

SPAREKASSEN SJÆLLAND-FYN

Q1 2022

Interim Report

 SPAREKASSEN
SJÆLLAND-FYN

 SPAREKASSEN
SJÆLLAND-FYN

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Q1 2022 highlights

PROFIT BEFORE TAX

Totals DKK 100.8m

Pre-tax profit provides a 10.6% return on opening equity.

NET PROFIT

Totals DKK 82.3m

Net profit provides a 8.7% return on opening equity.

CORE EARNINGS

Total DKK 128.8m

Core earnings remain at the same high as in Q1 2021.

NET INTEREST AND FEE INCOME

Up 5%

Net interest and fee income is up by a satisfactory DKK 14.3m to stand at DKK 324.4m.

LEVEL OF COSTS

Up DKK 11.9m

Staff costs and administrative expenses and amortisation, depreciation and impairment losses on assets have gone up by 7% to total DKK 194.2m. Adjusted for non-recurring matters, the increase is 3%. This development is in line with the budgets drawn up.

NEGATIVE MARKET VALUE ADJUSTMENTS

Total DKK 35.7m

Market value adjustments are down DKK 48.6m, which is primarily attributable to surging interest rates on mortgage credit bonds.

IMPAIRMENT LOSSES ON LOANS AND ADVANCES ETC

Reversal of DKK 3.0m

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

LAUNCHING OF THE STRATEGY "TOWARDS NEW GOALS"

In April 2022

As stated in company announcement no 8/2022 of 27 April 2022, Sparekassen has presented its new strategy and financial targets for the next strategy period.

TOTAL CREDITS ARRANGED

Increasing to over DKK 60bn

Total credits arranged in the form of loans and advances and mortgage loans arranged for private and corporate customers have increased by 4% to stand at DKK 60.2bn.

CAPITAL RATIO

Is 21.9%

Sparekassen's capital position remains robust.

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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.

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Management commentary

With a pre-tax profit of DKK 100.8m for Q1 2022, Sparekassen Sjælland-Fyn has been off to a good start this year. Net of tax, profit stands at DKK 82.3m, providing an 8.7 % return on opening equity.

These results reflect continuously strong core earnings, which should be viewed in the light of, for example, generally lower activity in the housing market compared to Q1 2021 and of Sparekassen's customer base continuing to develop positively.

Continuously strong core earnings

Although the housing market has seen a slight slow-down in the new year, Sparekassen's core earnings of DKK 128.8m in Q1 2022 remain at the same high as in Q1 2021. These figures bear witness of the success in ensuring – and maintaining – a permanent boost in Sparekassen's earnings. This has been done, for example, by increasing business with current private and corporate customers and by gaining new market shares. Sparekassen is currently experiencing fine activity in the corporate segment, so lending is expected to increase in 2022. This, combined with the generally inherent expectations of an increasing interest rate level, will probably support a positive development in both interest income and net interest income in the long term.

Total credits arranged by Sparekassen – in the form of loans and advances and mortgage loans arranged to Totalkredit to buy housing and to DLR Kredit to buy commercial properties – have increased by 4 % over the past 12 months. So, total credits arranged by Sparekassen have now passed the DKK 60bn mark and amount to DKK 60.2bn.

Also, net interest and fee income has increased by DKK 14.3m, or 5 %, to total DKK 324.4m.

With respect to costs, staff costs and administrative expenses and amortisation, depreciation and impairment losses on assets have gone up by DKK 11.9m in total. This line item is affected by multiple non-recurring matters and investments – resulting from Sparekassen's new strategy "Towards New Goals" – that are to strengthen the future earnings capacity. Adjusted for non-recurring matters, the increase is 3 %. This development is in line with the budgets drawn up.

Finally, performance for Q1 2022 should be viewed in the light of negative market value adjustments of DKK 35.7m having been realised that have primarily been caused by the surging interest rates on mortgage credit bonds.

Impairments

Credit quality of Sparekassen's customers remains fine, for which reason DKK 3.0m has been reversed in Q1 2022 from impairment losses for loans and advances etc, whereas total management add-ons for possible losses etc have been reduced by DKK 14.8m compared to the balance at year-end 2021.

However, with DKK 204.5m, total management add-ons remain at a relatively high level, one of the reasons being the situation in Ukraine that has pushed increasing food and gas prices etc further and generally created uncertainty about

the economic forecasts. Also, repayment of the government loans granted as part of the COVID-19 aid packages has started, which may also affect liquidity and hence also the robustness of business operators, among others.

Launching of the strategy "Towards New Goals"

After the successful execution of the "New Ways" strategy that Sparekassen has applied determinedly over the past four years, we have set some new ambitious goals and financial targets for the next four years.

The strategic priority areas and financial targets are anchored in a new ambitious four-year strategy, "Towards New Goals", that is to ensure the ongoing development and strengthening of Sparekassen up to the end of 2025 when Sparekassen will be celebrating its 200th anniversary and yet another important milestone.

The strategic priority areas, including the financial targets for "Towards New Goals", were published in company announcement no 8/2022 issued on 27 April 2022.

The financial targets are:

- The rate of cost must be reduced and be less than 50 % from the financial year 2026.
- The return on equity after tax must annually be over 10 % on average throughout the strategy period.

- Minimum cash dividend distribution of 25 % of net profit for the year and payment of interest on hybrid core capital. Another objective is to increase total distribution by means of share buy-backs.

- Maintaining the solid capital base with a minimum capital ratio of 20 %.
- Solid and controlled growth by increasing the total business volume by 4-8 % a year.

Furthermore, major internal activities are currently in process to embed the new strategy with Sparekassen's employees who play a vital role in the efforts to demonstrate and execute the strategy - for the benefit of both the employees and Sparekassen's customers and shareholders.

Outlook for 2022

Based on the strong core earnings in Q1, increasing economic uncertainty due to the situation in Ukraine, and volatile mortgage credit bond prices, the pre-tax earnings expectations ranging from DKK 385m to DKK 510m are maintained.

Lars Petersson
Chief Executive Officer

Bruno Riis-Nielsen
Executive Officer of the Savings Bank

Lars Bolding
Executive Officer of the Savings Bank

Jan Kolbye Jensen
Executive Officer of the Savings Bank



JAN KOLBYE JENSEN

Executive Officer
of the Savings Bank

BRUNO RIIS-NIELSEN

Executive Officer
of the Savings Bank

LARS PETERSSON

Chief Executive
Officer

LARS BOLDING

Executive Officer
of the Savings Bank

Financial highlights

Sparekassen Sjælland-Fyn A/S (Group)

Amounts in DKK'm	31.03 2022	31.03 2021	Index ¹	Year-end 2021
Income statement items				
Interest income calculated under the effective interest method	120	127	95	509
Other interest income	20	18	107	58
Negative interest income	7	9	75	26
Interest expenses	13	11	114	50
Positive interest expenses	26	21	121	91
Net interest income	146	146	100	582
Dividends on shares	5	2	215	18
Fees and commission income	177	166	107	635
Fees and commission expenses paid	4	4	87	17
Net interest and fee income	324	310	105	1.218
Translation and market value adjustments	-36	13	-	30
Other operating income	3	3	84	16
Staff costs and administrative expenses	187	173	108	723
Amortisation, depreciation and impairment losses on intangible assets and property, plant and equipment	7	9	79	36
Other operating expenses	4	3	163	20
Impairment losses on loans and advances etc	-3	-15	-	-25
Investments in associates and group enterprises	5	5	90	22
Profit for the year before tax	101	162	62	531
Income tax	18	18	101	87
Profit for the year after tax	82	144	57	444
Profit allocated to shareholders	76	138	55	419

Sparekassen Sjælland-Fyn A/S (Group)

Amounts in DKK'm	31.03 2022	31.03 2021	Index ¹	Year-end 2021
Balance sheet items				
Loans and advances etc	11,924	12,344	97	12,067
Deposits	19,777	19,737	100	19,766
Deposits in pooled plans	2,240	2,154	104	2,405
Total deposits	22,017	21,891	101	22,171
Subordinated loan capital	620	570	109	670
Equity	3,808	3,528	108	3,796
Balance sheet total	28,049	27,153	103	28,001
Capital resources	3,797	3,575	106	3,973
Total business volume (deposits, loans, advances and guarantees)	41,212	41,886	98	41,478
Guarantees	7,271	7,651	95	7,240
Total credits arranged	60,221	57,722	104	59,686
Custody accounts	14,627	12,534	117	15,077

Developments in Sparekassen's business areas

Loans and advances etc	11,924	12,344	97	12,067
Totalkredit	35,497	33,248	107	34,980
DLR	12,800	12,130	106	12,639
Guarantees (exclusive of loss guarantees for mortgage loans)	4,396	4,810	91	4,319
Deposits	19,777	19,737	100	19,766
Deposits in pooled plans	2,240	2,154	104	2,405
Custody accounts	14,627	12,534	117	15,077
Total	101,261	96,957	104	101,253
Average headcount (full-time employees on average)	545	547	100	548
Per employee	186	177	105	185

¹ Index: 31.03.2022 relative to 31.03.2021.

Financial ratios

Sparekassen Sjælland-Fyn A/S (Group)

	31.03 2022	31.03 2021	Index ¹	Year-end 2021
Financial ratios				
Capital ratio ²	21.9	20.0	110	23.3
Core capital ratio ²	18.4	16.8	110	19.7
Common equity Tier 1 capital ²	16.2	14.7	110	17.5
Excess capital adequacy in percentage points ²	12.0	10.3	117	13.5
Return on equity before tax (for the period)	2.7	4.7	57	14.8
Return on equity after tax (for the period)	2.2	4.2	52	12.4
Income/cost ratio DKK	1.52	1.95	78	1.70
Rate of cost	60.6	59.0	103	63.1
Interest rate risk relative to core capital net of deductions	1.5	1.0	150	0.2
Currency position relative to core capital net of deductions	0.8	1.4	57	0.7
Currency risk relative to core capital net of deductions	0.0	0.0	-	0.0
Loans and advances relative to equity	3.1	3.5	89	3.2
Loans and advances plus loan impairment losses relative to deposits	56.6	58.8	96	56.9
Growth in loans and advances for the for the period	-1.2	3.3	-	1.0
Impairment ratio for the for the period	-0.1	-0.1	100	-0.1
Accumulated impairment ratio	3.1	3.0	103	3.1
Zero interest loans and advances relative to total loans and advances	0.2	0.5	40	0.2
Liquidity benchmark	482	437	110	523
Liquidity LCR	468	395	118	501
Total large exposures	70.8	82.6	86	68.6
Return on invested capital	0.3	0.5	60	1.6
Earnings per share (DKK) ³	4.4	8.0	55	24.3
Dividend per share (DKK)	0.0	0.0	-	6.0
Book value per share (DKK)	196.9	181.9	108	198.1
Price/earnings per share ³	46.6	13.9	335	6.8
Price/equity per share ⁴	1.0	0.6	167	0.8
Price at year-end (DKK)	206.0	111.0	186	165.0
Average headcount (full-time employees on average) ⁵	545	547	100	548
Average headcount (converted into full-time employees at year-end) ⁵	542	544	100	545

¹ Index: 31.03.2022 relative to 31.03.2021.

² 31.03.2022 and 31.03.2021 have been calculated exclusive of profit for the period. If the profit for the period after tax is reduced with the dividend policy's target was included in the capital base, the capital ratio, core capital ratio, actual core capital ratio, and capital transfer would be 0.4 pct. points higher. (31.03.2021: capital ratio, core capital ratio, actual core capital ratio, and capital transfer 0.6 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.

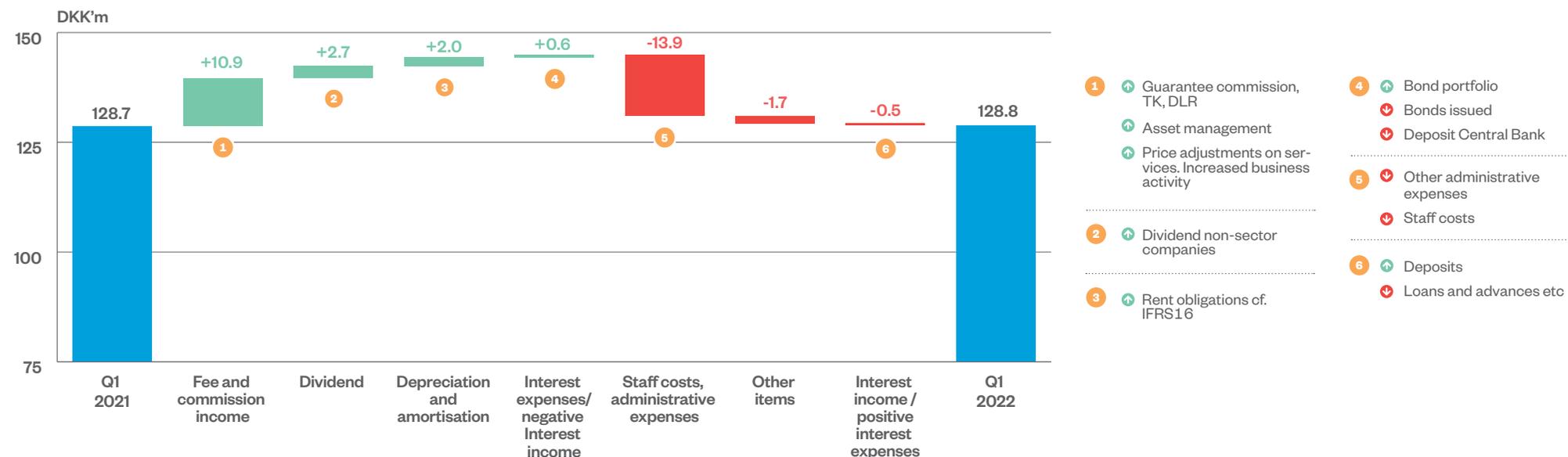


Core earnings

Sparekassen Sjælland-Fyn A/S (Group)

Amounts in DKK'm	Q1 2022	YTD 2021	Q4 2021	Q3 2021	Q2 2021	Q1 2021	YTD 2020	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Core earnings											
Net interest income	146.1	581.6	142.6	143.4	149.6	146.0	556.9	145.1	141.1	132.4	138.2
Dividends on shares	5.1	18.5	0.3	0	15.8	2.4	29.0	0	0	17.0	12.0
Fees and commission income	177.2	634.6	156.2	156.2	155.9	166.3	579.5	142.4	136.8	134.9	165.4
Fees and commission income paid	3.9	17.2	4.3	4.3	4.0	4.5	16.1	4.6	3.9	3.6	4.0
Other operating income	2.9	15.6	4.1	4.2	3.9	3.5	20.7	7.3	4.2	4.1	5.2
Other operating expenses	4.4	19.7	6.2	4.3	6.5	2.7	23.3	9.0	3.8	5.0	5.6
Core income	323.0	1,213.4	292.7	295.2	314.8	311.0	1,146.7	281.2	274.4	279.8	311.2
Staff costs and administrative expenses	186.9	723.1	188.8	176.3	184.9	173.1	729.1	195.9	176.9	178.0	178.3
Amortisation, depreciation and impairment losses on intangible assets and property, plant and equipment	7.3	35.7	7.0	11.4	8.2	9.2	66.0	25.6	15.8	12.9	11.7
Core earnings	128.8	454.7	96.9	107.5	121.7	128.7	351.6	59.7	81.7	88.9	121.2

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 four specific areas that credit institutions must comply with.

The four benchmarks and the current calculations are:

Benchmark	Threshold	Group at 31.03.2022	Group at 31.03.2021
The total of large exposures as a percentage of common equity tier 1 capital	<175 %	70.8	82.6
Loan growth per annum	<20 %	-3.4	1.4
Property exposure of loans advances and guarantees	<25 %	10.3	10.6
Liquidity benchmark	>100 %	482.0	437.3

For all four benchmarks, Sparekassen has an internal target that is below the Supervisory Diamond thresholds.

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

The Funding ratio benchmark is no longer part of the Supervisory Diamond threshold as of H1 2021.

Financial review of the Group

Q1 2022

Pre-tax profit stands at DKK 100.8m. This profit is still affected by solid core operations that are marginally higher than the record quarter of Q1 2021. The development in core operations is driven by roughly unchanged net interest income, increasing fee and commission income, increasing staff costs and administrative expenses, and declining amortisation, depreciation and impairment losses on assets.

So, core earnings total DKK 128.8m in Q1 2022 against DKK 128.7m in Q1 2021.

Overall, market value adjustments have developed adversely by DKK 35.7m in the first three months of the year, which is attributable to relatively heavy declines in the prices of Danish mortgage credit bonds, which represent a large share of Sparekassen's securities portfolio.

Impairment charges continue to develop positively and represent a reversal totalling DKK 3.0m.

Net profit stands at DKK 82.3m, equivalent to an annual return on opening equity of 8.7 %.

Taking into account the plunging prices in the bond market, financial performance is considered satisfactory.

Income statement

Income

Net interest income

Net interest income has increased by DKK 0.1m and amounts to DKK 146.1m against DKK 146.0m in Q1 2021.

Total interest income has seen a decrease of DKK 5.1m and amounts to DKK 140.0m. Interest income from loans and advances has gone down by DKK 5.8m, which is attributable to a combination of a slight decline in lending and a moderate decrease in the average lending rate. Interest income from loans and advances stands at DKK 120.2m for Q1 2022 against DKK 126.0m for the same period last year. However, as has been the case with the last several quarters, the development in the balance of loans and advances should be seen in conjunction with recent years' favourable economic climate in the real estate market, entailing that a large portion of both corporate customers' and private customers' debts may be financed by means of mortgage loans. Mortgage loans arranged by Sparekassen have therefore risen by DKK 2.9bn, or 6 %, over the last 12 months. Interest income from bonds has increased by DKK 0.2m, which has been caused by a higher average flat yield on Sparekassen's bond portfolio. Interest income from derivatives has increased by DKK 1.0m to stand at DKK 9.6m, and other interest income amounts to DKK 0.1m against DKK 0.6m in Q1 2021. Spareka-

ssen is currently experiencing fine activity in the corporate segment, so lending is expected to increase in 2022. This, combined with the generally inherent expectations of an increasing interest rate level, will probably support a positive development in both interest income and net interest income in the long term.

Negative interest income amounts to DKK 6.6m against DKK 8.8m at the end of Q1 2021. The decrease in negative interest income is attributable to the bond portfolio, of which Sparekassen had in Q1 2021 placed a large portion in treasury bills carrying negative interest that were recognised in the balance sheet in the line item "Bonds at amortised cost". A major current account deposit with Danmarks Nationalbank that has increased negative interest income from credit institutions and central banks by DKK 1.0m is contributing in the opposite direction.

Generally, the negative interest income in Q1 2022 is primarily attributable to Sparekassen's placement of excess liquidity on the current account. 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, for example, treasury bills and government bonds or as a current account deposit, resulting in negative interest income.

Total interest expenses have gone up by DKK 1.6m to DKK 13.0m, which is primarily attributable to an increase in interest expenses for bonds issued (senior non-preferred bonds) of DKK 1.0m. These new bond issues are a result of the tightened capital adequacy requirements on eligible liabilities (MREL requirement). Moreover, interest expenses for subordinated capital are up by DKK 0.3m and interest expenses for deposits by DKK 0.2m.

Because of the continuously low interest rate levels - with Danmarks Nationalbank in its latest measure having lowered the interest rate for financial institutions' current account deposits by a negative 0.10 percentage points to a negative 0.60 percentage points effective from 1 October 2021 - Sparekassen has in recent years regularly adjusted the interest rate level for deposit products for both private customers and corporate customers. These steps support the development in positive interest expenses which have gone up by DKK 4.5m on the same period last year. At 31 March 2022, positive interest income stands at DKK 25.7m.

Dividend

Sparekassen has received DKK 5.1m in dividends in Q1 2022 against DKK 2.4m in Q1 2021. Overall, the vast majority of dividends received come from the sector companies co-owned by Sparekassen. Although in Q1 2022, Sparekassen received DKK 2.8m in

dividends from non-sector companies, which is the main reason for the increase in the line item.

Fee and commission income

Fee and commission income is up DKK 10.9m, or 7 %, totalling DKK 177.2m against DKK 166.3m at 31 March 2021.

Sparekassen is still experiencing fine business activity from both new and existing customers in the corporate customer segment and the private customer segment. The high level of business activity is reflected particularly in generally increasing fee income from the wide range of services offered by Sparekassen to corporate and private customers and increasing income from managing customers' custody account funds.

Even though customer activities in the housing and property area have slowed down a little compared to last year, their level is still high in a historical perspective. The level of activity in funding and remortgaging different types of properties has therefore also had a positive effect on fee and commission income. Thus, the amount of mortgage loans arranged by Sparekassen to DLR Kredit and Totalkredit is once again record-breaking at 31 March 2022. Mortgage loans arranged total DKK 48.3bn, which corresponds to a 6 % increase over the last 12 months, as stated above. Developments are the primary reason for guarantee commissions having increased by DKK 5.0m compared to Q1 2021. The rise in mortgage loans arranged is not just strengthening the income base in the short term but also in the long term in the form of an increase in commission income.

Translation and market value adjustments

Translation and market value adjustments amount to a negative DKK 35.7m against a positive DKK 12.8m at the same date in 2021. The financial markets have been marked by heavily increasing interest rates on Danish mortgage credit bonds. Although Sparekassen has generally adopted a relatively conservative approach to our placement of excess liquidity, developments in the interest rates of Danish mortgage credit bonds have resulted in a negative market value adjustment of bonds of DKK 58.5m in Q1 2022 against one of DKK 18.0m at the same time last year. Market value adjustments of shares stand at DKK 18.8m against DKK 28.8m at 31 March 2021. Market value adjustments of shares primarily arise from Sparekassen's portfolio of sector shares. Also, in early 2021, Sparekassen disposed of a small block of listed shares and realised a capital gain.

Translation and market value adjustments of investment property, foreign currencies and other financial instruments total DKK 4.0m against DKK 2.0m in Q1 2021.

Other operating income

Other operating income stands at DKK 2.9m against DKK 3.5m for the same period last year. This line item is primarily composed of rent from the property portfolio of the subsidiary Ejendomsselskabet Sjælland-Fyn A/S. 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 have gone up by DKK 13.9m and amount to DKK 186.9m. Overall, staff costs inclusive of remuneration for the Executive Board and the Board of Directors have gone up by a total of DKK 9.5m. This development primarily reflects pay and pension adjustments arising from collective agreements, timing differences in provisions for time bank and resigned staff, and hiring of staff for specialist functions.

Other administrative expenses have gone up by DKK 4.3m to DKK 64.2m. This line item is affected by multiple non-recurring matters and investments resulting from Sparekassen's new strategy "Towards New Goals" and increased public relations expenses. There has also been an increase in heating and electricity costs and similar costs.

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

Amortisation, depreciation and impairment losses on intangible assets and property, plant and equipment total DKK 7.3m, which is a decrease of DKK 1.9m on the same period last year. The decrease is attributable to amortisation and depreciation of various types of assets. The primary reason, however, for the decrease is recent years' adjustments of the branch structure and acquisition of owner-occupied properties.

In aggregate, staff costs and administrative expenses and amortisation, depreciation and impairment losses on intangible assets and property, plant and equipment have gone up by 7 % to stand at DKK 194.2m. Adjusted for non-recurring matters, the increase is 3 %. This development is in line with the budgets drawn up.

Impairment losses on loans and advances etc

Overall, these impairment losses represent an income of DKK 3.0m compared to DKK 15.3m in Q1 2021. Credit quality of Sparekassen's customers is still considered fine, and the losses recorded are still small in scale. Currently, it is Sparekassen's opinion that, overall, the finances of businesses and private households are strong. Despite a rising price index, private households benefit from very high employment rates and recent years' positive business climate in the real estate market. The strong finances of Danish businesses and private households are reflected, for example, in the low level of individual impairment losses.

Sparekassen therefore believes that Danish economy has emerged rather well from the COVID-19 pandemic, and that businesses and private households in Denmark are generally well braced to tackle the economic uncertainties and challenges caused by the Russian invasion of Ukraine.

However, Sparekassen also holds the view that it is too early to entirely call off the risk of economic consequences of the COVID-19 pandemic, and the economic consequences of a potential long-lasting war in Ukraine too are subject to some uncertainty. Consequently, total management add-ons are maintained at a relatively high level at 31 March 2022 when they amount to DKK 204.5m against DKK 197.4m at 31 March 2021 and DKK 219.3m at 31 December 2021.

However, compared to their balance at 31 December 2021, management add-ons for the uncertainty of economic consequences of the

COVID-19 pandemic and for pig producers have been lowered. The lowering of management add-ons for pig producers is attributable to increasing settlement prices and high self-sufficiency in Sparekassen's loan portfolio.

Another point is that, in Q1 2022, impairment charges include DKK 6.7m in income from amounts recovered on claims previously written off, which is still a high level.

Profit from investments in associates and group enterprises

Profit from investments in associates and group enterprises remains almost unchanged and stands at DKK 4.6m for Q1 2022.

This line item primarily relates to Sparekassen's stake in Lollands Bank and the continuous value adjustment to equity value thereof.

In addition, Sparekassen has a stake of over 20 % in Nordfyns Bank. Because of Nordfyn Bank's restrictions on voting rights, Sparekassen has not obtained significant influence – unlike in Lollands Bank. Consequently, the shareholding in Nordfyns Bank will not be adjusted for accounting purposes to equity value within "Profit from investments in associates and group enterprises". Instead, the shareholding will be stated at and regularly adjusted to fair value directly through equity as other comprehensive income.

Profit for the period

Profit before tax amounts to DKK 100.8m compared to DKK 162.0m in Q1 2021. In Q1 2021, Sparekassen was able to use a written-down tax asset from the Parent, which is the primary reason for tax on profit for the period standing at

an almost unchanged DKK 18.4m. Net profit then amounts to DKK 82.3m against DKK 143.6m in Q1 2021. An 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 76.3m.

Taking into account the plunging prices in the bond market, financial performance for the period is considered satisfactory.

Subsequent events

No events have occurred subsequent to the balance sheet date to the date of publication of the Interim Report which are expected to have a material influence on the Group's or the Parent's financial position.

Balance sheet

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

Assets

Sparekassen has for some years held a massive deposit surplus, amounting to DKK 7.9bn, exclusive of deposits in pooled plans, at 31 March 2022. The primary placement channels for this type of liquidity are mortgage credit bonds and the current account. The DKK 1.2bn increase in

this line item is therefore attributable to a larger deposit on Sparekassen's current account with Danmarks Nationalbank at 31 March 2022 than at the same date last year.

Bonds

The total bond portfolio stands at DKK 8.3bn compared to DKK 8.6bn at the same time last year. Sparekassen endeavours to regularly place excess liquidity taking a relatively cautious approach to minimise the risk of negative market value adjustments to the portfolio should interest rates increase. So, the flat yield on the bond portfolio has been relatively low. Developments in the Danish mortgage credit bonds market with surging interest rates have resulted in capital losses on Sparekassen's portfolio in Q1 2022, but, going forward, interest income is expected to increase because of a regular conversion to a higher flat yield on the bond portfolio. The primary reasons for the increase in Sparekassen's cash resources in the form of amounts owed by Danmarks Nationalbank (including the current account) and the portfolio of bonds are an increased deposit surplus and bonds issued by Sparekassen (senior non-preferred bonds).

In March 2022, Management adopted a revised model for managing Sparekassen's bond

portfolio. Previously, Sparekassen has not been managing its portfolio based on collection of contractual cash flows but rather based on fair value. Because of recent years' general uncertainties in the financial markets, with the last one, for example, being driven by the situation in Ukraine, Sparekassen has decided to adopt a more long-term approach to its bond portfolio. This means that the focus of the strategy for portions of the portfolio will be on collecting contractual cash flows or on collecting contractual cash flows and sales.

As a consequence of the new model, portions of Sparekassen's bond portfolio will from 1 April 2022 be classified as financial assets at fair value through other comprehensive income and financial assets at amortised cost (held to maturity). Out of the current portfolio at 1 April 2022, this concerns bonds at a fair value of approximately DKK 650m.

Loans and advances

The balance of loans and advances at 31 March 2022 has gone down by DKK 0.4bn on the balance at 31 March 2021 and totals DKK 11.9bn. The decline in loans and advances is more or less equally distributed between loans to corporate customers and loans to private customers. The development in on-balance sheet loans

Total credits arranged

	31.03.2022	31.03.2021	2021	2020	2019	2018
	DKK'm	DKK'm	DKK'm	DKK'm	DKK'm	DKK'm
Loans and advances etc, Sparekassen	11,924	12,344	12,067	11,951	12,217	12,174
Totalkredit	35,497	33,248	34,980	32,331	29,811	27,229
DLR	12,800	12,130	12,639	11,794	10,250	9,001
Total	60,221	57,722	59,686	56,076	52,278	48,404

and advances should continue to be viewed against recent years' favourable business climate in the real estate market. As described above in the financial review, mortgage loans arranged by Sparekassen have risen by DKK 2.9bn over the last 12 months, and total credits arranged in the form of loans and mortgage loans passed the DKK 60bn mark at 31 March 2022 and stand at DKK 60.2bn, which is over 4 % up on Q1 2021. Moreover, activity and demand for funding from the corporate segment are currently quite reasonable. That is why Sparekassen expects lending to increase in 2022.

Shares

The total portfolio of shares stands at DKK 876.0m compared to DKK 590.0m at the same time last year. This portfolio is to a large extent 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 and investment unit certificates and holds a major stake in Nordfyns Bank and Møns Bank. The portfolio of shares has primarily increased because of the shares acquired in Nordfyns Bank and Møns Bank and the continuous value adjustment and reallocation of shares in sector companies.

Investments in associates

Investments in associates amount to DKK 231.8m and primarily relate to Lollands Bank.

Land and buildings

Land and buildings total DKK 519.5m against DKK 432.6m at 31 March 2022. The development is primarily attributable to owner-occupied property and secondarily to investment property having been acquired.

Equity and liabilities

Deposits

The deposits balance exclusive of deposits in pooled plans represents a slight increase and stands at DKK 19.8bn compared to DKK 19.7bn at the same date last year. Overall, the development in the deposits balance arises from increasing deposits by corporate customers and slightly decreasing deposits by private customers.

Deposits in pooled plans

Deposits in pooled plans have increased by 4 % on 31 March 2021 and amount to just over DKK 2.2bn. This line item is to some degree affected by market value adjustments of assets in the underlying pools. In 2021, these adjustments were positive whereas in Q1 2022 they were negative.

Bonds issued

This line item of around DKK 378.0m is composed of the SNP bonds (senior non-preferred bonds) which Sparekassen issued to cover some of the tightened capital adequacy requirements for eligible liabilities (MREL requirement) that Sparekassen is subject to.

Subordinated loan capital

Subordinated loan capital amounts to DKK 620.4m against DKK 570.0m at the end of Q1 2021. The increase reflects Sparekassen's December 2021 issuance of DKK 100.0m in subordinated capital and settlement of DKK 50.0m in subordinated capital in a first call in February 2022. Generally, Sparekassen regularly endeavours to optimise its capital structure, for example, by issuing subordinated loan capital, hybrid core capital and SNP bonds.

Equity

Equity amounts to DKK 3,808.5m at the balance sheet date against DKK 3,527.7m at 31 March 2021. The increase in equity is broadly attributable to the profit for the period, reduced by dividend paid and interest paid on hybrid capital.



Capital structure and liquidity of the Group

Capital structure

Sparekassen's risk exposures total DKK 17,310m against DKK 17,896m at 31 March 2021, which is a decrease of DKK 586m. Credit risk has gone down by DKK 904m, resulting primarily from a decrease in exposures and the weighting thereof. Market risk is up DKK 146m, which is attributable to changes in the composition of the securities portfolio. Operational risk has increased by DKK 171m.

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 2022, capital resources are DKK 222m larger than at 31 March 2021 and amount to DKK 3,797m. The increase is primarily attributable to retained earnings and to the issuance of supplementary capital. A larger deduction because of a larger portfolio of sector shares and shareholdings in the financial sectors contributes in the opposite direction.

Sparekassen's capital ratio is then 21.9 % against 20.0 % at 31 March 2021. The core capital ratio has gone up by 1.6 percentage points on the same date last year and stands at 18.4 % whereas the common equity tier 1 capital ratio is up 1.5 percentage points to 16.2 %.

The capital requirement has been calculated at 9.9 %, leading to an excess capital adequacy ratio of 12.0 percentage points. In Danish kroner, this excess is equivalent to DKK 2,079m.

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 9.5 percentage points. In Danish kroner, this excess is equivalent to DKK 1,647m.

In the Q1 2022 statement of Sparekassen's capital requirement, a provision of DKK 28m has been made, corresponding to 0.16 percentage points, under credit risks to match the

uncertainty related to COVID-19. Sparekassen believes that at least the quarter ahead will still be subject to uncertainty with respect to the risk of any negative consequences 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 (MREL requirement). The MREL requirement 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 MREL requirement 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 MREL capital. The total MREL requirement is calculated as the total amount of the solvency needs, the combined buffer requirement (the coun-

tercyclical buffer and the capital conservation buffer) and an MREL add-on. The MREL add-on is composed of a loss absorption add-on and a recapitalisation amount.

The MREL requirement is gradually phased in and will take full effect from 1 January 2024.

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

In December 2021, Sparekassen received the MREL requirement based on the 2020 accounting figures, which are therefore currently applicable from 1 January 2024. At group level, the MREL requirement has been calculated at 16.3 %. The requirement for the Parent is largely the same. With the current capital resources and the MREL capital issued (senior non-preferred bonds), Sparekassen complies with the phased-in element of the calculated MREL requirement with a margin of 7.5 percentage points at 31 March 2022 (13.6 percentage points at 31 January 2022). With the current capital resources and MREL capital, the fully phased-in MREL requirement is met as well with a margin of 5.4 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

Risk exposures DKK'm

	31.03.2022	31.12.2021	31.03.2021
Credit risk	13,800	14,148	14,704
Market risk	1,298	829	1,152
Operational risk	2,211	2,040	2,040
Total	17,310	17,017	17,896

Capital ratios (%)

	31.03.2022	31.12.2021	31.03.2021
Capital ratio	21.9	23.3	20.0
Core capital ratio (Including hybrid core capital)	18.4	19.7	16.8
Common equity tier 1 capital ratio	16.2	17.5	14.7

not expect to face any challenges in meeting the MREL requirements in future either. Sparekassen intends to regularly evaluate the opportunities for optimising the composition of the capital and liability instruments that meet the MREL requirements.

Capital measure

Sparekassen's objective is to have a capital ratio surplus of at least 2.5 percentage points. This surplus should be viewed in relation to the total amount of (i) Pillar I requirements, (ii) Pillar II add-ons (8+ add-on) and (iii) expected combined buffer requirement for each year (2.5 % at 30 June 2020 as a result of the countercyclical capital buffer having been reset, and with a maximum of 5.0 %). Another objective of Sparekassen is to have a common equity tier 1 capital ratio surplus of at least 2.5 percentage points. This surplus should be viewed in relation to the total amount of common equity tier 1 capital to meet (i) Pillar I requirements (at least 4.5 %) and (ii) the expected combined buffer requirement for each year (2.5 % at 30 June 2020 as a result of the countercyclical capital buffer having been reset, and with a maximum of 5.0 %), and Pillar II requirements that are not covered by supplementary capital or hybrid core capital.

Sparekassen's capital measure, excess capital adequacy and capital plans in the short and long term are discussed and approved by the Board of Directors on a regular basis and at least once a year. According to Sparekassen's new strategy plan, "Towards New Goals", the long-term objective is to have a minimum capital ratio of 20.0 %.

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 market funding and potentially transient deposits.

At the end of Q1 2022, Sparekassen has a deposit surplus of DKK 7.9bn 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 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 2022, Sparekassen's LCR is 468 % against the applicable statutory requirement of a minimum LCR of 100 %. So, the excess liquidity coverage ratio relative to the statutory requirement is 368 percentage points. Given 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 482 % 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 a 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 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.

Net Stable Funding Ratio (NSFR)

On 28 June 2021, a new statutory requirement for financial institutions became effective regarding a stable funding structure. The

requirement aims to ensure that financial institutions maintain a stable funding structure over a one-year time horizon. The NSFR is defined as the ratio of Sparekassen's available amount of stable funding to Sparekassen's required amount of stable funding over a one-year time horizon. The requirement is calculated as a percentage and set at at least 100.

With a calculated NSFR of 202 % at 31 March 2022, Sparekassen is in compliance with the new requirement with a healthy margin.

With the current and the expected future composition of its balance sheet in mind, Sparekassen expects to have an appropriate excess cover also in future.

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)

	31.03.2022		2021		2020		2019		2018	
	DKK'm	%								
3 / 2a – Loans, advances and guarantees with normal credit quality	11,665	60.8	11,480	59.5	10,677	56.0	10,768	56.8	10,249	58.5
2b – Loans, advances and guarantees with certain indications of weakness	6,329	33.0	6,681	34.6	6,911	36.2	6,424	33.9	4,942	28.2
2c – Loans, advances and guarantees with substantial weaknesses	742	3.9	715	3.7	911	4.8	1,058	5.6	1,143	6.5
1 – Loans, advances and guarantees with objective evidence of impairment	459	2.4	431	2.2	578	3.0	704	3.7	1,197	6.8
Total	19,195	100.0	19,307	100.0	19,077	100.0	18,954	100.0	17,531	100.0

Loans, advances, and guarantee debtors by sector

	31.03.2022	2021	2020	2019	2018
	%	%	%	%	%
Loans, advances, and guarantee debtors by sector	0.1	0.1	0.1	0.4	0.8
Business					
Agriculture, hunting, forestry and fisheries	9.1	9.1	8.5	8.2	8.3
Industry and extraction of raw materials	2.6	2.4	2.3	2.1	2.0
Energy supply	0.2	0.2	0.2	0.1	0.0
Building and construction	6.0	5.9	6.0	5.3	5.0
Trade	5.6	5.4	4.8	5.8	5.8
Transport, hotels and restaurants	1.9	1.9	1.8	1.9	2.0
Information and communication	0.7	0.7	0.9	0.8	0.7
Financing and insurance	4.7	5.0	4.7	5.3	4.1
Real property	8.8	9.4	9.3	9.9	11.0
Other business	6.1	6.1	6.3	7.0	7.3
Total business	45.7	46.0	44.8	46.3	46.3
Private	54.2	53.9	55.1	53.3	52.9
Total	100.0	100.0	100.0	100.0	100.0

Financial review of the Parent

Q1 2022

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 of the Group for supplementary information. Most of the Group's property portfolio is held by the subsidiary, Ejendomsselskabet Sjælland-Fyn A/S.

Pre-tax profit of the Parent stands at DKK 99.7m. This profit is still affected by solid core operations that are marginally lower than the record quarter of Q1 2021. The development in core operations is primarily driven by a marginal decrease in net interest income, increasing fee and commission income and increasing staff costs and administrative expenses.

So, core earnings (calculated as earnings before translation and market value adjustments, impairment charges and profit from investments) total DKK 120.6m in Q1 2022 against DKK 123.5m in Q1 2021.

Overall, market value adjustments have developed adversely by DKK 31.2m in the first three months of the year, which is attributable to relatively heavy declines in the prices of Danish mortgage credit bonds, which represent a large share of Sparekassen's securities portfolio.

Impairment charges continue to develop positively and represent a reversal totalling DKK 3.9m.

Net profit stands at DKK 82.3m, equivalent to an annual return on opening equity of 8.7 %.

Taking into account the plunging prices in the bond market, financial performance is considered satisfactory.

Income statement

Income

Net interest income

Net interest income has seen a marginal decrease of 1 % and amounts to DKK 137.9m in Q1 2022.

Total interest income has decreased by DKK 6.6m and amounts to DKK 132.2m. Interest income from loans and advances has gone down by DKK 7.3m, which is attributable to a combination of a slight decline in lending and a moderate decrease in the average lending rate. Interest income from loans and advances stands at DKK 112.5m for Q1 2022 against DKK 119.8m for the same period last year. Interest income from bonds has increased by DKK 0.2m, which has been caused by a higher average flat yield on Sparekassen's bond portfolio. Interest income from derivatives is up DKK 1.0m to reach DKK 9.6m. Sparekassen is currently experiencing fine activity in the corporate segment, so lending is expected to increase in

2022. This, combined with the generally inherent expectations of an increasing interest rate level, will probably support a positive development in both interest income and net interest income of the Parent in the long term.

Negative interest income amounts to DKK 6.6m against DKK 8.8m at the end of Q1 2021. The decrease in negative interest income is attributable to the bond portfolio, of which Sparekassen had in Q1 2021 placed a large portion in treasury bills carrying negative interest that were recognised in the balance sheet in the line item "Bonds at amortised cost". A major current account deposit with Danmarks Nationalbank that has increased negative interest income from credit institutions and central banks by DKK 1.0m is contributing in the opposite direction.

Total interest expenses have gone up by DKK 1.8m to DKK 13.5m, which is primarily attributable to an increase in interest expenses for bonds issued (senior non-preferred bonds) of DKK 1.0m. These new bond issues are a result of the tightened capital adequacy requirements on eligible liabilities (MREL requirement). Moreover, interest expenses for subordinated capital are up by DKK 0.3m and interest expenses for deposits by DKK 0.2m.

Because of the continuously low interest rate levels - with Danmarks Nationalbank in its latest measure having lowered the interest rate for

financial institutions' current account deposits by a negative 0.10 percentage points to a negative 0.60 percentage points effective from 1 October 2021 - Sparekassen has in recent years regularly adjusted the interest rate level for deposit products for both private customers and corporate customers. These steps support the development in positive interest expenses which have gone up by DKK 4.4m on the same period last year. At 31 March 2022, positive interest income stands at DKK 25.9m.

Dividend

Sparekassen has received DKK 5.1m in dividends in Q1 2022 against DKK 2.4m in Q1 2021. Overall, the vast majority of dividends received come from the sector companies co-owned by Sparekassen. Although in Q1 2022, Sparekassen received DKK 2.8m in dividends from non-sector companies, which is the main reason for the increase in the line item.

Fee and commission income

Fee and commission income is up DKK 10.9m, or 7 %, totalling DKK 177.6m against DKK 166.7m at 31 March 2021.

Sparekassen is still experiencing fine business activity from both new and existing customers in the corporate customer segment and the private customer segment. The high level of business activity is reflected particularly in generally increasing fee income in the wide range of services offered by Sparekassen to

corporate and private customers and increasing income from managing customers' custody account funds.

Even though customer activities in the housing and property area have slowed down a little compared to last year, their level is still high in a historical perspective. The level of activity in funding and remortgaging different types of properties has therefore also had a positive effect on fee and commission income. Thus, the amount of mortgage loans arranged by Sparekassen to DLR Kredit and Totalkredit is once again record-breaking at 31 March 2022. Mortgage loans arranged total DKK 48.3bn, which corresponds to a 6 % increase over the last 12 months, as stated above. Developments are the primary reason for guarantee commissions having increased by DKK 5.0m compared to Q1 2021.

Translation and market value adjustments

Translation and market value adjustments amount to a negative DKK 31.2m against a positive DKK 13.6m at the same date in 2021. The financial markets have been marked by heavily increasing interest rates on Danish mortgage credit bonds. Although Sparekassen has generally adopted a relatively conservative approach to our placement of excess liquidity, developments in the interest rates of Danish mortgage credit bonds have resulted in a negative market value adjustment of bonds of DKK 58.5m in Q1 2022 against one of DKK 18.0m at the same time last year. Market value adjustments of shares stand at DKK 18.8m against DKK 28.8m at 31 March 2021. Market value adjustments of shares primarily arise from Sparekassen's portfolio of sector shares. Also,

in early 2021, Sparekassen disposed of a small block of listed shares and realised a capital gain. Translation and market value adjustments of investment property, foreign currencies and other financial instruments total DKK 8.5m against DKK 2.8m in Q1 2021.

Staff costs and administrative expenses

Staff costs and administrative expenses have gone up by DKK 15.5m and amount to DKK 183.5m. Overall, staff costs inclusive of remuneration for the Executive Board and the Board of Directors have gone up by a total of DKK 9.5m. This development primarily reflects pay and pension adjustments arising from collective agreements, timing differences in provisions for time bank and resigned staff, and hiring of staff for specialist functions.

Other administrative expenses have gone up by DKK 6.0m to DKK 60.9m. This line item is affected by multiple non-recurring matters and investments in Sparekassen's new strategy "Towards New Goals" and increased public relations expenses. There has also been an increase in heating and electricity costs and similar costs.

The development in staff costs and administrative expenses is in line with the budgets drawn up.

Impairment losses on loans and advances etc

Overall, these impairment losses represent an income of DKK 3.9m compared to DKK 14.4m in Q1 2021. Credit quality of Sparekassen's customers is still considered fine, and the losses



recorded and the level of individual impairment charges are still small in scale.

Profit from investments in associates and group enterprises

Profit from investments in associates and group enterprises primarily arises from Sparekassen's stake in Lollands Bank and the continuous value adjustment thereof to equity value, and profits or losses of the subsidiaries Ejendomsselskabet Sjælland-Fyn and Investeringselskabet Sjælland-Fyn. The line item stands at DKK 6.4m against DKK 9.6m for the same period last year. The development therein is primarily attributable to negative value adjustments of properties of Ejendomsselskabet Sjælland-Fyn.

Profit for the period

Pre-tax profit amounts to DKK 99.7m against DKK 161.1m for Q1 2021, and net profit is DKK 82.3m against DKK 143.6m for Q1 2021.

Interim financial statements

Q1 2022

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 2022.

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 2022 and of their financial performance and the consolidated cash flows for the period 1 January to 31 March 2022.

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 2022

Direktion

Lars Petersson
Chief Executive Officer

Bruno Riis-Nielsen
Executive Officer of the Savings Bank

Lars Bolding
Executive Officer of the Savings Bank

Jan Mark Kolbye Jensen
Executive Officer of the Savings Bank

Board of Directors

Thomas Kullegaard
Chairman

Jakob Nørrekjær Andersson
Vice-Chairman

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 2022	Q1 2021
4	Interest income calculated using the effective interest method	120,449	126,719
4	Other interest income	19,545	18,327
4a	Negative interest income	6,647	8,848
5	Interest expenses	12,978	11,380
5a	Positive interest expenses	25,743	21,203
	Net interest income	146,112	146,021
	Dividends on shares etc	5,075	2,363
6	Fees and commission income	177,173	166,298
	Fees and commission expenses	3,920	4,493
	Net interest and fee income	324,440	310,189
7	Market value adjustments	-35,733	12,822
	Other operating income	2,942	3,493
8	Staff costs and administrative expenses	186,927	173,077
	Amortisation, depreciation and impairment losses on intangible assets and property, plant and equipment	7,258	9,204
	Other operating expenses	4,363	2,669
9	Impairment losses on loans and advances etc	-3,033	-15,252
	Profit/loss on investments in associates and group enterprises	4,639	5,160
	Profit before tax	100,773	161,966
	Income tax	18,427	18,326
	Profit after tax	82,346	143,640
	Earnings per share		
	Earnings per share (DKK)	4.4	8.0
	Diluted earnings per share (DKK)	4.4	8.0
	Distributed as follows:		
	Retained earnings (profit allocated to shareholders)	76,311	137,605
	Interest, hybrid core capital	6,035	6,035
	Total	82,346	143,640

Statement of comprehensive income

		Sparekassen Sjælland-Fyn A/S (Group)	
Note	Amounts in DKK'000	Q1 2022	Q1 2021
	Profit for the period	82,346	143,640
	Other comprehensive income that may not be reclassified to profit or loss		
	Fair value adjustment of properties	0	0
	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	3,945	2,444
	Fair value adjustment of financial instruments entered into to hedge future cash flows ¹		
	- Value adjustment for the year	1,039	164
	- Tax on other comprehensive income	-229	-574
	Total other comprehensive income	4,756	2,035
	Total comprehensive income	87,102	145,675

¹ The fair value adjustment concerns a jointly controlled enterprise.

Balance sheet

Sparekassen Sjælland-Fyn A/S (Group)

Note	Amounts in DKK'000	31.03.2022	31.12.2021	31.03.2021
Assets				
	Cash and balances on demand at central banks	3,174,569	4,014,591	2,013,751
	Amounts owed by credit institutions and central banks	173,688	186,272	175,353
	Loans and other amounts owed at amortised cost	11,923,738	12,067,386	12,344,030
	Bonds at fair value	8,314,460	7,316,343	6,833,517
	Bonds at amortised cost	0	0	1,803,714
	Shares etc	875,977	723,125	590,005
	Investments in associates	231,765	223,679	196,481
	Assets related to pooled plans	2,240,191	2,405,310	2,154,280
	Intangible assets	91,160	91,178	91,233
10	Total land and buildings	519,530	491,067	432,636
	<i>Investment property</i>	148,088	121,503	110,049
	<i>Owner-occupied property</i>	371,442	369,564	322,587
	Other property, plant and equipment	24,520	24,691	24,747
	Current tax assets	30,336	15,069	33,649
	Deferred tax assets	104,778	116,198	156,305
	Other assets	296,697	278,439	246,004
	Prepayments	47,845	47,405	57,457
	Total assets	28,049,254	28,000,753	27,153,162

Sparekassen Sjælland-Fyn A/S (Group)

Note	Amounts in DKK'000	31.03.2022	31.12.2021	31.03.2021
Equity and liabilities				
Liabilities other than provisions				
	Amounts owed to credit institutions and central banks	814,539	577,773	504,482
	Deposits and other debt	19,777,190	19,765,959	19,736,859
	Deposits in pooled plans	2,240,191	2,405,310	2,154,280
	Bonds issued at amortised cost	377,979	377,810	198,740
	Other liabilities	280,437	269,660	305,302
	Deferred income	39,121	40,109	39,926
	Total liabilities other than provisions	23,529,457	23,436,621	22,939,589
Provisions				
	Provisions for losses on guarantees etc	72,563	77,290	93,028
	Other provisions	18,394	21,254	22,842
	Total provisions	90,957	98,544	115,870
11	Subordinated loan capital	620,373	670,072	569,957
Equity				
12	Share capital	173,750	173,750	173,750
	Revaluation reserves	1,416	1,415	1,412
	Undistributable savings bank reserve, other reserves	561,378	561,378	561,378
	Retained earnings	2,680,001	2,673,085	2,399,309
	Total equity exclusive of hybrid core capital	3,416,544	3,409,628	3,135,849
	Hybrid core capital	391,923	385,888	391,897
	Total equity	3,808,467	3,795,516	3,527,746
	Total equity and liabilities	28,049,254	28,000,753	27,153,162

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 1.1.2022	173,750	1,415	561,378	65	104,250	2,568,770	3,409,628	385,888	3,795,516
	Profit for the period	0	0	0	0	0	76,311	76,311	6,035	82,346
	Other comprehensive income									
	Value adjustments of certain strategic shares	0	0	0	0	0	0	0	0	0
	Fair value adjustment of financial instruments entered into to hedge future cash flows:									
	Value adjustment for the period	0	0	0	1,039	0	3,945	4,984	0	4,984
	Tax on other comprehensive income	0	1	0	-229	0	0	-228	0	-228
	Total other comprehensive income	0	1	0	810	0	3,945	4,756	0	4,756
	Comprehensive income for the period	0	1	0	810	0	80,256	81,067	6,035	87,102
	Purchase of treasury shares	0	0	0	0	0	-5,000	-5,000	0	-5,000
	Sale of treasury shares	0	0	0	0	0	34,937	34,937	0	34,937
	Dividends paid	0	0	0	0	-104,250	162	-104,088	0	-104,088
	Interest paid on hybrid core capital	0	0	0	0	0	0	0	0	0
	Equity at 31.03.2022	173,750	1,416	561,378	875	0	2,679,126	3,416,544	391,923	3,808,467

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	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									
	Value adjustments of certain strategic shares	0	0	0	0	0	0	0	0	0
	Fair value adjustment of financial instruments entered into to hedge future cash flows:									
	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.

Cash flow statement

Sparekassen Sjælland-Fyn A/S (Group)			
Note	Amounts in DKK'000	Q1 2022	Q1 2021
	Comprehensive income for the period	82,346	143,640
	Adjustment for amounts without cash flow effect		
	Market value adjustment, shares	-18,755	-28,750
	Market value adjustment, bonds	58,504	17,971
	Impairment losses on loans and advances etc	-3,033	-15,252
	Amortisation, depreciation and impairment losses on intangible assets and property, plant and equipment	7,258	9,204
	Prepayments (net)	-456	681
	Provisions	-7,587	-1,564
	Value adjustments of investment property	1,345	6,066
	Deferred income tax	18,427	18,326
	Adjustment for amounts with cash flow effect		
	Income tax paid	-22,275	-31,586
	Cash flows from ordinary operating activities	115,774	118,736
	Working capital changes		
	Credit institutions	236,766	-53,901
	Loans and advances adjusted for impairment losses etc for the period	147,137	-378,012
	Other assets and liabilities (net)	-13,079	-21,993
	Shares etc	-130,152	8,135
	Bonds at fair value	-1,056,621	-1,002,108
	Bonds at amortised cost	0	-1,503,444
	Deposits and other debt	11,231	-264,082
	Total working capital changes	-804,718	-3,215,405
	Cash flows from operating activities	-688,944	-3,096,669

Sparekassen Sjælland-Fyn A/S (Group)			
Note	Amounts in DKK'000	Q1 2022	Q1 2021
	Investing activities		
	Additions, investments in associate	-2,635	0
	Purchase of intangible assets	-1,146	-1,419
	Purchase of property, plant and equipment	-46,430	-19,571
	Sale of property, plant and equipment	10,700	12,775
	Cash flows from investing activities	-39,511	-8,215
	Financing activities		
	Bonds issued	0	0
	Subordinated loan capital	-50,000	0
	Hybrid core capital	0	0
	Additions from share issue	0	0
	Treasury shares etc	29,937	0
	Interest paid on hybrid core capital	0	0
	Dividend paid	-104,088	0
	Cash flows from financing activities	-124,151	0
	Increase/decrease in cash	-852,606	-3,104,884
	Cash and cash equivalents at beginning of period	4,200,863	5,293,988
	Cash and cash equivalents at end of period	3,348,257	2,189,104
	Cash and cash equivalents		
	Cash and balances on demand at central banks	3,174,569	2,013,751
	Amounts owed by credit institutions and central banks	173,688	175,353
	Cash and cash equivalents at end of period	3,348,257	2,189,104

Notes

2 Summary of significant accounting policies

The Interim Report for Q1 2022 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 2021.

Sparekassen's 2021 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_sparekassen/regnskab

Because of the adoption of a new model for managing the bond portfolio and in addition to classifying bonds at fair value, Sparekassen intends from 1 April 2022 to also apply the classification categories of bonds at amortised cost (held to maturity) and bonds at fair value through other comprehensive income.

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 to prepare the interim financial statements for the year as those used to prepare the consolidated financial statements for 2021.

Notes

		Sparekassen Sjælland-Fyn A/S (Group)	
Note	Amounts in DKK'000	Q1 2022	Q1 2021
4	Interest income		
	Credit institutions and central banks	167	158
	Loans and other amounts owed	120,224	125,982
	Bonds	9,971	9,752
	Total derivatives	9,574	8,575
	Thereof: - Interest rate contracts	9,698	8,826
	- Foreign exchange contracts	-124	-251
	Other interest income	58	579
	Total interest income	139,994	145,046
4a	Negative interest income		
	Credit institutions and central banks	4,738	3,751
	Bonds	1,909	5,097
	Total negative interest income	6,647	8,848
5	Interest expenses		
	Credit institutions and central banks	213	130
	Deposits and other debt	3,261	3,037
	Bonds issued	2,107	1,142
	Subordinated loan capital	7,134	6,860
	Other interest expenses	263	211
	Total interest expenses	12,978	11,380
5a	Positive interest expenses		
	Credit institutions and central banks	0	0
	Deposits and other debt	25,743	21,203
	Total positive interest expenses	25,743	21,203

		Sparekassen Sjælland-Fyn A/S (Group)	
Note	Amounts in DKK'000	Q1 2022	Q1 2021
6	Fees and commission income		
	Securities trading and custody accounts	19,972	20,257
	Payment services	17,392	13,486
	Loan fees	13,013	15,999
	Guarantee commission	57,890	52,913
	Custody services	20,669	18,102
	Other fees and commissions	48,237	45,541
	Total fees and commission income	177,173	166,298
7	Market value adjustments		
	Bonds	-58,504	-17,971
	Shares	18,755	28,750
	Investment property	-1,345	-755
	Foreign exchange	3,289	2,776
	Currency, interest rate, share, commodity and other contracts and derivatives	2,072	22
	Assets related to pooled plans	-123,823	87,925
	Deposits in pooled plans	123,823	-87,925
	Total market value adjustments	-35,733	12,822
8	Staff costs and administrative expenses		
	Remuneration of the Board of Directors and Executive Board		
	Board of Directors and Executive Board	4,748	4,068
	Total	4,748	4,068
	Staff costs		
	Wages and salaries	93,356	85,774
	Pension contributions	10,210	9,551
	Social security expenses	14,410	13,795
	Total staff costs	117,976	109,120
	Other administrative expenses	64,203	59,889
	Total staff costs and administrative expenses	186,927	173,077

* Board of Directors has been expanded from 3 to 4 persons in Q1 2022

Notes

Note	Amounts in DKK'000	Sparekassen Sjælland-Fyn A/S (Group)	
		31.03.2022	31.03.2021
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	105,974	126,232
	New impairment losses (net)	-2,008	-1,207
	Balance of stage 1 impairment losses at end of period	103,966	125,025
	- Of which amounts owed by credit institutions and central banks	354	1
	Stage 2 impairment		
	Balance of stage 2 impairment losses at beginning of period	173,238	160,010
	New impairment losses (net)	4,793	-14,053
	Balance of stage 2 impairment losses at end of period	178,031	145,957
	- Of which amounts owed by credit institutions and central banks	396	498
	Stage 3 impairment		
	Balance of stage 3 impairment losses at beginning of period	270,733	345,198
	New impairment losses (net)	2,295	6,007
	Other changes	3,700	4,800
	Previously written down, now finally written off	24,374	109,170
	Balance of stage 3 impairment losses at end of period	252,354	246,835
	- Of which amounts owed by credit institutions and central banks	0	0

Note	Amounts in DKK'000	Sparekassen Sjælland-Fyn A/S (Group)	
		31.03.2022	31.03.2021
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	98,284	115,954
	New provisions (net)	-4,137	-505
	Previously provided for, now finally written off	3,450	0
	Balance of provisions at end of period	90,697	115,449
	Total		
	Balance of impairment losses/provisions at beginning of period	648,229	747,394
	Impairment losses/provisions for the period (net)	943	-9,758
	Other changes	3,700	4,800
	Finally written off, previously written down/provided for	27,824	109,170
	Balance of impairment losses/provisions at end of period	625,048	633,266
	Impairment losses/provisions for the period (net)	943	-9,758
	Written off, not previously written down/provided for	2,747	1,114
	Recovery of claims previously written off	6,723	6,608
	Total recognised in the income statement	-3,033	-15,252

Notes

Sparekassen Sjælland-Fyn A/S (Group)

Note	Amounts in DKK'000	31.03.2022	31.12.2021	31.03.2021	
10 Land and buildings					
Investment property					
Fair value at beginning of period		121,503	122,048	122,048	
Additions		39,155	53,292	1,625	
Disposals		10,700	46,787	12,775	
Fair value adjustments for the period		-1,870	-7,050	-849	
Fair value at end of period		148,088	121,503	110,049	
Rental income		1,436	7,644	1,936	
Operating expenses		954	4,186	1,097	
Thereof, operating expenses recognised for investment property not having generated rental income for the year		412	1,335	389	
		Quoted prices	Observable input	Non-observable input	Total
Dagsværdi-hierarki for investeringsejendomme					
Group 31.03.2022		0	0	148,088	148,088
Group 31.12.2021		0	0	121,503	121,503
Group 31.03.2021		0	0	110,049	110,049

Sparekassen Sjælland-Fyn A/S (Group)

Note	Amounts in DKK'000	31.03.2022	31.12.2021	31.03.2021
10 Land and buildings (continued)				
Owner-occupied property				
Cost at beginning of period		379,701	318,342	318,342
Additions		3,509	71,718	17,017
Disposals		0	10,359	0
Cost at end of period		383,210	379,701	335,359
Accumulated depreciation/impairment losses at beginning of period		50,861	46,574	46,574
Depreciation for the period		624	396	489
Impairment losses for the period		0	5,850	360
Disposals for the period		525	1,959	0
Accumulated depreciation/impairment losses at end of period		50,960	50,861	47,423
Accumulated revaluation at beginning of period		1,447	1,447	1,447
Additions for the period		0	0	0
Disposals for the period		0	0	0
Accumulated revaluation at end of period		1,447	1,447	1,447
Revalued amount at end of period		333,697	330,287	289,383
If no revaluation had been made, the carrying amount of owner-occupied property would have been:		332,250	328,840	287,936

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 owneroccupied property

Group 31.03.2022	0	0	333,697	333,697
Group 31.12.2021	0	0	330,287	330,287
Group 31.03.2021	0	0	289,383	289,383

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 4.51 % and 13.28 % has been used in measuring properties located on Zealand and Funen and in Jutland (Q1 2021: 6.0 % 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.

	31.03.2022	31.12.2021	31.03.2021
Owner-occupied property, revalued amount at period-end, see above	333,697	330,287	289,383
Owner-occupied property, leased assets	37,745	39,277	33,204
Total owner-occupied property, see balance sheet	371,442	369,564	322,587

Notes

Sparekassen Sjælland-Fyn A/S (Group)

Note	Amounts in DKK'000	Current interest rate	31.03.2022	31.12.2021	31.03.2021
1.1 Subordinated loan capital					
Supplementary capital					
Floating interest rate, maturing February 2027, redeemable in 2022, From 2022 to 2027, the interest rate will be six 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
Floating interest rate, maturing in August 2032, redeemable in 2027, the interest rate will be six months' CIBOR + 3.10% with half-yearly adjustment,	2.91 %		100,000	100,000	
Total supplementary capital			623,000	673,000	573,000
Total hybrid capital			0	0	0
Total subordinated loan capital			623,000	673,000	573,000
Costs of establishment are charged to profit or loss over the expected term to maturity			2,627	2,928	3,043
Total subordinated loan capital according to balance sheet			620,373	670,072	569,957

Sparekassen Sjælland-Fyn A/S (Group)

Note	Amounts in DKK'000	Current interest rate	31.03.2022	31.12.2021	31.03.2021
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	376,000
Subordinated loan capital included in the calculation of capital resources			996,373	996,072	945,957

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	31.03.2022	31.12.2021	31.03.2021

11 Subordinated loan capital (continued)

Interest etc on subordinated loan capital

Interest (excluding interest on reclassified hybrid core capital recognised as equity)	7,134	28,073	6,860
Extraordinary repayments/redemptions/remortgaging	50,000	0	0
Expenses for raising subordinated loan capital	0	750	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)	
		31.03.2022	31.03.2021	31.03.2022	31.03.2021

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 31.12.2020	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
Treasury shares at 31.12.2021			
Treasury shares at 31.12.2021	164,796	1,648	0,9
Purchased	26,960	270	0,2
Sold	164,796	1,648	0,9
Treasury shares at 31.03.2022	26,960	270	0,2

Total purchase price DKK 5,0 m (Q1 2021: DKK 0)
Total selling price DKK 34,937 m (Q1 2021: DKK 0)

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 26,960 shares, corresponding to 0.2 % 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 for DKK 5m in market value until 19. august 2022.

Notes

Note	Amounts in DKK'000	Sparekassen Sjælland-Fyn A/S (Group)	
		31.03.2022	31.03.2021
12 Share capital (continued)			
Earnings per share			
Earnings of shareholders of the Parent Sparekassen Sjælland-Fyn A/S		76,311	137,605
Average number of shares		17,374,973	17,374,973
Average number of treasury shares		95,878	131,313
Average number of shares outstanding		17,279,095	17,243,660
Average dilution effect of outstanding share options		0	0
Average number of outstanding shares (diluted)		17,279,095	17,243,660
Earnings per share (DKK)		4.4	8.0
Diluted earnings per shares (DKK)		4.4	8.0

Note	Amounts in DKK'000	Sparekassen Sjælland-Fyn A/S (Group)		
		31.03.2022	31.12.2021	31.03.2021
13 Assets provided as collateral				
Bonds deposited with Danmarks Nationalbank, clearing centres etc		1,720,300	1,731,376	1,109,727
Cash deposited with credit institutions, CSA agreements		15,439	22,544	22,694
Loss limit towards the Danish Growth Fund		258	259	260
Total		1,735,997	1,754,179	1,132,681

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 2022.

Notes

Sparekassen Sjælland-Fyn A/S (Group)				
Note	Amounts in DKK'000	31.03.2022	31.12.2021	31.03.2021
15	Contingent liabilities and assets			
	Financial guarantees	383,138	359,772	275,092
	Mortgage finance guarantees	2,875,333	2,921,169	2,840,478
	Registration and remortgaging guarantees	14,223	3,439	20,829
	Other contingent liabilities	3,998,720	3,955,724	4,514,293
	Total	7,271,414	7,240,104	7,650,692

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 Investeringselskabet 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	31.03.2022	31.12.2021	31.03.2021
15	Contingent liabilities and assets (continued)			
	Contingent assets, group			
	Deferred tax assets, written down	42,937	43,905	45,596

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	31.03.2022	31.12.2021	31.03.2021
16 Capital resources				
Equity excluding hybrid core capital		3,416,544	3,409,628	3,135,849
Intangible assets		-91,160	-91,178	-91,233
Tax		-104,778	-116,197	-156,305
Proposed dividend		0	-104,250	0
Deduction, capital instruments		-449,875	-290,162	-303,495
Other additions/deductions		30,367	169,307	44,515
Common Equity Tier 1 capital		2,801,098	2,977,148	2,629,331
Hybrid core capital		376,000	376,000	376,000
Core capital (including hybrid core capital) net of primary deductions		3,177,098	3,353,148	3,005,331
Supplementary capital		620,373	620,072	569,957
Capital resources		3,797,471	3,973,218	3,575,287
Risk exposures				
Credit risk		13,800,481	14,147,509	14,704,281
Market risk		1,298,353	829,270	1,151,615
Operational risk		2,211,099	2,039,764	2,039,764
Total risk exposures		17,309,933	17,016,542	17,895,660
Capital ratio		21.9	23.3	20.0
Core capital ratio		18.4	19.7	16.8
Common Equity Tier 1 capital ratio		16.2	17.5	14.7
Capital resources, requirement under Section 124(2) of the Danish Financial Business Act		1,384,795	1,361,323	1,431,653

Sparekassen's capital resources and capital ratios calculated inclusive of transitional scheme and exclusive of net profit for the period at 31.03.2022 og 31.03.2021.

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 0.4 percentage points higher (31.03.2021: capital ratio, core capital ratio and common equity tier 1 capital ratio 0.6 percentage points higher).

Sparekassen Sjælland-Fyn A/S (Group)

Note	Amounts in DKK'000	31.03.2022	31.12.2021	31.03.2021
16 Capital resources (continued)				
Solvency capital elements calculated exclusive of transitional scheme				
Common Equity Tier 1 capital		2,690,688	2,812,136	2,446,931
Core capital (including hybrid core capital) net of primary deductions		3,066,688	3,188,136	2,822,931
Capital resources		3,687,061	3,808,207	3,392,888
Total risk exposures		17,247,662	16,928,953	17,773,311
Capital ratio		21.4	22.5	19.1
Core capital ratio		17.8	18.8	15.9
Common Equity Tier 1 capital ratio		15.6	16.6	13.8

Sparekassen's capital resources and capital ratios calculated inclusive of transitional scheme and exclusive of net profit for the period at 31.03.2022 og 31.03.2021. 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 0.4 percentage points higher (31.03.2021: capital ratio, core capital ratio and common equity tier 1 capital ratio 0.7 percentage points higher).

Notes

Sparekassen Sjælland-Fyn A/S (Group)

Note	Amounts in DKK'000	31.03.2022		31.03.2021	
		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		3,174,569		2,013,751
Amounts owed by credit institutions and central banks		173,688		175,353
Loans and other amounts owed at amortised cost		11,923,738		12,344,030
Bonds at fair value	8,314,460		6,833,517	
Bonds at amortised cost		0		1,803,714
Shares etc	875,977		590,005	
Assets in pooled plans	2,240,191		2,154,280	
Positive market value, derivatives	26,931		30,346	
Total financial assets	11,457,559	15,271,995	9,608,148	16,336,848

Financial liabilities

Amounts owed to credit institutions and central banks		814,539		504,482
Deposits and other debt		19,777,190		19,736,859
Deposits in pooled plans	2,240,191		2,154,280	
Bonds issued at amortised cost		377,979		0
Subordinated loan capital		620,373		569,957
Negative market value of derivatives	24,713		30,001	
Total financial liabilities	2,264,904	21,590,081	2,184,281	20,811,298

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

	31.03.2022			
Financial assets				
Bonds at fair value	8,314,460	0	0	8,314,460
Shares etc	161,463	647,576	66,938	875,977
Assets related to pooled plans	2,225,632	14,559	0	2,240,191
Derivatives	0	26,931	0	26,931
Total financial assets	10,701,555	689,066	66,938	11,457,559
Financial liabilities				
Deposits in pooled plans	0	2,240,191	0	2,240,191
Derivative financial liabilities	0	24,713	0	24,713
Total financial liabilities	0	2,264,904	0	2,264,904

	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

Sparekassen Sjælland-Fyn A/S (Group)

Note	Amounts in DKK'000	31.03.2022	31.03.2021
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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	67,997	45,059
Market value adjustment in profit or loss, under market value adjustments	-1,059	-1,390
Purchased	0	1,515
Sold	0	0
Carrying amount at end of period	66,938	45,184

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 0.1m (31.03.2021: DKK 2.6m).

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.

Income statement

		Sparekassen Sjælland-Fyn A/S (Parent)	
Note	Amounts in DKK'000	Q1 2022	Q1 2021
4	Interest income calculated using the effective interest method	112,620	120,472
4	Other interest income	19,544	18,327
4a	Negative interest income	6,647	8,848
5	Interest expenses	13,459	11,708
5a	Positive interest expenses	25,872	21,424
	Net interest income	137,931	139,667
	Dividends on shares etc	5,075	2,363
6	Fees and commission income	177,634	166,724
	Fees and commission expenses	3,870	4,435
	Net interest and fee income	316,770	304,319
7	Market value adjustments	-31,232	13,566
	Other operating income	866	937
8	Staff costs and administrative expenses	183,543	167,990
	Amortisation, depreciation and impairment losses on intangible assets and property, plant and equipment	10,738	11,730
	Other operating expenses	2,726	2,050
	Impairment losses on loans and advances etc	-3,938	-14,439
9	Profit/loss on investments in associates and group enterprises	6,370	9,561
	Profit before tax	99,705	161,052
	Income tax	17,359	17,412
	Profit after tax	82,346	143,640
	Earnings per share		
	Earnings per share (DKK)	4.4	8.0
	Diluted earnings per share (DKK)	4.4	8.0
	Distributed as follows:		
	Retained earnings (profit allocated to shareholders)	76,311	137,605
	Interest, hybrid core capital	6,035	6,035
	Total	82,346	143,640

Statement of comprehensive income

		Sparekassen Sjælland-Fyn A/S (Parent)	
Note	Amounts in DKK'000	Q1 2022	Q1 2021
	Profit for the period	82,346	143,640
	Other comprehensive income that may not be reclassified to profit or loss		
	Fair value adjustment of properties	0	0
	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	3,945	2,444
	Fair value adjustment of financial instruments entered into to hedge future cash flows ¹		
	- Value adjustment for the year	1,039	164
	- Tax on other comprehensive income	-229	-574
	Total other comprehensive income	4,756	2,035
	Total comprehensive income	87,102	145,675

¹ The fair value adjustment concerns a jointly controlled enterprise.

Balance sheet

Sparekassen Sjælland-Fyn A/S (Parent)

Note	Amounts in DKK'000	31.03.2022	31.12.2021	31.03.2021
Assets				
	Cash and balances on demand at central banks	3,174,569	4,014,591	2,013,751
	Amounts owed by credit institutions and central banks	164,889	178,888	165,366
	Loans and other amounts owed at amortised cost	11,833,909	11,957,157	12,450,579
	Bonds at fair value	8,314,460	7,316,343	6,833,517
	Bonds at amortised cost	0	0	1,803,714
	Shares etc	872,946	720,095	590,005
	Investments in associates	188,160	180,367	155,804
	Investments in group enterprises	580,631	584,092	367,456
	Assets related to pooled plans	2,240,191	2,405,310	2,154,280
	Intangible assets	91,160	91,178	91,233
	Total land and buildings	182,523	186,085	153,820
	<i>Investment property</i>	0	1,820	3,070
	<i>Owner-occupied property</i>	182,523	184,265	150,750
	Other property, plant and equipment	24,520	24,691	24,747
	Current tax assets	34,589	18,252	36,886
	Deferred tax assets	94,813	106,232	147,339
	Other assets	259,924	243,700	207,882
	Prepayments	49,659	49,177	58,474
	Total assets	28,106,943	28,076,158	27,254,853

Sparekassen Sjælland-Fyn A/S (Parent)

Note	Amounts in DKK'000	31.03.2022	31.12.2021	31.03.2021
Equity and liabilities				
Liabilities other than provisions				
	Amounts owed to credit institutions and central banks	813,683	576,884	503,452
	Deposits and other debt	19,770,130	19,790,329	19,817,444
	Deposits in pooled plans	2,240,191	2,405,310	2,154,280
	Bonds issued at amortised cost	377,979	377,810	198,739
	Other liabilities	371,095	348,744	350,554
	Deferred income	14,068	12,949	16,811
	Total liabilities other than provisions	23,587,146	23,512,026	23,041,280
Provisions				
	Provisions for losses on guarantees etc	72,563	77,290	93,028
	Other provisions	18,394	21,254	22,842
	Total provisions	90,957	98,544	115,870
	Subordinated loan capital	620,373	670,072	569,957
Equity				
	Share capital	173,750	173,750	173,750
	Revaluation reserves	1,416	1,415	1,412
	Undistributable savings bank reserve, other reserves	561,378	561,378	561,378
	Retained earnings	2,680,001	2,673,085	2,399,309
	Total equity exclusive of hybrid core capital	3,416,544	3,409,628	3,135,849
	Hybrid core capital	391,923	385,888	391,897
	Total equity	3,808,467	3,795,516	3,527,746
	Total equity and liabilities	28,106,943	28,076,158	27,254,853

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 1.1.2022	173,750	1,415	561,378	65	104,250	2,568,770	3,409,628	385,888	3,795,516
	Profit for the period	0	0	0	0	0	76,311	76,311	6,035	82,346
	Other comprehensive income									
	Value adjustments of certain strategic shares	0	0	0	0	0	0	0	0	0
	Fair value adjustment of financial instruments entered into to hedge future cash flows:									
	Value adjustment for the period	0	0	0	1,039	0	3,945	4,984	0	4,984
	Tax on other comprehensive income	0	1	0	-229	0		-228	0	-228
	Total other comprehensive income	0	1	0	810	0	3,945	4,756	0	4,756
	Comprehensive income for the period	0	1	0	810	0	80,256	81,067	6,035	87,102
	Purchase of treasury shares	0	0	0	0	0	-5,000	-5,000	0	-5,000
	Sale of treasury shares	0	0	0	0	0	34,937	34,937	0	34,937
	Dividends paid	0	0	0	0	-104,250	162	-104,088	0	-104,088
	Interest paid on hybrid core capital	0	0	0	0	0	0	0	0	0
	Equity at 31.03.2022	173,750	1,416	561,378	875	0	2,679,126	3,416,544	391,923	3,808,467

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 1.1.2021	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									
	Value adjustments of certain strategic shares	0	0	0	0	0	0	0	0	0
	Fair value adjustment of financial instruments entered into to hedge future cash flows:									
	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.

Notes

2 Summary of significant accounting policies

The Q1 2022 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 2021.

Sparekassen's 2021 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 2021.

Notes

		Sparekassen Sjælland-Fyn A/S (Parent)	
Note	Amounts in DKK'000	Q1 2022	Q1 2021
4	Interest income		
	Credit institutions and central banks	133	127
	Loans and other amounts owed	112,483	119,831
	Bonds	9,971	9,752
	Total derivatives	9,574	8,575
	Thereof: - Interest rate contracts	9,698	8,826
	- Foreign exchange contracts	-124	-251
	Other interest income	5	514
	Total interest income	132,165	138,799
4a	Negative interest income		
	Credit institutions and central banks	4,738	3,751
	Bonds	1,909	5,097
	Total negative interest income	6,647	8,848
5	Interest expenses		
	Credit institutions and central banks	213	130
	Deposits and other debt	3,261	3,037
	Bonds issued	2,107	1,142
	Subordinated loan capital	7,134	6,860
	Other interest expenses	744	539
	Total interest expenses	13,459	11,708
5a	Positive interest expenses		
	Credit institutions and central banks	0	0
	Deposits and other debt	25,872	21,424
	Total positive interest expenses	25,872	21,424

		Sparekassen Sjælland-Fyn A/S (Parent)	
Note	Amounts in DKK'000	Q1 2022	Q1 2021
6	Fees and commission income		
	Securities trading and custody accounts	19,972	20,257
	Payment services	17,392	13,486
	Loan fees	13,013	15,999
	Guarantee commission	57,890	52,913
	Custody services	20,669	18,102
	Other fees and commissions	48,698	45,967
	Total fees and commission income	177,634	166,724
7	Market value adjustments		
	Bonds	-58,528	-17,977
	Shares	18,755	28,750
	Investment property	3,180	-5
	Foreign exchange	3,289	2,776
	Currency, interest rate, share, commodity and other contracts and derivatives	2,072	22
	Assets related to pooled plans	-123,823	87,925
	Deposits in pooled plans	123,823	-87,925
	Total market value adjustments	-31,232	13,566
8	Staff costs and administrative expenses		
	Remuneration of the Board of Directors and Executive Board		
	Board of Directors and Executive Board	4,666	4,004
	Total	4,666	4,004
	Staff costs		
	Wages and salaries	93,356	85,774
	Pension contributions	10,210	9,551
	Social security expenses	14,410	13,795
	Total staff costs	117,976	109,120
	Other administrative expenses	60,901	54,866
	Total staff costs and administrative expenses	183,543	167,990

* Board of Directors has been expanded from 3 to 4 persons in Q1 2022

Notes

Note	Amounts in DKK'000	Sparekassen Sjælland-Fyn A/S (Parent)	
		31.03.2022	31.03.2021
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	103,003	123,405
	New impairment losses (net)	-2,725	-1,392
	Balance of stage 1 impairment losses at end of period	100,278	122,013
	- Of which amounts owed by credit institutions and central banks	354	1
	Stage 2 impairment		
	Balance of stage 2 impairment losses at beginning of period	166,670	147,611
	New impairment losses (net)	4,817	-13,606
	Balance of stage 2 impairment losses at end of period	171,487	134,005
	- Of which amounts owed by credit institutions and central banks	396	498
	Stage 3 impairment		
	Balance of stage 3 impairment losses at beginning of period	265,016	338,028
	New impairment losses (net)	1,564	5,735
	Other changes	3,700	4,800
	Value adjustment of assets acquired	0	0
	Previously written down, now finally written off	23,756	109,152
	Balance of stage 3 impairment losses at end of period	246,524	239,411
	- Of which amounts owed by credit institutions and central banks	0	0

Note	Amounts in DKK'000	Sparekassen Sjælland-Fyn A/S (Parent)	
		31.03.2022	31.03.2021
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	98,284	115,954
	New provisions (net)	-4,137	-505
	Previously provided for, now finally written off	3,450	0
	Balance of provisions at end of period	90,697	115,449
	Total		
	Balance of impairment losses/provisions at beginning of period	632,973	724,998
	Impairment losses/provisions for the period (net)	-480	-9,768
	Other changes	3,700	4,800
	Finally written off, previously written down/provided for	27,206	109,152
	Balance of impairment losses/provisions at end of period	608,987	610,878
	Impairment losses/provisions for the period (net)	-480	-9,768
	Written off, not previously written down/provided for	2,090	1,132
	Recovery of claims previously written off	5,548	5,803
	Total recognised in the income statement	-3,938	-14,439

Notes

Sparekassen Sjælland-Fyn A/S (Parent)

Note	Amounts in DKK'000	31.03.2022	31.12.2021	31.03.2021
10 Assets provided as collateral				
Bonds deposited with Danmarks Nationalbank, clearing centres etc		1,720,300	1,731,376	1,109,727
Cash deposited with credit institutions, CSA agreements		15,439	22,544	22,694
Loss limit towards the Danish Growth Fund		258	259	260
Total		1,735,997	1,754,179	1,132,681

Unencumbered deposited securities may be released at call.

Sparekassen Sjælland-Fyn A/S (Parent)

Note	Amounts in DKK'000	31.03.2022	31.12.2021	31.03.2021
11 Capital resources				
Equity excluding hybrid core capital		3,416,544	3,409,628	3,135,849
Intangible assets		-91,160	-91,178	-91,233
Tax assets		-94,813	-106,232	-147,339
Proposed dividend		0	-104,250	0
Deduction, capital instruments exceeding 10%		-447,463	-287,751	-302,389
Other additions/deductions		32,462	171,398	46,617
Common Equity Tier 1 capital		2,815,570	2,991,615	2,641,505
Hybrid core capital		376,000	376,000	376,000
Core capital (including hybrid core capital) net of primary deductions		3,191,570	3,367,615	3,017,505
Supplementary capital		620,373	620,072	569,957
Capital resources		3,811,943	3,987,686	3,587,462
Risk exposures				
Credit risk		13,891,996	14,266,212	14,815,149
Market risk		1,298,412	829,352	1,151,703
Operational risk		2,181,118	2,005,246	2,005,246
Total risk exposures		17,371,526	17,100,810	17,972,098
Capital ratio		21.9	23.3	20.0
Core capital ratio		18.4	19.7	16.8
Common Equity Tier 1 capital ratio		16.2	17.5	14.7
Capital resources, requirement under Section 124(2) of the Danish Financial Business Act		1,389,722	1,368,065	1,437,768

Sparekassen's capital resources and capital ratios calculated inclusive of transitional scheme and exclusive of net profit for the period at 31.03.2022 og 31.03.2021.

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 0.4 percentage points higher (31.03.2021: capital ratio, core capital ratio and common equity tier 1 capital ratio 0.6 percentage points higher).

Notes

Sparekassen Sjælland-Fyn A/S (Parent)

Note	Amounts in DKK'000	31.03.2022	31.12.2021	31.03.2021
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11 Capital resources (continued)

Solvency capital elements calculated
exclusive of transitional scheme

Common Equity Tier 1 capital	2,705,160	2,826,603	2,459,106
Core capital (including hybrid core capital) net of primary deductions	3,081,160	3,202,603	2,835,106
Capital resources	3,701,533	3,822,675	3,405,063
Total risk exposures	17,309,256	17,014,901	17,849,750
Capital ratio	21,4	22,5	19,1
Core capital ratio	17,8	18,8	15,9
Common Equity Tier 1 capital ratio	15,6	16,6	13,8

Sparekassen's capital resources and capital ratios calculated inclusive of transitional scheme and exclusive of net profit for the period at 31.03.2022 og 31.03.2021.

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 0.4 percentage points higher (31.03.2021: capital ratio, core capital ratio and common equity tier 1 capital ratio 0.7 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

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

