

Interim Report – Q1-Q3

2024

Sydbank Group

Sydbank

Sydbank

Sydbank's Interim Report – Q1-Q3 2024

Q1-Q3 2024 – highlights

- Profit for the period of DKK 2,396m equals a return on equity of 21.7% p.a. after tax
- Core income of DKK 5,447m is 4% higher compared to the same period in 2023
- Trading income of DKK 223m compared to DKK 240m in the same period in 2023
- Costs (core earnings) of DKK 2,453m compared to DKK 2,335m in the same period in 2023
- Core earnings before impairment of DKK 3,217m are 3% higher compared to the same period in 2023
- Impairment charges for loans and advances etc represent an expense of DKK 87m
- Bank loans and advances have risen by DKK 8.0bn, equal to an increase of 11% compared to year-end 2023
- The CET1 ratio stands at 18.0%, equal to a decrease of 0.9pp compared to year-end 2023

CEO Mark Luscombe comments on the result:

- It is positive that we were able to lift core income and total income in the first 9 months of the year from their all-time high levels last year. Costs have risen by 3% – excl Coop Bank – compared with a year ago. Thanks to the Bank's constant focus on becoming increasingly efficient, the increase in costs is smaller than the effects of the agreed overall pay rises and the abolition of Great Prayer Day. Profit for the first 9 months of the year is on the same level as that of the record year 2023 and equals a return on equity of 21.7%, which is highly satisfactory.

Mark Luscombe comments on developments in business volume:

- We are pleased that the continued effect of our strong focus on providing value-creating advice to our customers has boosted our business volume in terms of bank loans and advances, deposits and the investment area. Bank loans and advances constitute DKK 82.5bn – an increase of DKK 8.0bn during the period. Deposits make up DKK 114.8bn – and are thus at a historically all-time high.

Board chairman Lars Mikkelaard-Jensen comments on Sydbank's new 3-year strategy plan:

- As a natural next step for the current strategy "Growing our business" we will be raising the bar and we will create a **Bigger Sydbank** in the next strategy period. This means that we will maintain our starting point as **Denmark's Corporate Bank** and increase our market share in the corporate segment. Our ambition is to have more satisfied retail clients and significantly more retail clients and Private Banking clients. Assets under management will increase as a result of our continued customer focus within Wealth Management.

Mark Luscombe elaborates:

- Our strategy "**Bigger Sydbank**" centres on 5 themes: "Customer-focused", "Bigger and efficient", "Attractive and cooperating", "Data, digitization, AI and security", and "ESG integrated in core business". The themes must go hand in hand with a level of profitability at the very top of the Danish banking industry. We will continue to focus on the customer and be the workplace for some of the industry's brightest and most dedicated employees.

Outlook for 2024

- Moderate growth is projected for the Danish economy.
- Profit after tax is expected to be in the range of DKK 2,800-3,100m.
- The outlook is subject to uncertainty and depends on financial market developments and macroeconomic factors which may affect eg the level of impairment charges.

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Group Financial Highlights

	Q1-Q3 2024	Q1-Q3 2023	Index 24/23	Q3 2024	Q3 2023	Full year 2023
Income statement (DKKm)						
Core income	5,447	5,227	104	1,801	1,838	7,071
Trading income	223	240	93	70	54	275
Total income	5,670	5,467	104	1,871	1,892	7,346
Costs, core earnings	2,453	2,335	105	794	735	3,136
Core earnings before impairment	3,217	3,132	103	1,077	1,157	4,210
Impairment of loans and advances etc	87	(21)	-	63	(5)	(27)
Core earnings	3,130	3,153	99	1,014	1,162	4,237
Investment portfolio earnings	69	58	119	33	28	88
Profit before non-recurring items	3,199	3,211	100	1,047	1,190	4,325
Non-recurring items, net	(4)	(37)	-	(8)	(11)	(44)
Profit before tax	3,195	3,174	101	1,039	1,179	4,281
Tax	799	765	104	267	262	939
Profit for the period	2,396	2,409	99	772	917	3,342

Balance sheet highlights (DKKbn)

Loans and advances at amortised cost	82.5	72.1	114	82.5	72.1	74.5
Loans and advances at fair value	22.9	10.9	210	22.9	10.9	16.7
Deposits and other debt	114.8	106.8	107	114.8	106.8	111.7
Bonds issued at amortised cost	11.2	13.2	85	11.2	13.2	11.2
Subordinated capital	2.1	1.1	191	2.1	1.1	1.1
AT1 capital	0.8	0.8	100	0.8	0.8	0.8
Shareholders' equity	14.8	14.3	103	14.8	14.3	14.9
Total assets	189.6	181.0	105	189.6	181.0	185.1

Financial ratios per share (DKK per share of DKK 10)

EPS	43.8	42.1		14.3	16.1	58.8
Share price at end of period	330.0	336.2		330.0	336.2	293.6
Book value	283.9	257.8		283.9	257.8	273.9
Share price/book value	1.16	1.30		1.16	1.30	1.07
Average number of shares outstanding (in millions)	53.8	56.3		52.9	56.1	56.0
Dividend per share	-	-		-	-	30.56

Other financial ratios and key figures

CET1 ratio	18.0	18.5		18.0	18.5	18.9
T1 capital ratio	19.2	19.7		19.2	19.7	20.1
Capital ratio	21.7	20.8		21.7	20.8	21.1
Pre-tax profit as % p.a. of average equity	29.1	30.6		27.9	33.3	30.3
Post-tax profit as % p.a. of average equity	21.7	23.2		20.6	25.8	23.6
Costs (core earnings) as % of total income	43.3	42.7		42.4	38.8	42.7
Return on assets (%)	1.3	1.3		1.3	0.5	1.8
Interest rate risk	0.5	0.6		0.5	0.6	0.5
Foreign exchange position	5.5	1.3		5.5	1.3	0.7
Foreign exchange risk	0.0	0.0		0.0	0.0	0.0
Liquidity, LCR (%)	231	249		231	249	223
Loans and advances relative to deposits	0.6	0.6		0.6	0.6	0.6
Loans and advances relative to equity	5.6	5.0		5.6	5.0	5.0
Growth in loans and advances during the period	10.7	(2.5)		4.2	(3.4)	0.8
Total large exposures	113	144		113	144	137
Accumulated impairment ratio	1.9	2.2		1.9	2.2	2.1
Impairment ratio for the period	0.09	(0.02)		0.06	(0.01)	(0.03)
Number of full-time staff at end of period	2,094	2,048	102	2,094	2,048	2,029

When calculating financial ratios AT1 capital is considered a liability regardless of the fact that it is accounted for as equity.

Reference is made to financial ratio definitions in the 2023 Annual Report (page 128).

Highlights

Sydbank's financial statements for Q1-Q3 2024 show a profit before tax of DKK 3,195m compared with DKK 3,174m in the same period in 2023. Profit before tax equals a return of 29.1% p.a. on average equity.

Profit before tax shows an increase of DKK 21m, which is primarily attributable to a rise in core income.

Core income constitutes DKK 5,447m compared to DKK 5,227m in 2023 – a rise of DKK 220m, equivalent to 4%. The increase is primarily a result of a rise in net interest income and asset management income.

Core income exceeded the expectations presented in the 2023 Annual Report.

Trading income in Q1-Q3 2024 constituted DKK 223m compared with DKK 240m in 2023.

Total income amounts to DKK 5,670m, which is 4% higher than the same period in 2023.

Costs (core earnings) constituted DKK 2,453m in Q1-Q3 2024 – an increase of DKK 118m compared to the same period in 2023. The increase is in line with the expectations presented in the 2023 Annual Report.

Core earnings before impairment total DKK 3,217m for Q1-Q3 2024 – an increase of DKK 85m, equivalent to 3% compared to the same period in 2023.

Impairment charges for loans and advances represent an expense of DKK 87m compared with an income of DKK 21m in the same period in 2023.

Core earnings for Q1-Q3 2024 represent DKK 3,130m – a decrease of DKK 23m compared with the same period in 2023.

Non-recurring items etc total an expense of DKK 4m compared to an expense of DKK 37m in the same period in 2023.

Profit for the period before tax represents DKK 3,195m compared to DKK 3,174m in 2023 – an increase of DKK 21m. Tax represents DKK 799m, equal to an effective tax rate of 25.0%.

Profit for the period amounts to DKK 2,396m compared with DKK 2,409m in the same period in 2023, equal to a return of 21.7% p.a. on average equity.

Acquisition of Coop Bank A/S

Sydbank has acquired 100% of the share capital of Coop Bank A/S. The acquisition took effect on 1 July 2024. The purchase price represents DKK 347m.

The acquisition of Coop Bank includes a partnership that will create attractive value propositions for the customers of Coop Bank and Coop Danmark as well as for other members. It is expected that the partnership will generate increased business volume at Coop Bank.

The bank differs from Sydbank and other traditional banks by having created a seamless bank with efficient processes. It is a unique offer to customers who value few and simple choices.

Bigger Sydbank – new 3-year strategy plan

On the back of the highly satisfactory results achieved during the present strategy period, which will expire at the end of 2024, Sydbank is announcing today a new 3-year strategy plan to ensure that the Bank will continue the positive momentum demonstrated since 2014. The strategy is called: “**Bigger Sydbank** – value for all through advice and relationships”.

Bigger Sydbank centres on 5 themes:

- Customer-focused
- Bigger and efficient
- Attractive and cooperating
- Data, digitization, AI and security
- ESG integrated in core business

Customer-focused – more customers and more satisfied customers

- We view Sydbank from a customer's perspective and incorporate customer needs and requirements.
- Our customers receive proactive and relevant advice built on a foundation of close customer relationships and excellence.
- Sydbank must be more visible and known by more as a driver to attract and retain satisfied customers.
- We do business with confidence and courage and we are clear in our recommendations to our customers.
- We strengthen Sydbank's position as a decent bank by continuously contributing to society at large.
- We make it easier to be a customer at Sydbank via our high accessibility and flexible solutions.

Bigger and efficient – profitable growth

- We strengthen our position and grow organically by attracting and retaining customers in our priority segments and locations.
- We ensure that our efforts create value by means of shared priorities, execution and full implementation.
- We cover over time customers' total needs and requirements by means of our KYC and relevant full-service advice.
- We continue to focus on managing Sydbank's operating costs by optimising our engine room.

- We run a healthy business – based on the principle *quid pro quo* – creating value for our customers and Sydbank.
- We actively seek collaborations that enhance our customer service, contribute to our growth or optimise our engine room.

Attractive and cooperating – strong Sydbank culture

- We attract and retain excellent employees by continuously focusing on professional and personal development.
- We cooperate across the organisation to enhance the overall customer experience and increase internal efficiency.
- Sydbank is driven by clear leadership that facilitates our day-to-day operations and promotes our strategic ambition.
- We develop and strengthen Sydbank's culture for the benefit of all at Sydbank and our customers.
- Greater diversity creates value and contributes to Sydbank's growth as an attractive workplace.
- We attract, nurture and retain talent to support Sydbank's development and ensure natural succession planning.

Data, digitization, AI and security – customer value, lower costs and digital mindset

- We will strengthen our influence and collaboration with Bankdata to optimise the effect of our development and operating costs.
- We use the digital tools and solutions available to increase productivity.
- Overall technological proficiency must be enhanced and therefore we broaden our digital mindset and skills where it creates value.
- We increasingly use data in our interaction with customers as well as in internal decision-making processes.
- We use AI where it contributes favourably to the development of the customer experience or enhances our efficiency.
- We enhance our operational robustness by strengthening our cyber defence and the organisation's ability to deal with IT breakdowns.

ESG integrated in core business – long-term value creation and strong reputation

- As a solid financial sparring partner, we meaningfully integrate ESG in the customer dialogue.
- We are expanding our ESG data and we address ESG risks in our credit evaluation of the Bank's customers on an ongoing basis.
- We invest responsibly on our own behalf and on behalf of our customers, thus contributing to sustainable developments in society.
- We support the financing of the green transition by offering green loan products.

- We actively work on the transition of our own operations to reduce the Bank's footprint.
- We make a positive contribution to developments in society and are actively involved in the local communities where we operate.

Strategic goals represent the values from the Bank's core story with promises to its customers, to its employees and to its shareholders.

The strategic goals cover these areas:

- Customer satisfaction
- Return on equity
- Employee engagement

Customer satisfaction

Sydbank builds on long-term customer relationships. Our ambition is to see a positive trend in customer satisfaction. We monitor this closely through internal and external customer surveys at touch points with the Bank. Our goal is to maintain and further strengthen our position as Denmark's Corporate Bank and have a top 3 ranking among the 6 largest banks in Denmark in terms of customer satisfaction in the retail (EPSI) and Private Banking (EPSI) segments.

Return on equity

We will continue to deliver competitive returns to the Bank's shareholders and our goal is a return on equity among the top 2 of the 6 largest banks in Denmark. Return on equity is expected to exceed 15% during the strategy period. The expectation is based on normalised interest rates with a CD rate of around 2%.

Employee engagement

Sydbank considers excellent and committed employees to be its most important asset and aims to retain the present high level. This is monitored closely through internal employee engagement surveys. The target is to have an employee engagement in the top quartile of the Ennova survey.

Q1-Q3 2024 performance

Net interest income has risen by DKK 52m to DKK 3,356m, equal to an increase of 2% compared to the same period in 2023. The increase is mainly attributable to an increase in the volume of deposits and loans and advances.

Total core income has risen by DKK 220m to DKK 5,447m, equal to 4% compared with the same period in 2023.

Trading income constituted DKK 223m in Q1-Q3 2024 compared with DKK 240m in the same period in 2023.

Total income has increased by DKK 203m to DKK 5,670m.

Costs (core earnings) have gone up by DKK 118m to DKK 2,453m.

Core earnings before impairment for Q1-Q3 2024 represent DKK 3,217m – an increase of DKK 85m and equal to 3% compared with the same period in 2023.

Impairment charges for loans and advances represent an expense of DKK 87m compared with an income of DKK 21m in the same period in 2023.

Core earnings for Q1-Q3 2024 represent DKK 3,130m – a decrease of DKK 23m compared with the same period in 2023.

Together the Group's position-taking and liquidity handling generated positive earnings of DKK 69m in Q1-Q3 2024 compared to DKK 58m a year ago.

Non-recurring items etc total an expense of DKK 4m compared to an expense of DKK 37m in the same period in 2023.

Profit before tax for Q1-Q3 2024 amounts to DKK 3,195m compared with DKK 3,174m in 2023. Tax represents DKK 799m, equal to an effective tax rate of 25.0%.

Profit for the period amounts to DKK 2,396m compared with DKK 2,409m in 2023.

Return on shareholders' equity before and after tax constitutes 29.1% and 21.7% respectively against 30.6% and 23.2% respectively in the same period in 2023.

Bank loans and advances

Bank loans and advances represented DKK 82.5bn at 30 September 2024 – an increase of DKK 10.4bn since 30 September 2023 and an increase of DKK 8.0bn compared to year-end 2023.

Bank loans and advances (DKKbn)	30 Sep 2024	31 Dec 2023	30 Sep 2023
Corporate clients	68.8	61.8	59.7
Retail clients	13.7	12.7	12.4
Public authorities	0.0	0.0	0.0
Total	82.5	74.5	72.1

Bank loans and advances to retail clients represent DKK 13.7bn – an increase of DKK 1.0bn in Q1-Q3 2024. The increase is ascribable to the acquisition of Coop Bank A/S.

Bank loans and advances to corporate clients represent DKK 68.8bn – an increase of DKK 7.0bn in Q1-Q3 2024.

Credit facilities to corporate clients (DKKbn)	30 Sep 2024	31 Dec 2023	30 Sep 2023
Drawn facilities = loans/advances before impairment charges	70.2	63.2	61.2
Undrawn facilities	44.6	47.9	49.0
Total	114.8	111.1	110.2

Credit facilities to corporate clients rose by DKK 3.7bn to DKK 114.8bn in Q1-Q3 2024.

During Q1-Q3 2024 corporate clients drew a further DKK 7.0bn under their credit facilities.

Credit intermediation

In addition to traditional bank loans and advances the Group arranges for mortgage loans from Totalkredit and DLR Kredit. The Group's total credit intermediation comprises bank loans and advances, mortgage-like loans funded by Totalkredit as well as mortgage loans arranged through Totalkredit and DLR Kredit.

Total credit intermediation (DKKbn)	30 Sep 2024	31 Dec 2023	30 Sep 2023
Bank loans and advances	82.5	74.5	72.1
Funded mortgage-like loans	3.7	4.2	4.4
Arranged mortgage loans – Totalkredit	86.6	84.6	85.1
Arranged mortgage loans – DLR	15.4	14.7	14.0
Total	188.2	178.0	175.6

The Group's total credit intermediation represents DKK 188.2bn. This is an increase of DKK 10.2bn compared to year-end 2023, of which Coop Bank represents DKK 2.3bn. The change is attributable to a rise in bank loans and advances of DKK 8.0bn, a decline in funded mortgage-like loans of DKK 0.5bn and an increase in arranged mortgage loans of DKK 2.7bn.

Outlook for 2024

Moderate growth is projected for the Danish economy.

Profit after tax is expected to be in the range of DKK 2,800-3,100m.

In connection with the release of the 2023 Annual Report, profit after tax for 2024 was expected to be in the range of DKK 2,500-2,900m.

The outlook is subject to uncertainty and depends on financial market developments and macroeconomic factors which may affect eg the level of impairment charges.

Sydbank's core story**Banking**

Sydbank's mission is to be a bank that is close to its customers. We find solutions where they are – quickly and efficiently. We build on relationships between people. And we focus on what is important – banking and sound business. Banking – pure and simple.

Our bank

Rooted in Southern Jutland, Sydbank is a strong and independent nationwide bank operating on its own terms. For the backbone of the Danish corporate sector and for retail clients who value professional advice we are a bank for most people but not the same bank for everyone. Good old-fashioned attentiveness, new technology – we use what works. We know our customers and we are close to them providing advice tailored to their individual needs. Backed by the best business partners our competitive strength is increased. Our bank – excellence and relationships create value.

Sydbank

Our bank makes 3 promises – to our customers, to our employees and to our shareholders. You will know us for the value we create for our customers. You will know us for our belief that excellent and committed employees are our most important asset. And you will know us for always having a level of profitability that will enable us to remain an independent and resourceful bank. Sydbank – what can we do for you?

Financial Review – Performance in Q1-Q3 2024

The Sydbank Group has recorded a profit before tax of DKK 3,195m compared to DKK 3,174m in 2023. Profit before tax equals a return of 29.1% p.a. on average equity.

Profit for the period after tax represents DKK 2,396m compared with DKK 2,409m in 2023, equal to a return of 21.7% p.a. on average equity.

Profit for Q1-Q3 2024 exceeds expectations at the beginning of the year.

The financial statements are characterised by the following:

- A rise in core income of DKK 220m, equal to 4%
- A drop in trading income of DKK 17m
- A rise in costs (core earnings) of DKK 118m
- Impairment charges for loans and advances represent an expense of DKK 87m
- A decrease in core earnings of DKK 23m to DKK 3,130m
- Investment portfolio earnings of DKK 69m
- Non-recurring items etc represent an expense of DKK 4m
- Bank loans and advances of DKK 82.5bn (year-end 2023: DKK 74.5bn)
- Bank deposits of DKK 114.8bn (year-end 2023: DKK 111.7bn)
- A CET1 ratio of 18.0% (year-end 2023: 18.9%)
- An individual solvency need of 10.2% (year-end 2023: 10.2%)

Income statement – Q1-Q3 (DKKm)	2024	2023
Core income	5,447	5,227
Trading income	223	240
Total income	5,670	5,467
Costs, core earnings	2,453	2,335
Core earnings before impairment	3,217	3,132
Impairment of loans and advances etc	87	(21)
Core earnings	3,130	3,153
Investment portfolio earnings	69	58
Profit before non-recurring items	3,199	3,211
Non-recurring items, net	(4)	(37)
Profit before tax	3,195	3,174
Tax	799	765
Profit for the period	2,396	2,409

Core income

Total core income has risen by DKK 220m or 4% to DKK 5,447m. The increase is primarily a result of a rise in net interest income and asset management income.

Net interest income has gone up by DKK 52m to DKK 3,356m. The increase is mainly attributable to an increase in the volume of deposits and loans and advances.

Net income from the cooperation with Totalkredit represents DKK 325m (2023: DKK 304m) after a set-off of loss of DKK 7m (2023: DKK 5m). The increase is predominantly attributable to funded mortgage-like loans where income has returned to a normal level.

The cooperation with DLR Kredit has generated an income of DKK 89m (2023: DKK 96m).

Total mortgage credit income represents DKK 415m – an increase of DKK 14m compared to 2023.

Asset management income has gone up by DKK 71m to DKK 331m. The increase is mainly attributable to more assets under management.

The remaining income components have risen by DKK 83m – an increase of 7% compared with the same period in 2023.

Core income – Q1-Q3 (DKKm)	2024	2023
Net interest etc	3,356	3,304
Mortgage credit	415	401
Payment services	222	196
Remortgaging and loan fees	126	134
Commission and brokerage	358	347
Commission etc investment funds and pooled pension plans	235	230
Asset management	331	260
Custody account fees	78	72
Other operating income	326	283
Total	5,447	5,227

Trading income

Trading income represents DKK 223m against DKK 240m in the same period in 2023. Trading income is considered satisfactory.

Costs and depreciation

The Group's costs and depreciation total DKK 2,488m – an increase of DKK 111m compared to the same period in 2023.

Costs and depreciation – Q1-Q3 (DKKm)	2024	2023
Staff costs	1,411	1,360
Other administrative expenses	966	887
Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	86	105
Other operating expenses	25	25
Total	2,488	2,377
Distributed as follows:		
Costs, core earnings	2,453	2,335
Costs, investment portfolio earnings	5	5
Non-recurring costs	30	37

Costs (core earnings) represent DKK 2,453m against DKK 2,335m in the same period in 2023.

At 30 September 2024 the Group's staff numbered 2,094 (full-time equivalent) compared to 2,048 at 30 September 2023 and 2,029 at 31 December 2023.

Compared to year-end 2023 the number of branches is unchanged and is 54 in Denmark and 3 in Germany at end-September 2024.

Core earnings before impairment of loans and advances

Core earnings before impairment charges for loans and advances represent DKK 3,217m – an increase of DKK 85m or 3% compared to the same period in 2023.

Impairment of loans and advances etc

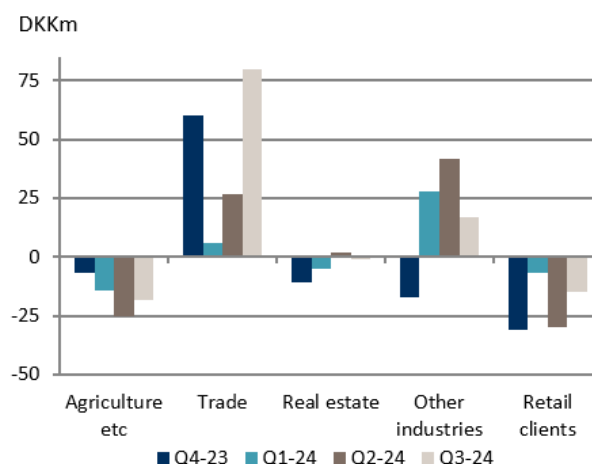
Impairment charges for loans and advances represent an expense of DKK 87m compared with an income of DKK 21m in the same period in 2023.

At 30 September 2024 the Group maintained its management estimate of DKK 500m to hedge macroeconomic uncertainty. The management estimate represents DKK 400m as regards corporate clients and DKK 100m as regards retail clients.

The management estimate as regards macroeconomic risks covers potential losses related to the negative effects of geopolitical tension, a higher interest rate environment as well as the risk of a recession etc.

The chart below shows impairment charges for loans and advances in the last 4 quarters as regards agriculture etc, trade, real estate, other industries as well as retail clients.

Impairment charges – quarterly



At 30 September 2024 accumulated impairment and provisions amounted to DKK 1,897m (year-end 2023: DKK 1,899m).

In Q1-Q3 2024 reported losses amounted to DKK 172m (Q1-Q3 2023: DKK 49m). Of the reported losses DKK 165m has previously been written down (Q1-Q3 2023: DKK 30m).

The impairment ratio for the period represented 0.09% relative to bank loans and advances and guarantees at 30 September 2024.

Impairment charges are made for expected credit losses as regards all financial assets measured at amortised cost and similar provisions are made for expected credit losses as regards undrawn credit commitments and financial guarantees. Impairment charges for expected credit losses depend on whether the credit risk of a financial asset has increased significantly since initial recognition and follow a 3-stage model. The portfolio in stage 3 acquired from Alm. Brand Bank is recognised under “credit impaired at initial recognition”:

Stage 1 – facilities with no significant increase in credit risk. The asset is written down by an amount equal to the expected credit loss as a result of the probability of default over the coming 12 months.

Stage 2 – facilities with a significant increase in credit risk. The asset is transferred to stage 2 and is written down by an amount equal to the expected credit loss over the life of the asset.

Stage 3 – facilities where the financial asset is in default or is otherwise credit impaired.

Credit impaired at initial recognition (POCI) – facilities which were credit impaired at the time of acquisition of Alm. Brand Bank. They are recognised on acquisition at the fair value of the debt acquired.

The Group's loans and advances and impairment charges at 30 September 2024 allocated to these stages are shown below.

Loans/advances and impairment charges					
	Stage 1	Stage 2	Stage 3	POCI	Total
30 Sep 2024 (DKKm)					
Loans/advances before impairment charges	74,391	8,552	1,252	93	84,288
Impairment charges	377	626	767		1,770
Total loans/advances	74,014	7,926	485	93	82,518
30 Sep 2024 (%)					
Impairment charges as % of bank loans/advances	0.5	7.3	61.3	-	2.1
Share of bank loans/advances before impairment charges (%)	88.3	10.1	1.5	0.1	100
Share of bank loans/advances after impairment charges (%)	89.7	9.6	0.6	0.1	100

Credit impaired bank loans and advances – stage 3 – represent 1.5% (year-end 2023: 1.5%) of total bank loans and advances before impairment charges and 0.6% (year-end 2023: 0.6%) of total bank loans and advances after impairment charges.

Credit impaired bank loans and advances acquired from Alm. Brand Bank – credit impaired at initial recognition – amount to 0.1% of total bank loans and advances before impairment charges and 0.1% of total bank loans and advances after impairment charges.

Impairment charges concerning credit impaired bank loans and advances as a percentage of credit impaired bank loans and advances at 30 September 2024 stand at 61.3% (year-end 2023: 61.1%).

Core earnings

Core earnings for Q1-Q3 2024 represent DKK 3,130m – a decrease of DKK 23m compared with the same period in 2023.

Investment portfolio earnings

Together the Group's position-taking and liquidity handling generated earnings of DKK 69m in Q1-Q3 2024 compared to earnings of DKK 58m a year ago.

Investment portfolio earnings – Q1-Q3 (DKKm)		
	2024	2023
Position-taking	9	(5)
Liquidity generation and liquidity reserves	77	72
Strategic positions	(12)	(4)
Costs	(5)	(5)
Total	69	58

The interest rate risk was positive at end-Q1-Q3 2024 and consequently the Group would suffer a loss in the event of interest rate increases. In terms of the Group's bond portfolios – including cash resources – the interest rate risk is considered to be modest.

Non-recurring items, net

Non-recurring items represent an expense of DKK 4m compared with an expense of DKK 37m in Q1-Q3 2023.

In Q1 2024 DKK 25m was recognised as income in connection with Fynske Bank becoming an associate at end-Q1 2024. Thus far the shareholding was recognised at the share price. At 31 March 2024 the shares were recognised at Sydbank's share of the equity value.

In Q1-Q3 2024 costs related to the development of the housing loan processes and the development of the bank/insurance partnership represented DKK 29m.

Profit for the period

Profit before tax for Q1-Q3 2024 amounts to DKK 3,195m compared with DKK 3,174m in 2023. Tax represents DKK 799m, equal to an effective tax rate of 25.0%. Profit for the period amounts to DKK 2,396m compared with DKK 2,409m in Q1-Q3 2023.

Return

Return on shareholders' equity after tax constituted 21.7% against 23.2% in Q1-Q3 2023.

Earnings per share stands at DKK 43.8 compared with DKK 42.1 in 2023.

Subsidiaries

Profit after tax of the subsidiaries represents DKK 49m (Q1-Q3 2023: DKK 85m).

Group – Q3 2024 compared with Q2 2024

The Group's profit before tax for the quarter represents DKK 1,039m (Q2 2024: DKK 1,018m). The effect of Coop Bank represents DKK 7m.

- Impairment charges for loans and advances: an expense of DKK 63m (Q2: expense of DKK 16m)
- Investment portfolio earnings of DKK 33m (Q2: DKK 12m)

Compared to Q2 2024 profit before tax reflects:

- A rise in core income of DKK 4m
- An increase in trading income of DKK 6m
- A drop in costs (core earnings) of DKK 34m

Quarterly results (DKKm)	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Core income	1,801	1,797	1,849	1,844	1,838	1,754	1,635
Trading income	70	64	89	35	54	69	117
Total income	1,871	1,861	1,938	1,879	1,892	1,823	1,752
Costs, core earnings	794	828	831	801	735	803	797
Core earnings before impairment	1,077	1,033	1,107	1,078	1,157	1,020	955
Impairment of loans and advances etc	63	16	8	(6)	(5)	(6)	(10)
Core earnings	1,014	1,017	1,099	1,084	1,162	1,026	965
Investment portfolio earnings	33	12	24	30	28	1	29
Profit before non-recurring items	1,047	1,029	1,123	1,114	1,190	1,027	994
Non-recurring items, net	(8)	(11)	15	(7)	(11)	(12)	(14)
Profit before tax	1,039	1,018	1,138	1,107	1,179	1,015	980
Tax	267	255	277	174	262	257	246
Profit for the period	772	763	861	933	917	758	734

Total assets

At 30 September 2024 the Group's total assets made up DKK 189.6bn (year-end 2023: DKK 185.1bn).

Assets (DKKbn)	30 Sep 2024	31 Dec 2023
Amounts owed by credit institutions etc	20.1	24.8
Loans and advances at fair value (reverse transactions)	22.9	16.7
Loans and advances at amortised cost (bank loans and advances)	82.5	74.5
Securities and holdings etc	30.3	37.8
Assets related to pooled plans	26.1	22.9
Other assets etc	7.7	8.4
Total	189.6	185.1

The Group's bank loans and advances totalled DKK 82.5bn at 30 September 2024. Compared to year-end 2023 this is an increase of DKK 8.0bn.

Equity and liabilities (DKKbn)	30 Sep 2024	31 Dec 2023
Amounts owed to credit institutions etc	4.9	6.4
Deposits and other debt	114.8	111.7
Deposits in pooled plans	26.1	22.9
Bonds issued	11.2	11.2
Other liabilities etc	14.8	15.9
Provisions	0.1	0.2
Subordinated capital	2.1	1.1
Equity	15.6	15.7
Total	189.6	185.1

The Group's deposits make up DKK 114.8bn – an increase of DKK 3.1bn compared to year-end 2023.

Equity

At 30 September 2024 shareholders' equity constituted DKK 14,844m – a decrease of DKK 106m since the beginning of the year. The change comprises additions from comprehensive income for the period of DKK 2,394m, net purchases of own shares etc of DKK 814m as well as dividend paid of DKK 1,686m.

Capital

The Bank announced a new share buyback programme of DKK 1,200m on 28 February 2024. The share buyback is made as part of the adjustment to optimise the capital structure in accordance with the Bank's capital targets and capital policy. The share buyback programme was initiated on 4 March 2024 and will be completed by 31 January 2025.

At 30 September 2024 shares totalling DKK 806m had been repurchased.

On 25 January 2024 the Group issued T2 capital of NOK 650m and SEK 550m. On 6 September 2024 a further EUR 100m was issued concurrently with the redemption of T2 capital of EUR 75m.

On 31 May 2024 the Group issued SNP loans – in the form of Green Bonds – totalling EUR 500m. The Group has undertaken to allocate the proceeds from the bonds to finance loans that contribute to mitigating the environmental impact. The issue constitutes the natural refinancing of existing SNP loans redeemed in September 2024.

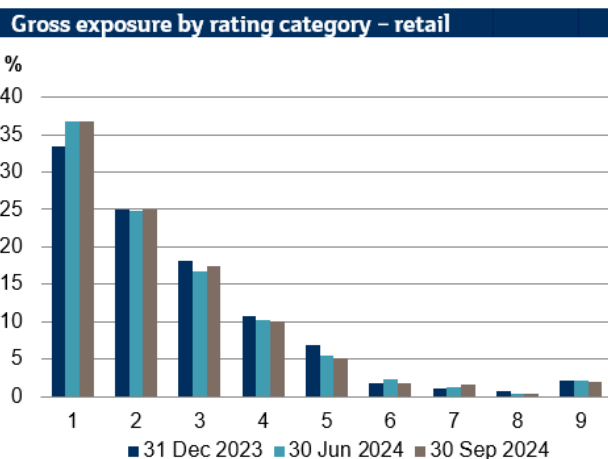
Risk exposure amount

The risk exposure amount represents DKK 63.4bn (year-end 2023: DKK 61.9bn). The increase in credit risk is mainly attributable to a rise in lending.

REA (DKKbn)	30 Sep 2024	31 Dec 2023
Credit risk	40.5	39.2
Market risk	5.9	6.0
Operational risk	10.3	10.3
Other exposures, incl CVA	6.7	6.4
Total	63.4	61.9

Retail

The development in the gross exposure by rating category at 31 December 2023, 30 June 2024 and 30 September 2024 is illustrated below.

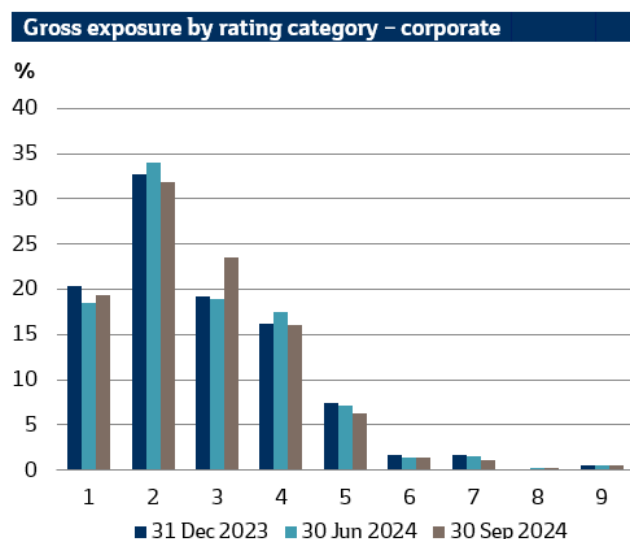


The gross exposure consists of loans and advances, undrawn credit commitments, interest receivable, guarantees and counterparty risk on derivatives. The graph comprises exposures treated according to A-IRB. Exposures relating to customers in default are not included in the breakdown of rating categories. Impairment charges for exposures have not been deducted from the exposure.

The gross exposure by rating category shows that a large share continues to be in the 4 best rating categories.

Corporate

The development in the gross exposure by rating category at 31 December 2023, 30 June 2024 and 30 September 2024 is illustrated below.



The gross exposure consists of loans and advances, undrawn credit commitments, interest receivable, guarantees and counterparty risk on derivatives. The graph comprises exposures treated according to A-IRB. Exposures relating to customers in default are not included in the breakdown of rating categories. Impairment charges for exposures have not been deducted from the exposure.

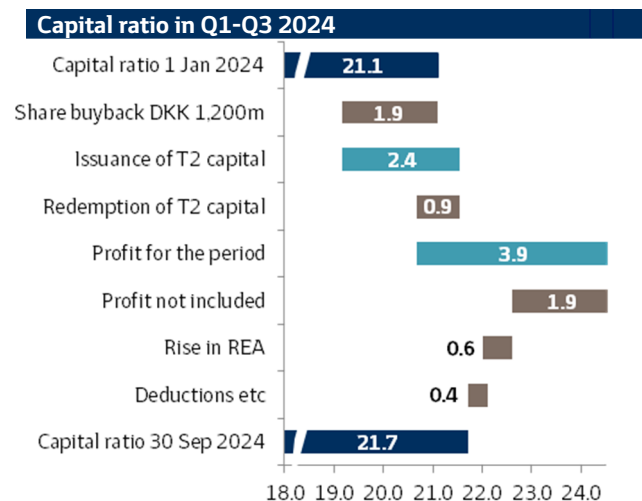
The gross exposure by rating category shows that a large share continues to be in the 4 best rating categories.

Solvency

Solvency (DKKm)	30 Sep 2024	31 Dec 2023
REA	63,391	61,896
CET1 capital	11,401	11,671
T1 capital	12,147	12,416
Total capital	13,745	13,056
CET1 ratio	18.0	18.9
T1 capital ratio	19.2	20.1
Capital ratio	21.7	21.1

At 30 September 2024 the CET1 ratio and the capital ratio stood at 18.0% and 21.7% respectively compared to 18.9% and 21.1% respectively at year-end 2023.

The development in the capital ratio in Q1-Q3 2024 is shown below.



In Q1-Q3 2024 the capital ratio went up by 0.6pp to 21.7pp. The increase is mainly attributable to the inclusion of half of profit for the period as well as the T2 capital issues set off against the effect of the initiated share buyback programme of DKK 1,200m.

At 30 September 2024 the individual solvency need represented 10.2% (31 December 2023: 10.2%).

Solvency of the parent

At 30 September 2024 the CET1 ratio and the capital ratio of the parent stood at 18.2% and 22.0% respectively (31 December 2023: 18.3% and 20.4% respectively).

Capital and solvency and capital requirements

The Group's capital management is anchored in the Internal Capital Adequacy Assessment Process (ICAAP), a review conducted to identify risks and determine the individual solvency need.

At end-September 2024 the individual solvency need represented 10.2%. The solvency need consists of a minimum capital requirement of 8% under Pillar I and a capital add-on under Pillar II. Approximately 56% of the solvency need must be covered by CET1 capital, equal to 5.7% of the risk exposure amount.

In addition to the solvency need the Group must meet a combined buffer requirement of 6.0% at 30 September 2024.

Capital and solvency and capital requirements (% of REA)	30 Sep 2024	31 Dec 2023
Capital and solvency		
CET1 ratio	18.0	18.9
T1 capital ratio	19.2	20.1
Capital ratio	21.7	21.1
Capital requirements (incl buffers)*		
Total capital requirement	16.2	16.0
CET1 capital requirement	11.7	11.5
- of which sector-specific systemic risk buffer	0.2	-
- of which SIFI buffer	1.0	1.0
- of which capital conservation buffer	2.5	2.5
- of which countercyclical buffer**	2.3	2.3
Excess capital		
CET1 capital	6.3	7.4
Total capital	5.5	5.1

* The total capital requirement consists of an individual solvency need and a combined buffer requirement. The countercyclical buffer is determined by the Danish Ministry of Industry, Business and Financial Affairs and may not exceed 2.5%. The rate currently makes up 2.5%.

** The countercyclical buffer is calculated as an exposure weighted average of the specific rates as regards the countries in which the companies to which exposures have been granted are domiciled. The rate as regards exposures to companies domiciled in Denmark constitutes 2.5%.

Market risk

At 30 September 2024 the Group's interest rate risk represented DKK 66m. The Group's exchange rate risk continues to be very low and its equity position modest.

Funding and liquidity

The guidelines for calculating the Liquidity Coverage Ratio (LCR) specify a run-off of exposures while taking into account counterparties, funding size, hedging and maturity. Consequently the most stable deposits are favoured relative to large deposits, in particular from businesses and financial counterparties.

The Group's LCR constituted 231% at 30 September 2024 (31 December 2023: 223%).

LCR (DKKbn)	30 Sep 2024	31 Dec 2023	30 Sep 2023
Total liquidity buffer	61.7	57.7	57.5
Net cash outflows	26.7	25.9	23.1
LCR (%)	231	223	249

The Group meets the LCR requirement of 100% and its excess cover is significant at 30 September 2024.

NSFR

The guidelines for calculating the Net Stable Funding Ratio (NSFR) require that the available stable funding exceeds the required stable funding. The required stable funding is calculated on the basis of the balance sheet values and degree of stability of assets where the strictest requirements in terms of degree of stability are imposed on long-term illiquid assets. The available stable funding is calculated on the basis of the balance sheet values and degree of stability of the

funding where the highest degrees of stability apply to equity and long-term funding.

The Group's NSFR constituted 139% at 30 September 2024 (year-end 2023: 140%).

NSFR (DKKbn)	30 Sep 2024	31 Dec 2023	30 Sep 2023
Required stable funding	97.6	90.8	87.1
Available stable funding	135.9	126.9	120.5
NSFR (%)	139	140	138

The Group meets the NSFR requirement of 100% and its excess cover is significant at 30 September 2024.

Rating

Moody's most recent rating of Sydbank:

- Outlook: Positive
- Long-term deposit: A1
- Baseline Credit Assessment: Baa1
- Senior unsecured: A1
- Short-term deposit: P-1

Supervisory Diamond

The Supervisory Diamond sets up a number of benchmarks to indicate banking activities that initially should be regarded as involving a higher risk. Any breach of the Supervisory Diamond is subject to reactions by the Danish FSA.

At 30 September 2024 the Group as well as the parent company comply with all the benchmarks of the Supervisory Diamond.

Supervisory Diamond benchmarks	30 Sep 2024	31 Dec 2023	30 Sep 2023
Sum of 20 largest exposures < 175%	113	137	144
Lending growth < 20% annually	14	1	(4)
Commercial property exposure < 25%	11	10	9
Excess liquidity coverage > 100%	229	241	260

The calculation of the sum of the 20 largest exposures has been changed and is now identical to the definitions of CRR. The change in calculation method is the main reason why the benchmark has dropped from 137 at year-end 2023 to 113 at 30 September 2024.

Subordinated debt and MREL requirements

Once a year the Danish FSA sets requirements as to subordinated debt and own funds and eligible liabilities (MREL) for Danish institutions, including Sydbank.

At 1 January 2024 the subordinated debt and MREL requirements were set at 26.4% and 24.1% respectively of the risk exposure amount. The subordinated debt requirement can be calculated as follows:

Subordinated debt at 30 Sep 2024	Requirement (%)	DKKm
REA		63,391
Total requirement	26.4	16,735
Total capital		13,745
SNP loans with maturities exceeding 1 year		11,167
Total subordinated debt	39.3	24,912
Excess cover	12.9	8,177

At 30 September 2024 the Group met the subordinated debt requirement with an excess cover of DKK 8,177m. The excess cover corresponds to an increase in the solvency need of 6.4pp or an increase in the risk exposure amount of DKK 30,972m.

The MREL can be calculated as follows:

MREL at 30 Sep 2024	Requirement (%)	DKKm
REA		63,391
Total requirement	24.1	15,277
Total capital		13,745
SNP loans with maturities exceeding 1 year		11,167
Cover of combined buffer requirement		(3,805)
Total MREL	33.3	21,107
Excess cover	9.2	5,830

At 30 September 2024 the Group met the MREL with an excess cover of DKK 5,830m. The excess cover corresponds to an increase in the solvency need of 4.6pp or an increase in the risk exposure amount of DKK 24,192m.

Leverage ratio

The CRR2 Regulation stipulates that T1 capital must constitute at least 3% of total exposures.

The Group's leverage ratio constituted 6.3% at 30 September 2024 (year-end 2023: 6.5%) taking into account the transitional rules.

SIFI

Sydbank has been designated as a SIFI in Denmark and there is an additional buffer requirement of 1.0% as regards CET1 capital. The intention is to bring Danish SIFI capital requirements on a par with the requirements in other comparable European countries.

Bank Recovery and Resolution Directive

The directive, including the bail-in provisions, was implemented in Danish law on 1 June 2015.

According to legislation each credit institution must meet a minimum requirement for own funds and eligible liabilities (MREL).

The general resolution principle for SIFIs is that it should be possible to restructure them and send them back to the market with adequate capitalisation to ensure market confidence. The Group's MREL is based on the risk exposure amount using a factor which has been set at the sum of twice the solvency need plus the combined capital buffer requirement, excluding the countercyclical buffer.

The establishment of a resolution fund is underway. Credit institutions must make contributions to the fund according to their relative size and risk in Denmark. The resolution fund must be established and have assets at its disposal equal to at least 1% of the covered deposits of all Danish credit institutions by 31 December 2024.

The Group's contribution to the resolution fund for 2024 is expected to represent DKK 34m.

Basel IV

Since the Basel Committee on Banking Supervision published its recommendations regarding changes to the calculation of capital requirements – Basel IV – in 2017, the EU has worked on implementing these changes into CRR (regulation) or CRD (directive).

Some of the recommended changes have already been implemented and the remainder were adopted at end-May 2024 to take effect on 1 January 2025. Implementation will take place over a protracted period and with significant transitional rules.

However the part of the FRTB regulation covering market risk has been postponed to 1 January 2026. The Group expects a limited impact on its capital requirements.

Sector-specific systemic risk buffer

On 30 June 2024 the government activated the sector-specific systemic buffer for exposures to real estate companies at a rate of 7% of the exposures' risk-weighted assets.

The buffer applies to exposures to real estate companies, ie under activity code "Development of building projects" as well as "Real estate" whereas exposures to "Social housing associations" and "Cooperative housing societies" under activity code "Real estate" are exempt.

As a result the Bank will be subject to a sector-specific systemic risk buffer of approx 0.2% in addition to the regulatory capital requirements.

Income Statement

DKKm	Note	Sydbank Group			
		Q1-Q3 2024	Q1-Q3 2023	Q3 2024	Q3 2023
Interest income calculated using the effective interest method		4,010	3,584	1,373	1,340
Other interest income		1,272	815	412	306
Interest income	2	5,282	4,399	1,785	1,646
Interest expense	3	1,994	1,081	698	455
Net interest income		3,288	3,318	1,087	1,191
Dividends on shares		105	20	-	-
Fee and commission income	4	2,002	1,833	690	635
Fee and commission expense	4	236	222	89	94
Net interest and fee income		5,159	4,949	1,688	1,732
Market value adjustments	5	549	557	204	183
Other operating income		19	19	7	6
Staff costs and administrative expenses	6	2,377	2,248	769	698
Amortisation/depreciation and impairment of intangible assets and property, plant and equipment		86	105	28	43
Other operating expenses	8	25	25	8	8
Impairment of loans and advances etc	9	87	(21)	63	(5)
Profit/(Loss) on holdings in associates and subsidiaries	10	43	6	8	2
Profit before tax		3,195	3,174	1,039	1,179
Tax	11	799	765	267	262
Profit for the period		2,396	2,409	772	917
Distribution of profit for the period					
Shareholders of Sydbank A/S		2,358	2,374	757	904
Holders of AT1 capital		29	29	10	10
Minority shareholders		9	6	5	3
Total amount to be allocated		2,396	2,409	772	917
Interest paid to holders of AT1 capital		29	29	10	10
Minority shareholders		9	6	5	3
Transfer to equity		2,358	2,374	757	904
Total amount allocated		2,396	2,409	772	917
EPS Basic for the period (DKK) *		43.8	42.1	14.3	16.1
EPS Diluted for the period (DKK) *		43.8	42.1	14.3	16.1
Dividend per share (DKK)		-	-	-	-

* Calculated on the basis of average number of shares outstanding, see page 21.

Statement of Comprehensive Income

Profit for the period	2,396	2,409	772	917
Other comprehensive income				
Items that may not be reclassified to the income statement:				
Property revaluations	-	-	-	-
Value adjustment of certain strategic shares	36	30	(20)	13
Other comprehensive income after tax	36	30	(20)	13
Comprehensive income for the period	2,432	2,439	752	930

Balance Sheet

DKKm	Note	Sydbank Group		
		30 Sep 2024	31 Dec 2023	30 Sep 2023
Assets				
Cash and balances on demand at central banks		1,906	6,523	11,178
Amounts owed by credit institutions and central banks	12	18,233	18,262	22,385
Loans and advances at fair value		22,849	16,743	10,940
Loans and advances at amortised cost	13	82,518	74,535	72,104
Bonds at fair value		26,999	34,619	30,119
Shares etc		2,919	3,018	2,966
Holdings in associates etc		423	164	163
Assets related to pooled plans		26,081	22,903	21,641
Intangible assets		430	329	340
Owner-occupied property		1,090	1,095	1,106
Owner-occupied property (leasing)		89	107	88
Total land and buildings		1,179	1,202	1,194
Other property, plant and equipment		48	60	32
Current tax assets		-	88	16
Deferred tax assets		67	94	68
Other assets	14	5,918	6,478	7,816
Prepayments		74	83	66
Total assets		189,644	185,101	181,028
Equity and liabilities				
Amounts owed to credit institutions and central banks	15	4,862	6,395	6,846
Deposits and other debt	16	114,818	111,651	106,756
Deposits in pooled plans		26,081	22,903	21,641
Bonds issued at amortised cost		11,167	11,161	13,214
Current tax liabilities		612	38	125
Other liabilities	17	14,168	15,906	15,955
Deferred income		18	15	14
Total liabilities		171,726	168,069	164,551
Provisions	18	133	166	242
Subordinated capital	19	2,150	1,118	1,118
Equity:				
Share capital		546	565	565
Revaluation reserves		134	134	144
Other reserves:				
Reserves according to articles of association		429	429	425
Reserve for net revaluation according to equity method		3	3	2
Retained earnings		13,732	12,133	13,193
Proposed dividend etc		-	1,686	-
Shareholders of Sydbank A/S		14,844	14,950	14,329
Holder of AT1 capital		749	759	749
Minority shareholders		42	39	39
Total equity		15,635	15,748	15,117
Total equity and liabilities		189,644	185,101	181,028

Financial Highlights – Quarterly

	Sydbank Group						
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
	2024	2024	2024	2023	2023	2023	2023
Income statement (DKKm)							
Core income	1,801	1,797	1,849	1,844	1,838	1,754	1,635
Trading income	70	64	89	35	54	69	117
Total income	1,871	1,861	1,938	1,879	1,892	1,823	1,752
Costs, core earnings	794	828	831	801	735	803	797
Core earnings before impairment	1,077	1,033	1,107	1,078	1,157	1,020	955
Impairment of loans and advances etc	63	16	8	(6)	(5)	(6)	(10)
Core earnings	1,014	1,017	1,099	1,084	1,162	1,026	965
Investment portfolio earnings	33	12	24	30	28	1	29
Profit before non-recurring items	1,047	1,029	1,123	1,114	1,190	1,027	994
Non-recurring items, net	(8)	(11)	15	(7)	(11)	(12)	(14)
Profit before tax	1,039	1,018	1,138	1,107	1,179	1,015	980
Tax	267	255	277	174	262	257	246
Profit for the period	772	763	861	933	917	758	734
Balance sheet highlights (DKKbn)							
Loans and advances at amortised cost	82.5	79.2	77.9	74.5	72.1	74.6	75.1
Loans and advances at fair value	22.9	14.8	16.0	16.7	10.9	9.7	9.9
Deposits and other debt	114.8	111.6	109.2	111.7	106.8	102.7	101.5
Bonds issued at amortised cost	11.2	14.9	11.2	11.2	13.2	13.2	13.2
Subordinated capital	2.1	1.9	1.9	1.1	1.1	1.1	1.1
AT1 capital	0.8	0.8	0.7	0.8	0.8	0.8	0.7
Shareholders' equity	14.8	14.5	14.1	14.9	14.3	13.7	13.0
Total assets	189.6	191.3	183.9	185.1	181.0	179.3	174.5
Financial ratios per share (DKK per share of DKK 10)							
EPS	14.3	14.0	15.5	16.8	16.1	13.2	12.8
Share price at end of period	330.0	369.0	356.8	293.6	336.2	315.2	308.8
Book value	283.9	271.5	258.9	273.9	257.8	242.7	229.4
Share price/book value	1.16	1.36	1.38	1.07	1.30	1.30	1.35
Average number of shares outstanding (in millions)	52.9	53.9	54.5	55.1	56.1	56.5	56.5
Dividend per share	-	-	-	30.56	-	-	-
Other financial ratios and key figures							
CET1 ratio	18.0	17.7	17.4	18.9	18.5	18.7	18.2
T1 capital ratio	19.2	18.9	18.7	20.1	19.7	20.0	19.4
Capital ratio	21.7	21.1	21.0	21.1	20.8	21.0	20.5
Pre-tax profit as % p.a. of average equity	27.9	28.2	31.0	30.0	33.3	30.1	29.6
Post-tax profit as % p.a. of average equity	20.6	21.1	23.4	25.2	25.8	22.4	22.1
Costs (core earnings) as % of total income	42.4	44.5	42.9	42.6	38.8	44.0	45.5
Return on assets (%)	1.3	0.4	0.5	0.5	0.5	0.4	0.4
Interest rate risk	0.5	0.8	0.5	0.5	0.6	1.0	0.6
Foreign exchange position	5.5	1.3	3.4	0.7	1.3	1.8	5.4
Foreign exchange risk	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Liquidity, LCR (%)	231	240	220	223	249	227	195
Loans and advances relative to deposits	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Loans and advances relative to equity	5.6	5.5	5.5	5.0	5.0	5.4	5.8
Growth in loans and advances during the period	4.2	1.7	4.5	0.8	(3.4)	(0.7)	1.6
Total large exposures	113	111	119	137	144	142	144
Accumulated impairment ratio	1.9	2.0	2.0	2.1	2.2	2.1	2.1
Impairment ratio for the period	0.06	0.02	0.01	(0.01)	(0.01)	(0.01)	(0.01)
Number of full-time staff at end of period	2,094	2,015	2,026	2,029	2,048	2,053	2,062

When calculating financial ratios AT1 capital is considered a liability regardless of the fact that it is accounted for as equity. Reference is made to financial ratio definitions in the 2023 Annual Report (page 128).

Financial Highlights - Q1-Q3

	Sydbank Group				
	Q1-Q3 2024	Q1-Q3 2023	Q1-Q3 2022	Q1-Q3 2021	Q1-Q3 2020
Income statement (DKKm)					
Core income	5,447	5,227	3,690	3,280	2,711
Trading income	223	240	177	188	204
Total income	5,670	5,467	3,867	3,468	2,915
Costs, core earnings	2,453	2,335	2,288	2,395	2,046
Core earnings before impairment	3,217	3,132	1,579	1,073	869
Impairment of loans and advances etc	87	(21)	(87)	(311)	46
Core earnings	3,130	3,153	1,666	1,384	823
Investment portfolio earnings	69	58	(158)	(26)	(33)
Profit before non-recurring items	3,199	3,211	1,508	1,358	790
Non-recurring items, net	(4)	(37)	13	(76)	(55)
Profit before tax	3,195	3,174	1,521	1,282	735
Tax	799	765	334	269	162
Profit for the period	2,396	2,409	1,187	1,013	573
Balance sheet highlights (DKKbn)					
Loans and advances at amortised cost	82.5	72.1	75.1	64.3	56.0
Loans and advances at fair value	22.9	10.9	10.2	19.1	16.1
Deposits and other debt	114.8	106.8	106.6	94.1	82.9
Bonds issued at amortised cost	11.2	13.2	13.2	9.6	7.4
Subordinated capital	2.1	1.1	1.1	1.9	1.9
AT1 capital	0.8	0.8	0.7	0.8	0.8
Shareholders' equity	14.8	14.3	12.5	12.5	11.5
Total assets	189.6	181.0	177.9	164.5	151.1
Financial ratios per share (DKK per share of DKK 10)					
EPS	43.8	42.1	19.9	16.4	9.1
Share price at end of period	330.0	336.2	208.6	192.0	99.6
Book value	283.9	257.8	219.9	210.8	194.2
Share price/book value	1.16	1.30	0.95	0.91	0.51
Average number of shares outstanding (in millions)	53.8	56.3	57.9	59.3	59.0
Dividend per share	-	-	-	5.7	-
Other financial ratios and key figures					
CET1 ratio	18.0	18.5	17.2	16.8	20.1
T1 capital ratio	19.2	19.7	18.4	18.1	21.8
Capital ratio	21.7	20.8	19.7	21.5	25.6
Pre-tax profit as % p.a. of average equity	29.1	30.6	16.1	13.7	8.3
Post-tax profit as % p.a. of average equity	21.7	23.2	12.5	10.7	6.4
Costs (core earnings) as % of total income	43.3	42.7	59.2	69.1	70.2
Return on assets (%)	1.3	1.3	0.7	0.6	0.4
Interest rate risk	0.5	0.6	1.0	0.5	1.0
Foreign exchange position	5.5	1.3	2.1	2.5	2.0
Foreign exchange risk	0.0	0.0	0.0	0.0	0.0
Liquidity, LCR (%)	231	249	192	202	231
Loans and advances relative to deposits	0.6	0.6	0.6	0.6	0.6
Loans and advances relative to equity	5.6	5.0	6.0	5.3	5.1
Growth in loans and advances during the period	10.7	(2.5)	12.1	6.7	(7.6)
Total large exposures	113	144	157	146	153
Accumulated impairment ratio	1.9	2.2	2.1	2.2	2.8
Impairment ratio for the period	0.09	(0.02)	(0.09)	(0.36)	0.06
Number of full-time staff at end of period	2,094	2,048	2,040	2,109	1,983

When calculating financial ratios AT1 capital is considered a liability regardless of the fact that it is accounted for as equity. Reference is made to financial ratio definitions in the 2023 Annual Report (page 128).

Statement of Changes in Equity

DKK m	Share capital	Revaluation reserves	Reserves acc to articles of association*	Reserve for net revaluation acc to equity method	Retained earnings	Proposed dividend etc	Shareholders of Sydbank A/S	Sydbank Group		
								AT1 capital**	Minority shareholders	Total equity
Equity at 1 Jan 2024	565	134	429	3	12,133	1,686	14,950	759	39	15,748
Profit for the period					2,358		2,358	29	9	2,396
Other comprehensive income					36		36			36
Comprehensive income for the period	-	-	-	-	2,394	-	2,394	29	9	2,432
Transactions with owners										
Purchase of own shares					(1,658)		(1,658)			(1,658)
Sale of own shares					838		838			838
Reduction in share capital	(19)				19		-			-
Interest paid on AT1 capital								(39)		(39)
Exchange rate adjustment					0		0	0		0
Dividend etc paid						(1,686)	(1,686)		(6)	(1,692)
Dividend, own shares					6		6			6
Total transactions with owners	(19)	-	-	-	(795)	(1,686)	(2,500)	(39)	(6)	(2,545)
Equity at 30 Sep 2024	546	134	429	3	13,732	-	14,844	749	42	15,635
Equity at 1 Jan 2023	584	144	425	2	11,071	959	13,185	757	39	13,981
Profit for the period					2,374		2,374	29	6	2,409
Other comprehensive income					30		30			30
Comprehensive income for the period	-	-	-	-	2,404	-	2,404	29	6	2,439
Transactions with owners										
Purchase of own shares					(1,070)		(1,070)			(1,070)
Sale of own shares					771		771			771
Reduction in share capital	(19)				19		-			-
Interest paid on AT1 capital								(39)		(39)
Exchange rate adjustment					(2)		(2)	2		-
Dividend paid						(959)	(959)		(6)	(965)
Dividend, own shares					0		0			0
Total transactions with owners	(19)	-	-	-	(282)	(959)	(1,260)	(37)	(6)	(1,303)
Equity at 30 Sep 2023	565	144	425	2	13,193	-	14,329	749	39	15,117

* Reserves according to the articles of association equal the undistributable savings bank reserve in accordance with Article 4 of the Articles of Association.

** AT1 capital has no maturity date. Payment of interest and repayment of principal are voluntary. Therefore AT1 capital is accounted for as equity. In May 2018 Sydbank issued EUR 100m with optional redemption on 28 August 2025. The issue carries interest at the Mid-Swap Rate + a margin of 4.62%, a total of 5.25%. Under the issue the loan will be written down if the CET1 ratio of Sydbank A/S or the Sydbank Group drops below 7%.

The Sydbank share	30 Sep 2024	31 Dec 2023	30 Sep 2023
Share capital (DKK)	545,884,200	565,003,200	565,003,200
Shares issued (number)	54,588,420	56,500,320	56,500,320
Shares outstanding at end of period (number)	52,279,595	54,582,651	55,917,577
Average number of shares outstanding (number)	53,773,410	56,032,491	56,346,364

The Bank has only one class of shares as all shares carry the same rights.

Capital Statement

DKKm	Sydbank Group		
	30 Sep 2024	31 Dec 2023	30 Sep 2023
Solvency			
CET1 ratio	18.0	18.9	18.5
T1 capital ratio	19.2	20.1	19.7
Capital ratio	21.7	21.1	20.8
Total capital			
Equity, shareholders of Sydbank A/S	14,844	14,950	14,329
Share of profit for the period not included	(1,194)	-	(1,231)
Capital deduction – prudent valuation	(70)	(82)	(71)
Actual or contingent obligations to purchase own shares	(428)	(9)	(334)
Proposed dividend	-	(1,686)	-
Intangible assets and capitalised deferred tax assets	(369)	(267)	(277)
Significant investments in the financial sector	(1,321)	(1,189)	(1,275)
Insufficient coverage for non-performing exposures	(61)	(46)	(21)
CET1 capital	11,401	11,671	11,120
AT1 capital – equity	746	745	745
T1 capital	12,147	12,416	11,865
T2 capital	1,516	559	559
Instruments in entities in the financial sector in which the institution has significant investments	(147)	(146)	(154)
Difference between expected losses and impairment for accounting purposes	229	227	234
Total capital	13,745	13,056	12,504
Credit risk*	40,547	39,187	40,983
Market risk	5,923	6,047	5,130
Operational risk	10,250	10,250	8,137
Other exposures, incl CVA	6,671	6,412	5,888
REA	63,391	61,896	60,138
Pillar I capital requirement	5,071	4,952	4,811
* Credit risk			
Corporate clients, IRB	30,076	29,002	33,082
Retail clients, IRB	8,044	8,740	5,880
Corporate clients, STD	201	340	267
Retail clients, STD	1,323	503	549
Credit institutions etc	903	602	1,205
Total	40,547	39,187	40,983

Cash Flow Statement

DKKm	Sydbank Group		
	Q1-Q3 2024	Full year 2023	Q1-Q3 2023
Operating activities			
Pre-tax profit for the period	3,195	4,281	3,174
Taxes paid	(162)	(528)	(106)
<u>Adjustment for non-cash operating items:</u>			
Profit/(Loss) on holdings in associates	38	0	0
Amortisation/depreciation of intangible assets and property, plant and equipment	86	139	105
Impairment of loans and advances/guarantees	87	(27)	(21)
Other non-cash operating items	(9)	(116)	(14)
<u>Changes in working capital:</u>			
Credit institutions and central banks	153	4,523	915
Trading portfolio	7,872	(4,132)	424
Other financial instruments at fair value	0	120	(21)
Loans and advances	(12,930)	(6,827)	1,400
Deposits	63	4,149	(745)
Other assets/liabilities	(1,197)	288	(919)
Cash flows from operating activities	(2,804)	1,870	4,192
Investing activities			
Purchase of holdings in associates	(6)	-	-
Sale of holdings in associates	-	3	2
Purchase of equity investments	(6)	(134)	(131)
Sale of equity investments	28	245	239
Acquisition of Coop Bank	(347)	-	-
Purchase/sale of intangible assets	-	-	(2)
Purchase of property, plant and equipment	(32)	(92)	(29)
Sale of property, plant and equipment	5	2	-
Cash flows from investing activities	(358)	24	79
Financing activities			
Purchase and sale of own holdings	(820)	(600)	(299)
Dividend etc	(1,680)	(959)	(959)
Raising of subordinated capital	1,529	-	-
Redemption of subordinated capital	(560)	-	-
Issue of bonds	3,731	3,727	3,727
Redemption of bonds	(3,728)	(5,758)	(3,718)
Cash flows from financing activities	(1,528)	(3,590)	(1,249)
Cash flows for the period	(4,690)	(1,696)	3,022
Cash and cash equivalents at 1 Jan	6,904	8,600	8,600
Cash flows for the period	(4,690)	(1,696)	3,022
Cash and cash equivalents at end of period	2,214	6,904	11,622
Cash and cash equivalents at end of period			
Cash and balances on demand at central banks	1,906	6,523	11,178
Fully secured cash and cash equivalent balances on demand with credit institutions and insurance companies	308	381	444
Cash and cash equivalents at end of period	2,214	6,904	11,622

Segment Reporting etc

DKKm	Sydbank Group					
	Banking	Asset Management	Sydbank Markets	Treasury	Other	Total
Operating segments						
Q1-Q3 2024						
Core income	5,028	333	86	-	-	5,447
Trading income	-	-	223	-	-	223
Total income	5,028	333	309	-	-	5,670
Costs, core earnings	2,155	103	137	-	58	2,453
Impairment of loans and advances etc	87	-	-	-	-	87
Core earnings	2,786	230	172	-	(58)	3,130
Investment portfolio earnings	(12)	-	-	81	-	69
Profit before non-recurring items	2,774	230	172	81	(58)	3,199
Non-recurring items, net	(4)	-	-	-	-	(4)
Profit before tax	2,770	230	172	81	(58)	3,195
Q1-Q3 2023						
Core income	4,884	260	83	-	-	5,227
Trading income	-	-	240	-	-	240
Total income	4,884	260	323	-	-	5,467
Costs, core earnings	2,035	93	154	-	53	2,335
Impairment of loans and advances etc	(21)	-	-	-	-	(21)
Core earnings	2,870	167	169	-	(53)	3,153
Investment portfolio earnings	(4)	-	-	62	-	58
Profit before non-recurring items	2,866	167	169	62	(53)	3,211
Non-recurring items, net	(37)	-	-	-	-	(37)
Profit before tax	2,829	167	169	62	(53)	3,174

Operating segments

The Group's segment statements are divided into the following business units: Banking, Asset Management, Sydbank Markets, Treasury and Other.

Banking serves all types of retail and corporate clients.

Asset Management primarily comprises the Bank's advisory-related income from customers and investment funds.

Sydbank Markets comprises trading income as well as a share of the income from customers with decentral affiliation calculated on the basis of its market price. The share represents the payment by Banking for Sydbank Markets' facilities, including advisory services and administration.

Treasury comprises the Group's return on positions handled by Treasury, including liquidity allocation.

Other includes non-recurring items, costs to the Group Executive Management etc as well as return on strategic shareholdings that are not allocated to Banking or Sydbank Markets.

Inter-segment transactions are settled on an arm's length basis. Centrally incurred costs are allocated to the business units in accordance with their estimated proportionate share of overall activities.

Excess liquidity is settled primarily at short-term money market rates whereas other balances are settled on an arm's length basis.

Segment Reporting etc

DKKkm	Sydbank Group							
	Core income	Trading income	Costs, core earnings	Impairment of loans/ advances etc	Core earnings	Investment portfolio earnings	Non-recurring items, net	Profit before tax
Correlation between the Group's performance measures and the income statement according to IFRS								
Q1-Q3 2024								
Net interest and fee income	5,089	74			5,163	(4)		5,159
Market value adjustments	296	149		0	446	78	25	549
Other operating income	19				19			19
Income	5,404	223	-	0	5,628	74	25	5,727
Staff costs and administrative expenses			(2,343)		(2,343)	(5)	(29)	(2,377)
Amortisation/depreciation and impairment of intangible assets and property, plant and equipment			(86)		(86)			(86)
Other operating expenses			(25)		(25)			(25)
Impairment of loans and advances etc				(87)	(87)			(87)
Profit/(Loss) on holdings in associates and subsidiaries	43				43			43
Profit before tax	5,447	223	(2,453)	(87)	3,130	69	(4)	3,195
Q1-Q3 2023								
Net interest and fee income	4,839	418			5,258	(309)		4,949
Market value adjustments	363	(178)		0	185	372		557
Other operating income	19				19			19
Income	5,221	240	-	0	5,462	63	-	5,525
Staff costs and administrative expenses			(2,206)		(2,206)	(5)	(37)	(2,248)
Amortisation/depreciation and impairment of intangible assets and property, plant and equipment			(105)		(105)			(105)
Other operating expenses			(25)		(25)			(25)
Impairment of loans and advances etc				21	21			21
Profit/(Loss) on holdings in associates and subsidiaries	6				6			6
Profit before tax	5,227	240	(2,335)	21	3,153	58	(37)	3,174

The Sydbank Group's internal reporting is not made on the basis of products and services. Reference is made to notes 2, 3 and 4 for the distribution of net interest income as well as fee income.

Notes

Note 1

Accounting policies

The interim report covers the period from 1 January to 30 September 2024 and is prepared in compliance with IAS 34 "Interim Financial Reporting" as adopted by the EU and in compliance with Danish disclosure requirements for interim reports of listed financial companies. As a result of the use of IAS 34, the presentation is less complete compared with the presentation of an annual report and the recognition and measurement principles are in compliance with IFRS.

The accounting policies are consistent with those adopted in the 2023 Annual Report, to which reference is made.

The 2023 Annual Report provides a comprehensive description of the accounting policies applied.

Accounting estimates and judgements

The measurement of certain assets and liabilities requires that management makes accounting estimates as to how future events will affect the value of such assets, liabilities, income and costs. Actual results may deviate from such estimates.

The significant estimates made by management in the use of the Group's accounting policies and the inherent considerable uncertainty of such estimates used in the preparation of the interim report are identical to those used in the preparation of the 2023 Annual Report.

Impairment of loans and advances and provisions for guarantees and undrawn credit commitments are made to take into account the expected losses on conclusion as well as any credit impairment after initial recognition. The determination of impairment charges for expected losses is subject to a number of estimates, including which loans and advances or portfolios of loans and advances are subject to credit impairment as well as calculation of expected losses.

Assessing the degree of credit impairment of exposures involves a number of estimates which may be subject to uncertainty.

To a large extent the determination of expected losses at exposure level is based on risk registrations, models and past experience but it also involves a number of estimates of risks and expected developments in the individual exposure, including the future ability to pay and the value of collateral which in particular comprises mortgages on property. During periods of uncertain economic trends or significant demographic or structural changes uncertainty is greater. This is reflected in the need for management adjustments that by their nature are subject to uncertainty.

The Group's models to calculate impairment of exposures in stages 1 and 2 include expectations as to economic developments. The outlook is based on estimates of the probability of different outcomes of economic growth.

The outlook results in a determination of the probability of the scenarios baseline, upturn and downturn. At 30 September 2024 the probability of the downturn scenario was fixed at 95%, which is unchanged compared with 31 December 2023.

Impairment of exposures in stage 3 and the weak part of stage 2 is based on individual assessments which include expectations of future changes in collateral value etc.

Notes



Note 1 - continued

In addition to the calculated impairment charges, management estimates whether there is a need for special impairment charges as regards exposed industries, customer segments or other elements that are estimated as having not yet been reflected in the Bank's registrations.

At 30 September 2024 the Group maintained its management estimate of DKK 500m to hedge macroeconomic uncertainty. The management estimate represents DKK 400m as regards corporate clients and DKK 100m as regards retail clients.

The management estimate as regards macroeconomic risks covers potential losses related to the negative effects of geopolitical tension, a higher interest rate environment as well as the risk of a recession etc.

The Group's significant risks and the external elements which may affect the Group are described in greater detail in the 2023 Annual Report.

Notes

DKKm	Sydbank Group			
	Q1-Q3 2024	Q1-Q3 2023	Q3 2024	Q3 2023
Note 2				
Interest income calculated using the effective interest method				
Amounts owed by credit institutions and central banks	710	664	266	297
Loans and advances and other amounts owed	3,300	2,917	1,107	1,043
Other interest income	0	3	0	0
Total	4,010	3,584	1,373	1,340
Other interest income				
Reverse transactions with credit institutions and central banks	78	63	29	27
Reverse loans and advances	502	222	196	91
Bonds	661	458	179	178
Total derivatives	31	72	8	10
comprising:				
Foreign exchange contracts	52	46	20	16
Interest rate contracts	(21)	26	(12)	(6)
Total	1,272	815	412	306
Total interest income	5,282	4,399	1,785	1,646
Fair value, designated at initial recognition	580	285	225	118
Fair value, held for trading	692	530	187	188
Assets recognised at amortised cost	4,010	3,584	1,373	1,340
Total	5,282	4,399	1,785	1,646

The Group's cash resources primarily comprise Danish mortgage bonds. The interest rate risk concerning these positions is reduced via derivatives. As a result the Group's external income statement is affected in terms of interest income and the market value adjustment of bonds and derivatives. The same applies to the Group's position-taking as regards bonds as well as shares. The breakdown by income statement item does not disclose income independently and consequently these items must be regarded as one as they are in "Segment Reporting" as well as in the Group's financial review, which also takes funding of the positions into account.

Notes

DKKm	Sydbank Group			
	Q1-Q3 2024	Q1-Q3 2023	Q3 2024	Q3 2023
Note 3				
Interest expense				
Repo transactions with credit institutions and central banks	80	67	28	27
Amounts owed to credit institutions and central banks	58	36	21	17
Repo deposits	57	30	13	12
Deposits and other debt	1,366	644	466	286
Bonds issued	351	268	140	100
Subordinated capital	79	34	29	12
Other interest expense	3	2	1	1
Total	1,994	1,081	698	455
Fair value, designated at initial recognition	137	97	41	39
Liabilities recognised at amortised cost	1,857	984	657	416
Total	1,994	1,081	698	455

Note 4

Fee and commission income				
Securities trading and custody accounts	612	591	203	204
Advisory fee, asset management	340	265	125	90
Payment services	310	277	114	102
Loan fees	143	150	47	46
Guarantee commission	124	133	42	44
Income concerning funded mortgage-like loans	36	(1)	24	6
Other fees and commission	437	418	135	143
Total fee and commission income	2,002	1,833	690	635
Fee expense, asset management	7	5	2	2
Other fee and commission expense	229	217	87	92
Total fee and commission expense	236	222	89	94
Net fee and commission income	1,766	1,611	601	541

Except for guarantee commission recognised according to IFRS 9, fee and commission income is recognised according to IFRS 15. The set-off of loss concerning arranged mortgage loans represented DKK 7m in Q1-Q3 2024 (Q1-Q3 2023: DKK 5m) and has been deducted from commission received which is included under other fees and commission.

Notes

DKKm	Sydbank Group			
	Q1-Q3 2024	Q1-Q3 2023	Q3 2024	Q3 2023

Note 5

Market value adjustments

Other loans and advances and amounts owed at fair value	21	27	8	9
Bonds	249	169	146	36
Shares etc	108	172	56	56
Foreign exchange	213	201	68	66
Derivatives	(42)	(12)	(74)	15
Assets related to pooled plans	2,116	730	482	(83)
Deposits in pooled plans	(2,116)	(730)	(482)	83
Other assets/liabilities	0	0	0	1
Total	549	557	204	183

Note 6

Staff costs and administrative expenses

Salaries and remuneration:

Group Executive Management	18	15	6	5
Board of Directors	6	6	2	2
Shareholders' Committee	3	3	1	1
Total	27	24	9	8

Staff costs:

Wages and salaries	1,098	1,063	348	322
Pensions	121	117	42	40
Social security contributions	6	6	2	2
Payroll tax	159	150	52	50
Total	1,384	1,336	444	414

Other administrative expenses:

IT	604	561	199	175
Rent etc	73	68	23	23
Marketing and entertainment expenses	80	60	26	22
Other costs	209	199	68	56
Total	966	888	316	276
Total	2,377	2,248	769	698

Note 7

Staff

Average number of staff (full-time equivalent)	2,075	2,083	2,127	2,086
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Notes

DKKm	Sydbank Group			
	Q1-Q3 2024	Q1-Q3 2023	Q3 2024	Q3 2023
Note 8				
Other operating expenses				
Contribution to the resolution fund	25	24	8	8
Other expenses	0	1	0	0
Total	25	25	8	8
Note 9				
Impairment of loans and advances recognised in the income statement				
Impairment and provisions	127	38	69	(6)
Write-offs	7	19	3	13
Recovered from debt previously written off	47	78	9	12
Impairment of loans and advances etc	87	(21)	63	(5)
Impairment and provisions at end of period (allowance account)				
Stage 1	133	132	133	132
Stage 2	542	639	542	639
Stage 3	719	700	719	700
Management estimates	503	500	503	500
Impairment and provisions at end of period	1,897	1,971	1,897	1,971
Impairment and provisions				
Impairment and provisions at 1 Jan	1,899	1,929	1,893	1,968
New impairment charges and provisions during the period, net	119	72	78	10
Impairment charges previously recorded, now finally written off	165	30	118	7
Additions allowance account, Coop Bank	44	-	44	-
Impairment and provisions at end of period	1,897	1,971	1,897	1,971
Impairment charges for loans and advances	1,770	1,797	1,770	1,797
Provisions for undrawn credit commitments	40	68	40	68
Provisions for guarantees	87	106	87	106
Impairment and provisions at end of period	1,897	1,971	1,897	1,971

Loans and advances recognised as a loss for the period constitute DKK 172m. As regards loans and advances recognised as a loss for the period a legal claim of DKK 45m has been upheld. As regards loans and advances recognised as a loss a legal claim of DKK 35m has been upheld at year-end 2023.

Notes

DKKm	Loans/advances and guarantees		Impairment and provisions		Impairment charges for loans/advances etc for the period		Sydbank Group Losses for the period	
	30 Sep 2024	31 Dec 2023	30 Sep 2024	31 Dec 2023	Q1-Q3 2024	Q1-Q3 2023	Q1-Q3 2024	Q1-Q3 2023
Note 9 - continued								
Loans and advances and guarantees as well as impairment of loans and advances etc by industry								
Building and construction	4,296	4,387	129	146	6	29	24	5
Energy supply	4,636	5,181	11	16	(4)	(4)	0	0
Real estate	10,416	8,821	52	59	(4)	(25)	1	1
Finance and insurance	11,059	8,855	155	127	28	7	4	0
Trade	18,668	17,155	493	488	113	70	116	14
Hotels and restaurants	385	391	30	67	(6)	0	2	1
Manufacturing and extraction of raw materials	9,429	8,769	269	246	21	22	2	1
Information and communication	439	473	30	32	(1)	17	0	0
Agriculture, hunting, forestry and fisheries	4,223	4,004	135	189	(57)	(78)	6	12
Transportation	2,676	2,694	36	25	11	(3)	0	1
Other industries	10,976	10,525	179	143	32	(3)	2	4
Total corporate	77,203	71,255	1,519	1,538	139	32	157	39
Public authorities	0	36						
Retail	23,118	20,503	378	361	(52)	(53)	15	10
Total	100,321	91,794	1,897	1,899	87	(21)	172	49
Building and construction								
Completion of building projects	398	630	25	3	21	(1)	0	0
Building and construction activities	1,948	1,812	82	111	(7)	33	24	5
Construction of buildings	827	890	18	30	(10)	(2)	0	0
Other building and construction	1,123	1,055	4	2	2	(1)	0	0
Total	4,296	4,387	129	146	6	29	24	5
Real estate								
Non-profit housing associations	6,081	4,328	3	2	0	(3)	0	0
Leasing of commercial property	2,586	2,555	33	38	(2)	(7)	0	1
Leasing of residential property	645	789	6	5	1	0	0	0
Other related to real estate	1,104	1,149	10	14	(3)	(15)	1	0
Total	10,416	8,821	52	59	(4)	(25)	1	1
Finance and insurance								
Holding companies	6,338	5,123	104	82	19	6	0	0
Financing companies	4,721	3,732	51	45	9	1	4	0
Total	11,059	8,855	155	127	28	7	4	0

Notes

DKKm	Loans/advances and guarantees		Impairment and provisions		Impairment charges for loans/advances etc for the period		Sydbank Group Losses for the period	
	30 Sep 2024	31 Dec 2023	30 Sep 2024	31 Dec 2023	Q1-Q3 2024	Q1-Q3 2023	Q1-Q3 2024	Q1-Q3 2023
Note 9 – continued								
Loans and advances and guarantees as well as impairment of loans and advances etc by industry								
Trade								
Retail	1,962	1,842	60	52	7	5	0	2
Trade, passenger cars and motorcycles	3,179	3,188	67	70	(5)	22	1	0
Wholesale, other machinery	1,982	1,808	92	30	63	(1)	2	0
Wholesale, food, beverages and tobacco	2,342	1,982	69	39	(4)	15	0	0
Wholesale, household durables	4,248	3,579	117	210	13	23	112	3
Wholesale, agricultural raw materials and live animals	1,436	1,405	32	34	(2)	11	0	0
Other specialised wholesale	2,236	2,237	30	30	37	(4)	0	9
Other trade	1,283	1,114	26	23	4	(1)	1	0
Total	18,668	17,155	493	488	113	70	116	14
Manufacturing and extraction of raw materials								
Extraction of raw materials	204	213	2	2	(1)	(1)	0	0
Manufacture of textiles and clothing	781	772	8	7	1	0	0	0
Manufacture and repair of machinery and equipment	1,741	1,635	30	32	(2)	(2)	0	0
Manufacture of food products	2,491	1,920	65	59	6	5	2	1
Manufacture of fabricated metal products, excl machinery and equipment	1,211	1,356	64	69	(5)	4	0	0
Other manufacturing	3,001	2,873	100	77	22	16	0	0
Total	9,429	8,769	269	246	21	22	2	1
Agriculture, hunting, forestry and fisheries								
Pig farming	702	729	16	24	(9)	(15)	0	1
Cattle farming	1,132	1,134	57	59	(2)	(32)	1	0
Crop production	1,480	1,213	26	53	(32)	(36)	4	1
Other agriculture	909	928	36	53	(14)	5	1	10
Total	4,223	4,004	135	189	(57)	(78)	6	12
Transportation								
Land transport	917	1,029	17	16	2	(6)	0	1
Water transport	405	438	0	0	0	0	0	0
Air transport	257	268	6	3	2	0	0	0
Other transportation	1,097	959	13	6	7	3	0	0
Total	2,676	2,694	36	25	11	(3)	0	1
Other industries								
Rental and leasing activities	4,650	4,319	31	23	8	(2)	0	0
Activities of head offices	1,836	2,022	7	13	(5)	1	0	0
Liberal professions	1,682	1,471	49	39	13	7	2	4
Other industries	2,808	2,713	92	68	16	(9)	0	0
Total	10,976	10,525	179	143	32	(3)	2	4

Notes

DKKm	Sydbank Group			
	Q1-Q3 2024	Q1-Q3 2023	Q3 2024	Q3 2023

Note 10

Profit/(Loss) on holdings in associates and subsidiaries

Profit/(Loss) on holdings in associates etc	43	6	8	2
Total	43	6	8	2

Note 11

Effective tax rate

Current tax rate of Sydbank	26.0	25.2	26.0	25.2
Permanent differences	(1.0)	(1.0)	(0.3)	(2.9)
Adjustment of prior year tax charges	0.0	(0.1)	0.0	(0.1)
Effective tax rate	25.0	24.1	25.7	22.2

DKKm	Sydbank Group		
	30 Sep 2024	31 Dec 2023	30 Sep 2023

Note 12

Amounts owed by credit institutions and central banks

Amounts owed at notice by central banks	15,830	14,006	15,789
Amounts owed by credit institutions	2,403	4,256	6,596
Total	18,233	18,262	22,385
Of which reverse transactions	1,786	3,874	3,399

Notes

DKKm	Sydbank Group					
	Stage 1	Stage 2	Stage 3	Credit impaired at initial recognition	30 Sep 2024 Total	31 Dec 2023 Total
Note 13						
Loans and advances, guarantees and allowance account by stage						
Loans and advances before impairment charges	74,391	8,552	1,252	93	84,288	76,273
Guarantees	15,309	626	98		16,033	15,521
Total loans and advances and guarantees	89,700	9,178	1,350	93	100,321	91,794
%	89.4	9.2	1.3	0.1	100.0	100.0
Impairment charges for loans and advances	377	626	767		1,770	1,738
Provisions for undrawn credit commitments	17	21	2		40	67
Provisions for guarantees	9	31	47		87	94
Total allowance account	403	678	816	-	1,897	1,899
Allowance account at 1 Jan	400	740	759		1,899	1,929
New impairment charges and provisions during the period, net	(6)	(66)	191		119	19
Impairment charges previously recorded, now finally written off			165		165	49
Additions allowance account, Coop Bank	9	4	31		44	-
Total allowance account at end of period	403	678	816	-	1,897	1,899
Impairment charges as % of loans and advances	0.5	7.3	61.3		2.1	2.3
Provisions as % of guarantees	0.1	5.0	48.0		0.5	0.6
Allowance account as % of loans and advances and guarantees	0.4	7.4	60.4		1.9	2.1
Loans and advances before impairment charges	74,391	8,552	1,252	93	84,288	76,273
Impairment charges for loans and advances	377	626	767		1,770	1,738
Loans and advances after impairment charges	74,014	7,926	485	93	82,518	74,535
%	89.7	9.6	0.6	0.1	100.0	100.0

Notes

DKKm						Sydbank Group	
	Stage 1	Stage 2	Stage 3	Credit impaired at initial recognition	30 Sep 2024 Total	31 Dec 2023 Total	
Note 13 – continued							
Loans and advances before impairment charges							
Rating category							
1	14,195				14,195	11,981	
2	24,692				24,692	22,097	
3	11,633				11,633	10,751	
4	15,411	1,441			16,852	14,931	
5	5,353	2,563			7,916	8,482	
6	893	1,179			2,072	2,159	
7	79	1,715			1,794	1,843	
8	6	371			377	380	
9		1,265			1,265	1,258	
Default			1,252		1,252	1,138	
NR/STD	2,129	18		93	2,240	1,253	
Total	74,391	8,552	1,252	93	84,288	76,273	
Impairment of loans and advances							
Rating category							
1	3				3	2	
2	18				18	17	
3	81				81	80	
4	91	15			106	106	
5	84	44			128	142	
6	64	35			99	107	
7	16	75			91	101	
8	1	41			42	43	
9		407			407	427	
Default			767		767	695	
NR/STD	19	9			28	18	
Total	377	626	767	-	1,770	1,738	
Loans and advances after impairment charges							
Rating category							
1	14,192				14,192	11,979	
2	24,674				24,674	22,080	
3	11,552				11,552	10,671	
4	15,320	1,426			16,746	14,825	
5	5,269	2,519			7,788	8,340	
6	829	1,144			1,973	2,052	
7	63	1,640			1,703	1,742	
8	5	330			335	337	
9		858			858	831	
Default			485		485	443	
NR/STD	2,110	9		93	2,212	1,235	
Total	74,014	7,926	485	93	82,518	74,535	

Notes

DKKm	Sydbank Group					
	Stage 1	Stage 2	Stage 3	Credit impaired at initial recognition	30 Sep 2024 Total	31 Dec 2023 Total
Note 13 - continued						
Loans and advances before impairment charges						
1 Jan	66,698	8,325	1,138	112	76,273	75,673
Transfers between stages						
Transfers to stage 1	1,993	(1,984)	(9)		-	-
Transfers to stage 2	(3,062)	3,132	(70)		-	-
Transfers to stage 3	(137)	(361)	498		-	-
New exposures	14,448	679	117		15,244	16,825
Final repayments	(9,562)	(1,205)	(94)		(10,861)	(14,551)
Changes in balances	2,809	(67)	(208)	(19)	2,515	(1,596)
Write-offs			(172)		(172)	(78)
Additions portfolio, Coop Bank	1,204	33	52		1,289	-
End of period	74,391	8,552	1,252	93	84,288	76,273
Impairment of loans and advances						
1 Jan	368	675	695	-	1,738	1,740
Transfers between stages						
Transfers to stage 1	92	(90)	(2)		-	-
Transfers to stage 2	(41)	79	(38)		-	-
Transfers to stage 3	(2)	(99)	101		-	-
New exposures	61	47	17		125	196
Final repayments	(43)	(92)	59		(76)	(257)
Changes in balances	(67)	102	69		104	108
Write-offs			(165)		(165)	(49)
Additions portfolio, Coop Bank	9	4	31		44	-
End of period	377	626	767	-	1,770	1,738
Loans and advances after impairment charges						
1 Jan	66,330	7,650	443	112	74,535	73,933
Transfers between stages						
Transfers to stage 1	1,901	(1,894)	(7)		-	-
Transfers to stage 2	(3,021)	3,053	(32)		-	-
Transfers to stage 3	(135)	(262)	397		-	-
New exposures	14,387	632	100		15,119	16,629
Final repayments	(9,519)	(1,113)	(153)		(10,785)	(14,294)
Changes in balances	2,876	(169)	(277)	(19)	2,411	(1,704)
Write-offs			(7)		(7)	(29)
Additions portfolio, Coop Bank	1,195	29	21		1,245	-
End of period	74,014	7,926	485	93	82,518	74,535

Notes

DKKm	Sydbank Group		
	30 Sep 2024	31 Dec 2023	30 Sep 2023
Note 14			
Other assets			
Positive market value of derivatives etc	4,032	4,718	6,060
Sundry debtors	981	730	709
Interest and commission receivable	372	406	368
Cash collateral provided, CSA agreements	515	623	679
Other assets	18	1	0
Total	5,918	6,478	7,816
Note 15			
Amounts owed to credit institutions and central banks			
Amounts owed to central banks	4	10	3
Amounts owed to credit institutions	4,858	6,385	6,843
Total	4,862	6,395	6,846
Of which repo transactions	1,529	3,485	3,660
Note 16			
Deposits and other debt			
On demand	85,986	83,910	84,015
At notice	58	78	87
Time deposits	24,874	23,558	18,510
Special categories of deposits	3,900	4,105	4,144
Total	114,818	111,651	106,756
Of which repo transactions	1,596	3,299	1,369
Note 17			
Other liabilities			
Negative market value of derivatives etc	3,901	4,588	5,789
Sundry creditors	6,458	4,719	4,023
Negative portfolio, reverse transactions	3,046	5,950	5,094
Interest and commission etc	370	224	375
Cash collateral received, CSA agreements	393	425	674
Total	14,168	15,906	15,955

Notes

DKKm	Sydbank Group		
	30 Sep 2024	31 Dec 2023	30 Sep 2023
Note 18			
Provisions			
Provisions for pensions and similar obligations	2	2	2
Provisions for deferred tax	-	-	64
Provisions for guarantees	87	94	106
Other provisions	44	70	70
Total	133	166	242

Note 19

Subordinated capital

Interest rate	Note		Nominal (m)	Maturity			
5.685 (floating)	1)	Bond loan	EUR 75	Redeemed	-	559	559
3.000 (floating)	2)	Bond loan	EUR 75	Perpetual	559	559	559
7.820 (floating)	3)	Bond loan	NOK 650	25 Apr 2034	411	-	-
6.632 (floating)	4)	Bond loan	SEK 550	25 Apr 2034	362	-	-
5.549 (floating)	5)	Bond loan	EUR 100	6 Sep 2035	743	-	-
7.337 (floating)	6)	Bond loan	DKK 25	23 Sep 2031	25	-	-
8.020 (floating)	7)	Bond loan	DKK 50	22 Jun 2032	50	-	-
Total T2 capital					2,150	1,118	1,118
Total subordinated capital					2,150	1,118	1,118
1) Redeemed on 6 September 2024.							
2) The interest rate follows the 10Y Mid-Swap plus a margin of 0.2%. Not included in total capital.							
3) Optional redemption from 25 April 2029. The interest rate will be fixed at 3.05% above 3M NIBOR.							
4) Optional redemption from 25 April 2029. The interest rate will be fixed at 3.00% above 3M STIBOR.							
5) Optional redemption from 6 September 2030. The interest rate will be fixed at 2.10% above 3M EURIBOR.							
6) Optional redemption from 23 September 2026. The interest rate will be fixed at 4.00% above 6M CIBOR.							
7) Optional redemption from 22 June 2027. The interest rate will be fixed at 4.25% above 6M CIBOR.							
Costs relating to raising and redeeming subordinated capital					0	0	0

Note 20

Contingent liabilities and other obligating agreements

Contingent liabilities

Financial guarantees	6,582	5,964	6,094
Mortgage finance guarantees	3,001	3,174	3,283
Funded mortgage-like loan guarantees	605	703	736
Registration and remortgaging guarantees	3,948	4,073	2,861
Other contingent liabilities	1,897	1,607	1,664
Total	16,033	15,521	14,638
Other obligating agreements			
Irrevocable credit commitments	1,595	1,627	1,749
Other liabilities	7	6	6
Total	1,602	1,633	1,755

Notes

DKKm	Sydbank Group		
	30 Sep 2024	31 Dec 2023	30 Sep 2023

Note 20 – continued

Totalkredit loans arranged for by Sydbank are comprised by an agreed right of set-off against future current commission which Totalkredit may invoke in the event of losses on the loans arranged.

Sydbank does not expect that this set-off will have a significant impact on Sydbank's financial position.

As a result of the Bank's membership of Bankdata, the Bank is obligated to pay an exit charge in the event of exit.

As a result of the statutory participation in the deposit guarantee scheme, the industry paid an annual contribution of 2.5‰ of covered net deposits until the Banking Department's capital exceeded 1% of total covered net deposits, which was reached at year-end 2015. The Banking Department will cover the direct losses in connection with the winding-up of distressed financial institutions under Bank Package III and Bank Package IV which are attributable to covered net deposits. Any losses as a result of the final winding-up will be covered by the Guarantee Fund via the Winding-up and Restructuring Department as regards which Sydbank is currently liable for 6.1% of any losses.

As a result of the statutory participation in the resolution financing arrangement (the resolution fund), credit institutions pay an annual contribution over a 10-year period to reach a target funding level totalling 1% of covered deposits. Credit institutions must make contributions to the fund according to their relative size and risk in Denmark. In the period from 2015 to 2023 Sydbank contributed DKK 194m and expects that contributions will total approximately DKK 225m over the 10-year period.

The Group is party to legal actions. These legal actions are under continuous review and the necessary provisions made are based on an assessment of the risk of loss. Pending legal actions are not expected to have any significant impact on the financial position of the Group.

Note 21

Collateral

At 30 September 2024 the Group had deposited as collateral securities and cash at a market value of DKK 162m with Danish and foreign exchanges and clearing centres etc in connection with margin calls and securities settlements etc. In addition the Group has provided cash collateral of DKK 515m in connection with CSA agreements and deposited as collateral securities at a market value of DKK 1m in connection with GMRA agreements.

In connection with repo transactions, which involve selling securities to be repurchased at a later date, the securities remain on the balance sheet and consideration received is recognised as a debt. Repo transaction securities are treated as assets provided as collateral for liabilities. Counterparties are entitled to sell the securities or deposit them as collateral for other loans.

In connection with reverse transactions, which involve purchasing securities to be resold at a later date, the Group is entitled to sell the securities or deposit them as collateral for other loans. The securities are not recognised in the balance sheet and consideration paid is recognised as a receivable.

Assets received as collateral in connection with reverse transactions may be sold to a third party. In such cases a negative portfolio may arise as a result of the accounting rules. This is recognised under "Other liabilities".

Assets sold as part of repo transactions

Bonds at fair value	3,107	6,743	4,974
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Assets purchased as part of reverse transactions

Bonds at fair value	24,881	20,864	14,333
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Notes

DKKm	Q1-Q3	Q1-Q3	Sydbank Group	
	2024	2023	Index	31 Dec
			24/23	2023

Note 22

Related parties

Sydbank is the bank of a number of related parties. Transactions with related parties are settled on an arm's length basis.

No unusual transactions took place with related parties in Q1-Q3 2024. Reference is made to the Group's 2023 Annual Report for a more detailed description of related party transactions.

Note 23

Reporting events occurring after the balance sheet date

No matters of significant impact on the financial position of the Sydbank Group have occurred after the expiry of Q1-Q3.

Note 24

Large shareholders

Nykredit Realkredit A/S owns more than 5% of Sydbank's share capital.

Note 25

Core income

Net interest etc	3,356	3,304	102	4,470
Mortgage credit*	415	401	103	545
Payment services	222	196	113	268
Remortgaging and loan fees	126	134	94	184
Commission and brokerage	358	347	103	467
Commission etc investment funds and pooled pension plans	235	230	102	310
Asset management	331	260	127	345
Custody account fees	78	72	108	96
Other operating income	326	283	115	386
Total	5,447	5,227	104	7,071

* Mortgage credit

Totalkredit cooperation	332	309	107	424
Totalkredit, set-off of loss	7	5	140	8
Totalkredit cooperation, net	325	304	107	416
DLR Kredit	89	96	93	128
Other mortgage credit income	1	1	100	1
Total	415	401	103	545

Notes

DKKm	FVPL	Fair value option	FVOCI	Sydbank Group 30 Sep 2024	
				Total fair value	Amortised cost
Note 26					
Fair value disclosure					
Financial instruments are included in the balance sheet either at fair value or at amortised cost. The table below breaks down financial instruments by valuation technique.					
Financial assets					
Cash and balances on demand at central banks				-	1,906
Amounts owed by credit institutions and central banks	1,786			1,786	16,447
Loans and advances at fair value	22,849			22,849	-
Loans and advances at amortised cost				-	82,518
Bonds at fair value	14,146	12,853		26,999	-
Shares etc	139	2,443	337	2,919	-
Assets related to pooled plans		26,081		26,081	-
Land and buildings			1,179	1,179	-
Other assets	4,161	108		4,269	1,649
Total	43,081	41,485	1,516	86,082	102,520
Undrawn credit commitments				-	56,781
Maximum credit risk, collateral not considered	43,081	41,485	1,516	86,082	159,301
Financial liabilities					
Amounts owed to credit institutions and central banks	1,529			1,529	3,333
Deposits and other debt	1,596			1,596	113,222
Deposits in pooled plans		26,081		26,081	-
Bonds issued at amortised cost				-	11,167
Other liabilities	6,950			6,950	7,218
Subordinated capital				-	2,150
Total	10,075	26,081	-	36,156	137,090

Notes

DKKm	FVPL	Fair value option	FVOCI	Sydbank Group	
				Total fair value	31 Dec 2023 Amortised cost
Note 26 – continued					
Financial assets					
Cash and balances on demand at central banks				-	6,523
Amounts owed by credit institutions and central banks	3,874			3,874	14,388
Loans and advances at fair value	16,743			16,743	-
Loans and advances at amortised cost				-	74,535
Bonds at fair value	13,914	20,705		34,619	-
Shares etc	94	2,378	546	3,018	-
Assets related to pooled plans		22,903		22,903	-
Land and buildings			1,202	1,202	-
Other assets	4,815	177		4,992	1,486
Total	39,440	46,163	1,748	87,351	96,932
Undrawn credit commitments				-	60,952
Maximum credit risk, collateral not considered	39,440	46,163	1,748	87,351	157,884
Financial liabilities					
Amounts owed to credit institutions and central banks	3,485			3,485	2,910
Deposits and other debt	3,299			3,299	108,351
Deposits in pooled plans		22,903		22,903	-
Bonds issued at amortised cost				-	11,161
Other liabilities	10,549			10,549	5,358
Subordinated capital				-	1,118
Total	17,333	22,903	-	40,236	128,898

To take into account changes in credit risk concerning derivatives with positive fair value, an adjustment is made – CVA. CVA is a function of the risk of counterparty default (PD), the expected positive exposure and the loss ratio in the event of default. PD is determined on the basis of the Group's credit models – default probability in 12 months. PD beyond 12 months is adjusted on the basis of market data of exposures with a similar PD level. At 30 September 2024 CVA constituted DKK 16m compared to DKK 16m at year-end 2023.

Customer margins recognised in connection with derivatives are amortised over the life of the transaction. At 30 September 2024 customer margins not yet recognised as income totalled DKK 13m compared to DKK 12m at year-end 2023.

Financial instruments recognised at fair value

Measurement of financial instruments is based on quoted prices from an active market, on generally accepted valuation models with observable market data or on available data that only to a limited extent is observable market data.

Measurement of financial instruments for which prices are quoted in an active market or which is based on generally accepted valuation models with observable market data is not subject to significant estimates.

As regards financial instruments where measurement is based on available data that only to a limited extent is observable market data, measurement is subject to estimates. Such financial instruments appear from the column unobservable inputs below and include primarily unlisted shares, including shares in DLR Kredit A/S.

The fair value of unlisted shares and other holdings is calculated on the basis of available information on trades etc – including to a very significant extent on shareholders' agreements based on book value. To an insignificant extent fair value is calculated on the basis of expected cash flows.

A 10% change in the calculated market value of financial assets measured on the basis of unobservable inputs will affect profit before tax by DKK 358m (31 December 2023: DKK 354m).

Notes

DKKm	Quoted prices	Observable inputs	Unobservable inputs	Total fair value	Sydbank Group Carrying amount
Note 26 – continued					
30 Sep 2024					
Financial assets					
Amounts owed by credit institutions and central banks		1,786		1,786	1,786
Loans and advances at fair value		22,849		22,849	22,849
Bonds at fair value	483	26,516		26,999	26,999
Shares etc	465	58	2,396	2,919	2,919
Assets related to pooled plans	18,110	7,971		26,081	26,081
Land and buildings			1,179	1,179	1,179
Other assets	276	3,993		4,269	4,269
Total	19,334	63,173	3,575	86,082	86,082
Financial liabilities					
Amounts owed to credit institutions and central banks		1,529		1,529	1,529
Deposits and other debt		1,596		1,596	1,596
Deposits in pooled plans		26,081		26,081	26,081
Other liabilities	211	6,739		6,950	6,950
Total	211	35,945	-	36,156	36,156
31 Dec 2023					
Financial assets					
Amounts owed by credit institutions and central banks		3,874		3,874	3,874
Loans and advances at fair value		16,743		16,743	16,743
Bonds at fair value		34,619		34,619	34,619
Shares etc	658	22	2,338	3,018	3,018
Assets related to pooled plans	16,021	6,882		22,903	22,903
Land and buildings			1,202	1,202	1,202
Other assets	272	4,720		4,992	4,992
Total	16,951	66,860	3,540	87,351	87,351
Financial liabilities					
Amounts owed to credit institutions and central banks		3,485		3,485	3,485
Deposits and other debt		3,299		3,299	3,299
Deposits in pooled plans		22,903		22,903	22,903
Other liabilities	198	10,351		10,549	10,549
Total	198	40,038	-	40,236	40,236

DKKm	30 Sep 2024	31 Dec 2023	30 Sep 2023
Assets measured on the basis of unobservable inputs			
Carrying amount at 1 Jan	2,338	2,382	2,382
Additions	6	2	2
Disposals	28	245	239
Market value adjustment	80	199	145
Carrying amount at end of period	2,396	2,338	2,290
Recognised in profit for the period			
Dividend	101	19	18
Market value adjustment	80	199	145
Total	181	218	163

Notes

DKKm	Sydbank Group		
	30 Sep 2024	31 Dec 2023	30 Sep 2023
Note 27			
Leverage ratio			
Leverage ratio exposures			
Total assets	189,644	185,101	181,028
Of which pooled assets	(26,081)	(22,903)	(21,641)
Correction derivatives etc	2,873	5,161	5,228
Guarantees etc	16,033	15,521	14,638
Undrawn credit commitments etc	11,449	11,832	13,410
Other adjustments	(2,337)	(2,603)	(2,167)
Total	191,581	192,109	190,496
T1 capital – current (transitional rules)	12,147	12,416	11,865
T1 capital – fully loaded	12,147	12,416	11,865
Leverage ratio (%) – current (transitional rules)	6.3	6.5	6.2
Leverage ratio (%) – fully loaded	6.3	6.5	6.2

Notes

Sydbank Group

DKKm

1 Jul 2024

Note 28

Acquisition of subsidiaries

Acquisitions in 2024

Sydbank has acquired 100% of the share capital of Coop Bank. The acquisition took effect on 1 July 2024.

The activities acquired are included in the segment reporting of the Sydbank Group under Banking. The purchase price of Coop Bank totals DKK 347m, which has been paid in cash. The acquisition comprises approx 88,000 customers, including approx 21,000 NemKonto (Easy Account) customers, bank loans and advances totalling DKK 1.2bn and arranged mortgage loans from Totalkredit representing DKK 1.0bn. In addition the agreement includes a partnership that will create attractive value propositions for the customers of Coop Bank A/S as well as for the other members of Coop Danmark. It is expected that the partnership will generate increased business volume at Coop Bank A/S.

After recognition of identifiable assets, liabilities and contingent liabilities at fair value, goodwill in connection with the acquisition constitutes DKK 0m. The assets and liabilities acquired can be broken down as follows at the acquisition date:

Statement of fair value

Assets

Cash and balances on demand at central banks	1,640
Amounts owed by credit institutions and central banks	141
Loans and advances at amortised cost	1,245
Bonds at fair value	467
Shares etc	0
Intangible assets, customer relationships	120
Land and buildings	3
Other property, plant and equipment	1
Deferred tax	3
Other assets	20
Prepayments	7
Total assets	3,647

Liabilities

Amounts owed to credit institutions and central banks	52
Deposits and other debt	3,105
Bonds issued	17
Other liabilities	21
Provisions	31
Subordinated capital	74
Total liabilities	3,300

Net assets acquired	347
Purchase price	347
Goodwill	0

Contingent liabilities

Guarantees	46
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Notes

Note 28 – continued

Calculation of fair values

In connection with the acquisition of Coop Bank, Sydbank has determined identifiable assets and liabilities, which are recognised in the pre-acquisition balance sheet, at fair value.

The fair value of loans and advances is based on an assessment of the market value of the portfolio acquired. Before the fair value adjustment, the net value of loans and advances represented DKK 1,245m at the acquisition date. The fair value adjustment of loans and advances totalled DKK 0m. Total loans and advances after the fair value adjustment represented DKK 1,245m.

The fair value of customer relationships has been determined using the Multi-Period Excess Earnings Method (MEEM). Customer relationships are determined at the present value of the net cash flows generated through sale to customers after deducting a reasonable return on all other assets which contribute to generating the cash flows in question.

The fair value of other intangible assets is based on the discounted cash flows expected to be derived from the ongoing use of the assets or from the sale of the assets.

Liabilities are valued at the present value of the amounts to be applied to settle the liabilities. The Group's lending rate before tax is used in connection with discounting. Discounting is avoided as regards short-term liabilities when the effect is insignificant.

Impact of the acquisition on the Sydbank Group's income statement

The activities acquired form part of the Sydbank Group's net interest and fee income from 1 July 2024 and are expected to constitute DKK 90m and profit for the year is expected to represent DKK 15m.

The Group's net interest and fee income and profit for the year for 2024 made up pro forma as if Coop Bank had been acquired 1 January 2024 total DKK 180m and DKK 40m respectively. The pro forma figures are determined on the basis of the actual acquisition cost and the allocation of the purchase price as at the acquisition date. However depreciation/amortisation, loan costs etc are included in the pro forma figures as of 1 January 2024.

30 Sep 2024	Activity	Share capital (DKKm)	Equity (DKKm)	Profit/(Loss) (DKKm)	Sydbank Group Ownership share (%)
Note 29					
Group holdings and enterprises					
Sydbank A/S		546			
Consolidated subsidiaries					
Coop Bank A/S, Albertslund*	Bank	128	263	5	100
Coop Betalinger A/S, Albertslund*	Payment serv.	2	2	0	100
Ejendomsselskabet af 1. juni 1986 A/S, Aabenraa	Real estate	11	36	0	100
Syd Administration A/S, Aabenraa	Invt & admin.	50	69	19	100
Syd Fund Management A/S, Aabenraa	Administration	100	125	25	67
* Sydbank's share of the company's profit for the period 1 Jul to 30 Sep 2024.					
Held for sale					
Green Team Group A/S, Sønder Omme*	Wholesale	101	(15)	(26)	100
Holdings in associates					
Foreningen Bankdata, Fredericia*	IT	472	465	4	31
Fynske Bank A/S, Svendborg*	Bank	76	1,359	157	20
Komplementarselskabet Core Property Management A/S, Copenhagen*	Real estate	1	1	0	20
Core Property Management P/S, Copenhagen*	Real estate	5	44	31	20

* Financial information according to the companies' most recently published annual reports.

Management Statement

We have reviewed and approved the Interim Report – Q1-Q3 2024 of Sydbank A/S.

The consolidated interim financial statements are prepared in accordance with the IFRS Accounting Standards as adopted by the EU, and the parent company interim financial statements are prepared in accordance with the legislative requirements, including the Danish Financial Business Act.

Furthermore the consolidated financial statements are prepared in compliance with Danish disclosure requirements for listed financial companies.

The Interim Report has not been audited or reviewed. However the Bank's external auditor has conducted a verification of profit for the period, including audit procedures consistent with the requirements as regards a review and has thus verified that the conditions for ongoing recognition of profit for the period in CET1 capital were met.

In our opinion the interim financial statements give a true and fair view of the Group's assets, equity and liabilities and financial position at 30 September 2024 and of the results of the Group's operations and cash flows for the period 1 January – 30 September 2024.

Moreover it is our opinion that the management's review includes a fair review of the developments in the Group's operations and financial position as well as a description of the most significant risks and elements of uncertainty which may affect the Group.

Aabenraa, 30 October 2024

Group Executive Management

Mark Luscombe
CEO

Jørn Adam Møller

Stig Westergaard

Board of Directors

Lars Mikkelsen-Jensen
Chairman

Ellen Trane Nørby
Vice-Chairman

Carsten Andersen

Henrik Hoffmann

Søren Holm

Janne Moltke-Leth

Jarl Oxlund

Gitte Poulsen

Susanne Schou

Jon Stefansson

Jørn Krogh Sørensen

Pia Wrang

Supplementary Information

Financial calendar

In 2025 the Group's preliminary announcement of financial statements will be released as follows:

- Announcement of the 2024 financial statements
26 February 2025
- Annual General Meeting 2025
20 March 2025
- Interim Report - Q1 2025
7 May 2025
- Interim Report - First Half 2025
27 August 2025
- Interim Report - Q1-Q3 2025
5 November 2025

Sydbank contacts

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Relevant links

sydbank.dk
sydbank.com

For further information reference is made to Sydbank's 2023 Annual Report at sydbank.com