

Sydbank's Interim Report – Q1 2025

Q1 2025 – highlights

- Profit for the period of DKK 645m equals a return on equity of 17.4% p.a. after tax
- Core income of DKK 1,700m is 8% lower compared to the same period in 2024
- Trading income of DKK 64m compared to DKK 89m in the same period in 2024
- Costs (core earnings) of DKK 881m compared to DKK 831m in the same period in 2024
- Core earnings before impairment of DKK 883m are 20% lower compared to the same period in 2024
- Impairment charges for loans and advances etc represent an expense of DKK 35m
- Bank loans and advances have gone down by DKK 1.2bn, equal to a decrease of 2% compared to year-end 2024
- The CET1 ratio stands at 16.3%, equal to a decline of 1.5pp compared to year-end 2024

CEO Mark Luscombe comments on the result:

- It is positive that we have been able to generate a return on equity of 17.4% under market conditions characterised by uncertainty. In the current environment many of our customers have chosen to remain financially flexible where retail clients focus on savings and corporate clients strengthen their balance sheets and consequently postpone major financial decisions. Inflation and interest rates continue to go down, which should support an increase in lending and investment activities once confidence has been restored. Therefore lending is down, deposits are up and assets under management continue to show a net increase.

Board chairman Ellen Trane Nørby elaborates:

- It is positive that profit for Q1 2025 is as expected at the beginning of Q1 2025 despite the ECB and Danish central bank rate cuts occurring at a faster pace than anticipated. Against this background the result must be considered quite satisfactory.

Mark Luscombe comments on the beginning of the new strategy period:

- The themes in our new strategy “**Bigger Sydbank**” will guide us and ensure that we can meet the strategy's goals. We will focus on the customer and be the workplace for some of our industry's most talented and dedicated employees. Our consistent customer focus is having the intended effect as customer satisfaction is going up and every segment is welcoming new customers.

Board chairman Ellen Trane Nørby comments:

- In times of trade conflicts and geopolitical uncertainty it is particularly important that Sydbank is well prepared to navigate this uncertainty and support its customers. It is gratifying to note that after initiating the share buyback of DKK 1,350m the Bank remains highly capitalised and resilient.

Outlook for 2025

- Moderate growth is projected for the Danish economy.
- Profit after tax is expected to be in the range of DKK 2,200-2,600m.
- The profit forecast assumes that the Danish central bank will lower the interest rate by 1pp in 2025.
- The outlook is subject to uncertainty and depends on financial market developments and macroeconomic factors which may affect eg the level of impairment charges.

Additional information

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