

Sydbank's Interim Report – Q1 2022

Significant boost in profitability

Q1 2022 – highlights

- Profit for the period of DKK 445m equals a return on equity of 14.1% p.a. after tax
- Core income of DKK 1,200m is 9% higher compared to the same period in 2021
- Impairment charges for loans and advances etc represent an income of DKK 61m
- Bank loans and advances have risen by DKK 4.6bn, equal to an increase of 7% compared to year-end 2021
- Total credit intermediation has increased by DKK 5.1bn, equal to an increase of 3% compared to year-end 2021
- A share buyback of DKK 425m was commenced on 7 March 2022
- The CET1 ratio has declined by 1.4pp compared to year-end 2021 and constitutes 16.5% excluding profit for the period. When including 50% of profit for the period, the CET1 ratio stands at 16.9%

CEO Karen Frøsig comments on Sydbank's Q1 result:

- It is highly satisfactory that the Bank has achieved a significant boost in its profitability. This is due to the effects of our targeted efforts to increase income and reduce costs. At the same time lending continues to grow at a high pace. Loans and advances have gone up by DKK 4.6bn in Q1 and by DKK 10.2bn – equal to 17% – during the most recent 3 quarters.

Board chairman Lars Mikkjelgaard-Jensen comments on the launch of the new 3-year strategy plan:

- The results in Q1 represent a highly satisfactory beginning to the new strategy period. The development is consistent with our ambition to **grow our business** and to deliver even greater value to customers and shareholders.

Karen Frøsig elaborates:

- The themes in our new strategy "**Growing our business**" will guide us and ensure that we can meet the strategy's goals of a stronger competitive position. We will focus on the customer and be the workplace for some of our industry's most skilled and dedicated employees.

Outlook for 2022

- Growth is projected in the Danish economy in 2022
- Core income is expected to be higher than in 2021
- Costs (core earnings) are projected to be lower than in 2021
- Impairment charges for 2022 are forecast to be at a low level
- Profit after tax is expected to be in the range of DKK 1,350-1,550m
- The outlook for 2022 is subject to uncertainty and depends on financial market developments and macroeconomic factors

Additional information

Jørn Adam Møller, Deputy Group Chief Executive, tel +45 74 37 20 30
Susanne Ingemann Faber, Press Manager, tel +45 26 29 11 29