

**Company announcement no. 18/2022**

Holbæk, November 3, 2022

## Pre-tax profit Q1-Q3 2022 of DKK 351.0m – Providing a 12.3% return on equity before tax

Profit after tax amounts to DKK 276.4m, corresponding to a return on equity of 9.7% per year. This profit reflects both an 23% increase in core earnings compared to Q3 2021, an 11% increase in loans to corporate customers since end 2021 and negative market value adjustments related to the continued price decreases in Danish mortgage credit bonds. In this context, the financial performance are considered satisfactory.

### Highlights

- Pre-tax profit provides returns on the opening equity at a rate equivalent to 12.3% a year
- Net interest income up 11%
- Fee and commission income up 5%
- Level of costs up 8% - adjusted for non-recurring matters, the level of costs has increased by 4%
- Rate of cost 61.1%
- Core earnings up 10%
- In Q3 2022, core earnings have gone up by 23% on Q3 2021
- Negative market value adjustments of DKK 83.3m
- Reversal of DKK 30.9m on impairment losses on loans and advances etc
- Pre-tax earnings expectations is narrowed from DKK 425-510m to DKK 450-510m

<b>Income statement items (DKK thousands)</b>	<b>Q1-Q3 2022</b>	<b>Index*</b>	<b>Q1-Q3 2021</b>
Net interest and fee income	1,002,935	109	922,740
Other operating expenses	11,864	102	11,586
Staff costs and administrative expenses	579,086	108	534,222
Amortisation, depreciation and impairment losses on assets	27,824	97	28,781
Other operating expenses	12,625	94	13,438
<b>Core earnings</b>	<b>395,264</b>	<b>110</b>	<b>357,885</b>
Market value adjustments	-83,269	-	21,155
Total impairment losses	-30,934	129	-24,033
Profit/loss on investments in associates and group enterprises	8,063	45	17,846
<b>Profit before tax</b>	<b>350,992</b>	<b>83</b>	<b>420,919</b>
Tax	74,589	108	69,274
<b>Profit after tax</b>	<b>276,403</b>	<b>79</b>	<b>351,645</b>

<b>Balance sheet (DKK million)</b>	<b>30.09.2022</b>	<b>Index*</b>	<b>30.09.2021</b>
Loans and advances	12,324	102	12,117
Deposits	20,665	103	20,054
Deposits in pooled plans	1,983	87	2,270
Total deposits	22,649	101	22,324
Equity	3,911	105	3,712
Balance sheet total	28,529	101	28,334
Capital resources	3,755	106	3,527
Total business volume	99,943	100	100,208
Total credits arranged	60,558	102	59,346
<b>Financial ratios</b>			
Capital ratio**	22.3	108	20.6
Core capital ratio**	16.4	109	15.1
Excess capital adequacy in percentage points**	11.6	108	10.7
Earnings per share (DKK)	14.9	77	19.3
Book value per share (DKK)	203.2	105	193.3
Price at year-end (DKK)	153.0	112	136.5
Average headcount (converted into full-time employees at year-end)	553	101	550

\* Index 30.09.2022 relative to 30.09.2021.

\*\* 30.09.2022 and 30.09.2021 have been calculated exclusive of profit for the period. If the profit for the period after tax is reduced with the dividend policy's target were included in the capital base, the capital ratio, core capital ratio, actual core capital ratio, and capital transfer would be 1.0 pct. points higher (30.09.2021: 1.7% pct. points higher).

Kind regards

Lars Petersson  
CEO

Thomas Kullegaard  
Chairman

### **Further information:**

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