

**Company announcement no. 8/2022**

Holbæk, April 27, 2022

## Strategy period completed an new strategy period launched

On 6 November 2017, Sparekassen Sjælland-Fyn A/S published the strategy “New Ways” via company announcement no. 18/2017, which contained seven strategy tracks and four ambitious financial targets.

In the strategy period 2018-2021, as part of the strategic work, over 1,000 concrete targeted initiatives have been implemented and an effective execution model has been developed.

As a result, the financial targets have been largely met:

- 1) A solid foundation, with the aim of significantly increasing the capital base. All capital ratios have been increased significantly over the period. Core Capital increased from 10.7% to 17.5% as of 31 December 2021. Capital ratio increased from 16.3% to 23.3% as of 31 December 2021.
- 2) Solid profitability, with the aim of generating a return on equity after tax in the range of 9-11%. In 2021, the return was 12.4% and among the top 50 banks in the country.
- 3) Increased efficiency, where the aim was to increase total business volume in relation to the costs. Business volume (deposits, loans and guarantees) increased by 21% and personnel and administration have increased by 5%. The total calculated efficiency has thus increased by 17%.
- 4) Earnings per cost ratio, where the target was to increase this to 1.7. The target was met in Q1, 2021. For 2021 as a whole, the figure ended at 1.58 and was thus not met as a whole.

In the strategy period, the realised profit after tax in DKK 1,107 million. Sparekassen’s share price rose from DKK 114.5 to DKK 165, and a dividend of DKK 11.5 was paid out.

Based on the results achieved, we consider the implementation of the seven tracks of the strategy and the four financial targets as successful.

### Launching a new strategy – Towards new goals 2025

Towards new goals 2025 is built around five financial targets and eight strategic tracks.

Financial targets:

- 1) The rate of cost must be reduced to below 50% (63% as of 31 December 2021).
- 2) Return on equity after tax must, on average, exceed 10% during the strategy period.
- 3) Cash dividend to shareholders of 25% of net profit after tax and payment of interest to hybrid core capital – in addition, the Board is considering increasing the distribution through share buybacks, taking into account continued strong solvency.
- 4) Target capital ratio minimum 20%.

- 5) Solid and controlled growth in total business volume (deposits including pooled deposits, custody account funds, loans, DLR loans, Totalkredit loans and guarantees) of 4-8% annually.

The strategic paths:

- People and culture
- Purpose
- Business Savings Bank
- Marketing and digitalization
- Sales development
- Optimization and operational management
- Data and decision support
- Staff support and governance

For further information, please visit Sparekassen's website.

In addition, Sparekassen will continue and expand investments in joint value chains of companies that increase Sparekassen's earnings and stimulate Sparekassen's distribution channels. Current examples are Lollands Bank, Møns Bank, Nordfyns Bank, DLR, BankInvest and SparInvest. We see new opportunities in companies working on solutions within the green agenda.

The Status and development of the financial goals will be continuously monitored when quarterly, half-yearly and annual reports are published.

Overall, it is our expectation that the execution of the strategy Towards new goals 2025 will create great value for alle Sparekassen's stakeholders in the form of customers, employees and shareholders.

Lars Petersson  
CEO

Thomas Kullegaard  
Chairman

**Further information:**

Public Relations and Executive Advisor Morten Huse Eikrem-Jeppesen, tel. +45 53 85 07 70

CEO Lars Petersson

Executive Officer of the Savings Bank Lars Bolding

[www.spks.dk/ir](http://www.spks.dk/ir)