 17/2020**

Holbæk, 11 August 2020

**H1 Interim Report 2020 – Satisfactory earnings considering the events of the period.**

Realized core earnings is up by a most satisfactory DKK 28.8m, or 16%, compared to the same period in 2019.

Total credit arranged increases by 8% to DKK 54.0bn and testifies that sparekassen is gaining market share. This applies in creating more business with both existing private customers and corporate customers along with a very satisfactory customer development. This development can also be attributed the targeted efforts in line with the strategy announced, where it has succeeded in streamlining decision-making processes and customer solutions through IT development as well as a leaner organization.

Despite the deteriorating in market conditions since the strategy was launched in November 2017, the aim is still that the financial targets announced will be achieved by the end of the strategy period. Sparekassen still has some initiatives that will be launched in H2 2020 and that will stimulate core earnings even further.

Profit for the period after tax amounts to DKK 84.7m against DKK 126.0m in 2019.

It should be pointed out that the result was achieved despite the fact that - as a result of the COVID-19 situation, DKK 130.1m has been allocated in management add-ons to provisions.

Based on the above and the, the profit is considered satisfactory.

**Headlines**

- Core earnings increases 16%
- Income/cost ratio cf. the strategy plan "NEW WAYS" increases to DKK 1.54
- Total loans/mortgages increases 8% and amounts to DKK 54.0bn
- Staff cost and administrative expenses and amortization, depreciation and impairment losses on assets decreases by almost 2% overall
- A provision of DKK 130.1m has been made in management add-ons in H1 resulting from COVID-19. Total management add-ons at the end of the quarter now amount to DKK 161.4m
- Capital ration increase to 20.4%
- Earnings expectations is maintained at the level of DKK 170-210m

<b>Income statement (DKK '000)</b>	<b>H1 2020</b>	<b>Index*</b>	<b>H1 2019</b>
Net interest and fee income	592,322	106	557,396
Other operating income	9,281	53	17,518
Staff cost and administrative expenses	356,300	101	354,211
Amortisation, depreciation and impairment losses on assets	24,624	75	32,788
Other operating expenses	10,527	160	6,593
<b>Core earnings</b>	<b>210,152</b>	<b>116</b>	<b>181,322</b>
Translation and market value adjustments	-30,393	121	-25,205
Provision related to COVID-19	130,050	-	0
Adjustment, other managements add-ons	-13,893	-	9,675
Ordinary provisions	-3,397	-	1,433
Profit on investments in associates and group enterprises	25,584	-	254
<b>Profit before tax</b>	<b>92,583</b>	<b>64</b>	<b>145,263</b>
Tax	7,887	41	19,234
<b>Profit after tax</b>	<b>84,696</b>	<b>67</b>	<b>126,029</b>
<b>Balance sheet (DKK million)</b>	<b>30.06.2020</b>	<b>Index*</b>	<b>30.06.2019</b>
Loans and advances	11,807	95	12,369
Deposits	19,423	106	18,343
Deposits in pension plans	1,853	116	1,596
Total deposits	21,276	107	19,940
Equity	3,250	103	3,148
Balance	26,337	106	24,809
Capital resources	3,316	105	3,148
Total business volume	39,473	104	38,116
Total credits arranged	54,013	108	50,170
<b>Financial ratios</b>			
Capital ratio**	20.4	122	16.7
Core capital ratio**	16.9	122	13.9
Excess capital adequacy in percentage**	10.5	148	7.1
Earnings per share (DKK)	4.2	64	6.6
Book value per share	165.8	104	159.3
Share price at end of period (DKK)	83.6	88	94.8
Average headcount (converted into full-time employees at year-end)	559	93	598

\* Index 30.06.2020 compared to 30.06.2019

\*\* 30.06.2020 and 30.06.2019 has been calculated exclusive of profit for the period.

Kind regards

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