

## Sydbank's Interim Report – First Half 2022

### Significant growth in core earnings before impairment

#### H1 2022 – highlights

- Profit for the period of DKK 748m equals a return on equity of 11.9% p.a. after tax
- Core income of DKK 2,399m is 9% higher compared to the same period in 2021
- Trading income constituted DKK 116m in H1 2022 – DKK 16m of which concerns Q2 2022
- Costs (core earnings) of DKK 1,574m are 4% lower compared to the same period in 2021
- Core earnings before impairment of DKK 941m are 37% higher compared to the same period in 2021
- Impairment charges for loans and advances etc represent an income of DKK 84m – DKK 23m of which concerns Q2 2022
- Bank loans and advances have risen by DKK 12.8bn, equal to an increase of 21% compared to end-June 2021
- The CET1 ratio stands at 16.6%, equal to a decrease of 1.3pp compared to year-end 2021
- A share buyback of DKK 425m was commenced on 7 March 2022

CEO Karen Frøsig comments on Sydbank's H1 result:

- It is highly satisfactory to note that profitability expressed by core earnings before impairment has risen by DKK 254m, equivalent to 37%. The reason is that we have succeeded in increasing income while at the same time reducing costs.

Board chairman Lars Mikkjelgaard-Jensen comments on the result:

- It is positive that the Bank has increased its earnings capacity in recent years and consequently delivers a very competitive performance – even at a time when financial markets are recording large price drops in bonds as well as shares.

Karen Frøsig elaborates:

- We are following our current strategy “**Growing our business**”. We are attracting new customers and our existing customers are drawing more on their facilities. This means that lending continues to grow at a high pace. Loans and advances went up by DKK 7.2bn in H1 and rose by DKK 12.8bn – equivalent to 21% – over the past 12 months.

#### 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 upper end of 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

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