

Sydbank's Interim Report – First Half 2025

Sydbank delivers solid H1 performance

Despite declining interest rates and global uncertainty, Sydbank continues to deliver a return on equity at the top among the major banks while attracting more customers, increasing credit intermediation and lifting assets under management.

Sydbank's financial statements for the first six months of 2025 show a resilient bank in a more subdued environment. The Bank has generated a profit of DKK 1,212m, equal to a return on equity of 16.7% after tax – placing it at the top of the largest banks in Denmark. In H1 total credit intermediation went up by DKK 1.6bn and there was an upward trend in customer satisfaction.

– There is a healthy influx of customers, a high level of satisfaction across our customer segments and increased activity – activity among retail clients in particular was significant in the first six months. Despite the decline in net interest income, which was expected, the higher level of activity along with the increase in other core income has helped us to ensure that core income remains satisfactory and demonstrates that our core business is in a strong position, comments CEO Mark Luscombe.

– Our strategy is based on profitable growth and responsible use of capital. With a CET1 ratio of 16.7% and an ongoing share buyback programme of DKK 1,350m, we are in a strong position to create value for shareholders and support customers – also in a more volatile market, comments board chairman Ellen Trane Nørby.

Even though corporate clients continue to show some restraint, there is a positive trend in activity compared to the previous quarter.

- We are also very grateful for the acknowledgement we have received from our corporate clients, who have given Sydbank the highest score ever in Aalund's annual customer satisfaction survey, comments Mark Luscombe.

In H1 core income amounted to DKK 3,335m, which is in line with expectations at the beginning of 2025. Net interest income has gone down as anticipated, as a result of the effect of lower interest rates. The decline in net interest income was offset by an impressive 7% increase in other core income, which reflects a higher level of activity. Trading income came in at DKK 127m and remains at a satisfactory level. Costs (core earnings) have grown from DKK 1,659m to DKK 1,765m – primarily as a result of the acquisition of Coop Bank and collectively agreed pay rises. In addition, in the first six months of the year, shares amounting to DKK 490m were repurchased under the current share buyback programme of DKK 1,350m.

H1 2025 highlights

- Profit for the period of DKK 1,212m equals a return on equity 16.7% p.a. after tax
- Core income of DKK 3,335m is 9% lower compared to the same period in 2024 – the decline is attributable to lower net interest income which is partly offset by an increase in other core income
- Trading income of DKK 127m compared to DKK 153m in the same period in 2024
- Costs (core earnings) up from DKK 1,659m to DKK 1,765m – primarily as a result of the acquisition of Coop Bank and collectively agreed pay increases
- Very satisfactory influx of customers – growth in lending of DKK 0.2bn (DKK 1.4bn in Q2) and growth in deposits of DKK 5.1bn (DKK 3.7bn in Q2)

- Impairment charges for loans and advances represent DKK 97m
- The CET1 ratio stands at 16.7% and has fallen by 1.1pp compared to year-end 2024 – the drop is attributable to the current share buyback programme
- At end-June 2025 shares totalling DKK 490m had been repurchased under the current share buyback programme of DKK 1,350m
- 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

- Moderate growth is projected for the Danish economy.
- Profit after tax is expected to be in the range of DKK 2,200-2,600m.
- 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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