

Sydbank's 2021 Annual Report

Solid growth in lending and earnings

The Sydbank Group's 2021 financial statements show a profit before tax of DKK 1,764m compared to DKK 1,021m in 2020. The increase of DKK 743m is primarily attributable to a net reversal of impairment charges of DKK 415m, high customer activity and the acquisition of Alm. Brand Bank. Profit before tax equals a return of 14.1% p.a. on average equity.

Profit for the year represents DKK 1,411m against DKK 799m in 2020, equal to a return on average equity of 11.2% after tax. At the beginning of 2021 profit after tax was projected to be in the range of DKK 850-1,150m.

CEO Karen Frøsig comments on the year's results:

– It is good news that after another unusual year of covid we can deliver an impressive growth in lending of DKK 6.8bn, equal to 11.3%. On top of this good credit quality allows us to reverse impairment charges of DKK 415m in 2021.

Karen Frøsig comments on the transition to the new strategy:

– It is positive that as we embark on the new strategy – Growing our business – we have a sound foundation where we are attracting new good customers from every significant segment on the back of the campaign “Denmark's Corporate Bank” and are thus creating the basis for growth in earnings and business volume.

Board chairman Lars Mikkjelgaard-Jensen comments:

– The Bank's strong capital position and satisfactory earnings enable us to distribute DKK 1,131m, equal to approx 80% of profit for 2021. 50% of profit will be distributed as dividend and the rest via a new share buyback programme of DKK 425m. Following distribution the Bank will continue to be well capitalised.

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.
- Non-recurring costs are expected to be in the range of DKK 50-60m. This is an investment in the future and concerns the automation of housing loan processes and an investment in the bank/insurance partnership.
- Profit after tax is expected to be in the range of DKK 1,150-1,450m.
- The outlook for 2022 is subject to uncertainty and depends on financial market developments and macroeconomic factors.

Additional information

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