

Sydbank's Interim Report – Q1-Q3 2025

Sydbank delivers very satisfactory profit

The first three quarters of the year are characterised by growth in almost all parameters. The Bank has expanded its business without compromising on profitability. It has delivered a return on equity of 17.4% and is also attracting more customers and more satisfied customers from all three segments – corporate, retail and Private Banking – in spite of macroeconomic uncertainty and a general reluctance to invest.

- *There is a lot to be pleased about in the interim financial statements. We are seeing significant activity and we deliver on all our three promises in our strategy Bigger Sydbank. We have generated such a high return for the Bank's investors that we are back at the top with a return on equity of 17.4%. In addition we are welcoming more customers and seeing more satisfied customers, and the Bank's employees are showing great commitment, says Ellen Trane Nørby, Chair of the Board of Directors.*

The first three quarters of the year show greater resilience in the Bank's earnings capacity. Interest rates levelled off in the third quarter and net interest income was maintained at the same level as in the second quarter of the year. At the same time other core income grew by 7% compared to the same period in 2024 thanks to employees' hard work and focus.

- *We continue to see a healthy influx of customers and a high level of satisfaction across all segments. Activity among retail clients in particular is significant, which is reflected in an overall increase in credit intermediation as regards retail clients of DKK 3.6bn. It is very positive that the strong development in the retail segment is continuing – and this provides a solid foundation for our new campaign "Denmark's Advisory Bank", which we have just launched, says Mark Luscombe, CEO.*

On 27 October 2025 the boards of directors of Sydbank, Arbejdernes Landsbank and Vestjysk Bank entered into a merger agreement and proposed to their respective general meetings that the three banks merge. The merger will be completed with Sydbank as the continuing bank under the brand AL Sydbank A/S with headquarters in Aabenraa, Denmark.

- *By joining forces, we will achieve a long-term position in the Danish banking market and thus safeguard our independence and long-term value creation, which is a crucial part of Sydbank's strategy. AL Sydbank will be built on the strengths that each of us are bringing to the table. By uniting our strengths, we become more competitive and are better equipped to take on more and larger commitments for the benefit of customers, says Ellen Trane Nørby, Chair of the Board of Directors.*

Q1-Q3 highlights

- Profit for the period of DKK 1,922m equals a return on equity of 17.4% p.a. after tax
- Core income of DKK 4,986m (Q1-Q3 2024: DKK 5,447m)
- Trading income of DKK 204m (Q1-Q3 2024: DKK 223m)
- Costs (core earnings) of DKK 2,576m (Q1-Q3 2024: DKK 2,453m)
- Loans and advances of DKK 83.3bn (year-end 2024: DKK 82.5bn)
- Deposits of DKK 119.1bn (year-end 2024: DKK 116.7bn)
- Impairment charges for loans and advances etc represent DKK 115m (Q1-Q3 2024: DKK 87m)
- The CET1 ratio stands at 17.3% (year-end 2024: 17.8%)
- At end-September 2025 shares totalling DKK 865m had been repurchased under the share buyback programme of DKK 1,350m. The share buyback programme was terminated on 27 October 2025, with repurchased shares totalling DKK 1,000m, as a result of the merger agreement between Sydbank, Arbejdernes Landsbank and Vestjysk Bank
- The annual Aalund Business Research poll shows an all-time high level of customer satisfaction as regards corporate clients with a score of 8.4 – by far the highest score among banks.

Outlook for 2025

Profit after tax is expected to be in the range of DKK 2,400-2,600m.

The outlook is subject to uncertainty and depends among other factors on financial market developments and macroeconomic factors which may affect eg the level of impairment charges.

Additional information

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