

## Sydbank's Interim Report – First Half 2024

### H1 2024 – highlights

- Profit for the period of DKK 1,624m equals a return on equity of 22.4% p.a. after tax
- Core income of DKK 3,646m is 8% higher compared to the same period in 2023
- Trading income of DKK 153m compared to DKK 186m in the same period in 2023
- Costs (core earnings) of DKK 1,659m compared to DKK 1,600m in the same period in 2023
- Core earnings before impairment of DKK 2,140m are 8% higher compared to the same period in 2023
- Impairment charges for loans and advances etc represent an expense of DKK 24m
- Bank loans and advances have risen by DKK 4.7bn, equal to an increase of 6% compared to year-end 2023
- The CET1 ratio stands at 17.7%, equal to a decrease of 1.2pp compared to year-end 2023

CEO Mark Luscombe comments on the result:

- It is good news that our half-year performance is historically high. We were able to lift core income and total income in the first 6 months of the year from their all-time high levels last year. Costs have risen by 4% compared with a year ago. The Bank has had a constant focus on becoming increasingly efficient. As a result the increase in costs is smaller than the effects of the agreed overall pay rises and the abolition of Great Prayer Day. Profit for H1 2024 outperforms profit a year ago by 9% and equals a return on equity of 22.4%, which is highly satisfactory.

Mark Luscombe comments on developments in business volume:

- We are pleased to see that the continued effect of our strong focus on providing value-creating advice to our customers has boosted our business volume in terms of bank loans and advances, deposits and the investment area. Bank loans and advances went up by DKK 4.7bn in H1 and deposits returned to the record level of year-end 2023.

Board chairman Lars Mikkellaard-Jensen comments:

- In times of significant macroeconomic uncertainty due to the challenging geopolitical climate it is good news that the Bank remains highly capitalised and resilient. At 30 June 2024 the Bank's CET1 ratio stands at 17.7%, which is 6.0pp above the capital requirements. This means that Sydbank is extremely well prepared to navigate this uncertainty and support our customers.

### Outlook for 2024

- Moderate growth is projected for the Danish economy.
- Profit after tax is expected to be in the range of DKK 2,800-3,100m.
- The profit forecast assumes that Danmarks Nationalbank will lower the rate of interest on certificates of deposit by a further 0.50pp in 2024.
- 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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