

SPAREKASSEN SJÆLLAND-FYN

Q1 2021

Interim Report



Q1 2021 highlights

FINANCIAL TARGETS

Realised

The four ambitious financial targets in Sparekassen's strategic plan 2021 "New Ways" have all been realised in Q1 2021.

PROFIT AFTER TAX

Provides a 17% return on opening equity

Pre-tax profit up 246% to DKK 162.0m. Net profit stands at DKK 143.6m

NET INTEREST INCOME

Up 6%

Net interest income is up by DKK 7.8m and totals DKK 146.0m.

LEVEL OF COSTS

Down 4%

Staff costs and administrative expenses and amortisation, depreciation and impairment losses on assets have gone down by a total of DKK 7.8m to DKK 182.3m.

CORE EARNINGS

Up 6%

Recent years' satisfactory developments continued in Q1 2021.

IMPAIRMENT LOSSES ON LOANS AND ADVANCES ETC

Reversal of DKK 15.3m

The stable development in the credit quality of Sparekassen's customers continues.

POSITIVE TRANSLATION/MARKET VALUE ADJUSTMENTS OF

DKK 12.8m

Translation and market value adjustments up DKK 37.4m.

TOTAL CREDITS ARRANGED

Up 8 %

Total credits arranged in the form of loans and advances and mortgage loans arranged for private and corporate customers have increased to DKK 57.7bn.

UPWARD ADJUSTMENT OF EXPECTATIONS

DKK 350-425m before tax

Because of a strong Q1, expectations have been adjusted upwardly, see company announcement no 11/2021 of 15 April 2021..

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Cover photo: The Sparekassen Sjælland-Fyn Group’s head office in Holbæk.

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This Interim Report has been prepared in Danish and English, with the Danish version being valid in the event of any inconsistencies.

For more information, please visit spks.dk or contact:

Lars Petersson Chief Executive Officer +45 5948 1111 lap@spks.dk	Lars Bolding Executive Officer of the Savings Bank +45 5948 1085 lbo@spks.dk	Morten Huse Eikrem-Jeppesen Press Officer +45 5385 0770
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Management commentary

Sparekassen is continuing the positive development from 2020 and produces a most satisfactory net profit of DKK 143.6m for Q1 2021. This positive development also means that Sparekassen has reached an important milestone and is fulfilling all four financial targets defined in the four-year strategic plan “New Ways”.

The strategic plan was launched in 2017, and so Sparekassen has embarked on the last year of the strategy period. For the very same reason it is most satisfactory that the work of executing on the planned efficiency improvement and optimisation initiatives is proving its worth and that Sparekassen is fulfilled all four ambitious financial targets of the strategy in Q1.

Outcome of the New Ways key figures in Q1 2021:

- ✔ Increased efficiency: 1.67 (maximum target: 1.75)
- ✔ Solid profitability in the form of a return on equity after tax: 16.6% (target level: 9-11%)
- ✔ High income/cost ratio DKK 1.70 (minimum target: DKK 1.70)
- ✔ A strong foundation in the form of a common equity tier 1 capital ratio and a capital ratio of 15.3% and 20.6%, respectively, inclusive of profit for the period (targets of 13.0% and 17.0%, respectively).

The task from now on will be to keep up the positive results, which calls for a continued dedicated effort by all of Sparekassen's employees. For example, the work of streamlining Sparekassen's internal processes will continue so that our customers can have the products and the quick and clear answers they need.

This is a powerful competitive parameter and one of the reasons why Sparekassen is gaining market shares in the fields of both private customers and corporate customers.

Continued improvement of core earnings

Recent years' satisfactory developments in Sparekassen's core earnings have continued in Q1 2021, with core earnings having gone up by 6% on Q1 2020, when the level was also high.

The strategic initiatives along with a continued high level of activity in the private customer area and the corporate customer area primarily related to the ongoing positive developments in the housing market have improved the level of earnings. House prices are generally on the rise, and the interest in buying and selling real property remains high despite a moderately increasing interest rate. Mortgage loans arranged for Totalkredit and DLR Kredit over the past 12 months have gone up by 10% to DKK 45.4bn, which strengthens the income base in the short term as well as the long term by way of more commission income.

As for deposits, the introduction and the continuous adjustment of the negative deposit rates have not curbed peoples' desire to save up money, which has supported the positive development in net interest income.

Net interest and fee income for Q1 2021 total DKK 310.2m, which is more or less the same

compared to Q1 2020. The circumstance that the line item has not increased is a result of a major single payment of DKK 9m in dividends in Q1 2020.

Sparekassen's total staff costs and administrative expenses and amortisation, depreciation and impairment losses on assets have gone down by 7.8m, or 4%. The decline is a result of recent years' major efficiency improvement and optimisation initiatives, see the strategic plan “New Ways”. Also, recent years' increases in IT costs for Sparekassen's IT centre Bankdata seem to be over for now.

The volume in Sparekassen's business areas has gone up by 15% per employee over the past year, and expectations are that it will increase further in 2021.

Impairments

In Q1 2021, impairment charges represent a reversal of DKK 15.3m.

Even though the economic implications of COVID-19 are still connected with uncertainty, including the impact on Sparekassen's customer base, the actual losses sustained by Sparekassen as a result of COVID-19 are quite small. This – combined with the ongoing vaccination programme and a review of the largest exposures – has contributed to total management add-ons having been adjusted.

At the end of Q1 2021, total management add-ons stand at DKK 197.4m, equivalent to around 1.6% of the balance of loans and advances. Sparekassen believes that this level still reflects a conservative approach to financial developments in the quarters ahead and the continuously increased credit risk arising from the COVID-19 situation.

Outlook for 2021

When the Annual Report for 2021 was published, the pre-tax earnings expectations for 2021 ranged between DKK 300m and DKK 340m.

Since net interest and fee income, total costs, translation and market value adjustments and impairment losses in the first three months of the year have developed better than forecasted, pre-tax earnings expectations were adjusted upwardly in company announcement no 11/2021 of 15 April 2021.

Pre-tax earnings expectations for 2021 now therefore range between DKK 350m and DKK 425m.

Lars Petersson
Administrerende direktør

Bruno Riis-Nielsen Lars Bolding
Sparekassedirektør Sparekassedirektør

Financial highlights

Sparekassen Sjælland-Fyn A/S (Group)

Amounts in DKK'm	31.03 2021	31.03 2020	Index ¹	Ultimo 2020
Income statement items				
Interest income calculated under the effective interest method	127	128	99	509
Other interest income	18	22	85	60
Negative interest income	9	10	85	24
Interest expenses	11	12	93	46
Positive interest expenses	21	11	191	58
Net interest income	146	138	106	557
Dividends on shares	2	12	20	29
Fees and commission income	166	165	101	579
Fees and commission expenses paid	5	4	113	16
Net interest and fee income	310	312	100	1.149
Translation and market value adjustments	13	-25	-	16
Other operating income	4	5	67	21
Staff costs and administrative expenses	173	178	97	729
Amortisation, depreciation and impairment losses on intangible assets and property, plant and equipment	9	12	79	66
Other operating expenses	3	6	48	23
Impairment losses on loans and advances etc	-15	74	-	161
Investments in associates and group enterprises	5	24	22	35
Profit for the year before tax	162	47	346	242
Income tax	18	3	-	13
Profit for the year after tax	144	44	329	229
Profit allocated to shareholders	138	38	366	204

Sparekassen Sjælland-Fyn A/S (Group)

Amounts in DKK'm	31.03 2021	31.03 2020	Index ¹	Ultimo 2020
Balance sheet items				
Loans and advances etc	12,344	12,172	101	11,951
Deposits	19,737	18,549	106	20,001
Deposits in pooled plans	2,154	1,653	130	2,082
Total deposits	21,891	20,202	108	22,083
Subordinated loan capital	570	674	85	570
Equity	3,528	3,228	109	3,382
Balance sheet total	27,153	25,221	108	27,266
Capital resources	3,575	3,409	105	3,655
Total business volume (deposits, loans, advances and guarantees)	41,886	39,020	107	41,160
Total credits arranged	57,722	53,309	108	56,076
Custody accounts	12,534	8,976	140	11,800

Amounts in DKK'm	31.03 2021	31.03 2020	Index ¹	Ultimo 2020
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Developments in Sparekassen's business areas

Loans and advances etc	12,344	12,172	101	11,951
Totalkredit	33,248	30,450	109	32,331
DLR	12,130	10,687	114	11,794
Guarantees (exclusive of loss guarantees for mortgage loans)	4,810	4,013	120	4,276
Deposits	19,737	18,549	106	20,001
Deposits in pooled plans	2,154	1,653	130	2,082
Custody accounts	12,534	8,976	140	11,800
Total	96,957	86,500	112	94,235
Average headcount (full-time employees on average)	547	563	97	555
Per employee	177	154	115	170

¹ Index: 31.03.2021 relative to 31.03.2020.

Financial ratios

	Sparekassen Sjælland-Fyn A/S (Group)			
	31.03 2021	31.03 2020	Index ¹	Helår 2020
Financial ratios				
Capital ratio ²	20,0	19,6	102	21,8
Core capital ratio ²	16,8	15,8	106	18,4
Common equity Tier 1 capital ²	14,7	13,6	108	16,1
Excess capital adequacy in percentage points ²	10,3	10,0	103	11,7
Return on equity before tax (for the period)	4,7	1,5	313	7,3
Return on equity after tax (for the period)	4,2	1,4	300	6,9
Income/cost ratio DKK	1,95	1,17	167	1,25
I/O jf. Nye veje	1,70	1,62	105	1,43
Rate of cost	59,0	61,7	96	69,9
Interest rate risk relative to core capital net of deductions	1,0	0,1	-	0,1
Currency position relative to core capital net of deductions	1,4	0,8	175	1,3
Currency risk relative to core capital net of deductions	0,0	0,0	-	0,0
Loans and advances relative to equity	3,5	3,8	92	3,5
Loans and advances plus loan impairment losses relative to deposits	58,8	63,4	93	57,0
Growth in loans and advances for the for the period ²	3,3	-0,4	-	-2,2
Impairment ratio for the for the period	-0,1	0,4	-	0,7
Accumulated impairment ratio ³	3,0	3,6	83	3,6
Zero interest loans and advances relative to total loans and advances	0,5	0,7	71	0,6
Liquidity benchmark	437	433	101	456
Liquidity LOR	395	386	102	416
Total large exposures	82,6	80,2	103	67,7
Return on invested capital	0,5	0,2	250	0,9
Earnings per share (DKK) ³	8,0	2,2	364	11,8
Dividend per share (DKK)	0,0	0,0	-	0,0
Book value per share (DKK)	181,9	163,8	111	173,8
Price/earnings per share ³	13,9	36,0	39	7,6
Price/equity per share ⁴	0,6	0,5	120	0,5
Price at year-end (DKK)	111,0	78,2	142	90,0
Average headcount (full-time employees on average) ⁵	547	563	97	555
Average headcount (converted into full-time employees at year-end) ⁶	544	564	96	556

1 Index: 31.03.2021 relative to 31.03.2020.

2 31 March 2021 and 31 March 2020 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 was included in the capital base, the capital ratio, core capital ratio, actual core capital ratio, and capital transfer would be 0.6 pct. points higher. (31 March 2020: capital ratio, core capital ratio, actual core capital ratio, and capital transfer 0.3 pct. points higher).

3 Calculated based on the average number of shares during the year.

4 Calculated based on the number of outstanding shares at the end of the year.

5 Engaged in financial business

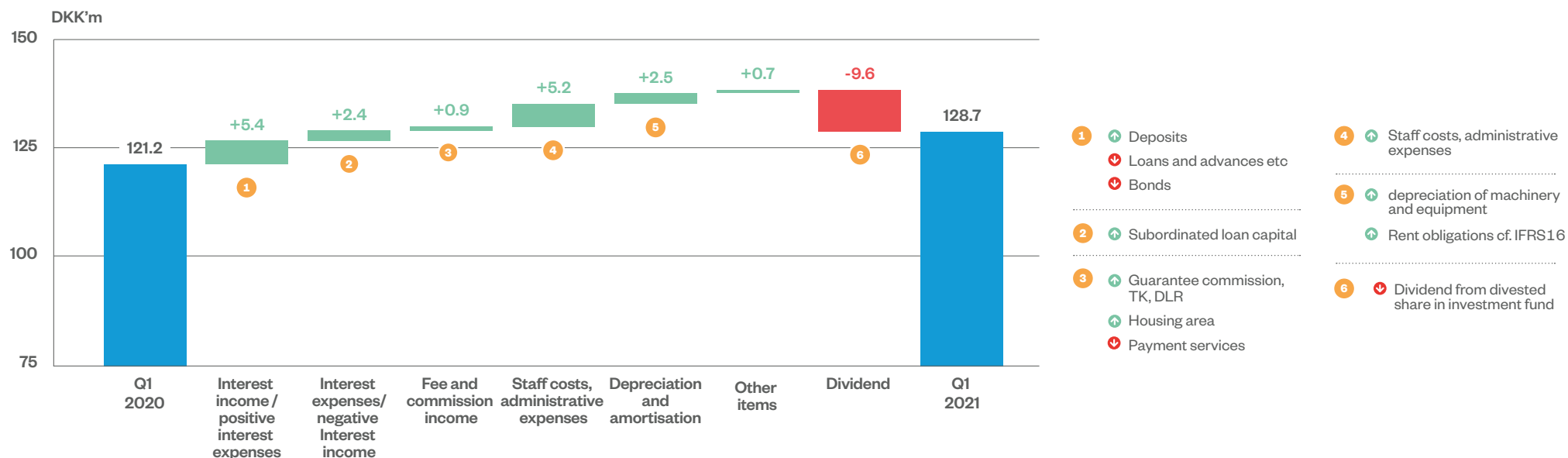


Core earnings

Sparekassen Sjælland-Fyn A/S (Group)

Amounts in DKK'm	Q1 2021	YTD 2020	Q4 2020	Q3 2020	Q2 2020	Q1 2020	YTD 2019	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Core earnings											
Net interest income	146.0	556.9	145.1	141.1	132.4	138.2	564.7	140.2	146.1	141.3	137.2
Dividends on shares	2.4	29.0	0	0	17.0	12.0	24.9	-	1.0	20.6	3.3
Fees and commission income	166.3	579.5	142.4	136.8	134.9	165.4	541.4	147.4	129.8	126.5	137.6
Fees and commission income paid	4.5	16.1	4.6	3.9	3.6	4.0	17.7	4.8	3.8	4.2	4.9
Other operating income	3.5	20.7	7.3	4.2	4.1	5.2	27.4	4.6	5.3	8.7	8.8
Other operating expenses	2.7	23.3	9.0	3.8	5.0	5.6	19.3	8.7	4.0	3.1	3.4
Core income	311.0	1,146.7	281.2	274.4	279.8	311.2	1,121.4	278.7	274.4	289.7	278.6
Staff costs and administrative expenses	173.1	729.1	195.9	176.9	178.0	178.3	725.7	194.2	177.3	179.6	174.5
Amortisation, depreciation and impairment losses on intangible assets and property, plant and equipment	9.2	66.0	25.6	15.8	12.9	11.7	85.5	28.2	24.4	16.5	16.3
Core earnings	128.7	351.6	59.7	81.7	88.9	121.2	310.2	56.3	72.7	93.6	87.8

Development in core earnings





The Supervisory Diamond

Sparekassen respects all thresholds for the benchmarks of the Danish FSA's risk management tool, "the Supervisory Diamond"; the Supervisory Diamond lays down risk-based benchmarks for five specific areas that credit institutions must comply with.

The five benchmarks and the current calculations are:

Benchmark	Threshold	Group at 31.03.2021	Group at 31.03.2020
The total of large exposures as a percentage of common equity tier 1 capital	< 175 %	82.6	80.2
Loan growth per annum	< 20 %	1.4	-0.6
Property exposure of loans advances and guarantees	< 25 %	10.6	11.0
Liquidity benchmark	> 100 %	437	433
Funding ratio loans and advances/working capital less bonds with a term to maturity of less than one year	< 1.00	0.47	0.50

For all five benchmarks, Sparekassen has an internal target that is below the Supervisory Diamond thresholds. The threshold, the total of large exposures, represents the amount of the 20 largest exposures as a percentage of common equity tier 1 capital. For this benchmark, Sparekassen has set an internal threshold of 125% which is much lower than the Supervisory Diamond threshold of 175%.

The internal targets and the controlled management of developments in the five Supervisory Diamond benchmarks entail that Sparekassen does not expect to have any difficulties in respecting the thresholds of the Supervisory Diamond in future either.

Financial review of the Group

Q1 2021

Pre-tax profit stands at DKK 162.0m, which is influenced by a continuously positive development in core operations that is driven by increasing net interest income, a continuously high level for fee and commission income and a declining level of staff costs and administrative expenses, and declining amortisation, depreciation and impairment losses on assets. Moreover, translation and market value adjustments are on the rise, and impairment charges represent a reversal totalling DKK 15.3m. The positive development in earnings is better than expected, for which reason Sparekassen adjusted its pre-tax earnings expectations for the year upwardly in company announcement no 11/2021 of 15 April 2021 from ranging between DKK 300m and DKK 340m to ranging between DKK 350m and DKK 425m.

Net profit stands at DKK 143.6m.

The profit generated is considered most satisfactory.

Income statement

Income

Net interest income

Net interest income has increased by DKK 7.8m and amounts to DKK 146.0m against DKK 138.2m in Q1 2020.

Total interest income has seen a decline of DKK 4.7m and amounts to DKK 145.0m. The decline in interest income is primarily attributable to a lower average flat yield on the portfolio of bonds. Interest income from this portfolio stands at DKK 9.8m against DKK 14.5m for the same period last year.

Interest income from loans and advances has gone down by about 1% to DKK 126.0m. On average, loans and advances in Q1 2021 are at the same level as in Q1 2020. This development is a combination of unchanged average lending and a small decline in the average interest rate on loans and advances. The development in the balance of loans and advances should be seen in conjunction with the favourable economic climate in the real estate market, entailing that an increasing portion of the customers' debts may be financed by means of mortgage loans. Mortgage loans arranged by Sparekassen have therefore risen by DKK 4.2bn since 31 March 2020.

Negative interest income amounts to DKK 8.8m against DKK 10.4m in Q1 2020. The negative interest income is related to Sparekassen's placement of excess liquidity on the current account, in certificates of deposit, treasury bills and short-term floating-rate mortgage credit bonds. Under the requirements to have an appropriate liquidity buffer (LCR ratio), Sparekassen must have a certain amount of liquidity placed in

financial assets issued by governments in the form of certificates of deposit, treasury bills and government bonds or on the current account, resulting in negative interest income. Total interest expenses have gone down by DKK 0.9m to DKK 11.4m. This development is attributable to interest expenses for subordinated capital that have gone down by DKK 2.2m. An increase in interest expenses for bonds issued (senior non-preferred bonds) of DKK 1.1m contributes in the opposite direction. These new bond issues are a result of the tightened capital adequacy requirements on eligible liabilities (the requirement for eligible liabilities). Interest expenses for deposits have remained largely the same.

Because of the continuously low interest rate levels, Sparekassen has in 2020 and 2021 regularly adjusted the interest rate level for deposit products for both private customers and corporate customers. Following the latest adjustment effective from January 2021, each private customer having a NemKonto account with Sparekassen can have up to DKK 100,000 deposited without having to pay negative interest at the annual rate of 0.6%. For corporate and unit trust customers and pension funds, the annual interest rate for deposit products is a negative 0.75% and a negative 0.60%, respectively, from the first krone deposited. These steps support the development in positive interest expenses which have gone up by DKK 10.1m

on the same period last year. At 31 March 2021, positive interest income stands at DKK 21.2m.

Dividend

Sparekassen has received DKK 2.4m in dividends against DKK 12.0m in Q1 2020. The decrease in dividends received is related to the dividend from a now disposed-of holding of shares in an investment fund which invests in corporate bonds.

Fee and commission income

Sparekassen's fee and commission income has increased by DKK 0.9m to stand at DKK 166.3m by the end of Q1 2021. Generally heavy business activities are seen particularly in the housing area where many mortgage loans have been arranged through the business partners Totalkredit and DLR Kredit in connection with re-mortgaging and house transactions. Payment services, however, which include various fees related to charge cards and cash withdrawals in Denmark and abroad, have seen a small decline. This is attributable to the circumstance that the same period last year was less affected by restrictions caused by COVID-19. The development in fee and commission income should be viewed in light of the same period last year also being marked by heavy business activity and considerable fee and commission income.

Translation and market value adjustments

Translation and market value adjustments total DKK 12.8m whereas in the same period in 2020 they were negative by DKK 24.6m. Market value adjustments of bonds stand at a negative DKK 18.0m compared to a negative DKK 23.6m at the same time last year. Slightly increasing interest rates and drawings of mortgage credit bonds that were acquired at a premium, have caused the negative price adjustments in Q1 2021. Market value adjustments of shares stand at DKK 28.8m compared to DKK 1.6m last year. The positive market value adjustments are a combination of increased prices in Sparekassen's portfolio of sector shares and a generally favourable share market where Sparekassen has realised a capital gain.

Translation and market value adjustments of investment property, foreign currencies and other financial instruments total DKK 2.0m against a negative DKK 2.6m last year.

Other operating income

Other operating income is primarily composed of rent from the property portfolio of the subsidiary Ejendomsselskabet Sjælland-Fyn A/S. The line item stands at DKK 3.5m against DKK 5.2m for the same period last year. The primary reason for this development is declining rental income as a result of a smaller property portfolio on average with extra-group lessees.

Staff costs and administrative expenses

Staff costs and administrative expenses are down by DKK 5.2m, or 3%, to DKK 173.1m. Total staff costs have increased by less than 1% to stand at DKK 109.1m. This development reflects a decline in headcount, pay adjustments arising

from collective agreements and a continued increase in payroll tax.

Other administrative expenses have gone down by DKK 6.1m to DKK 59.9m. The decline in other administrative expenses is a result of recent years' major efficiency improvement and optimisation initiatives, see the strategic plan "New Ways". Also, recent years' increases in IT costs for Sparekassen's IT centre Bankdata seem to be over for now.

Amortisation, depreciation and impairment losses on intangible assets and property, plant and equipment

Amortisation, depreciation and Impairment losses on intangible assets and property, plant and equipment total DKK 9.2m, which is a decrease of DKK 2.5m compared to the same period last year. One of the reasons for the decrease is the depreciation of machinery and equipment and leasehold improvements where assets acquired in connection with branches established in prior years are now almost fully depreciated. Also, rent obligations have declined, refer to IFRS 16.

In aggregate, staff costs and administrative expenses and amortisation, depreciation and impairment losses on intangible assets and property, plant and equipment have gone down by 4% to stand at DKK 182.3m.

Impairment losses on loans and advances

Impairment losses on loans and advances etc represent an income of DKK 15.3m, which is an improvement of DKK 89.2m compared to 2020. One of the reasons for this positive development is that the finances of businesses and private households are still considered strong.

At the time of writing, the restrictions implemented because of COVID-19 are being eased on a regular basis. Retailers, restaurants and professions such as hairdressers have reopened subject to certain precautions. The same goes for schools, educational institutions and many cultural and sports activities. Moreover, the assembly ban will be eased on a regular basis throughout the spring and the summer. However, despite initial positive trends, Sparekassen still expects that the economic implications of COVID-19 cannot be determined until in the second half of 2021.

Even though the economic implications of COVID-19 are still connected with significant uncertainty, including the impact on Sparekassen's customers, the actual losses sustained by Sparekassen as a result of COVID-19 are currently quite small. This – combined with the ongoing vaccination programme and a review of the largest exposures – has contributed to total management add-ons having been adjusted by DKK 14.5m in Q1 2021.

Provisions in the form of management add-ons then total DKK 197.4m at 31 March 2021, corresponding to approximately 1.60% of Sparekassen's loans and advances. Sparekassen believes that this level still reflects a conservative approach to financial developments in the quarters ahead and that the continuously increased credit risk arising from the COVID-19 situation is hedged based on best estimates.

Profit/loss from investments in associates and group enterprises

Profit/loss from investments in associates and group enterprises has decreased by DKK 18.9m to DKK 5.2m. This line item primarily relates to

Sparekassen's stake in Lollands Bank and the continuous value adjustment to equity value thereof. Q1 2020 was extraordinarily affected by the acquisition of a stake of over 20% in Lollands Bank and the subsequent initial revaluation of the acquired stake to equity value.

Profit for the period

Net profit for the period is up 229% and amounts to DKK 143.6m against DKK 43.7m in Q1 2020. An almost unchanged DKK 6.0m of the profit for the period is allocated to interest on hybrid core capital. So the shareholders' share of profit for the period amounts to DKK 137.6m against DKK 37.6m last year.

The profit for the period is considered most satisfactory.

Subsequent events

After the end of the accounting period, Sparekassen has obtained a stake of over 20% in Nordfyns Bank. Because of Nordfyns Bank's restrictions on voting rights, Sparekassen has not gained significant influence – unlike in Lollands Bank. Consequently, the shareholding in Nordfyns Bank will not be adjusted for accounting purposes to equity value in profit/loss from investments in associates and group enterprises. Instead, the shareholding will be stated at and regularly adjusted to fair value through equity as other comprehensive income. The value adjustment of Sparekassen's shareholding in Nordfyns Bank at 31 March 2021 totals DKK 2.4m.

Balance sheet

Below, key balance sheet items along with balance sheet items subject to considerable development are described.

Assets

Cash and demand deposits with central banks

This line item is primarily composed of Sparekassen's deposits on the current account with Danmarks Nationalbank. Until mid-March 2021, Sparekassen had been granted a deposit limit of DKK 340m at a deposit rate of 0%. Placement of other liquidity with Danmarks Nationalbank had been done by means of certificates of deposit carrying an annual negative interest rate of 0.60%. In mid-March 2021, the upper deposit limit on the current account was abolished along with the opportunity to make short-term placements of liquidity in certificates of deposit. The interest rate on the current account was then fixed at a negative deposit rate of 0.50%. So the increase in cash and demand deposits with central banks by more than DKK 1.5bn is a result of Danmarks Nationalbank's change in its business terms.

Amounts owed by credit institutions and central banks

Sparekassen still holds a massive deposit surplus amounting to DKK 7.4bn, exclusive of deposits in pooled plans, at 31 March 2021. The primary placement channels for this type of liquidity are mortgage credit bonds, treasury bills, the current account and, until mid-March 2021, also certificates of deposit. The primary reason for the huge decline in amounts owned by credit institutions and central banks is the change in Danmarks Nationalbank's business terms, as described above, which has resulted in a major transaction of funds away from certificates of deposits over to the current account.

Bonds

Sparekassen pays interest of 0.50% per annum

when the liquidity is placed on the current account whereas when it is placed in mortgage credit bonds this typically yields a positive albeit small interest. But, conversely, the latter also involves an interest rate or price risk. In Q1 2021, the average portfolio of bonds at fair value was around DKK 0.4bn higher than in Q1 2020, whereas the average portfolio of treasury bills (bonds at amortised cost) was around DKK 0.7bn higher than in Q1 2020. At 31 March 2021, the portfolio of bonds inclusive of treasury bills amounts to DKK 8.6bn compared to DKK 6.5bn at 31 March 2020.

Loans and advances

The balance of loans and advances has gone up by DKK 172m on the balance at 31 March 2020 and totals DKK 12.3bn. Following periods of fairly stable or declining lending, a small increase in loans and advances to businesses is now recorded. Although loans and advances to businesses are to some degree still considered to be affected by the Danish Parliament's adoption of various aid packages for businesses. There has been a reasonable demand by private households for loans to buy land, bridge finance in housing transactions and residential mortgages. Conversely, the demand for other consumption-related financing has declined.

This development may be a consequence of a propensity to save witnessed in society, disbursement of frozen holiday pay and of the fact that the shutdown of the retail and travel sectors, among others, in large periods of the first quarter has hampered consumption, all things being equal. Lending to private customers is at a more or less unchanged level compared to Q1 2020. The development in loans and advances etc on the balance sheet should be seen in conjunction with recent years' favourable economic climate in the real estate market, entailing that an increasing portion of the customers' total debts may be financed by means of mortgage loans. Mortgage loans arranged by Sparekassen have risen by DKK 4.2bn over the past 12 months, and total credits arranged in the form of loans and mortgage loans have increased to DKK 57.7bn at 31 March 2021.

Shares

The portfolio of shares totals DKK 590.0m. This portfolio is almost entirely made up of shares in sector companies such as DLR Kredit, BI Holding and PRAS, which help support Sparekassen's business activities and earnings. Sparekassen also has a small portfolio of Danish listed shares.

Sparekassen's is keeping its overall market risk at a moderate level, and the policy is to continue to do so.

By combining historical figures on the correlation between asset classes in the financial markets with Sparekassen's current positions in its securities portfolio, the Value-at-Risk model can – with a 99% probability – estimate the statistical maximum risk of losses over the next 10-day period, assuming that all positions remain unchanged over that period. The highest VaR calculated in the first quarter showed a total VaR figure of approximately DKK 34m, equivalent to a risk of less than 1% of equity.

Investments in associates

Investments in associates amount to DKK 196.5m and primarily relate to Sparekassen's stake in Lollands Bank.

Land and buildings

Land and buildings total DKK 432.6m against DKK 456.4m at 31 March 2020. The development is attributable to investment property having been sold and owner-occupied property having been acquired.

Equity and liabilities

Deposits

The deposits balance exclusive of deposits in pooled plans stands at DKK 19.7bn at the balance sheet date compared to DKK 18.5bn at the same date last year, equal to an increase of 6%. The increase in the deposits balance is attributable to deposits by corporate customers, and the primary reason for this is presumably the Danish Parliament's adoption of various aid packages due to the COVID-19 pandemic.

Total credits arranged

	31.03.2021	31.03.2020	2020	2019	2018	2017
	DKK'm	DKK'm	DKK'm	DKK'm	DKK'm	DKK'm
Loans and advances etc, Sparekassen	12,344	12,172	11,951	12,217	12,174	11,681
Totalkredit	33,248	30,450	32,331	29,811	27,229	25,336
DLR	12,130	10,687	11,794	10,250	9,001	7,857
Total	57,722	53,309	56,076	52,278	48,404	44,874

Deposits by private customers have seen a slight increase.

Overall, there has been a decline in cash deposits on pension plans, on which interest is paid from the first krone deposited. The reason for this development is that, to some degree, customers choose to invest their pension plan funds in securities, which is why the decline in cash deposits on pension plans should be compared with the increase in custody account values and pooled deposits. Private customers' current accounts, however, have seen increasing deposits, probably because of the disbursement of frozen holiday pay and various ongoing restrictions related to COVID-19, which have to some degree dampened the incentive for private consumption.

Because of the continuously low interest rate levels, Sparekassen has in 2020 and 2021 regularly adjusted the interest rate level for deposit products for both private customers and corporate customers. Following the latest adjustment effective from January 2021, each private customer having a NemKonto account with Sparekassen can have up to DKK 100,000 deposited without having to pay negative interest at the annual rate of 0.6%. For corporate and unit trust customers and pension funds, the annual interest rate for deposit products is a negative 0.75% and a negative 0.60%, respectively, from the first krone deposited.

Deposits in pooled plans

Deposits in pooled plans have increased by 30% on 31 March 2020. Deposits in pooled plans total about DKK 2.2bn at 31 March 2021. Aside from the inflow of new customers, the increase may to some degree probably be



explained by the continuously low interest rate levels, for which reason customers are turning their eye to alternatives other than placement in traditional deposit accounts.

Bonds issued

This line item of around DKK 0.2bn is composed of the bonds (senior non-preferred bonds) which Sparekassen issued with a December 2020 value date to cover some of the tightened capital adequacy requirements for eligible liabilities (the requirement for eligible liabilities) that Sparekassen is subject to.

Subordinated loan capital

Subordinated loan capital amounts to DKK 570.0m compared to DKK 673.7m at the same date in 2020.

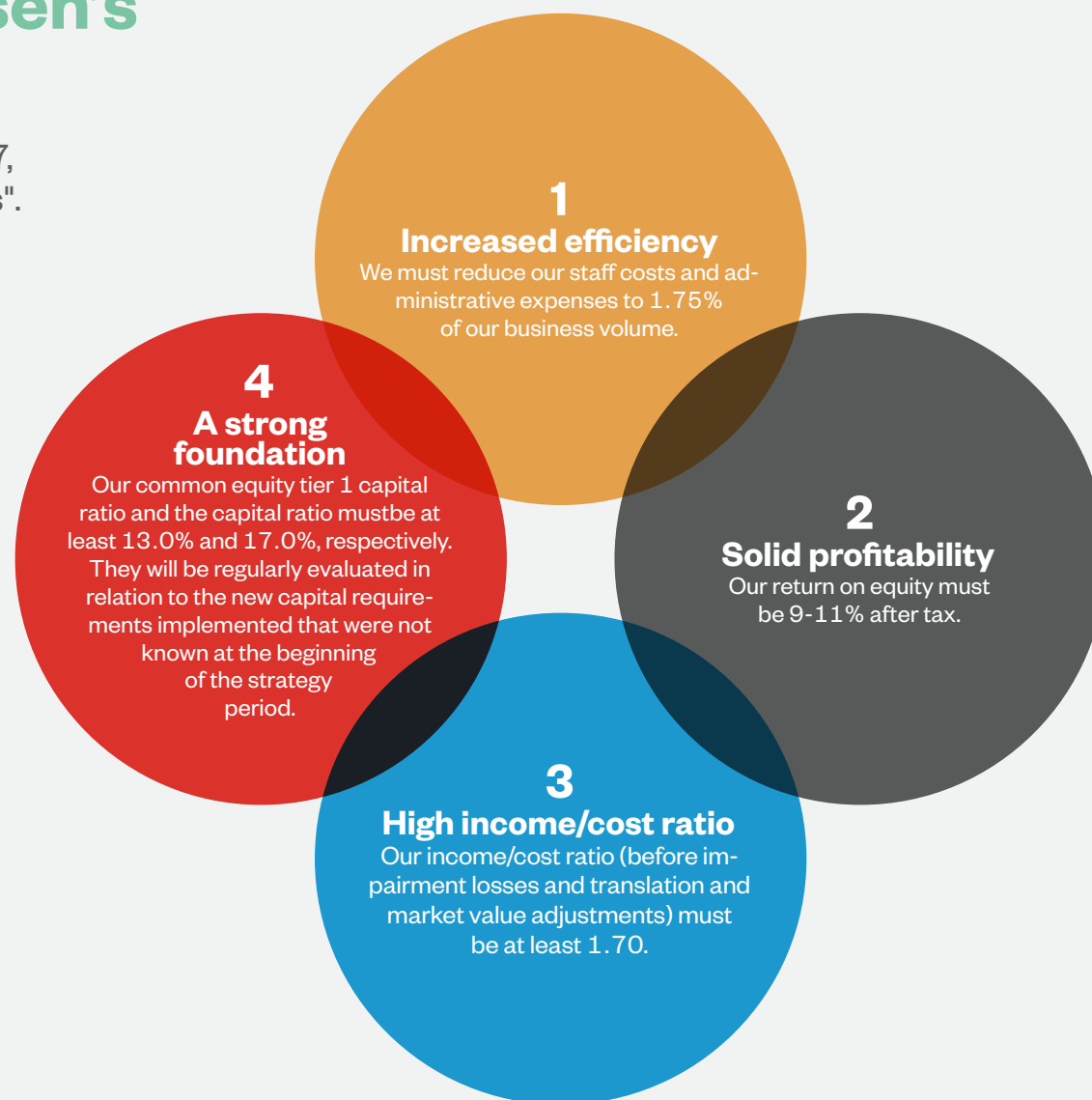
Capital transactions are made on a regular basis in Sparekassen's process of optimising its capital structure. Since 31 March 2020, Sparekassen has settled DKK 105m worth of subordinated loan capital, carrying an interest rate of 7.66% per annum, which is considerably higher than the interest rate level for Sparekassen's current subordinated loan capital issued.

Equity

Equity amounts to DKK 3,527.7m at the balance sheet date against DKK 3,227.7m at 31 March 2020. The increase in equity is broadly attributable to the profit for the period, reduced by interest paid on hybrid capital.

“New Ways” – Sparekassen’s 2021 strategic plan

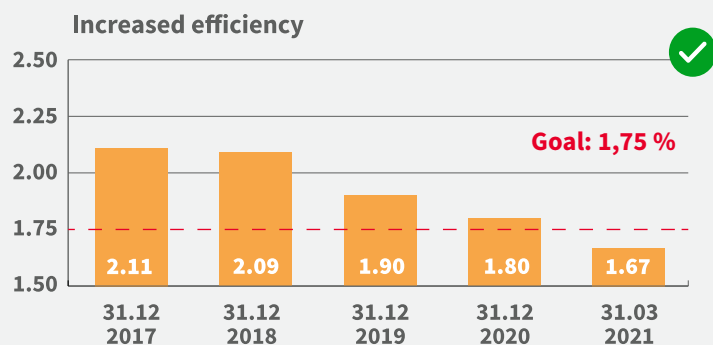
In company announcement no 18 of 6 November 2017, Sparekassen introduced its strategic plan "New Ways". The plan contains seven strategic paths and four financial targets to be executed by the end of 2021.



1 Increased efficiency

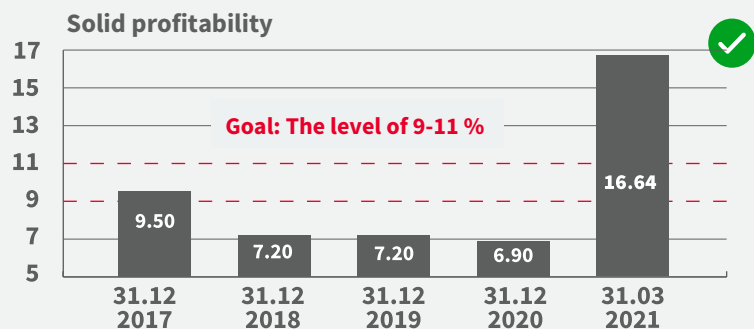
Staff costs and administrative expenses and business volume (deposits, loans and advances and guarantees), with business volume being calculated as a simple average of opening and closing amounts for the financial period. In interim statements, the ratio is annualised. The ratio is calculated in per cent.

It is Sparekassen's objective to have the development in efficiency reduce the ratio to 1.75% by the end of 2021 at the latest. This is equivalent to an efficiency improvement of 15%, which in an arithmetical example is equal to DKK 100m using 30 September 2017 figures. To make sure that this target for the ratio is met by the end of 2021, Sparekassen has set up an internal dedicated unit with relevant competencies to focus on efficiency improvements, not least by using new and improved IT solutions.



2 Solid profitability

This financial ratio reflects the net profit amount relative to equity. Equity is calculated as a simple average of opening and closing amounts for the financial period. In interim statements, the ratio is annualised. The ratio is calculated in percent.



3 High income/cost ratio

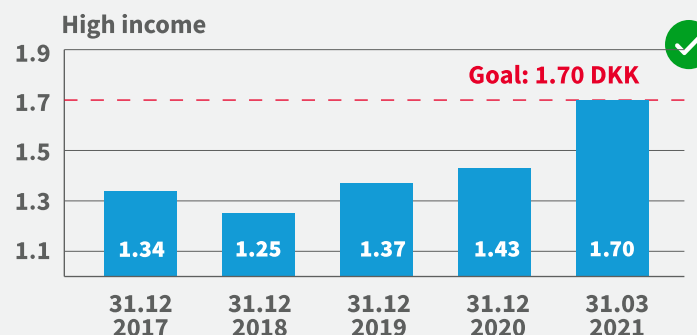
This financial ratio reflects the income/cost ratio DKK but exclusive of the effect of impairment losses and translation and market value adjustments. The financial ratio reflects how much income in DKK can be calculated per DKK unit of cost. It is Sparekassen's objective to optimise the income/cost ratio DKK in the strategy period.

Realising the objective will lead to a substantial improvement of ordinary profit before impairment losses and translation

and market value adjustments.

The ambitious objective will be attempted to be realised through a combination of the following elements:

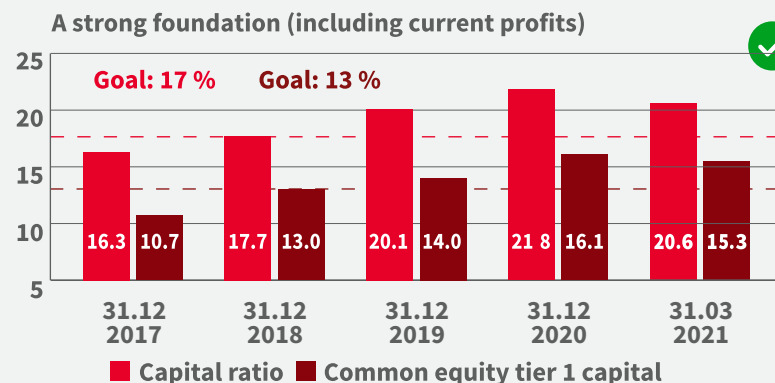
- 1) Strong focus on efficiency measures so as to be able to handle more business with the same amount or a reduced amount of resources.
- 2) Tight cost control to utilise the savings potential, including savings through branch network optimisations and administrative efficiency improvements.
- 3) Optimisation of the earnings potential of business activities. Some initiatives have already been identified and are being implemented.
- 4) Increase in income arising from expected growth in total business volume as a result of a much stronger distribution power.



4 A strong foundation

This financial ratio reflects the amount of common equity tier 1 capital and capital resources, respectively, relative to risk-weighted items.

The calculations are evident from the financial statements and are stated in percent.



The seven paths

The strategic plan, "New Ways", has seven strategic focus areas



Path 4 We need to train to create more business

Sparekassen must be best at driving a large network of branches, and a precondition for this is that we become better at developing sales through natural upselling of services and products. Sparekassen's three business divisions – private customers, corporate customers and asset management – must be better at working together on the individual customers. Focus on asset management must be intensified. Sparekassen intends to invest massively in sales training and management training so as to develop skills in both advisers and managers.



Path 1 Our object must be the driving force for our growth

Sparekassen must be known and recognised for its object. We must be recognised as an engine in our local communities. This means that we must be known as the financial institution that drives local communities, links businesses with each other and backs both private customers and corporate customers. At the same time, we must be known as the financial sector's local and digital alternative to the large national banks.



Path 5 We need to optimise our systems and processes

Sparekassen's internal processes and procedures need to be optimised. In the years ahead, Sparekassen must grow without costs growing equally. By 2021, we must be able to run a large business with relatively lower costs than today. This means that Sparekassen must be able to use its systems better and reduce time consumption on administrative tasks. The purpose of all optimising efforts must be that each adviser will have more time for dialogue with customers. The optimising efforts will lead to changes in both branches and staff functions. This will entail the introduction of new ways of doing tasks and that some employees will see a change in their job description.



Path 2 We must increase the inflow of small and medium-sized corporate customers

Sparekassen must be strengthened as a savings bank for corporate customers. Based on the network of branches, the nine district centres and the two corporate customer centres, corporate business must contribute to joint developments towards 2021. The synergies between corporate customer, private customer and asset management areas must be strengthened. Sparekassen's trademark in the corporate customer and asset management areas must be improved further, and the corporate customer centres must also be enabled to better attract small and medium-sized enterprises, and the branches must have the conditions in place for entering into dialogue with crafts firms, retailers and other businesses.



Path 6 Our data must be used to improve business

Sparekassen must be better at harnessing digital opportunities and the vast quantities of data we have. This must put Sparekassen in a better position to support business and work life of managers and staff. New technological solutions must be implemented, and internal digital skills must be improved.



Path 3 We must realise the digital potential

Sparekassen's digital marketing and its digital path must be developed further. The digital savings bank must ensure that digital prospective customers and inquiries are guided all the way through to an adviser so as to reach more customers. Digital marketing is to be used to profile Sparekassen's values and efforts locally, including the efforts of the foundation, Sparekassen Sjælland Fonden. Customer dialogue through social media must be developed and optimised by building a customer-oriented model for profiling Sparekassen. Also, digital campaigns must be launched on social media such as Facebook, Twitter, LinkedIn, etc.



Path 7 Our organisation must be structured to strengthen growth of the branches

Sparekassen's staff functions must be structured to support the branch network as well as business in the private customer, corporate customer and asset management areas. Concurrently, the staff functions must ensure continued development of business and improvement of the head office throughout the strategy period.

Capital structure and liquidity of the Group

Capital structure

Sparekassen's risk exposures total DKK 17,896m against DKK 17,348m at 31 March 2020, which is an increase of DKK 547m. Credit risk is up DKK 212m on 31 March 2020, and this has primarily been caused by an increase in loans and advances and guarantee commitments whereas the bring forward of the implementation of the revised discount for small and medium-sized enterprises (SME discount) under the EU Capital Requirements Regulation (CRR II) is working in the opposite direction. Market risk is up DKK 208m, which is attributable to a major portfolio of bonds and its composition. Operational risk has increased by DKK 127m.

Credit risk and market risk have been determined using the standard method. Operational risk has been determined based on the basic indicator method.

At 31 March 2021, capital resources are DKK 166m larger than at 31 March 2020 and amount to DKK 3,575m. This increase is attributable to retained earnings and the utilisation of the reintroduction of the transitional scheme in connection with the implementation of IFRS 9 that was enabled in 2020 in response to the COVID-19 pandemic. Working in the opposite direction are the settlement of supplementary capital and larger deductions caused primarily by Sparekassen's holdings of capital instruments in the financial sector, with the largest block being shares in DLR Kredit.

Sparekassen's capital ratio is then 20.0% against 19.6% at 31 March 2020. The core capital ratio has gone up by 1.0 percentage point on the same date last year and stands at 16.8% whereas the common equity tier 1 capital ratio is up 1.1 percentage point to 14.7%. It should be pointed out in this context that capital resources and capital ratios have been determined exclusive of profit for the period. Had net profit for the period been included in capital resources, the capital ratio, core capital ratio and common equity tier 1 capital ratio at 31 March 2021 would have been 0.6 percentage points higher.

The capital requirement has been calculated at 9.7%, leading to an excess capital adequacy ratio of 10.3 percentage points. In Danish kroner, this excess is equivalent to DKK 1,835m.

The combined buffer requirement has been calculated at 2.5 percentage points after the countercyclical capital buffer has been reset. This results in Sparekassen's excess capital adequacy ratio net of capital requirement and combined buffer requirement standing at 7.8 percentage points. In Danish kroner, this excess is equivalent to DKK 1,388m.

In the Q1 2021 statement of Sparekassen's capital requirement, a provision of DKK 54m has been made, corresponding to 0.30 percentage points, under credit risks to match the uncertainty related to COVID-19. Sparekassen believes that the next one or two quarters at

minimum will still be subject to material uncertainty because of the COVID-19 situation.

Eligible liabilities

Financial sector regulation has implemented a requirement for financial institutions regarding the amount of on-balance sheet eligible liabilities. The requirement for eligible liabilities aims to ensure that financial institutions have sufficient eligible liabilities to enable the execution of an appropriate restructuring or resolution of a financial institution should it be failing or likely to fail.

The requirement for eligible liabilities can be met by capital instruments and debts that, in the event of resolution or bankruptcy, may be written down or converted before unsecured claims and that also comply with the requirements for eligible liabilities. The total requirement for eligible liabilities inclusive of the combined buffer requirement is calculated as the total amount of the solvency needs, the combined buffer requirement (the countercyclical buffer and the capital conservation buffer) and an eligible liabilities add-on. The eligible liabilities add-on is composed of a loss absorption add-on and a recapitalisation add-on.

The requirement for eligible liabilities is phased in over a five-year period. Consequently, the requirement will take full effect from 1 July 2023.

It is the Danish Financial Supervisory Authority (Danish FSA) that calculates and lays the requirement for eligible liabilities for each credit institution. The requirement will be recalculated once a year and be determined relative to the credit institution's risk-weighted exposures.

In December 2020, Sparekassen received the requirement for eligible liabilities based on the 2019 accounting figures, which are therefore currently applicable from 1 July 2023. At group level, the requirement for eligible liabilities has been calculated at 15.5% (equivalent to 10.8% of total liabilities and capital resources). The requirement for the Parent is largely the same. With the current capital resources including the eligible liabilities issued (senior non-preferred bonds), Sparekassen complies with the phased-in element of the calculated requirement for eligible liabilities with a margin of 7.12 percentage points at 31 March 2021. With the current capital resources and eligible liabilities, the fully phased-in requirement for eligible liabilities is met as well with a margin of 2.77 percentage points.

With Sparekassen's current and expected development in its capital resources, the phase-in established and the development in risk-weighted exposures, we do not expect to face any challenges in meeting the requirement for eligible liabilities in future either. Sparekassen intends to regularly evaluate the opportunities for optimising the composition of the capital

and liability instruments that meet the requirements for eligible liabilities.

Capital measure

Sparekassen's capital measure, excess capital adequacy and capital plans in the short and longer term are discussed and approved by the Board of Directors on a regular basis and at least once a year. According to Sparekassen's strategic plan, "New Ways", the objective is for the common equity tier 1 capital ratio and the capital ratio to be at least 13.0% and 17.0%, respectively, by the end of 2021. Sparekassen meets the set objectives in 2018, 2019, 2020 as well as in Q1 2021. Before the end of the strategy period, the Board of Directors intends to reassess Sparekassen's long-term objectives upwardly, having regard to new capital adequacy requirements implemented that were not known at the beginning of the strategy period.

Liquidity

Overall, Sparekassen's business model dictates that deposits must fund loans and advances and that Sparekassen must not be dependent on external funding by way of money market funding, issuance of corporate bonds and potentially transient and major fixed-term deposits.

At the end of Q1 2021, Sparekassen has a deposit surplus of DKK 7.4bn exclusive of deposits in pooled plans. Its deposits are primarily made by private customers and small business operators. There are no large single deposits of major significance or no deposits of significance from other financial services companies.

Deposits are also characterised by a large portion of them being covered by the Danish



Deposit Guarantee Fund and therefore secured for the customer.

Based on the above and the continued stress testing of liquidity that is carried out, the current funding profile is regarded as being relatively stable and subject to low risk.

Liquidity Coverage Ratio (LCR)

At 31 March 2021, Sparekassen's LCR is 395% against the applicable statutory requirement of a minimum LCR of 100%. So the excess liquidity coverage ratio relative to the statutory requirement is 295 percentage points. With the current excess liquidity coverage, and even without regularly optimising the composition of liquid assets to improve the LCR, Sparekassen expects to have a solid excess cover for this liquidity requirement also in future.

Liquidity surplus according to the Supervisory Diamond benchmark

Sparekassen has a liquidity surplus that has been calculated at 437% under the Supervisory Diamond rules for the benchmark relative to a minimum surplus threshold of 100%. Consequently, Sparekassen continues to have a solid surplus.

Liquidity target

Sparekassen's liquidity target in the short and long term is to constantly have sufficient liquidity with comfortable excess cover relative to current liquidity requirements. A comfortable excess cover means a level in the range of 25 percentage points relative to the LCR requirement, which prescribes a liquidity coverage of 100% of a slightly stressed net cash outflow covering a period of 30 days. The 25 percentage point excess cover is also the target for the

liquidity benchmark of the Danish FSA Supervisory Diamond. Here the requirement is 100% as well. The internal liquidity management uses higher requirements for excess covers, which gives a longer response time to handle liquidity transactions before there is a risk of exceeding the high excess cover requirements.

The level of excess liquidity coverage, the ratio of deposits to loans and advances (liquidity funding), and the composition and quality of placements of liquidity are monitored on an ongoing basis. Sparekassen's liquidity plans are updated and approved by the Board of Directors at least once a year.

Credit quality categories

Loans, advances, and guarantees net of impairment losses by credit quality category of the Danish FSA – the Sparekassen Sjælland-Fyn A/S (Group)

	31.03.2021		2020		2019		2018		2017	
	DKK'm	%	DKK'm	%	DKK'm	%	DKK'm	%	DKK'm	%
3 / 2a – Loans, advances and guarantees with normal credit quality	11,126	55.6	10,677	56.0	10,768	56.8	10,249	58.5	9,965	59.0
2b – Loans, advances and guarantees with certain indications of weakness	7,390	37.0	6,911	36.2	6,424	33.9	4,942	28.2	4,174	24.7
2c – Loans, advances and guarantees with substantial weaknesses	962	4.8	911	4.8	1,058	5.6	1,143	6.5	1,389	8.2
1 – Loans, advances and guarantees with objective evidence of impairment	517	2.6	578	3.0	704	3.7	1,197	6.8	1,366	8.1
Total	19,995	100.0	19,077	100.0	18,954	100.0	17,531	100.0	16,894	100.0

Loans, advances, and guarantee debtors by sector

	31.03.2021	2020	2019	2018
	%	%	%	%
Public authorities	0.1	0.1	0.4	0.8
Business				
Agriculture, hunting, forestry and fisheries	8.4	8.5	8.2	8.3
Industry and extraction of raw materials	2.2	2.3	2.1	2.0
Energy supply	0.2	0.2	0.1	0.0
Building and construction	6.3	6.0	5.3	5.0
Trade	5.0	4.8	5.8	5.8
Transport, hotels and restaurants	1.9	1.8	1.9	2.0
Information and communication	0.9	0.9	0.8	0.7
Financing and insurance	4.9	4.7	5.3	4.1
Real property	8.9	9.3	9.9	11.0
Other business	6.1	6.3	7.0	7.3
Total business	44.6	44.8	46.3	46.3
Private	55.3	55.1	53.3	52.9
Total	100.0	100.0	100.0	100.0

Financial review of the Parent

Q1 2021

The profit or loss and the balance sheet of the Parent are to a great extent reflected in the consolidated financial statements as only a small portion of the Group's total business activities are carried on in the subsidiaries, for which reason reference is made to the financial review for the Group for supplementary information. Most of the Group's property portfolio is held by the subsidiary, Ejendomselskabet Sjælland-Fyn A/S.

Pre-tax profit of the Parent stands at DKK 161.0m, which is influenced by a continuously positive development in core operations that is driven by increasing net interest income, a continuously high level for fee and commission income and a declining level of staff costs and administrative expenses, and declining amortisation, depreciation and impairment losses on assets. Moreover, translation and market value adjustments are on the rise, and impairment charges represent a reversal totalling DKK 14.4m.

Net profit stands at DKK 143.6m.

The profit generated is considered most satisfactory.

Income statement

Net interest income

Net interest income has increased by DKK 7.9m and amounts to DKK 139.7m against DKK 131.8m in Q1 2020.

Total interest income has seen a decline of DKK 4.7m and amounts to DKK 138.8m. The decline in interest income is primarily attributable to a lower average flat yield on the portfolio of bonds. Interest income from this portfolio stands at DKK 9.8m against DKK 14.5m for the same period last year.

Interest income from loans and advances has gone down by just under 2% to DKK 119.8m. On average, loans and advances in Q1 2021 are at the same level as in Q1 2020. This development is a combination of unchanged average lending and a small decline in the average interest rate on loans and advances.

Negative interest income amounts to DKK 8.8m against DKK 10.4m in Q1 2020. The negative interest income is related to Sparekassen's placement of excess liquidity on the current account, in certificates of deposit, treasury bills and short-term floating-rate mortgage credit bonds. Under the requirements to have an appropriate liquidity buffer (LCR ratio), Sparekassen must have a certain amount of liquidity placed in financial assets issued by governments in the form of certificates of deposit, treasury bills and government bonds or on the current account, resulting in negative interest income.

Total interest expenses have gone down by DKK 0.7m to DKK 11.7m. This development is attributable to interest expenses for subordinated capital that have gone down by DKK 2.2m. An

increase in interest expenses for bonds issued (senior non-preferred bonds) of DKK 1.1m contributes in the opposite direction. These new bond issues are a result of the tightened capital adequacy requirements on eligible liabilities (the requirement for eligible liabilities). Interest expenses for deposits have remained largely the same.

Because of the continuously low interest rate levels, Sparekassen has in 2020 and 2021 regularly adjusted the interest rate level for deposit products for both private customers and corporate customers. Following the latest adjustment effective from January 2021, each private customer having a NemKonto account with Sparekassen can have up to DKK 100,000 deposited without having to pay negative interest at the annual rate of 0.6%. For corporate and unit trust customers and pension funds, the annual interest rate for deposit products is a negative 0.75% and a negative 0.60%, respectively, from the first krone deposited. These steps support the development in positive interest expenses which have gone up by DKK 10.4m on the same period last year. At 31 March 2021, positive interest income stands at DKK 21.4m.

Dividend

Sparekassen has received DKK 2.4m in dividends against DKK 12.0m in Q1 2020. The decrease in dividends received is related to the dividend from a now disposed-of holding of

shares in an investment fund which invests in corporate bonds.

Fee and commission income

Sparekassen's fee and commission income has increased by DKK 1.1m to stand at DKK 166.7m by the end of Q1 2021. Generally heavy business activities are seen particularly in the housing area where many mortgage loans have been arranged through the business partners Totalkredit and DLR Kredit in connection with re-mortgaging and house transactions. Payment services, however, which include various fees related to charge cards and cash withdrawals in Denmark and abroad, have seen a small decline. This is attributable to the circumstance that the same period last year was less affected by restrictions caused by COVID-19. The development in fee and commission income should be viewed in light of the same period last year also being marked by heavy business activity and considerable fee and commission income.

Costs inclusive of amortisation, depreciation and impairment losses on intangible assets and property, plant and equipment

In aggregate, staff costs and administrative expenses and amortisation, depreciation and impairment losses on intangible assets and property, plant and equipment have gone down by 4% to stand at DKK 179.7m.

Staff costs and administrative expenses are down by DKK 4.9m, or 3%, to DKK 168.0m. Total staff costs have increased by less than 1% to stand at DKK 109.1m. This development reflects a decline in headcount, pay increases arising from collective agreements and a continued increase in payroll tax.

Other administrative expenses have gone down by DKK 5.7m to DKK 54.9m. The decline in other administrative expenses is a result of recent years' major efficiency improvement and optimisation initiatives, see the strategic plan "New Ways". Also, recent years' increases in IT costs for Sparekassen's IT centre Bankdata seem to be over for now.

Amortisation, depreciation and Impairment losses on intangible assets and property, plant and equipment total DKK 11.7m, which is a decrease of DKK 2.5m compared to the same period last year. One of the reasons for the decline is the depreciation of machinery and equipment and leasehold improvements where assets acquired in connection with branches established in prior years are now almost fully depreciated. Also, rent obligations have declined, refer to IFRS 16.

Translation and market value adjustments

Translation and market value adjustments total DKK 13.6m whereas in the same period in 2020 they were negative by DKK 21.9m. Market value adjustments of bonds stand at a negative DKK 18.0m compared to a negative DKK 23.7m at the same time last year. Slightly increasing interest rates and drawings of mortgage credit bonds that were acquired at a premium, have caused the negative price adjustments in Q1 2021. Market value adjustments of shares stand

at DKK 28.8m compared to DKK 1.6m last year. The positive market value adjustments are a combination of increased prices in Sparekassen's portfolio of sector shares and a generally favourable share market where Sparekassen has realised a capital gain.

Translation and market value adjustments of investment property, foreign currencies and other financial instruments total DKK 2.8m against DKK 0.1m last year.

Impairment losses

Impairment losses on loans and advances etc represent an income of DKK 14.4m, which is an improvement of DKK 88.4m compared to 2020. The primary reasons for this positive development are that Sparekassen's management add-ons for potential losses have been adjusted and that the finances of businesses and private households are still considered strong.

Profit/loss from investments in associates and group enterprises

Profit/loss from investments in associates and group enterprises has decreased by DKK 16.7m to DKK 9.6m. Q1 2020 was extraordinarily affected by the acquisition of a stake of over 20% in Lollands Bank and the subsequent initial revaluation of the acquired stake to equity value.

Profit for the period

Pre-tax profit then amounts to DKK 161.1m against DKK 45.8m for the same period last year, and net profit is DKK 143.6m against DKK 43.7m for Q1 2020.

Interim financial statements

Q1 2021

Statement by Management on the Interim Report

The Board of Directors and the Executive Board have today considered and approved the Interim Report of Sparekassen Sjælland-Fyn A/S for the period 1 January to 31 March 2021.

The Interim Report of the Group has been prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the EU and Danish disclosure requirements for interim reports

of listed financial companies. Sparekassen's Interim Report and management commentary have been prepared in accordance with the Danish Financial Business Act. Furthermore, the Interim Report is presented in accordance with Danish disclosure requirements for interim reports of listed financial companies.

In our opinion, the Interim Report gives a true and fair view of the Group's and Sparekassen's

financial position at 31 March 2021 and of their financial performance and the consolidated cash flows for the period 1 January to 31 March 2021.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein, as well as a description of the most material risks and elements

of uncertainty that may affect the Group and Sparekassen.

The Interim Report has not been audited or reviewed.

Holbæk 5. May 2021

Executive Board

Lars Petersson
Chief Executive Officer

Bruno Riis-Nielsen
Executive Officer of the Savings Bank

Lars Bolding
Executive Officer of the Savings Bank

Board of Directors

Thomas Kullegaard
Chairman

Jakob Nørrekjær Andersson
Vice-Chairman

Bent Andersen

Erik Larsen

Otto Frederik Spliid

Torben Dalby Larsen

Per Olsen

Helle Lindhof Bjørnøe

Mads Wallin

Income statement

		Sparekassen Sjælland-Fyn A/S Group	
Note	Amounts in DKK'000	Q1 2021	Q1 2020
4	Interest income calculated using the effective interest method	126,719	128,241
4	Other interest income	18,327	21,550
4a	Negative interest income	8,848	10,374
5	Interest expenses	11,380	12,236
5a	Positive interest expenses	21,203	11,064
	Net interest income	146,021	138,245
	Dividends on shares etc	2,363	11,987
6	Fees and commission income	166,298	165,447
	Fees and commission expenses	4,493	4,024
	Net interest and fee income	310,189	311,655
7	Market value adjustments	12,822	-24,564
	Other operating income	3,493	5,204
8	Staff costs and administrative expenses	173,077	178,321
	Amortisation, depreciation and impairment losses on intangible assets and property, plant and equipment	9,204	11,745
	Other operating expenses	2,669	5,574
9	Impairment losses on loans and advances etc	-15,252	73,900
	Profit/loss on investments in associates and group enterprises	5,160	24,072
	Profit before tax	161,966	46,827
	Income tax	18,326	3,115
	Profit after tax	143,640	43,712
	Earnings per share		
	Earnings per share (DKK)	8,0	2,2
	Diluted earnings per share (DKK)	8,0	2,2
	Distributed as follows:		
	Retained earnings (profit allocated to shareholders)	137,605	37,627
	Interest, hybrid core capital	6,035	6,085
	Total	143,640	43,712

Statement of comprehensive income

		Sparekassen Sjælland-Fyn A/S Group	
Note	Amounts in DKK'000	Q1 2021	Q1 2020
	Profit for the period	143,640	43,712
	Other comprehensive income that may not be reclassified to profit or loss		
	Fair value adjustment of properties	0	-1,480
	Tax related to fair value adjustment of properties	1	1
	Other comprehensive income that may be reclassified to profit or loss		
	Value adjustment of certain strategic shares	2,444	0
	Fair value adjustment of financial instruments entered into to hedge future cash flows ¹		
	- Value adjustment for the year	164	121
	- Tax on other comprehensive income	-574	-27
	Total other comprehensive income	2,035	-1,384
	Total comprehensive income	145,675	42,328

¹ The fair value adjustment concerns a jointly controlled enterprise.

Balance sheet

Sparekassen Sjælland-Fyn A/S Group				
Note	Amounts in DKK'000	31.03.2021	31.12.2020	31.03.2020
Assets				
	Cash and balances on demand at central banks	2,013,751	480,569	440,228
	Amounts owed by credit institutions and central banks	175,353	4,813,419	2,553,438
	Loans and other amounts owed at amortised cost	12,344,030	11,951,447	12,171,992
	Bonds at fair value	6,833,517	5,849,380	6,485,955
	Bonds at amortised cost	1,803,714	300,270	0
	Shares etc	590,005	566,946	675,112
	Investments in associates	196,481	191,193	162,280
	Assets related to pooled plans	2,154,280	2,081,881	1,652,856
	Intangible assets	91,233	91,251	91,305
10	Total land and buildings	432,636	437,976	456,362
	<i>Investment property</i>	110,049	122,048	161,193
	<i>Owner-occupied property</i>	322,587	315,928	295,169
	Other property, plant and equipment	24,747	26,444	35,675
	Current tax assets	33,649	13,850	11,565
	Deferred tax assets	156,305	162,982	163,754
	Other assets	246,004	243,193	252,051
	Prepayments	57,457	55,343	68,310
	Total assets	27,153,162	27,266,144	25,220,883

Sparekassen Sjælland-Fyn A/S Group				
Note	Amounts in DKK'000	31.03.2021	31.12.2020	31.03.2020
Equity and liabilities				
Liabilities other than provisions				
	Amounts owed to credit institutions and central banks	504,482	558,383	612,422
	Deposits and other debt	19,736,859	20,000,941	18,549,498
	Deposits in pooled plans	2,154,280	2,081,881	1,652,856
	Bonds issued at amortised cost	198,740	198,656	0
	Other liabilities	305,302	321,028	383,451
	Deferred income	39,926	36,081	34,534
	Total liabilities other than provisions	22,939,589	23,196,970	21,232,761
Provisions				
	Provisions for losses on guarantees etc	93,028	88,769	71,826
	Other provisions	22,842	28,665	14,901
	Total provisions	115,870	117,434	86,727
11	Subordinated loan capital	569,957	569,669	673,700
Equity				
12	Share capital	173,750	173,750	173,750
	Revaluation reserves	1,412	1,411	1,407
	Undistributable savings bank reserve, other reserves	561,378	561,378	561,378
	Retained earnings	2,399,309	2,259,670	2,099,183
	Total equity exclusive of hybrid core capital	3,135,849	2,996,209	2,835,718
	Hybrid core capital	391,897	385,862	391,977
	Total equity	3,527,746	3,382,071	3,227,695
	Total equity and liabilities	27,153,162	27,266,144	25,220,883

15 Contingent liabilities and assets

Statement of changes in equity

Sparekassen Sjælland-Fyn A/S (Group)

Note	Amounts in DKK'000	Share capital	Revaluation reserves	Undistributable savings bank reserve	Reserve for value adjustment of hedging instrument ¹	Dividend	Retained earnings	Total equity exclusive of hybrid core capital	Hybrid core capital	Total equity
	Equity at 1.1.2021	173,750	1,411	561,378	-247	0	2,259,917	2,996,209	385,862	3,382,071
	Profit for the period	0	0	0	0	0	137,605	137,605	6,035	143,640
	Other comprehensive income									
	Fair value adjustment of owner-occupied property	0	0	0	0	0	0	0	0	0
	Value adjustment for the period	0	0	0	164	0	2,444	2,608	0	2,608
	Tax on other comprehensive income	0	1	0	-36	0	-538	-573	0	-573
	Total other comprehensive income	0	1	0	128	0	1,906	2,035	0	2,035
	Comprehensive income for the period	0	1	0	128	0	139,511	139,640	6,035	145,675
	Purchase of treasury shares	0	0	0	0	0	0	0	0	0
	Sale of treasury shares	0	0	0	0	0	0	0	0	0
	Dividends paid	0	0	0	0	0	0	0	0	0
	Interest paid on hybrid core capital	0	0	0	0	0	0	0	0	0
	Equity at 31.03.2021	173,750	1,412	561,378	-119	0	2,399,428	3,135,849	391,897	3,527,746

¹ Reserve for value adjustment of hedging instrument concerns a jointly controlled enterprise.

Statement of changes in equity

Sparekassen Sjælland-Fyn A/S (Group)

Note	Amounts in DKK'000	Share capital	Revaluation reserves	Undistributable savings bank reserve	Reserve for value adjustment of hedging instrument ¹	Dividend	Retained earnings	Total equity exclusive of hybrid core capital	Hybrid core capital	Total equity
	Equity at 1.1.2020	173,750	2,886	561,378	-240	52,125	2,061,564	2,851,461	385,892	3,237,353
	Profit for the period	0	0	0	0	0	37,627	37,627	6,085	43,712
	Other comprehensive income									
	Fair value adjustment of owner-occupied property	0	-1,480	0	0	0	0	-1,480	0	-1,480
	Value adjustment for the period	0	0	0	121	0	0	121	0	121
	Tax on other comprehensive income	0	1	0	-27	0	0	-26	0	-26
	Total other comprehensive income	0	-1,479	0	95	0	0	-1,384	0	-1,384
	Comprehensive income for the period	0	-1,479	0	95	0	37,627	36,242	6,085	42,328
	Purchase of treasury shares	0	0	0	0	0	0	0	0	0
	Sale of treasury shares	0	0	0	0	0	0	0	0	0
	Dividends paid	0	0	0	0	-52,125	138	-51,987	0	-51,987
	Interest paid on hybrid core capital	0	0	0	0	0	0	0	0	0
	Equity at 31.03.2020	173,750	1,407	561,378	-145	0	2,099,329	2,835,718	391,977	3,227,695

¹ Reserve for value adjustment of hedging instrument concerns a jointly controlled enterprise.

Cash flow statement

		Sparekassen Sjælland-Fyn A/S Group	
Note	Amounts in DKK'000	Q1 2021	Q1 2020
	Comprehensive income for the period	145,675	42,328
	Adjustment for amounts without cash flow effect		
	Market value adjustment, shares	-28,750	-1,645
	Market value adjustment, bonds	17,971	23,611
	Impairment losses on loans and advances etc	-15,252	73,900
	Amortisation, depreciation and impairment losses on intangible assets and property, plant and equipment	9,204	11,745
	Prepayments (net)	681	1,456
	Provisions	-1,564	10,516
	Value adjustments of investment property	6,066	3,869
	Deferred income tax	18,326	3,115
	Adjustment for amounts with cash flow effect		
	Income tax paid	-31,586	-16,024
	Cash flows from ordinary operating activities	120,771	152,871
	Working capital changes		
	Credit institutions	-53,901	86,986
	Loans and advances adjusted for impairment losses etc for the period	-378,012	-29,552
	Other assets and liabilities (net)	-21,584	-7,679
	Shares etc	5,691	20,252
	Bonds at fair value	-1,002,108	81,914
	Bonds at amortised cost	-1,503,444	0
	Deposits and other debt	-264,082	-150,085
	Total working capital changes	-3,217,440	1,836
	Cash flows from operating activities	-3,096,669	154,707

		Sparekassen Sjælland-Fyn A/S Group	
Note	Amounts in DKK'000	Q1 2021	Q1 2020
	Investing activities		
	Additions, investments in associate	0	-91,405
	Purchase of intangible assets	-1,419	-2,155
	Purchase of property, plant and equipment	-19,571	-37,747
	Sale of property, plant and equipment	12,775	40,251
	Cash flows from investing activities	-8,215	-91,056
	Financing activities		
	Dividend paid	0	-51,987
	Cash flows from financing activities	0	-51,987
	Increase/decrease in cash	-3,104,884	11,664
	Cash and cash equivalents at beginning of period	5,293,988	2,982,002
	Cash and cash equivalents at end of period	2,189,104	2,993,666
	Cash and cash equivalents		
	Cash and balances on demand at central banks	2,013,751	440,228
	Amounts owed by credit institutions and central banks	175,353	2,553,438
	Cash and cash equivalents at end of period	2,189,104	2,993,666

Notes

Sparekassen Sjælland-Fyn A/S Group				
Note	Amounts in DKK'm	Q1 2021	Q1 2020	Financial year 2020
1	Financial highlights			
	Principal items of income statement			
	Net interest income	146	138	557
	Net interest and fee income	310	312	1,149
	Market value adjustments	13	-25	16
	Staff costs and administrative expenses	173	178	729
	Amortisation, depreciation and impairment losses on assets	9	12	66
	Impairment losses on loans and advances etc	-15	74	161
	Profit on investments in associates and group enterprises	5	24	35
	Income tax	18	3	13
	Profit for the period	144	44	229
	Principal items of balance sheet			
	Loans and advances	12,344	12,172	11,951
	Securities portfolio	9,227	7,161	6,717
	Deposits including pooled deposits	21,891	20,202	22,083
	Subordinated loan capital	570	674	570
	Equity	3,528	3,228	3,382
	Total assets	27,153	25,221	27,266

Sparekassen Sjælland-Fyn A/S Group				
Note		Q1 2021	Q1 2020	Financial year 2020
	Financial ratios			
	Capital ratio ⁵	20.0	19.6	21.8
	Core capital ratio ⁵	16.8	15.8	18.4
	Return on equity before tax	4.7	1.5	7.3
	Return on equity after tax	4.2	1.4	6.9
	Operating income over operating expenses	1.95	1.17	1.25
	Interest rate risk relative to core capital net of deductions	1.0	0.1	0.1
	Currency position relative to core capital net of deductions	1.4	0.8	1.3
	Currency risk relative to core capital net of deductions	0.0	0.0	0.0
	Loans and advances plus loan impairment losses relative to deposits	58.8	63.4	57.0
	Loans and advances relative to equity	3.5	3.8	3.5
	Growth in loans and advances for the period	3.3	-0.4	-2.2
	Liquidity, LCR	395	386	416
	Total large exposures (<175 %)	82.6	80.2	67.7
	Impairment ratio for the period	-0.1	0.4	0.7
	Accumulated impairment ratio ¹	3.0	3.6	3.6
	Return on capital employed	0.5	0.2	0.9
	Earnings per share (DKK) ³	8.0	2.2	11.8
	Dividend per share (DKK)	0.0	0.0	0.0
	Book value per share (DKK) ²	181.9	163.8	173.8
	Price/earnings per share ³	13.9	36.0	7.6
	Price/equity per share ²	0.6	0.5	0.5
	Share price at end of period	111.0	78.2	90.0
	Staff			
	Average number of employees for the period converted into full-time employees ⁴	547	563	555

1 Refer to note 9 for a specification of total impairment losses and provisions.

2 Calculated based on the number of outstanding shares at end of period.

3 Calculated based on the average number of shares during the period.

4 Engaged in financial business.

5 Q1 2021 and Q1 2020 have been calculated exclusive of the profit for the period

Notes

2 Summary of significant accounting policies

The Interim Report for Q1 2021 has been presented in accordance with IAS 34. The presentation of interim financial statements is consistent with EU provisions and additional Danish disclosure requirements for interim reports of listed financial companies. Applying ISA 34 entails that presentation is more limited than in a complete annual report and that the measurement principles of the International Financial Reporting Standards (IFRS) have been used.

The accounting policies remain unchanged with respect to those applied in the presentation of the consolidated financial statements for 2020.

Sparekassen's 2020 Annual Report and other reports on capital requirement, statutory report on corporate social responsibility etc can be found on this website: www.spks.dk/om/regnskab.

3 Significant accounting judgements and estimates, assumptions and uncertainties

Measuring certain assets and liabilities is subject to management estimates of how future events affect the value of such assets and liabilities. Estimates, which are significant to the presentation of financial statements, are made, for example, when determining write-downs on impaired loans and advances, and provisions. The estimates used are based on assumptions which are considered reasonable by Management, but which are inherently uncertain.

The most significant estimates made by Management in using the Group's accounting policies and the related key sources of estimation uncertainty are the same used in the preparation of the interim financial statements for the year as those used to prepare the consolidated financial statements for 2020.

Notes

		Sparekassen Sjælland-Fyn A/S Group	
Note	Amounts in DKK'000	Q1 2021	Q1 2020
4	Interest income		
	Credit institutions and central banks	158	145
	Loans and other amounts owed	125,982	127,899
	Bonds	9,752	14,549
	Total derivatives	8,575	7,001
	Thereof: - Interest rate contracts	8,826	7,304
	- Foreign exchange contracts	-251	-303
	Other interest income	579	197
	Total interest income	145,046	149,791
4a	Negative interest income		
	Credit institutions and central banks	3,751	3,665
	Bonds	5,097	6,709
	Total negative interest income	8,848	10,374
5	Interest expenses		
	Credit institutions and central banks	130	151
	Deposits and other debt	3,037	2,726
	Bonds issued	1,142	0
	Subordinated loan capital	6,860	9,020
	Other interest expenses	211	339
	Total interest expenses	11,380	12,236
5a	Positive interest expenses		
	Credit institutions and central banks	0	15
	Deposits and other debt	21,203	11,049
	Total positive interest expenses	21,203	11,064

		Sparekassen Sjælland-Fyn A/S Group	
Note	Amounts in DKK'000	Q1 2021	Q1 2020
6	Fees and commission income		
	Securities trading and custody accounts	20,257	28,414
	Payment services	13,486	15,145
	Loan fees	15,999	14,342
	Guarantee commission	52,913	47,978
	Custody services	18,102	11,981
	Other fees and commissions	45,541	47,587
	Total fees and commission income	166,298	165,447
7	Market value adjustments		
	Bonds	-17,971	-23,611
	Shares	28,750	1,645
	Investment property	-755	-3,345
	Foreign exchange	2,776	2,765
	Currency, interest rate, share, commodity and other contracts and derivatives	22	-2,018
	Assets related to pooled plans	87,925	-292,398
	Deposits in pooled plans	-87,925	292,398
	Total market value adjustments	13,566	-24,564
8	Staff costs and administrative expenses		
	Remuneration of the Board of Directors and Executive Board		
	Board of Directors and Executive Board	4,068	4,162
	Total	4,068	4,162
	Staff costs		
	Wages and salaries	85,774	85,138
	Pension contributions	9,551	9,366
	Social security expenses	13,795	13,716
	Total staff costs	109,120	108,220
	Other administrative expenses	59,889	65,939
	Total staff costs and administrative expenses	173,077	178,321

Notes

Note	Amounts in DKK'000	Sparekassen Sjælland-Fyn A/S Group	
		31.03.2021	31.03.2020
9	Impairment losses on loans and advances and other receivables and provisions for guarantees and undrawn credit facilities (impairment account)		
	Stage 1 impairment		
	Balance of stage 1 impairment losses at beginning of period	126,232	56,035
	New impairment losses (net)	-1,207	44,981
	Balance of stage 1 impairment losses at end of period	125,025	101,016
	- Of which amounts owed by credit institutions and central banks	1	1
	Stage 2 impairment		
	Balance of stage 2 impairment losses at beginning of period	160,010	109,573
	New impairment losses (net)	-14,053	15,624
	Balance of stage 2 impairment losses at end of period	145,957	125,197
	- Of which amounts owed by credit institutions and central banks	498	341
	Stage 3 impairment		
	Balance of stage 3 impairment losses at beginning of period	345,198	491,878
	New impairment losses (net)	6,007	8,011
	Other changes	4,800	6,300
	Previously written down, now finally written off	109,170	98,667
	Balance of stage 3 impairment losses at end of period	246,835	407,522
	- Of which amounts owed by credit institutions and central banks	0	0

Note	Amounts in DKK'000	Sparekassen Sjælland-Fyn A/S Group	
		31.03.2021	31.03.2020
9	Impairment losses on loans and advances and other receivables and provisions for guarantees and undrawn credit facilities (impairment account) (continued)		
	Provisions losses for guarantees and undrawn credit facilities		
	Balance of provisions at beginning of year	115,954	73,252
	New provisions (net)	-505	11,576
	Previously provided for, now finally written off	0	0
	Balance of provisions at end of period	115,449	84,828
	Total		
	Balance of impairment losses/provisions at beginning of period	747,394	730,738
	Impairment losses/provisions for the period (net)	-9,758	80,192
	Other changes	4,800	6,300
	Finally written off, previously written down/provided for	109,170	98,667
	Balance of impairment losses/provisions at end of period	633,266	718,563
	Impairment losses/provisions for the period (net)	-9,758	80,192
	Written off, not previously written down/provided for	1,114	2,144
	Recovery of claims previously written off	6,608	8,436
	Total recognised in the income statement	-15,252	73,900

Notes

Sparekassen Sjælland-Fyn A/S Group					
Note	Amounts in DKK'000	31.03.2021	31.12.2020	31.03.2020	
10 Land and buildings					
Investment property					
Fair value at beginning of period		122,048	157,465	157,465	
Additions		1,625	35,746	30,761	
Disposals		12,775	58,216	24,472	
Fair value adjustments for the period		-849	-12,947	-2,561	
Fair value at end of period		110,049	122,048	161,193	
Rental income		1,936	10,563	3,485	
Operating expenses		1,097	6,758	1,699	
Thereof, operating expenses recognised for investment property not having generated rental income for the year		389	1,251	432	
		Quoted prices	Observable input	Non-observable input	Total
Fair value hierarchy for investment property					
Group 31.03.2021		0	0	110,049	110,049
Group 31.12.2020		0	0	122,048	122,048
Group 31.03.2020		0	0	161,193	161,193

Sparekassen Sjælland-Fyn A/S Group				
Note	Amounts in DKK'000	31.03.2021	31.12.2020	31.03.2020
10 Land and buildings (continued)				
Owner-occupied property				
Cost at beginning of period		318,342	293,735	293,735
Additions		17,017	43,774	495
Disposals		0	19,167	19,167
Cost at end of period		335,359	318,342	275,063
Accumulated depreciation/impairment losses at beginning of period		46,574	43,114	43,114
Depreciation for the period		489	411	103
Impairment losses for the period		360	7,916	1,308
Disposals for the period		0	4,867	4,867
Accumulated depreciation/impairment losses at end of period		47,423	46,574	39,658
Accumulated revaluation at beginning of period		1,447	2,926	2,926
Additions for the period		0	0	0
Disposals for the period		0	1,479	1,479
Accumulated revaluation at end of period		1,447	1,447	1,447
Revalued amount at end of period		289,383	273,215	236,852
If no revaluation had been made, the carrying amount of owner-occupied property would have been:		287,936	271,768	235,405

External experts have been involved in the valuation of owner-occupied property. Impairment losses for the year result from normal value adjustment arising from revaluation.

Notes

Sparekassen Sjælland-Fyn A/S Group

Note	Amounts in DKK'000	Quoted prices	Observable input	Non-observable input	Total
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10 Land and buildings (continued)

Fair value hierarchy for owner-occupied property

Group 31.03.2021	0	0	289,383	289,383
Group 31.12.2020	0	0	273,215	273,215
Group 31.03.2020	0	0	236,852	236,852

Investment properties and owner-occupied properties are measured at fair value/revalued amount calculated using a return-based model which is based on an estimate of prices per square metre and a required rate of return. A required rate of return ranging between 6.0 % and 18.45 % has been used in measuring properties located on Zealand and Funen and in Jutland (Q1 2020: 5.9 % and 18.45 %). An increase in the required rate of return would result in a decline in the property's fair value, whereas an increase in rent per square metre relative to the assumptions applied would result in an increase in the value of the property.

	31.03.2021	31.12.2020	31.03.2020
Owner-occupied property, revalued amount at period-end, see above	289,383	273,215	236,852
Owner-occupied property, leased assets	33,204	42,713	58,317
Total owner-occupied property, see balance sheet	322,587	315,928	295,169

Notes

Sparekassen Sjælland-Fyn A/S Group

Note	Amounts in DKK'000	Current interest rate	31.03.2021	31.12.2020	31.03.2020
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1.1 Subordinated loan capital

Supplementary capital

Floating interest rate, maturing July 2025, redeemable in 2020 ²⁾ , from 2020 to 2025, the interest rate will be 6 months CIBOR + 6,9% with half-yearly adjustment,	7.66 % ¹⁾	0	0	105,000
Floating interest rate, maturing February 2027, redeemable in 2022, From 2022 to 2027, the interest rate will be 6 months CIBOR + 5,5% with half-yearly adjustment,	5.94 % ¹⁾	50,000	50,000	50,000
Floating interest rate, maturing in December 2027, redeemable in 2022, from 2022 to 2027, the interest rate will be six months' CIBOR + 4,39% with half-yearly adjustment,	4.75 % ¹⁾	50,000	50,000	50,000
Floating interest rate, maturing in June 2028, redeemable in 2023, from 2023 to 2028, the interest rate will be six months' CIBOR + 4,11% with half-yearly adjustment,	4.50 % ¹⁾	130,000	130,000	130,000
Floating interest rate, maturing in November 2028, redeemable in 2023, from 2023 to 2028, the interest rate will be six months' CIBOR + 4,24% with half-yearly adjustment,	4.75 % ¹⁾	41,000	41,000	41,000
Floating interest rate, maturing in June 2029, redeemable in 2024, from 2024 to 2029, the interest rate will be six months' CIBOR + 4,64% with half-yearly adjustment,	4.50 % ¹⁾	150,000	150,000	150,000
Floating interest rate, maturing in December 2029, redeemable in 2024, from 2024 to 2029, the interest rate will be six months' CIBOR + 4,51% with half-yearly adjustment,	4.45 % ¹⁾	152,000	152,000	152,000
Total supplementary capital		573,000	573,000	678,000
Total hybrid capital		0	0	0
Total subordinated loan capital		573,000	573,000	678,000
Costs of establishment are charged to profit or loss over the expected term to maturity		3,043	3,331	4,300
Total subordinated loan capital according to balance sheet		569,957	569,669	673,700

Sparekassen Sjælland-Fyn A/S Group

Note	Amounts in DKK'000	Current interest rate	31.03.2021	31.12.2020	31.03.2020
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1.1 Subordinated loan capital (continued)

Hybrid capital reclassified to equity

Floating interest rate, perpetual, redeemable in 2022. From 2022, the interest rate will be six months' CIBOR + 6.39% with half-yearly adjustment.	6.75 % ¹⁾	55,000	55,000	55,000
Floating interest rate, perpetual, redeemable in 2023. From 2023, the interest rate will be six months' CIBOR + 6.11% with half-yearly adjustment.	6.50 % ¹⁾	280,000	280,000	280,000
Floating interest rate, perpetual, redeemable in 2023. From 2023, the interest rate will be six months' CIBOR + 5.74% with half-yearly adjustment.	6.25 % ¹⁾	41,000	41,000	41,000
Total hybrid capital, reclassified to equity		376,000	376,000	855,000
Subordinated loan capital included in the calculation of capital resources		945,957	945,669	1,049,700

1) Fixed interest rate for the first 5 years.

The Sparekassen Sjælland-Fyn A/S Group

All of the capital issuances mentioned for Sparekassen are included the capital resources of both the Parent Sparekassen Sjælland-Fyn A/S and the Group.

Notes

Sparekassen Sjælland-Fyn A/S Group				
Note	Amounts in DKK'000	31.03.2021	31.12.2020	31.03.2020

11 Subordinated loan capital (continued)

Interest etc on subordinated loan capital

Interest (excluding interest on reclassified hybrid core capital recognised as equity)	6,860	32,393	9,020
Extraordinary repayments/redemptions/remortgaging	0	105,000	0
Expenses for raising subordinated loan capital	0	0	0
Expenses for redeeming subordinated loan capital	0	0	0

All of Sparekassen's capital issuances may be used to cover the capital requirements under the CRR/CRD IV rules. All capital not applied to cover the capital requirements of the CRR/CRD IV rules may be applied to fulfil the capital requirement addition under the 8+ approach.

Sparekassen Sjælland-Fyn A/S Group					
Note	Amounts in DKK'000	Number of shares		Nominal value (DKK'000)	
		31.03.2021	31.03.2020	31.03.2021	31.03.2020

12 Share capital

Share capital, Sparekassen Sjælland-Fyn A/S	17,374,973	17,374,973	173,750	173,750
Total	17,374,973	17,374,973	173,750	173,750

	Number of shares	Nominal value (DKK'000)	Participation %
Treasury shares			
Treasury shares at 31.12.2019	58,989	590	0.3
Purchased	0	0	0.0
Sold	0	0	0.0
Treasury shares at 31.03.2020	58,989	590	0.3
Treasury shares at 31.12.2020			
Treasury shares at 31.12.2020	131,313	1,313	0.8
Purchased	0	0	0.0
Sold	0	0	0.0
Treasury shares at 31.03.2021	131,313	1,313	0.8

Total purchase price DKK 0 (Q1 2020: 0 t.kr.)
Total selling price DKK 0 (Q1 2020: 0 t.kr.)

The share capital consists of 17,374,973 shares of a nominal value of DKK 10. The shares have been fully paid up. The shares have not been divided into classes and carry no special rights. Sparekassen's treasury share portfolio consists of 131,313 shares, corresponding to 0.8 % of the share capital. The shares were acquired as part of ordinary trading.

Sparekassen has been authorised by the general meeting to acquire treasury shares for up to 2% of the share capital. Sparekassen has been permitted by the Danish FSA to acquire treasury shares in 2020 for DKK 6m in market value.

Notes

Note	Amounts in DKK'000	Sparekassen Sjælland-Fyn A/S Group	
		31.03.2021	31.03.2020
12 Share capital (continued)			
Earnings per share			
Earnings of shareholders of the Parent Sparekassen Sjælland-Fyn A/S		137,605	37,627
Average number of shares		17,374,973	17,374,973
Average number of treasury shares		131,313	58,989
Average number of shares outstanding		17,243,660	17,315,984
Average dilution effect of outstanding share options		0	0
Average number of outstanding shares (diluted)		17,243,660	17,315,984
Earnings per share (DKK)		8.0	2.2
Diluted earnings per shares (DKK)		8.0	2.2

Note	Amounts in DKK'000	Sparekassen Sjælland-Fyn A/S Group		
		31.03.2021	31.12.2020	31.03.2020
13 Assets provided as collateral				
Bonds deposited with Danmarks Nationalbank, clearing centres etc		1,109,727	1,133,703	1,129,931
Cash deposited with credit institutions, CSA agreements		22,694	22,695	22,696
Loss limit towards the Danish Growth Fund		260	260	261
Total		1,132,681	1,156,658	1,152,888

Unencumbered deposited securities may be released at call.

14 Related party transactions

Sparekassen serves as bank to the Group's group enterprises, and intra-group transactions primarily comprise interest payments, settlement of rent and administration fee. All transactions have been conducted at arm's length.

There have been no unusual related party transactions in Q1 2021.

Notes

Sparekassen Sjælland-Fyn A/S Group

Note	Amounts in DKK'000	31.03.2021	31.12.2020	31.03.2020
15	Contingent liabilities and assets			
	Financial guarantees	275,092	267,342	248,685
	Mortgage finance guarantees	2,840,478	2,849,877	2,632,802
	Registration and remortgaging guarantees	20,829	33,403	17,957
	Other contingent liabilities	4,514,293	3,975,166	3,746,245
	Total	7,650,692	7,125,788	6,645,689

Other contingent liabilities include performance guarantees and other contingent liabilities, including commitments towards the Danish Deposit Guarantee Fund (guarantee capital).

Sparekassen's participation in the data centre Bankdata implies that, in the event of withdrawal, it is obliged to pay a withdrawal compensation. Like other Danish financial institutions, Sparekassen is subject to the Danish Deposit Guarantee Fund and is so obliged, together with other financial institutions, to cover depositors' balances etc of up to EUR 100k with financial institutions in the process of liquidation or bankruptcy.

The Parent participates in a Danish joint taxation arrangement with its subsidiaries. According to the joint taxation provisions of the Danish Corporation Tax Act, Sparekassen is therefore liable for income taxes etc for the jointly taxed companies, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies. Together with Investeringsselskabet Sjælland-Fyn A/S and Leasing Fyn Faaborg A/S, Sparekassen Sjælland-Fyn A/S is jointly registered for VAT and payroll tax.

Totalkredit loans arranged by the Group from 2007 are subject to an agreed right of set-off against future current commissions which Totalkredit may enforce if any losses are recorded on the loans arranged. Sparekassen does not expect that this right of set-off will have a material effect on its financial position.

Except for ordinary contracts of employment with its staff, Sparekassen does not have any other significant obligating arrangements. Due to its business activities, Sparekassen is or may be party to different lawsuits or disputes. Sparekassen assesses the risk in each case, and any necessary provisions are recorded under provisions.

No other contingent liabilities are estimated to exist that have not been recognised as relevant in the balance sheet.

Sparekassen Sjælland-Fyn A/S Group

Note	Amounts in DKK'000	31.03.2021	31.12.2020	31.03.2020
15	Contingent liabilities and assets (continued)			
	Contingent assets, group			
	Deferred tax assets, written down	45,596	59,355	85,264

Deferred tax assets have been partially written down as it is difficult to document with sufficient certainty that they can be used in full within the foreseeable future. Subsequent use of the written-down asset is not subject to any time limits.

Notes

Sparekassen Sjælland-Fyn A/S Group

Note	Amounts in DKK'000	31.03.2021	31.12.2020	31.03.2020
16 Capital resources				
Equity excluding hybrid core capital		3,135,849	2,996,208	2,835,718
Intangible assets		-91,233	-91,251	-91,305
Tax assets		-156,305	-162,982	-163,754
Proposed dividend		0	0	0
Deduction, capital instruments exceeding 10%		-303,495	-245,990	-259,537
Other additions/deductions		44,515	213,429	38,127
Common Equity Tier 1 capital		2,629,331	2,709,414	2,359,249
Hybrid core capital		376,000	376,000	376,000
Core capital (including hybrid core capital) net of primary deductions		3,005,331	3,085,414	2,735,249
Supplementary capital		569,957	569,669	673,700
Capital resources		3,575,287	3,655,082	3,408,949
Risk exposures				
Credit risk		14,704,281	13,986,690	14,492,178
Market risk		1,151,615	899,522	943,379
Operational risk		2,039,764	1,912,923	1,912,923
Total risk exposures		17,895,660	16,799,135	17,348,480
Capital ratio		20.0	21.8	19.6
Core capital ratio		16.8	18.4	15.8
Common Equity Tier 1 capital ratio		14.7	16.1	13.6
Capital resources, requirement under Section 124(2) of the Danish Financial Business Act		1,431,653	1,343,931	1,387,878

Sparekassen's capital resources and capital ratios calculated inclusive of transitional scheme and exclusive of net profit for the period at 31.03.2021 og 31.03.2020.

Had net profit for the period, reduced by the target dividend payment stated in the dividend policy, been included in capital resources, the capital ratio, the core capital ratio and the common equity tier 1 capital ratio would have been 0.6 percentage points higher (31.03.2020: capital ratio, core capital ratio and common equity tier 1 capital ratio 0.3 percentage points higher).

Sparekassen Sjælland-Fyn A/S Group

Note	Amounts in DKK'000	31.03.2021	31.12.2020	31.03.2020
16 Capital resources (continued)				
Sparekassen applies the transitional scheme in the implementation of IFRS 9. Under the transitional scheme, Sparekassen may phase in the negative consequences of IFRS 9 into the capital resources over a five-year period. As a reaction to the Covid-19 pandemic, the settlement of the dynamic part of the transition period has been reset in 2020, with a new 5 year phasing-in period				
Solvency capital elements calculated exclusive of transitional scheme				
Common Equity Tier 1 capital		2,446,931	2,505,656	2,277,020
Core capital (including hybrid core capital) net of primary deductions		2,822,931	2,881,656	2,653,020
Capital resources		3,392,888	3,451,325	3,326,720
Total risk exposures		17,773,311	16,676,560	17,326,516
Capital ratio		19.1	20.7	19.2
Core capital ratio		15.9	17.3	15.3
Common Equity Tier 1 capital ratio		13.8	15.0	13.1

Sparekassen's capital resources and capital ratios calculated inclusive of transitional scheme and exclusive of net profit for the period at 31.03.2021 og 31.03.2020.

Had net profit for the period, reduced by the target dividend payment stated in the dividend policy, been included in capital resources, the capital ratio, the core capital ratio and the common equity tier 1 capital ratio would have been 0.7 percentage points higher (31.03.2020: capital ratio, core capital ratio and common equity tier 1 capital ratio 0.3 percentage points higher).

Notes

Sparekassen Sjælland-Fyn A/S Group

Note	Amounts in DKK'000	31.03.2021		31.03.2020	
		Fair value	Amortised costs	Fair value	Amortised costs
17	Financial assets and liabilities, Sparekassen Sjælland-Fyn A/S Group				
	Financial assets and liabilities are recognised in the balance sheet either at fair value through profit or loss or at amortised cost.				
	Below, the valuation method is stated for each financial statement item.				
	Financial assets				
	Cash and balances on demand at central banks		2,013,751		440,228
	Amounts owed by credit institutions and central banks		175,353		2,553,438
	Loans and other amounts owed at amortised cost		12,344,030		12,171,992
	Bonds at fair value	6,833,517		6,485,955	
	Bonds at amortised cost		1,803,714		0
	Shares etc	590,005		675,112	
	Assets in pooled plans	2,154,280		1,652,856	
	Positive market value, derivatives	30,346		50,013	
	Total financial assets	9,608,148	16,336,848	8,863,936	15,165,658
	Financial liabilities				
	Amounts owed to credit institutions and central banks		504,482		612,422
	Deposits and other debt		19,736,859		18,549,498
	Deposits in pooled plans	2,154,280		1,652,856	
	Subordinated loan capital		569,957		673,700
	Negative market value of derivatives	30,001		52,267	
	Total financial liabilities	2,184,281	20,811,298	1,705,123	19,835,620

Sparekassen Sjælland-Fyn A/S Group

Note
17
Financial assets and liabilities, Sparekassen Sjælland-Fyn A/S Group (continued)
Financial instruments recognised at fair value
Financial instruments are measured based on quoted prices in active markets (Level 1), on generally accepted valuation models with observable market data (Level 2) or on available data that is observable only to a limited extent (Level 3).
Measurement of financial instruments for which prices are quoted in active markets or which is based on generally accepted valuation models with observable market data is not subject to significant estimates.
For financial instruments the measurement of which is based on available data that only to a limited extent is observable market data, such measurement is subject to estimates. Shares etc in Levels 2 and 3 primarily comprise unlisted shares in sector companies and unlisted investment fund certificates.
For unlisted shares in the form of shares in sector-owned companies where such shares are reallocated, such reallocation is considered to be the primary market of the shares. Fair value is determined as the reallocation price, and the shares are included as Level 2 input (observable prices).
For other unlisted shares in sector-owned companies for which observable input is not directly available, measurement is subject to estimates which include information from the companies' financial statements, experience from trading in shares in the relevant companies and input from a qualified external party. The industry association Lokale Pengeinstitutter (LOPI) recommends quarterly fair values of some of the so-called sector shares, meaning the shares held by the banks to participate actively in the infrastructure and the ranges of products supporting the business foundation of the sector. The prices recommended by LOPI are based on shareholders' agreements and transactions conducted in the sector.
Sparekassen makes an independent assessment of the prices recommended and verifies consistency with transactions conducted and financial statements published. Sparekassen estimates that alternative methods for measuring fair value of these shares will not led to much different fair values.

Notes

Sparekassen Sjælland-Fyn A/S Group

Note	Amounts in DKK'000	Quoted prices (Level 1)	Observable input (Level 2)	Non-observable input (Level 3)	Total
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17 Financial assets and liabilities, Sparekassen Sjælland-Fyn A/S Group (continued)

Fair value hierarchy of financial instruments
measured at fair value in balance sheet

	31.03.2021			
Financial assets				
Bonds at fair value	6,833,517	0	0	6,833,517
Shares etc	30,331	514,490	45,184	590,005
Assets related to pooled plans	2,145,983	8,297	0	2,154,280
Derivatives	0	30,346	0	30,346
Total financial assets	9,009,831	553,133	45,184	9,608,148
Financial liabilities				
Deposits in pooled plans	0	2,154,280	0	2,154,280
Derivative financial liabilities	0	30,001	0	30,001
Total financial liabilities	0	2,184,281	0	2,184,281

	31.03.2020			
Financial assets				
Bonds at fair value	6,485,955	0	0	6,485,955
Shares etc	38,165	588,423	48,524	675,112
Assets related to pooled plans	1,646,964	5,892	0	1,652,856
Derivatives	0	50,013	0	50,013
Total financial assets	8,171,084	644,328	48,524	8,863,936
Financial liabilities				
Deposits in pooled plans	0	1,652,856	0	1,652,856
Derivative financial liabilities	0	52,267	0	52,267
Total financial liabilities	0	1,705,123	0	1,705,123

Sparekassen Sjælland-Fyn A/S Group

Note	Amounts in DKK'000	31.03.2021	31.03.2020
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17 Financial assets and liabilities, Sparekassen Sjælland-Fyn A/S Group (continued)

Financial instruments measured at fair value in balance sheet
based on Level 3

Carrying amount at beginning of period	45,059	216,507
Market value adjustment in profit or loss, under market value adjustments	-1,390	-12,879
Purchased	1,515	11,325
Sold	0	166,429
Carrying amount at end of period	45,184	48,524

Sparekassen does not have data to make a sensitivity analysis of the investment fund certificates that are measured at fair value in the balance sheet based on Level 3. The investment fund certificates amount to DKK 2.6m (31.03.2020: DKK 7.6m).

No financial instruments were transferred among the different levels. There are no financial instruments for which it has not been possible to measure fair value reliably. If the classification of a financial instrument has changed compared to the beginning of the financial period, such change is deemed to have taken place at the end of the financial period.

Notes

Sparekassen Sjælland-Fyn A/S Group

Note

17 Financial assets and liabilities, Sparekassen Sjælland-Fyn A/S Group (continued)

Financial instruments recognised at amortised cost

The predominant portion of the Group's receivables, loans and advances and deposits cannot be transferred without the customers' prior consent, and no active market exists for trading in such financial instruments. Fair value estimates are based on factors where changes have occurred in market conditions subsequent to initial recognition of the instrument that are of relevance to the price which would have been agreed had the terms and conditions been agreed on the balance sheet date. Other parties might reach another amount for such estimates.

The data on fair value of financial instruments recognised at amortised cost is based on the following assessments:

- If a quoted market price exists for a financial instrument, such price is used. This is the case for bonds measured at amortised cost.
- For some of the Group's deposits and loans and advances etc, the interest rate relies on developments in interest rates. Therefore, the fair value is essentially deemed to be consistent with the carrying amount.
- The fair value of loans and advances has been determined based on an informed estimate that is built on the Group regularly changing its loan covenants to match current market conditions. For loans and advances, the impairment losses recognised are considered to correspond to fair value adjustments of the credit risk. The difference relative to fair values is composed entirely of fees and commission received but not recognised.
- Fair value of amounts owed by credit institutions and central banks is determined using the same method as for loans and advances.
- The fair value of deposits, bonds issued and subordinated loan capital is deemed to be equivalent, in all material respects, with the carrying amount.

Sparekassen Sjælland-Fyn A/S Group

31.03.2021

31.03.2020

Note	Amounts in DKK'000	Carrying amount	Fair value	Carrying amount	Fair value
17 Financial assets and liabilities, Sparekassen Sjælland-Fyn A/S Group (continued)					
Financial instruments recognised at amortised cost, disclosures on fair value					
Financial assets					
	Cash and balances on demand at central banks	2,013,751	2,013,751	440,228	440,228
	Amounts owed by credit institutions and central banks	175,353	175,353	2,553,438	2,553,438
	Loans and advances and other amounts owed at amortised cost	12,344,030	12,403,298	12,171,992	12,229,335
	Bonds at amortised cost	1,803,714	1,804,140	0	0
	Total financial assets	16,336,848	16,396,542	15,165,658	15,223,001
Financial liabilities					
	Amounts owed to credit institutions and central banks	504,482	504,482	612,422	612,422
	Deposits and other debt	19,736,859	19,736,859	18,549,498	18,549,498
	Subordinated loan capital	569,957	569,957	673,700	673,700
	Total financial liabilities	20,811,298	20,811,298	19,835,620	19,835,620

Income statement

		Sparekassen Sjælland-Fyn A/S (Parent)	
Note	Amounts in DKK'000	Q1 2021	Q1 2020
4	Interest income calculated using the effective interest method	120,472	121,894
4	Other interest income	18,327	21,550
4a	Negative interest income	8,848	10,374
5	Interest expenses	11,708	12,380
5a	Positive interest expenses	21,424	11,064
	Net interest income	139,667	131,754
	Dividends on shares etc	2,363	11,987
6	Fees and commission income	166,724	165,631
	Fees and commission expenses	4,435	3,967
	Net interest and fee income	304,319	305,405
7	Market value adjustments	13,566	-21,893
	Other operating income	937	1,130
8	Staff costs and administrative expenses	167,990	172,898
	Amortisation, depreciation and impairment losses on intangible assets and property, plant and equipment	11,730	14,272
	Other operating expenses	2,050	3,883
9	Impairment losses on loans and advances etc	-14,439	73,987
	Profit/loss on investments in associates and group enterprises	9,561	26,232
	Profit before tax	161,052	45,834
	Income tax	17,412	2,122
	Profit after tax	143,640	43,712
	Earnings per share		
	Earnings per share (DKK)	8.0	2.2
	Diluted earnings per share (DKK)	8.0	2.2
	Distributed as follows:		
	Retained earnings (profit allocated to shareholders)	137,605	37,627
	Interest, hybrid core capital	6,035	6,085
	Total	143,640	43,712

Statement of comprehensive income

		Sparekassen Sjælland-Fyn A/S (Parent)	
Note	Amounts in DKK'000	Q1 2021	Q1 2020
	Profit for the period	143,640	43,712
	Other comprehensive income that may not be reclassified to profit or loss		
	Fair value adjustment of properties	0	-1,480
	Tax related to fair value adjustment of properties	1	1
	Other comprehensive income that may be reclassified to profit or loss		
	Value adjustment of certain strategic shares	2,444	0
	Fair value adjustment of financial instruments entered into to hedge future cash flows ¹		
	- Value adjustment for the year	164	121
	- Tax on other comprehensive income	-574	-27
	Total other comprehensive income	2,035	-1,384
	Total comprehensive income	145,675	42,328

¹ The fair value adjustment concerns a jointly controlled enterprise.

Balance sheet at 31 march

Sparekassen Sjælland-Fyn A/S (Parent)				
Note	Amounts in DKK'000	31.03.2021	31.12.2020	31.03.2020
Assets				
	Cash and balances on demand at central banks	2,013,751	480,569	440,228
	Amounts owed by credit institutions and central banks	165,366	4,802,377	2,547,492
	Loans and other amounts owed at amortised cost	12,450,579	12,070,441	12,248,171
	Bonds at fair value	6,833,517	5,849,380	6,485,955
	Bonds at amortised cost	1,803,714	300,270	0
	Shares etc	590,005	566,946	675,112
	Investments in associates	155,804	151,828	125,005
	Investments in group enterprises	367,456	364,016	365,057
	Assets related to pooled plans	2,154,280	2,081,881	1,652,856
	Intangible assets	91,233	91,251	91,305
	Total land and buildings	153,820	153,649	178,999
	<i>Investment property</i>	3,070	3,070	5,638
	<i>Owner-occupied property</i>	150,750	150,579	173,362
	Other property, plant and equipment	24,747	26,444	35,675
	Current tax assets	36,886	15,913	17,864
	Deferred tax assets	147,339	154,016	155,070
	Other assets	207,882	204,150	218,521
	Prepayments	58,474	56,426	68,918
	Total assets	27,254,853	27,369,557	25,306,229

Sparekassen Sjælland-Fyn A/S (Parent)				
Note	Amounts in DKK'000	31.03.2021	31.12.2020	31.03.2020
Equity and liabilities				
Liabilities other than provisions				
	Amounts owed to credit institutions and central banks	503,452	557,320	611,227
	Deposits and other debt	19,817,444	20,079,315	18,618,734
	Deposits in pooled plans	2,154,280	2,081,881	1,652,856
	Bonds issued at amortised cost	198,739	198,656	0
	Other liabilities	350,554	370,230	421,339
	Deferred income	16,811	12,981	13,951
	Total liabilities other than provisions	23,041,280	23,300,383	21,318,107
Provisions				
	Provisions for losses on guarantees etc	93,028	88,769	71,828
	Other provisions	22,842	28,665	14,901
	Total provisions	115,870	117,434	86,729
	Subordinated loan capital	569,957	569,669	673,700
Equity				
	Share capital	173,750	173,750	173,750
	Revaluation reserves	1,412	1,411	1,407
	Undistributable savings bank reserve, other reserves	561,378	561,378	561,378
	Retained earnings	2,399,309	2,259,670	2,099,183
	Total equity exclusive of hybrid core capital	3,135,849	2,996,209	2,835,718
	Hybrid core capital	391,897	385,862	391,977
	Total equity	3,527,746	3,382,071	3,227,695
	Total equity and liabilities	27,254,853	27,369,557	25,306,229

Statement of changes in equity

		Sparekassen Sjælland-Fyn A/S (Parent)								
Note	Amounts in DKK'000	Share capital	Revaluation reserves	Undistributable savings bank reserve	Reserve for value adjustment of hedging instrument ¹	Dividend	Retained earnings	Total equity exclusive of hybrid core capital	Hybrid core capital	Total equity
	Equity at 1.1.2021	173,750	1,411	561,378	-247	0	2,259,917	2,996,209	385,862	3,382,071
	Profit for the period	0	0	0	0	0	137,605	137,605	6,035	143,640
	Other comprehensive income									
	Fair value adjustment of owner-occupied property	0	0	0	0	0	0	0	0	0
	Value adjustment for the period	0	0	0	164	0	2,444	2,608	0	2,608
	Tax on other comprehensive income	0	1	0	-36	0	-538	-573	0	-573
	Total other comprehensive income	0	1	0	128	0	1,906	2,035	0	2,035
	Comprehensive income for the period	0	1	0	128	0	139,511	139,640	6,035	145,675
	Purchase of treasury shares	0	0	0	0	0	0	0	0	0
	Sale of treasury shares	0	0	0	0	0	0	0	0	0
	Dividends paid	0	0	0	0	0	0	0	0	0
	Interest paid on hybrid core capital	0	0	0	0	0	0	0	0	0
	Equity at 31.03.2021	173,750	1,412	561,378	-119	0	2,399,428	3,135,849	391,897	3,527,746

¹ Reserve for value adjustment of hedging instrument concerns a jointly controlled enterprise

Statement of changes in equity

Sparekassen Sjælland-Fyn A/S (Parent)										
Note	Amounts in DKK'000	Share capital	Revaluation reserves	Undistributable savings bank reserve	Reserve for value adjustment of hedging instrument ¹	Dividend	Retained earnings	Total equity exclusive of hybrid core capital	Hybrid core capital	Total equity
	Equity at 1.1.2020	173,750	2,886	561,378	-240	52,125	2,061,564	2,851,461	385,892	3,237,353
	Profit for the period	0	0	0	0	0	37,627	37,627	6,085	43,712
	Other comprehensive income									
	Fair value adjustment of owner-occupied property	0	-1,480	0	0	0	0	-1,480	0	-1,480
	Value adjustment for the period	0	0	0	121	0	0	121	0	121
	Tax on other comprehensive income	0	1	0	-27	0	0	-26	0	-26
	Total other comprehensive income	0	-1,479	0	95	0	0	-1,384	0	-1,384
	Comprehensive income for the period	0	-1,479	0	95	0	37,627	36,242	6,085	42,328
	Purchase of treasury shares	0	0	0	0	0	0	0	0	0
	Sale of treasury shares	0	0	0	0	0	0	0	0	0
	Dividends paid	0	0	0	0	-52,125	138	-51,987	0	-51,987
	Interest paid on hybrid core capital	0	0	0	0	0	0	0	0	0
	Equity at 31.03.2020	173,750	1,407	561,378	-145	0	2,099,329	2,835,718	391,977	3,227,695

¹ Reserve for value adjustment of hedging instrument concerns a jointly controlled enterprise

Notes

Sparekassen Sjælland-Fyn A/S (Parent)

Note	Amounts in DKK'm	Q1 2021	Q1 2020	Financial year 2020
1	Financial highlights			
	Principal items of income statement			
	Net interest income	140	132	532
	Net interest and fee income	304	306	1,125
	Market value adjustments	14	-22	25
	Staff costs and administrative expenses	168	173	708
	Amortisation, depreciation and impairment losses on assets	12	14	68
	Impairment losses on loans and advances etc	-14	74	163
	Profit on investments in associates and group enterprises	10	26	34
	Income tax	17	2	10
	Profit for the period	144	44	229
	Principal items of balance sheet			
	Loans and advances	12,451	12,248	12,070
	Securities portfolio	9,227	7,161	6,717
	Deposits including pooled deposits	21,972	20,272	22,161
	Subordinated loan capital	570	673	3,382
	Equity	3,528	3,228	27,370
	Total assets	27,255	25,306	570

Sparekassen Sjælland-Fyn A/S (Parent)

Note	Q1 2021	Q1 2020	Financial year 2020
Financial ratios			
Capital ratio ⁵	20.0	19.5	21.7
Core capital ratio ⁵	16.8	15.6	18.4
Return on equity before tax	4.7	1.4	7.2
Return on equity after tax	4.2	1.4	6.9
Operating income over operating expenses	1.96	1.17	1.25
Interest rate risk relative to core capital net of deductions	0.8	-0.1	-0.1
Currency position relative to core capital net of deductions	1.4	0.8	1.3
Currency risk relative to core capital net of deductions	0.0	0.0	0.0
Loans and advances plus loan impairment losses relative to deposits	58.9	63.4	57.2
Loans and advances relative to equity	3.5	3.8	3.6
Growth in loans and advances for the period	3.1	-0.5	-1.9
Liquidity, LCR	395	386	416
Total large exposures (<175 %)	82.2	79.8	67.4
Impairment ratio for the period	0.0	0.4	0.7
Accumulated impairment ratio ¹	2.8	3.5	3.5
Return on capital employed	0.5	0.2	0.9
Earnings per share (DKK) ³	8.0	2.2	11.8
Dividend per share (DKK)	0.0	0.0	0.0
Book value per share (DKK) ²	181.9	163.8	173.8
Price/earnings per share ³	13.9	36.0	7.6
Price/equity per share ²	0.6	0.5	0.5
Share price at end of period	111.0	78.2	90.0
Staff			
Average number of employees for the period converted into full-time employees ⁴	547	563	555

- 1 Refer to note 9 for a specification of total impairment losses and provisions.
- 2 Calculated based on the number of outstanding shares at end of period.
- 3 Calculated based on the average number of shares during the period.
- 4 Engaged in financial business.
- 5 Q1 2021 and Q1 2020 have been calculated exclusive of the profit for the period

Notes

2 Summary of significant accounting policies

The Q1 2021 financial statements of Sparekassen (Parent) have been prepared in accordance with the Danish Executive Order on Financial Reports for Credit Institutions and Investment Companies, etc, as well as additional Danish disclosure requirements for interim reports for listed financial companies.

The accounting policies remain unchanged with respect to those applied in the presentation of the consolidated financial statements for 2020.

Sparekassen's 2020 Annual Report and other reports on capital requirement, statutory report on corporate social responsibility etc can be found on this website: www.spks.dk/om/regnskab

3 Significant accounting judgements and estimates, assumptions and uncertainties

Measuring certain assets and liabilities is subject to management estimates of how future events affect the value of such assets and liabilities. Estimates, which are significant to the presentation of financial statements, are made, for example, when determining write-downs on impaired loans and advances, and provisions. The estimates used are based on assumptions which are considered reasonable by Management, but which are inherently uncertain.

The most significant estimates made by Management in using the Group's accounting policies and the related key sources of estimation uncertainty are the same used in the preparation of the interim financial statements for the year as those used to prepare the consolidated financial statements for 2020.

Notes

		Sparekassen Sjælland-Fyn A/S (Parent)	
Note	Amounts in DKK'000	Q1 2021	Q1 2020
4	Interest income		
	Credit institutions and central banks	127	108
	Loans and other amounts owed	119,831	121,708
	Bonds	9,752	14,549
	Total derivatives	8,575	7,001
	Thereof: - Interest rate contracts	8,826	7,304
	- Foreign exchange contracts	-251	-302
	Other interest income	514	78
	Total interest income	138,799	143,444
4a	Negative interest income		
	Credit institutions and central banks	3,751	3,665
	Bonds	5,097	6,709
	Total negative interest income	8,848	10,374
5	Interest expenses		
	Credit institutions and central banks	130	151
	Deposits and other debt	3,037	2,559
	Bonds issued	1,142	0
	Subordinated loan capital	6,860	9,020
	Other interest expenses	539	650
	Total interest expenses	11,708	12,380
5a	Positive interest expenses		
	Credit institutions and central banks	0	15
	Deposits and other debt	21,424	11,049
	Total positive interest expenses	21,424	11,064

		Sparekassen Sjælland-Fyn A/S (Parent)	
Note	Amounts in DKK'000	Q1 2021	Q1 2020
6	Fees and commission income		
	Securities trading and custody accounts	20,257	28,414
	Payment services	13,486	15,145
	Loan fees	15,999	14,342
	Guarantee commission	52,913	47,978
	Custody services	18,102	11,981
	Other fees and commissions	45,967	47,771
	Total fees and commission income	166,724	165,631
7	Market value adjustments		
	Bonds	-17,977	-23,665
	Shares	28,750	1,645
	Investment property	-5	-620
	Foreign exchange	2,776	2,765
	Currency, interest rate, share, commodity and other contracts and derivatives	22	-2,018
	Assets related to pooled plans	87,925	-292,398
	Deposits in pooled plans	-87,925	292,398
	Total market value adjustments	13,566	-21,893
8	Staff costs and administrative expenses		
	Remuneration of the Board of Directors and Executive Board		
	Board of Directors and Executive Board	4,004	4,161
	Total	4,004	4,161
	Staff costs		
	Wages and salaries	85,774	85,137
	Pension contributions	9,551	9,366
	Social security expenses	13,795	13,716
	Total staff costs	109,120	108,219
	Other administrative expenses	54,866	60,518
	Total staff costs and administrative expenses	167,990	172,898

Notes

Note	Amounts in DKK'000	Sparekassen Sjælland-Fyn A/S (Parent)	
		31.03.2021	31.03.2020
9	Impairment losses on loans and advances and other receivables and provisions for guarantees and undrawn credit facilities (impairment account)		
	Stage 1 impairment		
	Balance of stage 1 impairment losses at beginning of period	123,405	53,875
	New impairment losses (net)	-1,392	45,091
	Balance of stage 1 impairment losses at end of period	122,013	98,966
	- Of which amounts owed by credit institutions and central banks	1	1
	Stage 2 impairment		
	Balance of stage 2 impairment losses at beginning of period	147,611	98,318
	New impairment losses (net)	-13,606	15,564
	Balance of stage 2 impairment losses at end of period	134,005	113,882
	- Of which amounts owed by credit institutions and central banks	498	341
	Stage 3 impairment		
	Balance of stage 3 impairment losses at beginning of period	338,028	479,443
	New impairment losses (net)	5,735	7,780
	Other changes	4,800	6,300
	Previously written down, now finally written off	109,152	98,540
	Balance of stage 3 impairment losses at end of period	239,411	394,983
	- Of which amounts owed by credit institutions and central banks	0	0

Note	Amounts in DKK'000	Sparekassen Sjælland-Fyn A/S (Parent)	
		31.03.2021	31.03.2020
9	Impairment losses on loans and advances and other receivables and provisions for guarantees and undrawn credit facilities (impairment account) (continued)		
	Provisions losses for guarantees and undrawn credit facilities		
	Balance of provisions at beginning of year	115,954	73,252
	New provisions (net)	-505	11,576
	Previously provided for, now finally written off	0	0
	Balance of provisions at end of period	115,449	84,828
	Total		
	Balance of impairment losses/provisions at beginning of period	724,998	704,888
	Impairment losses/provisions for the period (net)	-9,768	80,011
	Other changes	4,800	6,300
	Finally written off, previously written down/provided for	109,152	98,540
	Balance of impairment losses/provisions at end of period	610,878	692,659
	Impairment losses/provisions for the period (net)	-9,768	80,011
	Written off, not previously written down/provided for	1,132	1,465
	Recovery of claims previously written off	5,803	7,490
	Total recognised in the income statement	-14,439	73,987

Notes

Note	Amounts in DKK'000	Sparekassen Sjælland-Fyn A/S (Parent)		
		31.03.2021	31.12.2020	31.03.2020
10 Assets provided as collateral				
Bonds deposited with Danmarks Nationalbank, clearing centres etc	1,109,727	1,133,703	1,129,931	
Cash deposited with credit institutions, CSA agreements	22,694	22,695	22,696	
Loss limit towards the Danish Growth Fund	260	260	261	
Total	1,132,681	1,156,658	1,152,888	

Unencumbered deposited securities may be released at call.

Note	Amounts in DKK'000	Sparekassen Sjælland-Fyn A/S (Parent)		
		31.03.2021	31.12.2020	31.03.2020
11 Capital resources				
Equity excluding hybrid core capital	3,135,849	2,996,208	2,835,718	
Intangible assets	-91,233	-91,251	-91,305	
Tax assets	-147,339	-154,016	-155,070	
Proposed dividend	0	0	0	
Deduction, capital instruments exceeding 10%	-302,389	-244,883	-258,463	
Other additions/deductions	46,617	215,533	40,177	
Common Equity Tier 1 capital	2,641,505	2,721,591	2,371,057	
Hybrid core capital	376,000	376,000	376,000	
Core capital (including hybrid core capital) net of primary deductions	3,017,505	3,097,591	2,747,057	
Supplementary capital	569,957	569,669	673,700	
Capital resources	3,587,462	3,667,259	3,420,757	
Risk exposures				
Credit risk	14,815,149	14,090,641	14,738,211	
Market risk	1,151,703	899,612	943,460	
Operational risk	2,005,246	1,879,639	1,879,639	
Total risk exposures	17,972,098	16,869,892	17,561,310	
Capital ratio	20.0	21.7	19.5	
Core capital ratio	16.8	18.4	15.6	
Common Equity Tier 1 capital ratio	14.7	16.1	13.5	
Capital resources, requirement under Section 124(2) of the Danish Financial Business Act	1,437,768	1,349,591	1,404,905	

Sparekassen's capital resources and capital ratios calculated inclusive of transitional scheme and exclusive of net profit for the period at 31.03.2021 og 31.03.2020.

Had net profit for the period, reduced by the target dividend payment stated in the dividend policy, been included in capital resources, the capital ratio, the core capital ratio and the common equity tier 1 capital ratio would have been 0.6 percentage points higher (31.03.2020: capital ratio, core capital ratio and common equity tier 1 capital ratio 0.3 percentage points higher).

Notes

Sparekassen Sjælland-Fyn A/S (Parent)

Note	Amounts in DKK'000	31.03.2021	31.12.2020	31.03.2020
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11 Capital resources (continued)

Sparekassen applies the transitional scheme in the implementation of IFRS 9. Under the transitional scheme, Sparekassen may phase in the negative consequences of IFRS 9 into the capital resources over a five-year period. As a reaction to the Covid-19 pandemic, the settlement of the dynamic part of the transition period has been reset in 2020, with a new 5 year phasing-in period

Solvency capital elements calculated exclusive of transitional scheme

Common Equity Tier 1 capital	2,459,106	2,517,833	2,288,827
Core capital (including hybrid core capital) net of primary deductions	2,835,106	2,893,833	2,664,827
Capital resources	3,405,063	3,463,502	3,338,527
Total risk exposures	17,849,750	16,750,961	17,542,682
Capital ratio	19.1	20.7	19.0
Core capital ratio	15.9	17.3	15.2
Common Equity Tier 1 capital ratio	13.8	15.0	13.0

Sparekassen's capital resources and capital ratios calculated inclusive of transitional scheme and exclusive of net profit for the period at 31.03.2021 og 31.03.2020.

Had net profit for the period, reduced by the target dividend payment stated in the dividend policy, been included in capital resources, the capital ratio, the core capital ratio and the common equity tier 1 capital ratio would have been 0.7 percentage points higher (31.03.2020: capital ratio, core capital ratio and common equity tier 1 capital ratio 0.3 percentage points higher).

Definitions of official key ratios etc

Return on invested capital

Calculated profit for the year relative to total assets in %

Accumulated impairment ratio

Impairment losses on loans and advances and provisions for guarantees etc as a percentage of loans and advances plus impairment losses on loans and advances plus guarantees plus provisions for guarantees etc

Price/earnings per share

Price/earnings per share for the period

Price/equity per share

Price/equity value per share (DKK)

Return on equity before tax

Profit before tax as a percentage of average equity. Average equity is calculated as a simple average of opening and closing amounts.

Return on equity after tax

Profit after tax as a percentage of average equity. Average equity is calculated as a simple average of opening and closing amounts.

Common equity tier 1 capital ratio

Common equity tier 1 capital/Risk-weighted exposures

Income/cost ratio according to "New Ways "

Net interest and fee income plus other operating income/Staff costs and administrative expenses, amortisation, depreciation and impairment losses and other operating expenses

Book value per share (DKK)

Equity/Share capital exclusive of treasury shares

Income/cost ratio (DKK)

Income for the year divided by costs for the year inclusive of impairment losses on loans and advances and other receivables etc

Capital ratio

Capital resources as a percentage of total risk exposure

Core capital ratio

Core capital as a percentage of total risk exposure

Excess capital adequacy in percentage points

Capital resources – capital requirements/Risk-weighted exposures * 100

Liquidity coverage ratio (LCR)

Amount of liquid assets as a percentage of net outflow over a 30-day period

Liquidity benchmark

The liquidity benchmark reflects Sparekassen's ability to stand a three-month stress test

Eligible liabilities (%)

Eligible liabilities as a percentage of total risk exposure

Rate of cost

Staff costs and administrative expenses, amortisation, depreciation and impairment losses and other operating expenses/Net interest and fee income plus other operating income

Impairment ratio for the period

Impairment losses for the period as a percentage of loans and advances plus impairment losses on loans and advances plus guarantees plus provisions for guarantees etc

Earnings per share (DKK)

Profit for the period after tax/Average number of shares

Growth in loans and advances for the period

Growth in loans and advances from beginning of year to end of year in % (exclusive of reverse business)

Zero interest loans and advances relative to total loans and advances

Zero interest loans and advances/Total loans and advances

Interest rate risk relative to core capital net of deductions

Interest rate risk as a percentage of core capital

Total large exposures (<175%)

The total of the 20 largest exposures as a percentage of common equity tier 1 capital

Dividend per share (DKK)

Dividend proposed/Share capital

Loans and advances relative to equity

Loans and advances/Equity

Loans and advances and loan impairment losses relative to deposits

Loans and advances and loan impairment losses as a percentage of deposits

Currency position relative to core capital net of deductions

Currency indicator 1 as a percentage of core capital

Currency risk relative to core capital net of deductions

Currency indicator 2 as a percentage of core capital

