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Dear Sirs

AL Sydbank maintains momentum in Q2

AL Sydbank's half-year report shows that the positive trend from Q1 has been sustained and strengthened in several areas. Profit has improved, lending has increased and the amalgamation of the organisation is proceeding as planned. At the same time, the Bank has delivered a higher return on equity.

AL Sydbank continues to build on the momentum established in Q1. Profit for the half-year after tax represented DKK 1.8bn, equalling a return on tangible equity of 13.3% after tax. Bank loans and advances increased by DKK 3.4bn – equivalent to 2.4% – in H1 2026 and constituted DKK 143.7bn at the end of the period. Deposits rose by DKK 10.1bn in the same period and now amount to DKK 219.4bn.

> "AL Sydbank continues to build on the momentum generated in Q1. The business continues to perform well, driven in particular by positive developments among retail customers in the housing finance and investment segments. At the same time, efforts to realise cost synergies are progressing according to plan. In H1 2026, we achieved cost synergies of DKK 175m. This has resulted in a strong half-year performance and a robust capital position. We are firmly on track," says Mark Luscombe, CEO of AL Sydbank.

Macroeconomic developments remain subject to uncertainty. Geopolitical tension, financial market trends and interest rate developments may affect customer activity, the demand for financing as well as the level of impairment charges. The Danish economy is still considered fundamentally robust with high employment and moderate growth prospects.

> "It is crucial that AL Sydbank maintains strong customer proximity while leveraging the scale advantages provided by the merger. The first six months show that the Bank is well capitalised, has strong earnings power and can drive progress during a demanding integration period. This provides a solid basis for the further development of the Bank for the benefit of customers, employees, local communities and shareholders," says Ellen Trane Nørby, Chair of the Board of Directors of AL Sydbank.

Integration and development with customers at the centre
The efforts to bring AL Sydbank together as one bank continued in Q2 2026.

During the half-year, we merged 52 branches in towns and cities with more than one branch, bringing the number of branches at the end of Q2 to 88 branches in Denmark and three branches in Germany. We still have branches in all the towns and cities where we were present at the time of the merger. The work preparing for the transition to Bankdata in 2027 is also progressing as expected. This takes place in a structured process with focus on mitigating complexity, ensuring good client-facing solutions and creating an efficient and scalable bank.

> "The integration of three banks is a substantial and complex task and we have made a good start. We have remained focused on customers while working to create a common culture and a stronger foundation for the future AL Sydbank. The ambition is still to combine the opportunities of a major bank with the local presence that is characteristic of our customer relationships", says Mark Luscombe.

Outlook for 2026
- Growth is projected for the Danish economy.
- Profit after tax is now expected to be at the top half of the range of DKK 3,500-4,000m.
- The outlook is subject to uncertainty and depends, among other factors, on financial market developments, interest rate developments, pig settlement prices, integration costs and macroeconomic factors which may affect customer activity and the level of impairment charges.

H1 2026 – highlights
- Profit for the period of DKK 1,761m equals a return on tangible equity of 13.3% p.a. after tax
- Core income of DKK 5,921m is 78% higher compared to the same period in 2025
- Trading income of DKK 185m compared to DKK 127m in the same period in 2025
- Costs (core earnings) of DKK 3,487m against DKK 1,765m in the same period in 2025
- Core earnings before impairment of DKK 2,619m are 54% higher compared to the same period in 2025
- Impairment charges for loans and advances etc represent an expense of DKK 151m
- Bank loans and advances have gone up by DKK 3.4bn, equal to an increase of 2.4% compared to year-end 2025
- The CET1 ratio is 16.0% compared to 15.8% at year-end 2025

Further information:
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Yours sincerely

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