

Interim Report – Q1-Q3

2023

Sydbank Group

Sydbank

Sydbank

Sydbank's Interim Report – Q1-Q3 2023

Q1-Q3 2023 – highlights

- Profit for the period of DKK 2,409m equals a return on equity of 23.2% p.a. after tax
- Core income of DKK 5,227m is 42% higher compared to the same period in 2022
- Trading income of DKK 240m is 36% higher compared to the same period in 2022
- Costs (core earnings) of DKK 2,335m against DKK 2,288m in the same period in 2022
- Core earnings before impairment of DKK 3,132m are 98% higher compared to the same period in 2022
- Impairment charges for loans and advances etc represent an income of DKK 21m
- Bank loans and advances have gone down by DKK 1.8bn, equal to a decrease of 2% compared to year-end 2022
- The CET1 ratio stands at 18.5%, equal to an increase of 1.2pp compared to year-end 2022

CEO Karen Frøsig comments on the result:

- It is positive that we were able to lift our profitability further in the third quarter of the year from an already very high level in the first 2 quarters. The increase in profitability is attributable to a continued rise in total income and is predominantly due to higher net interest income. Impairment charges represented a small income in the first 9 months of the year, which reflects strong credit quality in the lending portfolio. Together this means a doubling of profit after tax and in September 2023 expectations for profit for 2023 were revised upwards once more.

Karen Frøsig comments on developments in interest income:

- The effect of the Danish central bank's continuous interest rate hikes since July 2022 is clearly reflected in the Bank's net interest income, which has more than doubled when comparing the first 9 months of 2023 with the same period in 2022. Net interest income has been greatly influenced by higher interest payments on the Bank's significant deposit surplus, which has previously earned negative interest.

Board chairman Lars Mikkjelgaard-Jensen comments:

- It is good news that after initiating a share buyback of DKK 600m in Q3 the Bank remains highly capitalised and resilient. This is particularly important in times of geopolitical and macroeconomic uncertainty.

Outlook for 2023

- Core income is expected to be higher than in 2022.
- Costs (core earnings) are projected to be higher than in 2022.
- Impairment charges are forecast to represent a minor expense.
- Non-recurring costs are expected to represent around DKK 50m.
- Profit after tax is now expected to be in the range of DKK 3,000-3,200m.
- The outlook is subject to uncertainty and depends on financial market developments and macroeconomic factors which may affect eg the level of impairment charges.

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Group Financial Highlights

	Q1-Q3 2023	Q1-Q3 2022	Index 23/22	Q3 2023	Q3 2022	Full year 2022
Income statement (DKKm)						
Core income	5,227	3,690	142	1,838	1,291	5,194
Trading income	240	177	136	54	61	284
Total income	5,467	3,867	141	1,892	1,352	5,478
Costs, core earnings	2,335	2,288	102	735	714	3,040
Core earnings before impairment	3,132	1,579	198	1,157	638	2,438
Impairment of loans and advances etc	(21)	(87)	-	(5)	(3)	(99)
Core earnings	3,153	1,666	189	1,162	641	2,537
Investment portfolio earnings	58	(158)	-	28	(67)	(141)
Profit before non-recurring items	3,211	1,508	213	1,190	574	2,396
Non-recurring items, net	(37)	13	-	(11)	(12)	9
Profit before tax	3,174	1,521	209	1,179	562	2,405
Tax	765	334	229	262	123	504
Profit for the period	2,409	1,187	203	917	439	1,901

Balance sheet highlights (DKKbn)

Loans and advances at amortised cost	72.1	75.1	96	72.1	75.1	73.9
Loans and advances at fair value	10.9	10.2	107	10.9	10.2	10.4
Deposits and other debt	106.8	106.6	100	106.8	106.6	107.5
Bonds issued at amortised cost	13.2	13.2	100	13.2	13.2	13.2
Subordinated capital	1.1	1.1	100	1.1	1.1	1.1
AT1 capital	0.8	0.7	114	0.8	0.7	0.8
Shareholders' equity	14.3	12.5	114	14.3	12.5	13.2
Total assets	181.0	177.9	102	181.0	177.9	179.3

Financial ratios per share (DKK per share of DKK 10)

EPS	42.1	19.9		16.1	7.4	32.2
Share price at end of period	336.2	208.6		336.2	208.6	292.6
Book value	257.8	219.9		257.8	219.9	233.4
Share price/book value	1.30	0.95		1.30	0.95	1.25
Average number of shares outstanding (in millions)	56.3	57.9		56.1	57.3	57.5
Dividend per share	-	-		-	-	16.77

Other financial ratios and key figures

CET1 ratio	18.5	17.2		18.5	17.2	17.3
T1 capital ratio	19.7	18.4		19.7	18.4	18.6
Capital ratio	20.8	19.7		20.8	19.7	19.6
Pre-tax profit as % p.a. of average equity	30.6	16.1		33.3	17.8	18.9
Post-tax profit as % p.a. of average equity	23.2	12.5		25.8	13.8	14.8
Costs (core earnings) as % of total income	42.7	59.2		38.8	52.8	55.5
Return on assets (%)	1.3	0.7		0.5	0.3	1.1
Interest rate risk	0.6	1.0		0.6	1.0	1.3
Foreign exchange position	1.3	2.1		1.3	2.1	1.8
Foreign exchange risk	0.0	0.0		0.0	0.0	0.0
Liquidity, LCR (%)	249	192		249	192	200
Loans and advances relative to deposits	0.6	0.6		0.6	0.6	0.6
Loans and advances relative to equity	5.0	6.0		5.0	6.0	5.6
Growth in loans and advances during the period	(2.5)	12.1		(3.4)	1.3	10.3
Total large exposures	144	157		144	157	147
Accumulated impairment ratio	2.2	2.1		2.2	2.1	2.1
Impairment ratio for the period	(0.02)	(0.09)		(0.01)	0.00	(0.11)
Number of full-time staff at end of period	2,048	2,040	100	2,048	2,040	2,034

When calculating financial ratios AT1 capital is considered a liability regardless of the fact that it is accounted for as equity.

Reference is made to financial ratio definitions in the 2022 Annual Report (page 127).

Highlights

Sydbank's financial statements for Q1-Q3 2023 show a profit before tax of DKK 3,174m compared with DKK 1,521m in the same period in 2022. Profit before tax equals a return of 30.6% p.a. on average equity.

Profit before tax shows an increase of DKK 1,653m, which is primarily attributable to a rise in net interest income.

Core income constitutes DKK 5,227m compared to DKK 3,690m in 2022 – a rise of DKK 1,537m, equivalent to 42%. The increase is primarily attributable to the effects of higher interest rates.

Core income is at a substantially higher level compared with the expectations presented in the 2022 Annual Report.

Trading income in Q1-Q3 2023 constituted DKK 240m compared with DKK 177m in 2022.

Total income amounts to DKK 5,467m, which is an increase of 41% compared to the same period in 2022.

Costs (core earnings) constituted DKK 2,335m in Q1-Q3 2023 – an increase of DKK 47m compared to the same period in 2022.

Core earnings before impairment total DKK 3,132m for Q1-Q3 2023 – an increase of DKK 1,553m, equivalent to 98% compared to the same period in 2022.

Impairment charges for loans and advances represent an income of DKK 21m compared with an income of DKK 87m in the same period in 2022.

Core earnings for Q1-Q3 2023 represent DKK 3,153m – an increase of DKK 1,487m compared with the same period in 2022.

Non-recurring items etc total an expense of DKK 37m compared to a net income of DKK 13m in the same period in 2022. The item includes costs related to the development of housing loan processes and the development of the bank/insurance partnership.

Profit for the period before tax represents DKK 3,174m compared to DKK 1,521m in 2022 – an increase of DKK 1,653m. Tax represents DKK 765m, equal to an effective tax rate of 24.1%.

Profit for the period amounts to DKK 2,409m compared with DKK 1,187m in the same period in

2022, equal to a return of 23.2% p.a. on average equity.

Sydbank's strategy for 2022-24: "Growing our business"

Growing our business centres on 3 themes:

- Better known and bigger
- Sound business
- Stronger competitive position

Better known and bigger – profitable growth
Sydbank has a good reputation – and needs to be better known. On the back of Denmark's Corporate Bank we will increase awareness of Sydbank focusing in particular on large towns and cities. Our growth is profitable and organic and we are in good shape for friendly takeovers. We will incorporate ESG and sustainability in the Bank's products and processes.

Sound business – higher earnings
At Sydbank focus is on banking and sound business. Our employees are highly qualified, proactive and value-creating. We work on the principle of quid pro quo and will increase the Bank's earnings.

Stronger competitive position – efficient bank
We will prioritise the Bank's efforts and reduce costs. We will optimise working procedures and processes to reduce time spent, enhance quality and shorten response times to customers. As a decent and responsible bank our constant focus is on compliance, including IT security.

Strategic goals represent the values from the Bank's underlying philosophy and its core story with promises to its customers, to its employees and to its shareholders.

The strategic goals cover these areas:

- Awareness
- Return on equity
- Rate of costs

Awareness

By means of targeted efforts we will increase awareness of Sydbank and our value creation for customers. We will elevate unaided brand awareness from its level of around 20% at year-end 2021 to around 40% by the end of the strategy period. At end-Q3 2023 unaided awareness had risen to 24%.

Return on equity

We will continue to deliver competitive returns to the Bank's shareholders and our goal is a return on equity in the region of 10% in 2024 – based on a normalised level of impairment charges. The goal was set in the context of a negative interest rate environment. In Q1-Q3 2023 return on equity constituted 23.2% against 12.5% in Q1-Q3 2022.

Rate of costs

We will continue to focus on the balance between income and costs. This will be achieved by continuing to increase income while maintaining a constant focus on costs. We will prioritise our initiatives and ensure a better understanding of costs throughout the organisation as well as continue to ensure a powerful engine room. The strategic goal for the rate of costs is around 60%. In Q1-Q3 2023 the rate of costs stood at 43% compared with 59% in Q1-Q3 2022.

Sydbank's customers

The Bank's customer portfolio can be divided into the segments: corporate clients, Private Banking clients and retail clients, and institutional clients.

Sydbank has succeeded in building relationships in particular as regards the backbone of the Danish corporate sector – medium-sized and large enterprises – and by developing expertise among its employees the Bank has secured a strong position as a full-service corporate and advisory bank offering a wide variety of professional financing solutions tailored to the requirements of the individual business.

The Bank strives to have an increase in customers primarily with the following profiles:

- Medium-sized or large enterprises in the SME segment with growth potential
- Retail clients with healthy finances
- Young customers with prospects
- Wealthy retail clients

Q1-Q3 2023 performance

Net interest income has risen by DKK 1,679m to DKK 3,304m, equal to an increase of 103% compared with Q1-Q3 2022. The increase is primarily attributable to the effects of higher interest rates.

Total core income has risen by DKK 1,537m to DKK 5,227m, equal to 42% compared with the same period in 2022.

Trading income constituted DKK 240m in Q1-Q3 2023 compared with DKK 177m in the same period in 2022.

Total income has increased by DKK 1,600m to DKK 5,467m.

Costs (core earnings) have gone up by DKK 47m to DKK 2,335m.

Core earnings before impairment for Q1-Q3 2023 represent DKK 3,132m – an increase of DKK 1,553m and equal to 98% compared with the same period in 2022.

Impairment charges for loans and advances represent an income of DKK 21m compared with an income of DKK 87m in the same period in 2022.

Core earnings for Q1-Q3 2023 represent DKK 3,153m – an increase of DKK 1,487m compared with the same period in 2022.

Together the Group's position-taking and liquidity handling generated positive earnings of DKK 58m in Q1-Q3 2023 compared with negative earnings of DKK 158m a year ago.

Non-recurring items etc total an expense of DKK 37m compared to a net income of DKK 13m in the same period in 2022. The item includes costs of DKK 29m related to the development of housing loan processes and DKK 8m related to the development of the bank/ insurance partnership. In addition to the costs related to the housing loan processes and the bank/insurance partnership, DKK 52m was recognised as income in Q1-Q3 2022 as regards extraordinary realised capital gains from the lending portfolio acquired from Alm. Brand Bank.

Profit before tax for Q1-Q3 2023 amounts to DKK 3,174m compared with DKK 1,521m in 2022. Tax represents DKK 765m, equal to an effective tax rate of 24.1%.

Profit for the period amounts to DKK 2,409m compared with DKK 1,187m in 2022.

Return on shareholders' equity before and after tax constitutes 30.6% and 23.2% respectively against 16.1% and 12.5% respectively in the same period in 2022.

Bank loans and advances

Bank loans and advances represented DKK 72.1bn at 30 September 2023 – a decrease of DKK 3.0bn since 30 September 2022 and a decline of DKK 1.8bn compared to year-end 2022.

Bank loans and advances (DKKbn)	30 Sep 2023	31 Dec 2022	30 Sep 2022
Corporate clients	59.7	60.1	62.0
Retail clients	12.4	13.7	13.0
Public authorities	0.0	0.1	0.1
Total	72.1	73.9	75.1

Bank loans and advances to retail clients represent DKK 12.4bn – a decrease of DKK 1.3bn in Q1-Q3 2023.

Bank loans and advances to corporate clients represent DKK 59.7bn – a decrease of DKK 0.4bn in Q1-Q3 2023.

Credit facilities to corporate clients (DKKbn)	30 Sep 2023	31 Dec 2022	30 Sep 2022
Drawn facilities = loans/advances before impairment charges	61.2	61.5	63.5
Undrawn facilities	49.0	42.0	40.1
Total	110.2	103.5	103.6

Credit facilities to corporate clients rose by DKK 6.7bn to DKK 110.2bn in Q1-Q3 2023.

During Q1-Q3 2023 corporate clients drew DKK 0.3bn less under their credit facilities.

Credit intermediation

In addition to traditional bank loans and advances the Group arranges for mortgage loans from Totalkredit and DLR Kredit. The Group's total credit intermediation comprises bank loans and advances, mortgage-like loans funded by Totalkredit as well as mortgage loans arranged through Totalkredit and DLR Kredit.

Total credit intermediation (DKKbn)	30 Sep 2023	31 Dec 2022	30 Sep 2022
Bank loans and advances	72.1	73.9	75.1
Funded mortgage-like loans	4.4	4.9	5.0
Arranged mortgage loans - Totalkredit	85.1	86.4	88.2
Arranged mortgage loans - DLR	14.0	13.6	13.7
Total	175.6	178.8	182.0

The Group's total credit intermediation represents DKK 175.6bn – a decline of DKK 3.2bn compared to year-end 2022. The change is attributable to a decrease in bank loans and advances of DKK 1.8bn, a decline in funded mortgage-like loans of DKK 0.5bn and a drop in arranged mortgage loans of DKK 0.9bn.

Outlook for 2023

Core income is expected to be higher than in 2022.

Costs (core earnings) are projected to be higher than in 2022.

Impairment charges are forecast to represent a minor expense.

Non-recurring costs are expected to represent around DKK 50m.

Profit after tax is now expected to be in the range of DKK 3,000-3,200m.

In connection with the release of the 2022 Annual Report, profit after tax for 2023 was expected to be in the range of DKK 1,900-2,200m.

On 15 March 2023 the Bank revised its expectations for 2023 upwards to a profit after tax in the range of DKK 2,300-2,600m. On 14 June 2023 the Bank revised its expectations upwards to DKK 2,600-2,900m. On 15 September the Bank revised its expectations upwards by DKK 300m to a profit after tax in the range of DKK 2,900-3,200m.

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

Sydbank's core story

Banking

Sydbank's mission is to be a bank that is close to its customers. We find solutions where they are – quickly and efficiently. We build on relationships between people. And we focus on what is important – banking and sound business. Banking – pure and simple.

Our bank

Rooted in Southern Jutland, Sydbank is a strong and independent nationwide bank operating on its own terms. For the backbone of the Danish corporate sector and for retail clients who value professional advice we are a bank for most people but not the same bank for everyone. Good old-fashioned attentiveness, new technology – we use what works. We know our customers and we are close to them providing advice tailored to their individual needs. Backed by the best business partners our competitive strength is increased. Our bank – excellence and relationships create value.

Sydbank

Our bank makes 3 promises – to our customers, to our employees and to our shareholders. You will know us for the value we create for our customers. You will know us for our belief that excellent and committed employees are our most important asset. And you will know us for always having a level of profitability that will enable us to remain an independent and resourceful bank. Sydbank – what can we do for you?

Financial Review – Performance in Q1-Q3 2023

The Sydbank Group has recorded a profit before tax of DKK 3,174m compared to DKK 1,521m in 2022. Profit before tax equals a return of 30.6% p.a. on average equity.

Profit for the period after tax represents DKK 2,409m compared with DKK 1,187m in 2022, equal to a return of 23.2% p.a. on average equity.

Profit for Q1-Q3 2023 exceeds expectations at the beginning of the year.

The financial statements are characterised by the following:

- A rise in core income of DKK 1,537m, equal to 42%
- An increase in trading income of DKK 63m
- A rise in costs (core earnings) of DKK 47m
- Impairment charges for loans and advances: an income of DKK 21m
- A rise in core earnings of DKK 1,487m to DKK 3,153m
- Investment portfolio earnings of DKK 58m
- Non-recurring items etc: an expense of DKK 37m
- Bank loans and advances of DKK 72.1bn (year-end 2022: DKK 73.9bn)
- Bank deposits of DKK 106.8bn (year-end 2022: DKK 107.5bn)
- A CET1 ratio of 18.5% (year-end 2022: 17.3%)
- An individual solvency need of 10.5% (year-end 2022: 10.8%)

Income statement – Q1-Q3 (DKKm)	2023	2022
Core income	5,227	3,690
Trading income	240	177
Total income	5,467	3,867
Costs, core earnings	2,335	2,288
Core earnings before impairment	3,132	1,579
Impairment of loans and advances etc	(21)	(87)
Core earnings	3,153	1,666
Investment portfolio earnings	58	(158)
Profit before non-recurring items	3,211	1,508
Non-recurring items, net	(37)	13
Profit before tax	3,174	1,521
Tax	765	334
Profit for the period	2,409	1,187

Core income

Total core income has risen by DKK 1,537m or 42% to DKK 5,227m. The increase is primarily attributable to higher net interest income.

Net interest income has gone up by DKK 1,679m to DKK 3,304m. The increase is primarily attributable to the effects of a higher interest rate level.

Net interest income represented DKK 986m in Q1, DKK 1,116m in Q2 and DKK 1,202m in Q3. At 3 October 2023 the Bank raised the deposit rates of all deposits in DKK and EUR by a minimum of 0.25%. The effects of the interest rate changes are that the Bank expects that net interest income in Q4 will be lower than in Q3 2023.

Net income from the cooperation with Totalkredit represents DKK 304m (2022: DKK 420m) after a set-off of loss of DKK 5m (2022: DKK 5m). The cooperation with DLR Kredit has generated an income of DKK 96m (2022: DKK 95m). Compared to 2022 total mortgage credit income represents DKK 401m – a decline of DKK 116m. The decrease is primarily attributable to funded mortgage-like loans and a slowdown in the housing market. It is expected that this income will reach a normal level as the announced interest rate increases take effect.

Income from remortgaging and loan fees has gone down by DKK 46m to DKK 134m – a drop of 26% compared with the same period in 2022. The decline is attributable to a lower level of activity.

The remaining income components have grown by DKK 20m – a rise of 1% compared with the same period in 2022.

Core income – Q1-Q3 (DKKm)	2023	2022
Net interest etc	3,304	1,625
Mortgage credit	401	517
Payment services	196	175
Remortgaging and loan fees	134	180
Commission and brokerage	347	352
Commission etc investment funds and pooled pension plans	230	239
Asset management	260	267
Custody account fees	72	91
Other operating income	283	244
Total	5,227	3,690

Trading income

Compared with a year ago trading income has gone up by DKK 63m to DKK 240m. Trading income is considered highly satisfactory.

Costs and depreciation

The Group's costs and depreciation total DKK 2,377m – an increase of DKK 45m compared to the same period in 2022.

Costs and depreciation – Q1-Q3 (DKKm)	2023	2022
Staff costs	1,360	1,308
Other administrative expenses	887	906
Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	105	97
Other operating expenses	25	21
Total	2,377	2,332
Distributed as follows:		
Costs, core earnings	2,335	2,288
Costs, investment portfolio earnings	5	5
Non-recurring costs	37	39

Costs (core earnings) represent DKK 2,335m against DKK 2,288m in the same period in 2022.

At 30 September 2023 the Group's staff numbered 2,048 (full-time equivalent) compared to 2,040 at 30 September 2022 and 2,034 at 31 December 2022.

Compared to year-end 2022 the number of branches has gone down by 1 and is 54 in Denmark and 3 in Germany at end-September 2023.

Core earnings before impairment of loans and advances

Core earnings before impairment charges for loans and advances represent DKK 3,132m – an increase of DKK 1,553m or 98% compared to the same period in 2022.

Impairment of loans and advances etc

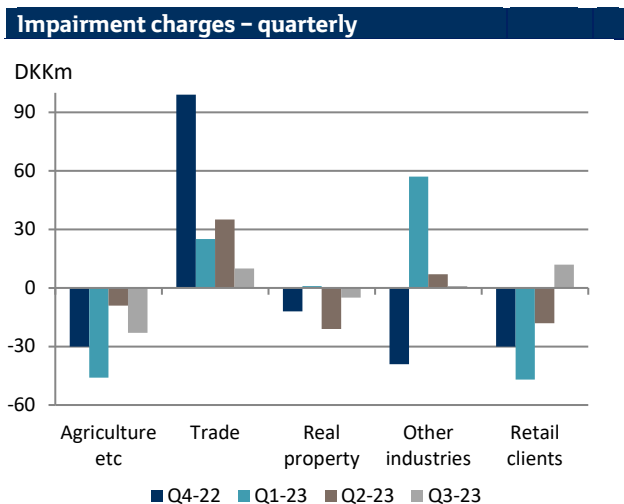
Impairment charges for loans and advances represent an income of DKK 21m compared with an income of DKK 87m in the same period in 2022.

At 30 September 2023 the Group maintained its management estimate of DKK 500m to hedge macroeconomic uncertainty. The management estimate consists of DKK 400m as regards corporate clients and DKK 100m as regards retail clients.

The management estimate as regards macroeconomic risks covers potential losses related to the negative

effects of a high inflation rate as well as the risk of a recession etc.

The chart below shows impairment charges for loans and advances in the last 4 quarters as regards agriculture etc, trade, real property, other industries as well as retail clients.



At 30 September 2023 accumulated impairment and provisions amounted to DKK 1,971m (year-end 2022: DKK 1,929m).

In Q1-Q3 2023 reported losses amounted to DKK 49m (Q1-Q3 2022: DKK 33m). Of the reported losses an impairment charge of DKK 30m has previously been recorded (Q1-Q3 2022: DKK 20m).

At 30 September 2023 the impairment ratio for the period represented minus 0.02% relative to bank loans and advances and guarantees.

Impairment charges are made for expected credit losses as regards all financial assets measured at amortised cost and similar provisions are made for expected credit losses as regards undrawn credit commitments and financial guarantees. Impairment charges for expected credit losses depend on whether the credit risk of a financial asset has increased significantly since initial recognition and follow a 3-stage model. The portfolio in stage 3 acquired from Alm. Brand Bank is recognised under "credit impaired at initial recognition":

Stage 1 – facilities with no significant increase in credit risk. The asset is written down by an amount equal to the expected credit loss as a result of the probability of default over the coming 12 months.

Stage 2 – facilities with a significant increase in credit risk. The asset is transferred to stage 2 and is written down by an amount equal to the expected credit loss over the life of the asset.

Stage 3 – facilities where the financial asset is in default or is otherwise credit impaired.

Credit impaired at initial recognition (POCI) – facilities which were credit impaired at the time of acquisition of Alm. Brand Bank. They are recognised on acquisition at the fair value of the debt acquired.

The Group's loans and advances and impairment charges at 30 September 2023 allocated to these stages are shown below.

Loans/advances and impairment charges – 30 Sep 2023					
(DKKm)	Stage 1	Stage 2	Stage 3	POCI	Total
Loans/advances before impairment charges	64,918	7,610	1,259	114	73,901
Impairment charges	365	696	736		1,797
Total loans/advances	64,553	6,914	523	114	72,104

30 Sep 2023	Stage 1	Stage 2	Stage 3	POCI	Total
Impairment charges as % of bank loans/advances	0.6	9.1	58.5	-	2.4
Share of bank loans/advances before impairment charges (%)	87.8	10.3	1.7	0.2	100
Share of bank loans/advances after impairment charges (%)	89.5	9.6	0.7	0.2	100

Credit impaired bank loans and advances – stage 3 – represent 1.7% (year-end 2022: 1.6%) of total bank loans and advances before impairment charges and 0.7% (year-end 2022: 0.7%) of total bank loans and advances after impairment charges.

Credit impaired bank loans and advances acquired from Alm. Brand Bank – credit impaired at initial recognition – amount to 0.2% of total bank loans and advances before impairment charges and 0.2% of total bank loans and advances after impairment charges.

Impairment charges concerning credit impaired bank loans and advances as a percentage of credit impaired bank loans and advances at 30 September 2023 stand at 58.5% (year-end 2022: 57.0%).

Core earnings

Core earnings for Q1-Q3 2023 represent DKK 3,153m – an increase of DKK 1,487m compared with the same period in 2022.

Investment portfolio earnings

Together the Group's position-taking and liquidity handling generated positive earnings of DKK 58m in Q1-Q3 2023 compared to negative earnings of DKK 158m a year ago.

Investment portfolio earnings – Q1-Q3 (DKKm)	2023	2022
Position-taking	(5)	(87)
Liquidity generation and liquidity reserves	72	(65)
Strategic positions	(4)	(1)
Costs	(5)	(5)
Total	58	(158)

The interest rate risk was positive at end-Q1-Q3 2023 and consequently the Group would suffer a loss in the event of interest rate increases. In terms of the Group's bond portfolios – including cash resources – the interest rate risk is considered to be modest.

Non-recurring items, net

Non-recurring items represent an expense of DKK 37m compared to a net income of DKK 13m in Q1-Q3 2022.

In Q1-Q3 2023 the item included costs of DKK 29m related to the development of housing loan processes and DKK 8m related to the development of the bank/insurance partnership.

In addition to the costs related to the housing loan processes and the bank/insurance partnership, DKK 52m was recognised as income in Q1-Q3 2022 as regards extraordinary realised capital gains from the lending portfolio acquired from Alm. Brand Bank.

Profit for the period

Profit before tax for Q1-Q3 2023 amounts to DKK 3,174m compared with DKK 1,521m in 2022. Tax represents DKK 765m, equal to an effective tax rate of 24.1%. Profit for the period amounts to DKK 2,409m compared with DKK 1,187m in 2022.

Return

Return on shareholders' equity after tax constitutes 23.2% against 12.5% in Q1-Q3 2022.

Earnings per share stands at DKK 42.1 compared with DKK 19.9 in 2022.

Subsidiaries

Profit after tax of the subsidiaries represents DKK 85m (Q1-Q3 2022: DKK 25m).

Group – Q3 2023 compared with Q2 2023

The Group's profit before tax for the quarter represents DKK 1,179m (Q2 2023: DKK 1,015m).

Compared to Q2 2023 profit before tax reflects:

- a rise in core income of DKK 84m due to a rise in net interest income
- a drop in trading income of DKK 15m
- a decline in costs (core earnings) of DKK 68m

- impairment charges for loans and advances: an income of DKK 5m (Q2: income of DKK 6m)
- investment portfolio earnings of DKK 28m (Q2: DKK 1m)

Quarterly results (DKKm)	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Core income	1,838	1,754	1,635	1,504	1,291	1,199	1,200
Trading income	54	69	117	107	61	16	100
Total income	1,892	1,823	1,752	1,611	1,352	1,215	1,300
Costs, core earnings	735	803	797	752	714	775	799
Core earnings before impairment	1,157	1,020	955	859	638	440	501
Impairment of loans and advances etc	(5)	(6)	(10)	(12)	(3)	(23)	(61)
Core earnings	1,162	1,026	965	871	641	463	562
Investment portfolio earnings	28	1	29	17	(67)	(62)	(29)
Profit before non-recurring items	1,190	1,027	994	888	574	401	533
Non-recurring items, net	(11)	(12)	(14)	(4)	(12)	(12)	37
Profit before tax	1,179	1,015	980	884	562	389	570
Tax	262	257	246	170	123	86	125
Profit for the period	917	758	734	714	439	303	445

Total assets

At 30 September 2023 the Group's total assets made up DKK 181.0bn (year-end 2022: DKK 179.3bn).

Assets (DKKbn)	30 Sep 2023	31 Dec 2022
Amounts owed by credit institutions etc	33.6	30.1
Loans and advances at fair value (reverse transactions)	10.9	10.5
Loans and advances at amortised cost (bank loans and advances)	72.1	73.9
Securities and holdings etc	33.3	33.8
Assets related to pooled plans	21.6	20.6
Other assets etc	9.5	10.4
Total	181.0	179.3

The Group's bank loans and advances totalled DKK 72.1bn at 30 September 2023. Compared to year-end 2022 this is a decline of DKK 1.8bn.

As a consequence of a political agreement to defer payment of A tax and social security contributions for July and August 2023 to October/November 2023 and February 2024 respectively, the Group's corporate lending was adversely affected in Q3 2023.

Equity and liabilities (DKKbn)	30 Sep 2023	31 Dec 2022
Amounts owed to credit institutions etc	6.8	5.5
Deposits and other debt	106.8	107.5
Deposits in pooled plans	21.6	20.6
Bonds issued	13.2	13.2
Other liabilities etc	16.2	17.2
Provisions	0.2	0.2
Subordinated capital	1.1	1.1
Equity	15.1	14.0
Total	181.0	179.3

The Group's deposits make up DKK 106.8bn – a decline of DKK 0.7bn compared to year-end 2022.

Equity

At 30 September 2023 shareholders' equity constituted DKK 14,329m – an increase of DKK 1,144m since the beginning of the year. The change comprises additions from comprehensive income for the period of DKK 2,404m, net purchases of own shares etc of DKK 301m as well as dividend paid of DKK 959m.

Capital

The Bank announced a new share buyback programme of DKK 600m on 6 July. The share buyback is part of the adjustment to optimise the capital structure in

accordance with the Bank's capital targets and capital policy.

The share buyback programme was initiated on 10 July 2023 and will be completed by 31 January 2024.

At 30 September shares totalling DKK 280m had been repurchased.

On 6 September 2023 the Group issued an SNP loan of EUR 500m. This issue constitutes the natural refinancing of existing SNP loans.

On 16 September 2023 the Group redeemed an SNP loan of EUR 500m.

As part of the efforts to optimise the capital structure the Group will look into the possibilities of issuing supplementary capital of around EUR 100m in Q4 2023.

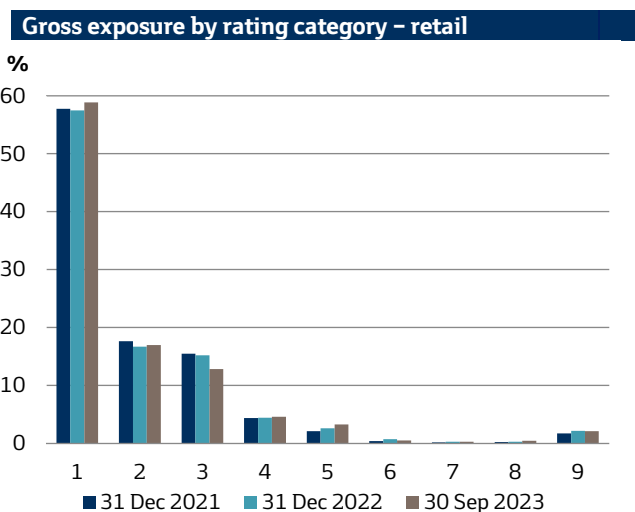
Risk exposure amount

The risk exposure amount represents DKK 60.1bn (year-end 2022: DKK 60.5bn).

REA (DKKbn)	30 Sep 2023	31 Dec 2022
Credit risk	41.0	41.0
Market risk	5.1	5.4
Operational risk	8.1	8.1
Other exposures, incl CVA	5.9	6.0
Total	60.1	60.5

Retail

The development in the gross exposure by rating category at 31 December 2021, 31 December 2022 and 30 September 2023 is shown below.



The gross exposure consists of loans and advances, undrawn credit commitments, interest receivable, guarantees and counterparty risk on derivatives. The graph comprises exposures treated according to A-IRB. Exposures relating to customers in default are not included in the breakdown of rating categories. Impairment charges for exposures have not been deducted from the exposure.

The gross exposure by rating category shows that a large share continues to be in the 4 best rating categories.

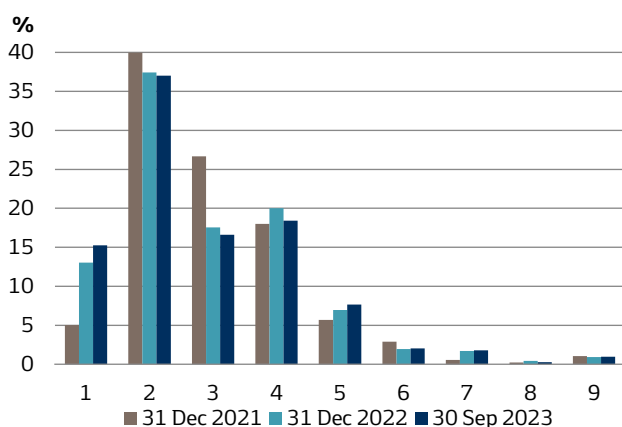
Corporate

The Group has previously used the foundation IRB approach as regards corporate exposures. The Group achieved approval from the Danish FSA as of 31 October 2022 to use the advanced IRB approach (A-IRB) to rate corporate exposures. The implementation of A-IRB has resulted in an adjustment of the PD level which in turn has affected the correlation between PD and rating categories.

With the new A-IRB approach the EBA guidelines and the new definition of default have been implemented.

The development in the gross exposure by rating category is illustrated below. Historical data is treated according to the new A-IRB approach.

Gross exposure by rating category – corporate



The gross exposure consists of loans and advances, undrawn credit commitments, interest receivable, guarantees and counterparty risk on derivatives. The graph comprises exposures treated according to A-IRB. Exposures relating to customers in default are not included in the breakdown of rating categories. Impairment charges for exposures have not been deducted from the exposure.

The gross exposure by rating category shows that a large share continues to be in the 4 best rating categories.

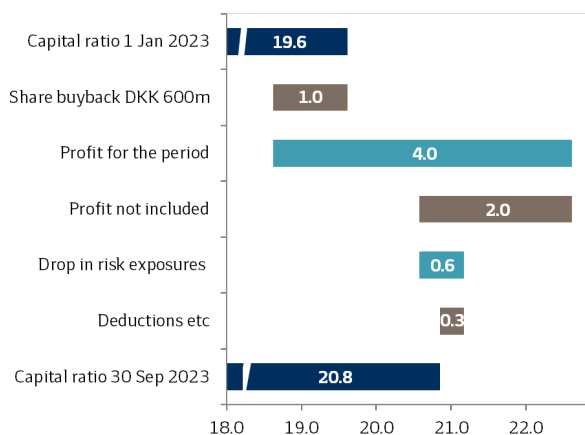
Solvency

Solvency (DKKm)	30 Sep 2023	31 Dec 2022
REA	60,138	60,472
CET1 capital	11,120	10,484
T1 capital	11,865	11,227
Total capital	12,504	11,863
CET1 ratio	18.5	17.3
T1 capital ratio	19.7	18.6
Capital ratio	20.8	19.6

At 30 September 2023 the CET1 ratio and the capital ratio stood at 18.5% and 20.8% respectively compared to 17.3% and 19.6% respectively at year-end 2022.

The development in the capital ratio in Q1-Q3 2023 is shown below.

Capital ratio in Q1-Q3 2023



In Q1-Q3 2023 the capital ratio rose by 1.2pp, which is attributable to the inclusion of half of profit for the period as well as a drop in risk exposures set off against the effect of the initiated share buyback programme as well as a rise in deductions etc.

At 30 September 2023 the individual solvency need represented 10.5% (31 December 2022: 10.8%).

Solvency of the parent

At 30 September 2023 the CET1 ratio and the capital ratio of the parent stood at 17.9% and 20.1% respectively (31 December 2022: 16.8% and 19.0% respectively).

Capital and solvency and capital requirements

The Group's capital management is anchored in the Internal Capital Adequacy Assessment Process (ICAAP), a review conducted to identify risks and determine the individual solvency need.

At end-September 2023 the individual solvency need represented 10.5%. The solvency need consists of a minimum capital requirement of 8% under Pillar I and a capital add-on under Pillar II. Approximately 56% of the solvency need must be covered by CET1 capital, equivalent to 5.9% of the risk exposure amount.

In addition to the solvency need the Group must meet a combined buffer requirement of 5.8% at 30 September 2023.

Capital and solvency and capital requirements (% of REA)	30 Sep 2023	31 Dec 2022
Capital and solvency		
CET1 ratio	18.5	17.3
T1 capital ratio	19.7	18.6
Capital ratio	20.8	19.6
Capital requirements (incl buffers)*		
Total capital requirement	16.3	16.1
CET1 capital requirement	11.7	11.4
- of which SIFI buffer	1.0	1.0
- of which capital conservation buffer	2.5	2.5
- of which countercyclical buffer**	2.3	1.8
Excess capital		
CET1 capital	6.8	5.9
Total capital	4.5	3.5

* The total capital requirement consists of an individual solvency need and a combined buffer requirement. The countercyclical buffer is determined by the Danish Ministry of Industry, Business and Financial Affairs and may not exceed 2.5%. The rate currently makes up 2.5%.

** The countercyclical buffer is calculated as an exposure weighted average of the specific rates as regards the countries in which the companies to which exposures have been granted are domiciled. The rate as regards exposures to companies domiciled in Denmark constitutes 2.5%.

Market risk

At 30 September 2023 the Group's interest rate risk represented DKK 74m. The Group's exchange rate risk continues to be very low and its equity position modest.

Funding and liquidity

The guidelines for calculating the Liquidity Coverage Ratio (LCR) specify a run-off of exposures while taking into account counterparties, funding size, hedging and maturity. Consequently the most stable deposits are favoured relative to large deposits, in particular from businesses and financial counterparties.

The Group's LCR constituted 249% at 30 September 2023 (31 December 2022: 200%).

LCR (DKKbn)	30 Sep 2023	31 Dec 2022	30 Sep 2022
Total liquidity buffer	57.5	56.5	51.5
Net cash outflows	23.1	28.2	26.8
LCR (%)	249	200	192

The Group meets the LCR requirement of 100% and its excess cover is significant at 30 September 2023.

NSFR

The guidelines for calculating the Net Stable Funding Ratio (NSFR) require that the available stable funding exceeds the required stable funding. The required stable funding is calculated on the basis of the balance sheet values and degree of stability of assets where the strictest requirements in terms of degree of stability are imposed on long-term illiquid assets. The available stable funding is calculated on the basis of the balance sheet values and degree of stability of the

funding where the highest degrees of stability apply to equity and long-term funding.

The Group's NSFR constituted 138% at 30 September 2023 (year-end 2022: 132%).

NSFR (DKKbn)	30 Sep 2023	31 Dec 2022	30 Sep 2022
Required stable funding	87.1	89.7	89.5
Available stable funding	120.5	118.2	115.1
NSFR (%)	138	132	128

The Group meets the NSFR requirement of 100% and its excess cover is significant at 30 September 2023.

Rating

Moody's most recent rating of Sydbank:

- Outlook: Stable
- Long-term deposit: A1
- Baseline Credit Assessment: Baa1
- Senior unsecured: A1
- Short-term deposit: P-1

Supervisory Diamond

The Supervisory Diamond sets up a number of benchmarks to indicate banking activities that initially should be regarded as involving a higher risk. Any breach of the Supervisory Diamond is subject to reactions by the Danish FSA.

At 30 September 2023 the Group as well as the parent comply with all the benchmarks of the Supervisory Diamond.

Supervisory Diamond benchmarks	30 Sep 2023	31 Dec 2022	30 Sep 2022
Sum of 20 largest exposures < 175%	144	147	157
Lending growth < 20% annually	(4)	10	17
Commercial property exposure < 25%	9	8	8
Excess liquidity coverage > 100%	260	222	212

Subordinated debt and MREL requirements

Once a year the Danish FSA sets requirements as to subordinated debt and own funds and eligible liabilities (MREL) for Danish institutions, including Sydbank.

At 1 January 2023 the subordinated debt and MREL requirements were set at 27.1% and 24.7% respectively of the risk exposure amount.

The subordinated debt requirement can be calculated as follows:

Subordinated debt at 30 Sep 2023	Requirement (%)	DKKm
REA		60,138
Total requirement	27.1	16,297
Total capital		12,504
SNP loans with maturities exceeding 1 year		13,214
Total subordinated debt	42.8	25,718
Excess cover	15.7	9,421

At 30 September 2023 the Group met the subordinated debt requirement with an excess cover of DKK 9,421m. The excess cover corresponds to an increase in the solvency need of 7.8pp or an increase in the risk exposure amount of DKK 34,764m.

The MREL can be calculated as follows:

MREL at 30 Sep 2023	Requirement (%)	DKKm
REA		60,138
Total requirement	24.7	14,854
Total capital		12,504
SNP loans with maturities exceeding 1 year		13,214
Cover of combined buffer requirement		(3,498)
Total MREL	36.9	22,220
Excess cover	12.2	7,366

At 30 September 2023 the Group met the MREL with an excess cover of DKK 7,366m. The excess cover corresponds to an increase in the solvency need of 6.1pp or an increase in the risk exposure amount of DKK 29,822m.

Leverage ratio

The CRR2 Regulation stipulates that T1 capital must constitute at least 3% of total exposures.

The Group's leverage ratio constituted 6.2% at 30 September 2023 (year-end 2022: 6.1%) taking into account the transitional rules.

SIFI

Sydbank has been designated as a SIFI in Denmark and there is an additional buffer requirement of 1% as regards CET1 capital. The intention is to bring Danish SIFI capital requirements on a par with the requirements in other comparable European countries.

Bank Recovery and Resolution Directive

The directive, including the bail-in provisions, was implemented in Danish law on 1 June 2015. According to legislation each credit institution must meet a minimum requirement for own funds and

eligible liabilities (MREL). In December 2022 the Danish FSA set the MREL for Sydbank at 24.7% of the risk exposure amount for the year ahead.

The general resolution principle for SIFIs is that it should be possible to restructure them and send them back to the market with adequate capitalisation to ensure market confidence. The Group's MREL is based on the risk exposure amount using a factor which has been set at the sum of twice the solvency need plus the combined capital buffer requirement, excluding the countercyclical buffer.

The establishment of a resolution fund is underway. Credit institutions must make contributions to the fund according to their relative size and risk in Denmark.

The resolution fund must be established and have assets at its disposal equal to at least 1% of the covered deposits of all Danish credit institutions by 31 December 2024.

The Group's contribution to the resolution fund for 2023 is expected to represent DKK 32m.

Basel IV

Since the Basel Committee on Banking Supervision published its recommendations regarding changes to the calculation of capital requirements – Basel IV – in 2017, the EU has worked on implementing these changes into CRR (regulation) or CRD (directive). Some of the proposed changes have already been implemented and at the end of 2021 the EU proposed implementing the remaining elements. It is expected that this implementation will take place on 1 January 2025 and that it will take place over an extended period of time and with significant transitional rules. The Group expects that the proposed changes will have a limited effect on the Group's capital requirements.

Sector-specific systemic risk buffer

On 3 October 2023 the Systemic Risk Council recommended that effective 30 June 2024 a sector-specific systemic risk buffer for exposures to real estate companies at a rate of 7% of the exposures' risk-weighted assets be activated.

The council recommends that the measure applies exclusively to exposures to real estate companies, ie under activity code "Development of building projects" as well as "Real estate" and that exposures to "Social housing associations" and "Cooperative housing societies" under activity code "Real estate" be exempt.

It should be noted that the government indicated already on 3 October 2023 that it intends to comply with the recommendation. As a result the Bank will be subject to a sector-specific systemic risk buffer of approx 0.2% in addition to the regulatory capital requirements.

Income Statement

DKKm	Note	Sydbank Group			
		Q1-Q3 2023	Q1-Q3 2022	Q3 2023	Q3 2022
Interest income calculated using the effective interest method		3,584	1,797	1,340	657
Other interest income		815	260	306	102
Interest income	2	4,399	2,057	1,646	759
Interest expense	3	1,081	294	455	91
Net interest income		3,318	1,763	1,191	668
Dividends on shares		20	28	0	0
Fee and commission income	4	1,833	2,026	635	652
Fee and commission expense	4	222	234	94	69
Net interest and fee income		4,949	3,583	1,732	1,251
Market value adjustments	5	557	165	183	30
Other operating income		19	18	6	5
Staff costs and administrative expenses	6	2,248	2,215	698	690
Amortisation/depreciation and impairment of intangible assets and property, plant and equipment		105	97	43	31
Other operating expenses	8	25	21	8	7
Impairment of loans and advances etc	9	(21)	(84)	(5)	(2)
Profit/(Loss) on holdings in associates and subsidiaries	10	6	4	2	2
Profit before tax		3,174	1,521	1,179	562
Tax	11	765	334	262	123
Profit for the period		2,409	1,187	917	439
Distribution of profit for the period					
Shareholders of Sydbank A/S		2,374	1,151	904	427
Holders of AT1 capital		29	29	10	9
Minority shareholders		6	7	3	3
Total amount to be allocated		2,409	1,187	917	439
Interest paid to holders of AT1 capital		29	29	10	9
Minority shareholders		6	7	3	3
Transfer to equity		2,374	1,151	904	427
Total amount allocated		2,409	1,187	917	439
EPS Basic for the period (DKK) *		42.1	19.9	16.1	7.4
EPS Diluted for the period (DKK) *		42.1	19.9	16.1	7.4
Dividend per share (DKK)		-	-	-	-

* Calculated on the basis of average number of shares outstanding, see page 20.

Statement of Comprehensive Income

Profit for the period	2,409	1,187	917	439
Other comprehensive income				
Items that may not be reclassified to the income statement:				
Value adjustment of certain strategic shares	30	(4)	13	10
Other comprehensive income after tax	30	(4)	13	10
Comprehensive income for the period	2,439	1,183	930	449

Balance Sheet

DKKm	Note	Sydbank Group		
		30 Sep 2023	31 Dec 2022	30 Sep 2022
Assets				
Cash and balances on demand at central banks		11,178	8,134	12,982
Amounts owed by credit institutions and central banks	12	22,385	21,959	21,604
Loans and advances at fair value		10,940	10,490	10,248
Loans and advances at amortised cost	13	72,104	73,933	75,130
Bonds at fair value		30,119	30,553	24,189
Shares etc		2,966	3,064	2,757
Holdings in associates etc		163	165	163
Assets related to pooled plans		21,641	20,597	20,304
Intangible assets		340	364	375
Owner-occupied property		1,106	1,125	1,124
Owner-occupied property (leasing)		88	103	91
Total land and buildings		1,194	1,228	1,215
Other property, plant and equipment		32	48	30
Current tax assets		16	565	516
Deferred tax assets		68	8	6
Other assets	14	7,816	8,139	8,295
Prepayments		66	71	64
Total assets		181,028	179,318	177,878
Equity and liabilities				
Amounts owed to credit institutions and central banks	15	6,846	5,483	5,363
Deposits and other debt	16	106,756	107,501	106,591
Deposits in pooled plans		21,641	20,597	20,304
Bonds issued at amortised cost		13,214	13,242	13,243
Current tax liabilities		125	10	3
Other liabilities	17	15,955	17,180	17,591
Deferred income		14	12	11
Total liabilities		164,551	164,025	163,106
Provisions	18	242	197	379
Subordinated capital	19	1,118	1,115	1,115
Equity:				
Share capital		565	584	584
Revaluation reserves		144	144	132
Other reserves:				
Reserves according to articles of association		425	425	425
Reserve for net revaluation according to equity method		2	2	2
Retained earnings		13,193	11,071	11,348
Proposed dividend etc		-	959	-
Shareholders of Sydbank A/S		14,329	13,185	12,491
Holder of AT1 capital		749	757	747
Minority shareholders		39	39	40
Total equity		15,117	13,981	13,278
Total equity and liabilities		181,028	179,318	177,878

Financial Highlights – Quarterly

	Sydbank Group						
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
	2023	2023	2023	2022	2022	2022	2022
Income statement (DKKm)							
Core income	1,838	1,754	1,635	1,504	1,291	1,199	1,200
Trading income	54	69	117	107	61	16	100
Total income	1,892	1,823	1,752	1,611	1,352	1,215	1,300
Costs, core earnings	735	803	797	752	714	775	799
Core earnings before impairment	1,157	1,020	955	859	638	440	501
Impairment of loans and advances etc	(5)	(6)	(10)	(12)	(3)	(23)	(61)
Core earnings	1,162	1,026	965	871	641	463	562
Investment portfolio earnings	28	1	29	17	(67)	(62)	(29)
Profit before non-recurring items	1,190	1,027	994	888	574	401	533
Non-recurring items, net	(11)	(12)	(14)	(4)	(12)	(12)	37
Profit before tax	1,179	1,015	980	884	562	389	570
Tax	262	257	246	170	123	86	125
Profit for the period	917	758	734	714	439	303	445
Balance sheet highlights (DKKbn)							
Loans and advances at amortised cost	72.1	74.6	75.1	73.9	75.1	74.2	71.6
Loans and advances at fair value	10.9	9.7	9.9	10.4	10.2	12.9	21.2
Deposits and other debt	106.8	102.7	101.5	107.5	106.6	100.2	93.1
Bonds issued at amortised cost	13.2	13.2	13.2	13.2	13.2	9.6	9.6
Subordinated capital	1.1	1.1	1.1	1.1	1.1	1.1	1.1
AT1 capital	0.8	0.8	0.7	0.8	0.7	0.8	0.7
Shareholders' equity	14.3	13.7	13.0	13.2	12.5	12.2	12.2
Total assets	181.0	179.3	174.5	179.3	177.9	169.1	163.1
Financial ratios per share (DKK per share of DKK 10)							
EPS	16.1	13.2	12.8	12.5	7.4	5.0	7.4
Share price at end of period	336.2	315.2	308.8	292.6	208.6	217.2	230.8
Book value	257.8	242.7	229.4	233.4	219.9	212.3	208.7
Share price/book value	1.30	1.30	1.35	1.25	0.95	1.02	1.11
Average number of shares outstanding (in millions)	56.1	56.5	56.5	56.6	57.3	58.0	58.4
Dividend per share	-	-	-	16.77	-	-	-
Other financial ratios and key figures							
CET1 ratio	18.5	18.7	18.2	17.3	17.2	16.6	16.5
T1 capital ratio	19.7	20.0	19.4	18.6	18.4	17.8	17.8
Capital ratio	20.8	21.0	20.5	19.6	19.7	19.1	19.1
Pre-tax profit as % p.a. of average equity	33.3	30.1	29.6	27.3	17.8	12.4	18.1
Post-tax profit as % p.a. of average equity	25.8	22.4	22.1	22.0	13.8	9.6	14.1
Costs (core earnings) as % of total income	38.8	44.0	45.5	46.7	52.8	63.8	61.5
Return on assets (%)	0.5	0.4	0.4	0.4	0.3	0.2	0.3
Interest rate risk	0.6	1.0	0.6	1.3	1.0	1.4	1.2
Foreign exchange position	1.3	1.8	5.4	1.8	2.1	3.3	1.6
Foreign exchange risk	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Liquidity, LCR (%)	249	227	195	200	192	170	171
Loans and advances relative to deposits	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Loans and advances relative to equity	5.0	5.4	5.8	5.6	6.0	6.1	5.9
Growth in loans and advances during the period	(3.4)	(0.7)	1.6	(1.6)	1.3	3.6	6.8
Total large exposures	144	142	144	147	157	154	150
Accumulated impairment ratio	2.2	2.1	2.1	2.1	2.1	2.0	2.1
Impairment ratio for the period	(0.01)	(0.01)	(0.01)	(0.01)	0.00	(0.02)	(0.06)
Number of full-time staff at end of period	2,048	2,053	2,062	2,034	2,040	2,017	2,059

When calculating financial ratios AT1 capital is considered a liability regardless of the fact that it is accounted for as equity. Reference is made to financial ratio definitions in the 2022 Annual Report (page 127).

Financial Highlights – Q1-Q3

	Sydbank Group				
	Q1-Q3 2023	Q1-Q3 2022	Q1-Q3 2021	Q1-Q3 2020	Q1-Q3 2019
Income statement (DKKm)					
Core income	5,227	3,690	3,280	2,711	2,729
Trading income	240	177	188	204	186
Total income	5,467	3,867	3,468	2,915	2,915
Costs, core earnings	2,335	2,288	2,395	2,046	2,080
Core earnings before impairment	3,132	1,579	1,073	869	835
Impairment of loans and advances etc	(21)	(87)	(311)	46	(49)
Core earnings	3,153	1,666	1,384	823	884
Investment portfolio earnings	58	(158)	(26)	(33)	(47)
Profit before non-recurring items	3,211	1,508	1,358	790	837
Non-recurring items, net	(37)	13	(76)	(55)	(27)
Profit before tax	3,174	1,521	1,282	735	810
Tax	765	334	269	162	152
Profit for the period	2,409	1,187	1,013	573	658
Balance sheet highlights (DKKbn)					
Loans and advances at amortised cost	72.1	75.1	64.3	56.0	60.9
Loans and advances at fair value	10.9	10.2	19.1	16.1	12.5
Deposits and other debt	106.8	106.6	94.1	82.9	89.1
Bonds issued at amortised cost	13.2	13.2	9.6	7.4	7.4
Subordinated capital	1.1	1.1	1.9	1.9	1.9
AT1 capital	0.8	0.7	0.8	0.8	0.8
Shareholders' equity	14.3	12.5	12.5	11.5	10.8
Total assets	181.0	177.9	164.5	151.1	162.5
Financial ratios per share (DKK per share of DKK 10)					
EPS	42.1	19.9	16.4	9.1	10.3
Share price at end of period	336.2	208.6	192.0	99.6	120.8
Book value	257.8	219.9	210.8	194.2	181.3
Share price/book value	1.30	0.95	0.91	0.51	0.67
Average number of shares outstanding (in millions)	56.3	57.9	59.3	59.0	60.7
Dividend per share	-	-	5.70	-	-
Other financial ratios and key figures					
CET1 ratio	18.5	17.2	16.8	20.1	16.2
T1 capital ratio	19.7	18.4	18.1	21.8	17.8
Capital ratio	20.8	19.7	21.5	25.6	21.2
Pre-tax profit as % p.a. of average equity	30.6	16.1	13.7	8.3	9.7
Post-tax profit as % p.a. of average equity	23.2	12.5	10.7	6.4	7.8
Costs (core earnings) as % of total income	42.7	59.2	69.1	70.2	71.4
Return on assets (%)	1.3	0.7	0.6	0.4	0.4
Interest rate risk	0.6	1.0	0.5	1.0	1.3
Foreign exchange position	1.3	2.1	2.5	2.0	2.5
Foreign exchange risk	0.0	0.0	0.0	0.0	0.0
Liquidity, LCR (%)	249	192	202	231	133
Loans and advances relative to deposits	0.6	0.6	0.6	0.6	0.6
Loans and advances relative to equity	5.0	6.0	5.3	5.1	5.6
Growth in loans and advances during the period	(2.5)	12.1	6.7	(7.6)	(0.2)
Total large exposures	144	157	146	153	153
Accumulated impairment ratio	2.2	2.1	2.2	2.8	3.1
Impairment ratio for the period	(0.02)	(0.09)	(0.36)	0.06	(0.06)
Number of full-time staff at end of period	2,048	2,040	2,109	1,983	2,074

When calculating financial ratios AT1 capital is considered a liability regardless of the fact that it is accounted for as equity. Reference is made to financial ratio definitions in the 2022 Annual Report (page 127).

Statement of Changes in Equity

DKKm	Share capital	Revaluation reserves	Reserves acc to articles of association*	Reserve for net revaluation acc to equity method	Retained earnings	Proposed dividend etc	Shareholders of Sydbank A/S	Sydbank Group		
								AT1 capital**	Minority shareholders	Total equity
Equity at 1 Jan 2023	584	144	425	2	11,071	959	13,185	757	39	13,981
Profit for the period					2,374		2,374	29	6	2,409
Other comprehensive income					30		30			30
Comprehensive income for the period	-	-	-	-	2,404	-	2,404	29	6	2,439
Transactions with owners										
Purchase of own shares					(1,070)		(1,070)			(1,070)
Sale of own shares					771		771			771
Reduction in share capital	(19)				19		-			-
Interest paid on AT1 capital								(39)		(39)
Exchange rate adjustment					(2)		(2)	2		-
Dividend etc paid						(959)	(959)		(6)	(965)
Dividend, own shares					0		0			0
Total transactions with owners	(19)	-	-	-	(282)	(959)	(1,260)	(37)	(6)	(1,303)
Equity at 30 Sep 2023	565	144	425	2	13,193	-	14,329	749	39	15,117
Equity at 1 Jan 2022	597	132	425	2	10,544	713	12,413	757	42	13,212
Profit for the period					1,151		1,151	29	7	1,187
Other comprehensive income					(4)		(4)			(4)
Comprehensive income for the period	-	-	-	-	1,147	-	1,147	29	7	1,183
Transactions with owners										
Purchase of own shares					(1,062)		(1,062)			(1,062)
Sale of own shares					704		704			704
Reduction in share capital	(13)				13		-			-
Interest paid on AT1 capital								(39)		(39)
Exchange rate adjustment					0		0	0		-
Dividend etc paid						(713)	(713)		(9)	(722)
Dividend, own shares					2		2			2
Total transactions with owners	(13)	-	-	-	(343)	(713)	(1,069)	(39)	(9)	(1,117)
Equity at 30 Sep 2022	584	132	425	2	11,348	-	12,491	747	40	13,278

* Reserves according to the articles of association equal the undistributable savings bank reserve in accordance with Article 4 of the Articles of Association.

** AT1 capital has no maturity date. Payment of interest and repayment of principal are voluntary. Therefore AT1 capital is accounted for as equity. In May 2018 Sydbank issued EUR 100m with optional redemption on 28 August 2025. The issue carries interest at the Mid-Swap Rate + a margin of 4.62%, a total of 5.25%. Under the issue the loan will be written down if the CET1 ratio of Sydbank A/S or the Sydbank Group drops below 7%.

The Sydbank share	30 Sep 2023	31 Dec 2022	30 Sep 2022
Share capital (DKK)	565,003,200	583,873,200	583,873,200
Shares issued (number)	56,500,320	58,387,320	58,387,320
Shares outstanding at end of period (number)	55,917,577	56,494,660	56,797,369
Average number of shares outstanding (number)	56,346,364	57,549,963	57,865,846

The Bank has only one class of shares as all shares carry the same rights.

Capital Statement

DKKm	Sydbank Group		
	30 Sep 2023	31 Dec 2022	30 Sep 2022
Solvency			
CET1 ratio	18.5	17.3	17.2
T1 capital ratio	19.7	18.6	18.4
Capital ratio	20.8	19.6	19.7
Total capital			
Equity, shareholders of Sydbank A/S	14,329	13,185	12,491
Not included share of profit for the period	(1,231)	-	(619)
Prudent valuation	(71)	(70)	(64)
Actual or contingent obligations to purchase own shares	(334)	(9)	(100)
Proposed dividend	-	(959)	-
Intangible assets and capitalised deferred tax assets	(277)	(302)	(322)
Significant investments in the financial sector	(1,275)	(1,387)	(1,130)
Transitional arrangement IFRS 9	-	42	42
Insufficient coverage for non-performing exposures	(21)	(16)	(9)
CET1 capital	11,120	10,484	10,289
AT1 capital – equity	745	744	744
T1 capital	11,865	11,227	11,033
T2 capital	559	557	557
Instruments in entities in the financial sector in which the institution has significant investments	(154)	(156)	-
Difference between expected losses and impairment for accounting purposes	234	234	225
Total capital	12,504	11,863	11,815
Credit risk*	40,983	41,018	42,003
Market risk	5,130	5,363	4,949
Operational risk	8,137	8,137	7,195
Other exposures, incl CVA	5,888	5,954	5,697
REA	60,138	60,472	59,844
Pillar I capital requirement	4,811	4,838	4,788
* Credit risk			
Corporate clients, IRB	33,082	33,060	32,373
Retail clients, IRB	5,880	5,928	5,140
Corporate clients, STD	267	458	498
Retail clients, STD	549	857	2,729
Credit institutions etc	1,205	715	1,263
Total	40,983	41,018	42,003

Cash Flow Statement

DKKm	Sydbank Group		
	Q1-Q3 2023	Full year 2022	Q1-Q3 2022
Operating activities			
Pre-tax profit for the period	3,174	2,405	1,521
Taxes paid	(106)	(938)	(515)
<u>Adjustment for non-cash operating items:</u>			
Profit/(Loss) on holdings in associates	0	0	4
Amortisation and depreciation of intangible assets and property, plant and equipment	105	115	97
Impairment of loans and advances/guarantees	(21)	(96)	(84)
Other non-cash operating items	(14)	(169)	13
<u>Changes in working capital:</u>			
Credit institutions and central banks	915	(6,930)	(6,551)
Trading portfolio	424	(1,963)	4,528
Other financial instruments at fair value	(21)	(198)	86
Loans and advances	1,400	(369)	(1,336)
Deposits	(745)	13,625	12,714
Other assets/liabilities	(919)	(1,110)	(1,401)
Cash flows from operating activities	4,192	4,372	9,076
Investing activities			
Sale of holdings in associates	2	8	8
Purchase of equity investments	(131)	(228)	(43)
Sale of equity investments	239	68	63
Purchase/sale of intangible assets	(2)	-	(2)
Purchase of property, plant and equipment	(29)	(72)	(21)
Sale of property, plant and equipment		10	-
Cash flows from investing activities	79	(214)	5
Financing activities			
Purchase and sale of own holdings	(299)	(427)	(358)
Dividend etc	(959)	(711)	(711)
Redemption of subordinated capital	-	(744)	(744)
Issue of bonds	3,727	3,718	3,718
Redemption of bonds	(3,718)	(3,718)	(3,718)
Cash flows from financing activities	(1,249)	(1,882)	(1,813)
Cash flows for the period	3,022	2,276	7,268
Cash and cash equivalents at 1 Jan	8,600	6,324	6,324
Cash flows for the period	3,022	2,276	7,268
Cash and cash equivalents at end of period	11,622	8,600	13,592
Cash and cash equivalents at end of period			
Cash and balances on demand at central banks	11,178	8,134	12,982
Fully secured cash and cash equivalent balances on demand with credit institutions and insurance companies	444	466	610
Cash and cash equivalents at end of period	11,622	8,600	13,592

Segment Reporting etc

DKKm	Sydbank Group					
	Banking	Asset Management	Sydbank Markets	Treasury	Other	Total
Operating segments						
Q1-Q3 2023						
Core income	4,884	260	83	-	-	5,227
Trading income	-	-	240	-	-	240
Total income	4,884	260	323	-	-	5,467
Costs, core earnings	2,035	93	154	-	53	2,335
Impairment of loans and advances etc	(21)	-	-	-	-	(21)
Core earnings	2,870	167	169	-	(53)	3,153
Investment portfolio earnings	(4)	-	-	62	-	58
Profit before non-recurring items	2,866	167	169	62	(53)	3,211
Non-recurring items, net	(37)	-	-	-	-	(37)
Profit before tax	2,829	167	169	62	(53)	3,174
Q1-Q3 2022						
Core income	3,344	267	79	-	-	3,690
Trading income	-	-	177	-	-	177
Total income	3,344	267	256	-	-	3,867
Costs, core earnings	2,024	90	120	-	54	2,288
Impairment of loans and advances etc	(87)	-	-	-	-	(87)
Core earnings	1,407	177	136	-	(54)	1,666
Investment portfolio earnings	-	-	-	(158)	-	(158)
Profit before non-recurring items	1,407	177	136	(158)	(54)	1,508
Non-recurring items, net	13	-	-	-	-	13
Profit before tax	1,420	177	136	(158)	(54)	1,521

Operating segments

The Group's segment statements are divided into the following business units: Banking, Asset Management, Sydbank Markets, Treasury and Other.

Banking serves all types of retail and corporate clients.

Asset Management primarily comprises the Bank's advisory-related income from customers and investment funds.

Sydbank Markets comprises trading income as well as a share of the income from customers with decentral affiliation calculated on the basis of the market price thereof. The share represents the payment by Banking for Sydbank Markets' facilities, including advisory services and administration.

Treasury comprises the Group's return on positions handled by Treasury, including liquidity allocation.

Other includes non-recurring items, costs to the Group Executive Management etc as well as return on strategic shareholdings that are not allocated to Banking or Sydbank Markets.

Inter-segment transactions are settled on an arm's length basis. Centrally incurred costs are allocated to the business units in accordance with their estimated proportionate share of overall activities.

Excess liquidity is settled primarily at short-term money market rates whereas other balances are settled on an arm's length basis.

Segment Reporting etc

DKKm	Sydbank Group							
	Core income	Trading income	Costs, core earnings	Impairment of loans/ advances etc	Core earnings	Investment portfolio earnings	Non-recurring items, net	Profit before tax
Correlation between the Group's performance measures and the income statement according to IFRS								
Q1-Q3 2023								
Net interest and fee income	4,839	418			5,258	(309)		4,949
Market value adjustments	363	(178)		0	185	372		557
Other operating income	19				19			19
Income	5,221	240	-	0	5,462	63	-	5,525
Staff costs and administrative expenses			(2,206)		(2,206)	(5)	(37)	(2,248)
Amortisation, depreciation and impairment of intangible assets and property, plant and equipment			(105)		(105)			(105)
Other operating expenses			(25)		(25)			(25)
Impairment of loans and advances etc				21	21			21
Profit/(Loss) on holdings in associates and subsidiaries	6				6			6
Profit before tax	5,227	240	(2,335)	21	3,153	58	(37)	3,174
Q1-Q3 2022								
Net interest and fee income	3,393	195			3,588	(6)	1	3,583
Market value adjustments	275	(18)		3	260	(147)	52	165
Other operating income	18				18			18
Income	3,686	177	-	3	3,866	(153)	53	3,766
Staff costs and administrative expenses			(2,170)		(2,170)	(5)	(40)	(2,215)
Amortisation, depreciation and impairment of intangible assets and property, plant and equipment			(97)		(97)			(97)
Other operating expenses			(21)		(21)			(21)
Impairment of loans and advances etc				84	84			84
Profit/(Loss) on holdings in associates and subsidiaries	4				4			4
Profit before tax	3,690	177	(2,288)	87	1,666	(158)	13	1,521

The Sydbank Group's internal reporting is not made on the basis of products and services. Reference is made to notes 2, 3 and 4 for the distribution of net interest income as well as fee income.

Notes

Note 1

Accounting policies

The interim report covers the period from 1 January to 30 September 2023 and is prepared in compliance with IAS 34 "Interim Financial Reporting" as adopted by the EU and in compliance with Danish disclosure requirements for interim reports of listed financial companies. As a result of the use of IAS 34, the presentation is less complete compared with the presentation of an annual report and the recognition and measurement principles are in compliance with IFRS.

The accounting policies are consistent with those adopted in the 2022 Annual Report, to which reference is made.

The 2022 Annual Report provides a comprehensive description of the accounting policies applied.

Accounting estimates and judgements

The measurement of certain assets and liabilities requires that management makes accounting estimates as to how future events will affect the value of such assets, liabilities, income and costs. Actual results may deviate from such estimates.

The significant estimates made by management in the use of the Group's accounting policies and the inherent considerable uncertainty of such estimates used in the preparation of the interim report are identical to those used in the preparation of the 2022 Annual Report.

Impairment of loans and advances and provisions for guarantees and undrawn credit commitments are made to take into account the expected losses on conclusion as well as any credit impairment after initial recognition. The determination of impairment charges for expected losses is subject to a number of estimates, including which loans and advances or portfolios of loans and advances are subject to credit impairment as well as calculation of expected losses.

Assessing the degree of credit impairment of exposures involves a number of estimates which may be subject to uncertainty.

To a large extent the determination of expected losses at exposure level is based on risk registrations, models and past experience but it also involves a number of estimates of risks and expected developments in the individual exposure, including the future ability to pay and the value of collateral which in particular comprises mortgages on property. During periods of uncertain economic trends or significant demographic or structural changes uncertainty is greater. This is reflected in the need for management adjustments that by their nature are subject to uncertainty.

The Group's models to calculate impairment of exposures in stages 1 and 2 include expectations as to economic developments. The outlook is based on estimates of the probability of different outcomes of economic growth.

The outlook results in a determination of the probability of the scenarios baseline, upturn and downturn. At 30 September 2023 the probability of the downturn scenario was fixed at 95%, which is unchanged compared with 31 December 2022.

Impairment of exposures in stage 3 and the weak part of stage 2 is based on individual assessments which include expectations of future changes in collateral value etc.

Notes



Note 1 - continued

In addition to the calculated impairment charges, management estimates whether there is a need for special impairment charges as regards exposed industries, customer segments or other elements that are estimated as having not yet been reflected in the Bank's registrations.

At 30 September 2023 the Group maintained its management estimate of DKK 500m to hedge macroeconomic uncertainty. The management estimate represents DKK 400m as regards corporate clients and DKK 100m as regards retail clients.

The management estimate as regards macroeconomic risks covers potential losses related to the negative effects of a high inflation rate as well as the risk of a recession etc.

The Group's significant risks and the external elements which may affect the Group are described in greater detail in the 2022 Annual Report.

Notes

DKKm	Sydbank Group			
	Q1-Q3 2023	Q1-Q3 2022	Q3 2023	Q3 2022
Note 2				
Interest income calculated using the effective interest method				
Amounts owed by credit institutions and central banks	664	26	297	23
Loans and advances and other amounts owed	2,917	1,413	1,043	545
Other interest income	3	0	0	0
Interest on amounts owed to credit institutions*	-	4	-	0
Interest on deposits*	-	354	-	89
Total	3,584	1,797	1,340	657
Other interest income				
Reverse transactions with credit institutions and central banks	63	-	27	-
Reverse loans and advances	222	-	91	-
Repo transactions with credit institutions and central banks and repo deposits*	-	15	-	(1)
Bonds	458	64	178	38
Total derivatives	72	181	10	65
comprising:				
Foreign exchange contracts	46	31	16	9
Interest rate contracts	26	150	(6)	56
Total	815	260	306	102
Total interest income	4,399	2,057	1,646	759
* Negative interest expense				
Fair value, designated at initial recognition	285	15	118	(1)
Fair value, held for trading	530	245	188	103
Assets recognised at amortised cost	3,584	1,797	1,340	657
Total	4,399	2,057	1,646	759

The Group's cash resources primarily comprise Danish mortgage bonds. The interest rate risk concerning these positions has been reduced via derivatives. As a result the Group's external income statement is affected in terms of interest income and the market value adjustment of bonds and derivatives. The same applies to the Group's position-taking as regards bonds as well as shares. The breakdown by income statement item does not disclose income independently and consequently these items must be regarded as one as they are in "Segment Reporting" as well as in the Group's financial review, which also takes funding of the positions into account.

Notes

DKKm	Sydbank Group			
	Q1-Q3 2023	Q1-Q3 2022	Q3 2023	Q3 2022
Note 3				
Interest expense				
Repo transactions with credit institutions and central banks	67	-	27	-
Reverse transactions with credit institutions and central banks and reverse loans and advances*	-	54	-	2
Amounts owed to credit institutions and central banks	36	4	17	1
Repo deposits	30	-	12	-
Deposits and other debt	644	76	286	36
Bonds*	-	3	-	-
Bonds issued	268	86	100	29
Interest on amounts owed by credit institutions and central banks*	-	55	-	17
Subordinated capital	34	14	12	5
Other interest expense	2	2	1	1
Total	1,081	294	455	91
* Negative interest income				
Fair value, designated at initial recognition	97	54	39	2
Fair value, held for trading	0	3	0	0
Liabilities recognised at amortised cost	984	237	416	89
Total	1,081	294	455	91
Note 4				
Fee and commission income				
Securities trading and custody accounts	591	634	204	191
Advisory fee, asset management	265	276	90	90
Payment services	277	254	102	90
Loan fees	150	201	46	66
Guarantee commission	133	133	44	44
Income concerning funded mortgage-like loans	(1)	62	6	17
Other fees and commission	418	466	143	154
Total fee and commission income	1,833	2,026	635	652
Fee expense, asset management	5	9	2	2
Other fee and commission expense	217	225	92	67
Total fee and commission expense	222	234	94	69
Net fee and commission income	1,611	1,792	541	583

Except for guarantee commission recognised according to IFRS 9, fee and commission income is recognised according to IFRS 15. The set-off of loss concerning arranged mortgage loans represented DKK 5m in Q1-Q3 2023 (Q1-Q3 2022: DKK 5m) and has been deducted from commission received which is included under other fees and commission.

Notes

DKKm	Sydbank Group			
	Q1-Q3 2023	Q1-Q3 2022	Q3 2023	Q3 2022
Note 5				
Market value adjustments				
Other loans and advances and amounts owed at fair value	27	88	9	12
Bonds	169	(489)	36	(188)
Shares etc	172	72	56	25
Foreign exchange	201	172	66	58
Derivatives	(12)	322	15	123
Assets related to pooled plans	730	(3,246)	(83)	(391)
Deposits in pooled plans	(730)	3,246	83	391
Other assets/liabilities	0	0	1	0
Total	557	165	183	30
Note 6				
Staff costs and administrative expenses				
Salaries and remuneration:				
Group Executive Management	15	18	5	4
Board of Directors	6	5	2	2
Shareholders' Committee	3	3	1	1
Total	24	26	8	7
Staff costs:				
Wages and salaries	1,063	1,014	322	305
Pensions	117	113	40	37
Social security contributions	6	10	2	1
Payroll tax	150	145	50	48
Total	1,336	1,282	414	391
Other administrative expenses:				
IT	561	607	175	206
Rent etc	68	61	23	20
Marketing and entertainment expenses	60	52	22	17
Other costs	199	187	56	49
Total	888	907	276	292
Total	2,248	2,215	698	690
Note 7				
Staff				
Average number of staff (full-time equivalent)	2,083	2,072	2,086	2,060

Notes

DKKm	Sydbank Group			
	Q1-Q3 2023	Q1-Q3 2022	Q3 2023	Q3 2022
Note 8				
Other operating expenses				
Contribution to the resolution fund	24	21	8	7
Other expenses	1	0	0	0
Total	25	21	8	7
Note 9				
Impairment of loans and advances recognised in the income statement				
Impairment and provisions	38	(10)	(6)	9
Write-offs	19	13	13	6
Recovered from debt previously written off	78	87	12	17
Impairment of loans and advances etc	(21)	(84)	(5)	(2)
Impairment and provisions at end of period (allowance account)				
Stage 1	132	246	132	246
Stage 2	639	520	639	520
Stage 3	700	701	700	701
Management estimates	500	500	500	500
Impairment and provisions at end of period	1,971	1,967	1,971	1,967
Impairment and provisions				
Impairment and provisions at beginning of period	1,929	1,974	1,968	1,952
New impairment charges and provisions during the period, net	72	13	10	19
Impairment charges previously recorded, now finally written off	30	20	7	4
Impairment and provisions at end of period	1,971	1,967	1,971	1,967
Impairment charges for loans and advances	1,797	1,795	1,797	1,795
Provisions for undrawn credit commitments	68	43	68	43
Provisions for guarantees	106	129	106	129
Impairment and provisions at end of period	1,971	1,967	1,971	1,967

Losses recognised for the period constitute DKK 49m. As regards losses recognised for the period a legal claim of DKK 25m has been upheld. As regards losses recognised a legal claim of DKK 37m has been upheld at year-end 2022.

Notes

DKKm	Loans/advances and guarantees		Impairment charges and provisions		Impairment of loans and advances etc for the period		Sydbank Group	
	30 Sep 2023	31 Dec 2022	30 Sep 2023	31 Dec 2022	Q1-Q3 2023	Q1-Q3 2022	Loss for the period	
							Q1-Q3 2023	Q1-Q3 2022
Note 9 - continued								
Loans and advances and guarantees as well as impairment of loans and advances etc by industry								
Building and construction	4,442	4,335	159	131	29	83	5	2
Energy supply	4,071	4,560	11	15	(4)	(7)	0	0
Real property	7,642	7,112	70	91	(25)	(2)	1	0
Finance and insurance	9,010	7,997	121	114	7	(29)	0	1
Trade	16,858	17,637	497	420	70	35	14	2
Hotels and restaurants	393	348	58	56	0	4	1	0
Manufacturing and extraction of raw materials	8,877	9,523	276	252	22	55	1	3
Information and communication	516	503	33	14	17	3	0	0
Agriculture, hunting, forestry and fisheries	3,769	3,597	190	238	(78)	(72)	12	2
Transportation	2,336	2,680	27	32	(3)	(7)	1	0
Other industries	10,328	10,935	146	148	(3)	(10)	4	1
Total corporate	68,242	69,227	1,588	1,511	32	53	39	11
Public authorities	14	74	-	-	-	-	-	-
Retail	20,283	22,321	383	418	(53)	(137)	10	22
Total	88,539	91,622	1,971	1,929	(21)	(84)	49	33
Building and construction								
Completion of building projects	582	480	4	4	(1)	(1)	0	0
Building and construction activities	1,948	1,856	120	88	33	60	5	1
Construction of buildings	899	1,491	33	36	(2)	28	0	1
Other building and construction	1,013	508	2	3	(1)	(4)	0	0
Total	4,442	4,335	159	131	29	83	5	2
Real property								
Non-profit housing associations	3,242	2,352	5	8	(3)	(1)	0	0
Leasing of commercial property	2,560	3,035	41	44	(7)	(18)	1	0
Leasing of residential property	733	524	6	6	0	2	0	0
Other real property	1,107	1,201	18	33	(15)	15	0	0
Total	7,642	7,112	70	91	(25)	(2)	1	0
Finance and insurance								
Holding companies	5,204	4,922	81	75	6	(13)	0	0
Financing companies	3,806	3,075	40	39	1	(16)	0	1
Total	9,010	7,997	121	114	7	(29)	0	1

Notes

DKKm	Loans/advances and guarantees		Impairment charges and provisions		Impairment of loans and advances etc for the period		Sydbank Group Loss for the period	
	30 Sep 2023	31 Dec 2022	30 Sep 2023	31 Dec 2022	Q1-Q3 2023	Q1-Q3 2022	Q1-Q3 2023	Q1-Q3 2022
Note 9 – continued								
Loans and advances and guarantees as well as impairment of loans and advances etc by industry								
Trade								
Retail	1,829	1,539	42	37	5	1	2	1
Retail trade of passenger cars and motorcycles	2,802	2,900	83	61	22	8	0	0
Wholesale, other machinery	1,637	1,403	26	25	(1)	(6)	0	0
Wholesale, food, beverages and tobacco	2,068	1,906	43	28	15	8	0	0
Wholesale, household durables	3,954	3,818	231	200	23	27	3	1
Wholesale, agricultural raw materials and live animals	1,409	1,612	22	10	11	7	0	0
Other specialised wholesale	1,997	2,958	26	33	(4)	(11)	9	0
Other trade	1,162	1,501	24	26	(1)	1	0	0
Total	16,858	17,637	497	420	70	35	14	2
Manufacturing and extraction of raw materials								
Extraction of raw materials	185	311	2	4	(1)	0	0	0
Manufacture of textiles and clothing	843	1,084	9	9	0	1	0	0
Manufacture and repair of machinery and equipment	1,569	1,501	30	33	(2)	12	0	0
Manufacture of food products	2,207	2,396	62	54	5	24	1	0
Iron and steel industry, excl machinery and equipment	1,354	1,332	97	91	4	8	0	1
Other manufacturing	2,719	2,899	76	61	16	10	0	2
Total	8,877	9,523	276	252	22	55	1	3
Agriculture, hunting, forestry and fisheries								
Pig farming	502	374	28	40	(15)	(34)	1	1
Cattle farming	1,320	1,273	57	69	(32)	(16)	0	1
Crop production	996	948	42	63	(36)	(36)	1	0
Other agriculture	951	1,002	63	66	5	14	10	0
Total	3,769	3,597	190	238	(78)	(72)	12	2
Transportation								
Freight transport by road	962	1,063	17	24	(6)	3	1	0
Water transport	448	481	0	0	0	(4)	0	0
Air transport	274	257	3	2	0	0	0	0
Other transportation	652	879	7	6	3	(6)	0	0
Total	2,336	2,680	27	32	(3)	(7)	1	0
Other industries								
Rental and leasing activities	3,901	3,805	20	22	(2)	3	0	0
Activities of head offices	2,177	2,181	17	15	1	(5)	0	0
Liberal professions	1,456	1,731	41	35	7	8	4	1
Other industries	2,794	3,218	68	76	(9)	(16)	0	0
Total	10,328	10,935	146	148	(3)	(10)	4	1

Notes

DKKkm	Sydbank Group			
	Q1-Q3 2023	Q1-Q3 2022	Q3 2023	Q3 2022

Note 10

Profit/(Loss) on holdings in associates and subsidiaries

Profit/(Loss) on holdings in associates etc	6	4	2	2
Total	6	4	2	2

Note 11

Effective tax rate

Current tax rate of Sydbank	25.2	22.0	25.2	22.0
Permanent differences	(1.0)	-	(2.9)	-
Adjustment of prior year tax charges	(0.1)	-	(0.1)	-
Effective tax rate	24.1	22.0	22.2	22.0

DKKkm	Sydbank Group		
	30 Sep 2023	31 Dec 2022	30 Sep 2022

Note 12

Amounts owed by credit institutions and central banks

Amounts owed at notice by central banks	15,789	18,591	15,193
Amounts owed by credit institutions	6,596	3,368	6,411
Total	22,385	21,959	21,604
Of which reverse transactions	3,399	2,891	2,976

Notes

DKKm	Sydbank Group					
	Stage 1	Stage 2	Stage 3	Credit impaired at initial recognition	30 Sep 2023 Total	31 Dec 2022 Total
Note 13						
Loans and advances, guarantees and allowance account by stage						
Loans and advances before impairment charges	64,918	7,610	1,259	114	73,901	75,673
Guarantees	13,695	779	164		14,638	15,949
Total loans and advances and guarantees	78,613	8,389	1,423	114	88,539	91,622
%	88.8	9.5	1.6	0.1	100.0	100.0
Impairment of loans and advances	365	696	736		1,797	1,740
Provisions for undrawn credit commitments	24	39	5		68	73
Provisions for guarantees	10	34	62		106	116
Total allowance account	399	769	803	-	1,971	1,929
Allowance account at 1 Jan	400	757	772		1,929	1,974
New impairment charges and provisions during the period, net	(1)	12	61		72	(16)
Impairment charges previously recorded, now finally written off			30		30	29
Total allowance account at end of period	399	769	803	-	1,971	1,929
Impairment charges as % of loans and advances	0.6	9.1	58.5		2.4	2.3
Provisions as % of guarantees	0.1	4.4	37.8		0.7	0.7
Allowance account as % of loans and advances and guarantees	0.5	9.2	56.4		2.2	2.1
Loans and advances before impairment charges	64,918	7,610	1,259	114	73,901	75,673
Impairment charges for loans and advances	365	696	736		1,797	1,740
Loans and advances after impairment charges	64,553	6,914	523	114	72,104	73,933
%	89.5	9.6	0.7	0.2	100.0	100.0

Notes

DKKm	Stage 1	Stage 2	Stage 3	Credit impaired at initial recognition	Sydbank Group	
					30 Sep 2023 Total	31 Dec 2022 Total
Note 13 – continued						
Loans and advances before impairment charges						
Rating category						
1	10,878				10,878	10,094
2	22,210				22,210	22,419
3	9,524	13			9,537	10,858
4	14,522	945			15,467	17,366
5	5,549	2,220			7,769	6,219
6	1,019	1,097			2,116	2,115
7	116	1,529			1,645	1,695
8	10	338			348	505
9		1,443			1,443	1,384
Default			1,259		1,259	1,186
NR/STD	1,090	25		114	1,229	1,832
Total	64,918	7,610	1,259	114	73,901	75,673
Impairment of loans and advances						
Rating category						
1	5				5	1
2	17				17	17
3	79				79	80
4	91	16			107	110
5	84	51			135	133
6	64	42			106	102
7	16	92			108	104
8	1	35			36	45
9		451			451	445
Default			736		736	649
NR/STD	8	9			17	54
Total	365	696	736		1,797	1,740
Loans and advances after impairment charges						
Rating category						
1	10,873				10,873	10,093
2	22,193				22,193	22,402
3	9,445	13			9,458	10,778
4	14,431	929			15,360	17,256
5	5,465	2,169			7,634	6,086
6	955	1,055			2,010	2,013
7	100	1,437			1,537	1,591
8	9	303			312	460
9		992			992	939
Default			523		523	537
NR/STD	1,082	16		114	1,212	1,778
Total	64,553	6,914	523	114	72,104	73,933

Notes

DKKm	Sydbank Group					
	Stage 1	Stage 2	Stage 3	Credit impaired at initial recognition	30 Sep 2023 Total	31 Dec 2022 Total
Note 13 - continued						
Loans and advances before impairment charges						
1 Jan	67,502	6,844	1,186	141	75,673	68,871
Transfers between stages						
Transferred to stage 1	1,767	(1,713)	(54)		-	-
Transferred to stage 2	(3,554)	3,625	(71)		-	-
Transferred to stage 3	(161)	(206)	367		-	-
New exposures	11,760	632	115		12,507	19,126
Redeemed exposures	(10,345)	(1,040)	(180)		(11,565)	(12,758)
Changes in balances	(2,051)	(532)	(59)	(27)	(2,669)	480
Write-offs			(45)		(45)	(46)
End of period	64,918	7,610	1,259	114	73,901	75,673
Impairment of loans and advances						
1 Jan	371	693	676	-	1,740	1,830
Transfers between stages						
Transferred to stage 1	111	(90)	(21)		-	-
Transferred to stage 2	(43)	75	(32)		-	-
Transferred to stage 3	(6)	(48)	54		-	-
New exposures	71	49	38		158	276
Redeemed exposures	(40)	(86)	(48)		(174)	(530)
Changes in balances	(99)	103	99		103	193
Write-offs			(30)		(30)	(29)
End of period	365	696	736	-	1,797	1,740
Loans and advances after impairment charges						
1 Jan	67,131	6,151	510	141	73,933	67,041
Transfers between stages						
Transferred to stage 1	1,656	(1,623)	(33)		-	-
Transferred to stage 2	(3,511)	3,550	(39)		-	-
Transferred to stage 3	(155)	(158)	313		-	-
New exposures	11,689	583	77		12,349	18,850
Redeemed exposures	(10,305)	(954)	(132)		(11,391)	(12,228)
Changes in balances	(1,952)	(635)	(158)	(27)	(2,772)	287
Write-offs			(15)		(15)	(17)
End of period	64,553	6,914	523	114	72,104	73,933

Notes

DKKm	Sydbank Group		
	30 Sep 2023	31 Dec 2022	30 Sep 2022
Note 14			
Other assets			
Positive market value of derivatives etc	6,060	6,397	6,482
Sundry debtors	709	740	799
Interest and commission receivable	368	195	154
Cash collateral provided, CSA agreements	679	807	859
Other assets	0	0	1
Total	7,816	8,139	8,295
Note 15			
Amounts owed to credit institutions and central banks			
Amounts owed to central banks	3	10	12
Amounts owed to credit institutions	6,843	5,473	5,351
Total	6,846	5,483	5,363
Of which repo transactions	3,660	2,868	2,217
Note 16			
Deposits and other debt			
On demand	84,015	95,777	97,685
At notice	87	2,318	131
Time deposits	18,510	4,722	4,040
Special categories of deposits	4,144	4,684	4,735
Total	106,756	107,501	106,591
Of which repo transactions	1,369	1,106	1,864
Note 17			
Other liabilities			
Negative market value of derivatives etc	5,789	6,147	6,293
Sundry creditors	3,934	5,381	4,827
Negative portfolio, reverse transactions	5,094	4,721	5,655
Lease liability	89	103	92
Interest and commission etc	375	190	29
Cash collateral received, CSA agreements	674	638	695
Total	15,955	17,180	17,591

Notes

DKKm	Sydbank Group		
	30 Sep 2023	31 Dec 2022	30 Sep 2022
Note 18			
Provisions			
Provisions for pensions and similar obligations	2	2	3
Provisions for deferred tax	64	4	202
Provisions for guarantees	106	116	129
Other provisions	70	75	45
Total	242	197	379

Note 19

Subordinated capital

Interest rate	Note		Nominal (m)	Maturity			
5.565 (floating)	1)	Bond loan	EUR 75	2 Nov 2029	559	557	557
3.259 (floating)	2)	Bond loan	EUR 75	Perpetual	559	558	558
Total T2 capital					1,118	1,115	1,115
Total subordinated capital					1,118	1,115	1,115
1) Optional redemption from 2 November 2024 after which the interest rate will be fixed at 1.85% above 3M EURIBOR.							
2) The interest rate follows the 10Y Mid-Swap plus a margin of 0.2%. Not included in total capital.							
Costs relating to the raising and redemption of subordinated capital					0	0	0

Note 20

Contingent liabilities and other obligating agreements

Contingent liabilities

Financial guarantees	6,094	6,117	5,813
Mortgage finance guarantees	3,283	3,890	5,082
Funded mortgage-like loan guarantees	736	804	831
Registration and remortgaging guarantees	2,861	3,451	4,009
Other contingent liabilities	1,664	1,687	1,755
Total	14,638	15,949	17,490
Other obligating agreements			
Irrevocable credit commitments	1,749	1,722	1,761
Other liabilities	6	6	7
Total	1,755	1,728	1,768

Notes

DKK m	Sydbank Group		
	30 Sep 2023	31 Dec 2022	30 Sep 2022

Note 20 – continued

Totalkredit loans arranged for by Sydbank are comprised by an agreed right of set-off against future current commission which Totalkredit may invoke in the event of losses on the loans arranged.

Sydbank does not expect that this set-off will have a significant impact on Sydbank's financial position.

As a result of the Bank's membership of Bankdata, the Bank is obligated to pay an exit charge in the event of exit.

As a result of the statutory participation in the deposit guarantee scheme, the industry paid an annual contribution of 2.5‰ of covered net deposits until the Banking Department's capital exceeded 1% of total covered net deposits, which was reached at year-end 2015. The Banking Department will cover the direct losses in connection with the winding-up of distressed financial institutions under Bank Package III and Bank Package IV which are attributable to covered net deposits. Any losses as a result of the final winding-up will be covered by the Guarantee Fund via the Winding-up and Restructuring Department as regards which Sydbank is currently liable for 6.1% of any losses.

As a result of the statutory participation in the resolution financing arrangement (the resolution fund), credit institutions pay an annual contribution over a 10-year period to reach a target funding level totalling 1% of covered deposits. Credit institutions must make contributions to the fund according to their relative size and risk in Denmark. In the period from 2015 to 2022 Sydbank has contributed DKK 162m and expects that contributions will total approximately DKK 220m over the 10-year period.

The Group is party to legal actions. These legal actions are under continuous review and the necessary provisions made are based on an assessment of the risk of loss. Pending legal actions are not expected to have any significant effect on the financial position of the Group.

Note 21

Collateral

At 30 September 2023 the Group had deposited as collateral securities at a market value of DKK 147m with Danish and foreign exchanges and clearing centres etc in connection with margin calls and securities settlements etc. In addition the Group has provided cash collateral of DKK 679m and deposited as collateral securities at a market value of DKK 12m in connection with CSA agreements.

In connection with repo transactions, which involve selling securities to be repurchased at a later date, the securities remain on the balance sheet and consideration received is recognised as a debt. Repo transaction securities are treated as assets provided as collateral for liabilities. Counterparties are entitled to sell the securities or deposit them as collateral for other loans.

In connection with reverse transactions, which involve purchasing securities to be resold at a later date, the Group is entitled to sell the securities or deposit them as collateral for other loans. The securities are not recognised in the balance sheet and consideration paid is recognised as a receivable.

Assets received as collateral in connection with reverse transactions may be sold to a third party. In such cases a negative portfolio may arise as a result of the accounting rules. This is recognised under "Other liabilities".

Assets sold as part of repo transactions

Bonds at fair value	4,974	3,961	4,042
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Assets purchased as part of reverse transactions

Bonds at fair value	14,333	13,340	12,914
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Notes

DKKkm	Q1-Q3	Q1-Q3	Sydbank Group	
	2023	2022	Index	31 Dec
			23/22	2022

Note 22

Related parties

Sydbank is the bank of a number of related parties. Transactions with related parties are settled on an arm's length basis.

No unusual transactions took place with related parties in Q1-Q3 2023. Reference is made to the Group's 2022 Annual Report for a more detailed description of related party transactions.

Note 23

Reporting events occurring after the balance sheet date

No matters of significant impact on the financial position of the Sydbank Group have occurred after the expiry of Q1-Q3.

Note 24

Large shareholders

Dimensional Holdings Inc., USA, and Nykredit Realkredit A/S own more than 5% of Sydbank's share capital.

Note 25

Core income

Net interest etc	3,304	1,625	203	2,461
Mortgage credit*	401	517	78	660
Payment services	196	175	112	237
Remortgaging and loan fees	134	180	74	239
Commission and brokerage	347	352	99	478
Commission etc investment funds and pooled pension plans	230	239	96	319
Asset management	260	267	97	351
Custody account fees	72	91	79	113
Other operating income	283	244	116	336
Total	5,227	3,690	142	5,194

* Mortgage credit

Totalkredit cooperation	309	425	73	541
Totalkredit, set-off of loss	5	5	100	8
Totalkredit cooperation, net	304	420	72	533
DLR Kredit	96	95	101	125
Other mortgage credit income	1	2	50	2
Total	401	517	78	660

Notes

DKKm	FVPL	Fair value option		Sydbank Group 30 Sep 2023	
		FVOCI		Total fair value	Amortised cost
Note 26					
Fair value disclosure					
Financial instruments are included in the balance sheet either at fair value or at amortised cost. The table below breaks down financial instruments by valuation technique.					
Financial assets					
Cash and balances on demand at central banks				-	11,178
Amounts owed by credit institutions and central banks	3,399			3,399	18,986
Loans and advances at fair value	10,940			10,940	-
Loans and advances at amortised cost				-	72,104
Bonds at fair value	12,156	17,963		30,119	-
Shares etc	106	2,330	530	2,966	-
Assets related to pooled plans		21,641		21,641	-
Land and buildings			1,194	1,194	-
Other assets	6,149	151		6,300	1,516
Total	32,750	42,085	1,724	76,559	103,784
Undrawn credit commitments				-	62,636
Maximum credit risk, collateral not considered	32,750	42,085	1,724	76,559	166,420
Financial liabilities					
Amounts owed to credit institutions and central banks	3,660			3,660	3,186
Deposits and other debt	1,369			1,369	105,387
Deposits in pooled plans		21,641		21,641	-
Bonds issued at amortised cost				-	13,214
Other liabilities	10,885			10,885	1,046
Subordinated capital				-	1,118
Total	15,914	21,641	-	37,555	123,951

Notes

DKKm	FVPL	Fair value option	FVOCI	Sydbank Group 31 Dec 2022	
				Total fair value	Amortised cost
Note 26 – continued					
Financial assets					
Cash and balances on demand at central banks				-	8,134
Amounts owed by credit institutions and central banks	2,891			2,891	19,068
Loans and advances at fair value	10,490			10,490	-
Loans and advances at amortised cost				-	73,933
Bonds at fair value	11,286	19,267		30,553	-
Shares etc	159	2,414	491	3,064	-
Assets related to pooled plans		20,597		20,597	-
Land and buildings			1,228	1,228	-
Other assets	6,435	61		6,496	1,643
Total	31,261	42,339	1,719	75,319	102,778
Undrawn credit commitments				-	55,469
Maximum credit risk, collateral not considered	31,261	42,339	1,719	75,319	158,247
Financial liabilities					
Amounts owed to credit institutions and central banks	2,868			2,868	2,615
Deposits and other debt	1,106			1,106	106,395
Deposits in pooled plans		20,597		20,597	-
Bonds issued at amortised cost				-	13,242
Other liabilities	10,868			10,868	724
Subordinated capital				-	1,115
Total	14,842	20,597	-	35,439	124,091

To take into account changes in credit risk concerning derivatives with positive fair value, an adjustment is made – CVA. CVA is a function of the risk of counterparty default (PD), the expected positive exposure and the loss ratio in the event of default. PD is determined on the basis of the Group's credit models – default probability in 12 months. PD beyond 12 months is adjusted on the basis of market data of exposures with a similar PD level. At 30 September 2023 CVA constituted DKK 15m compared to DKK 16m at year-end 2022.

Client margins recognised in connection with derivatives are amortised over the life of the transaction. At 30 September 2023 client margins not yet recognised as income totalled DKK 12m compared to DKK 14m at year-end 2022.

Financial instruments recognised at fair value

Measurement of financial instruments is based on quoted prices from an active market, on generally accepted valuation models with observable market data or on available data that only to a limited extent is observable market data.

Measurement of financial instruments for which prices are quoted in an active market or which is based on generally accepted valuation models with observable market data is not subject to significant estimates.

As regards financial instruments where measurement is based on available data that only to a limited extent is observable market data, measurement is subject to estimates. Such financial instruments appear from the column unobservable inputs below and include primarily unlisted shares, including shares in DLR Kredit A/S.

The fair value of unlisted shares and other holdings is calculated on the basis of available information on trades etc – including to a very significant extent on shareholders' agreements based on book value. To an insignificant extent fair value is calculated on the basis of expected cash flows.

A 10% change in the calculated market value of financial assets measured on the basis of unobservable inputs will affect profit before tax by DKK 348m (31 December 2022: DKK 361m).

Notes

DKKkm	Quoted prices	Observ-able inputs	Unobserv-able inputs	Sydbank Group	
				Total fair value	Carrying amount
Note 26 – continued					
30 Sep 2023					
Financial assets					
Amounts owed by credit institutions and central banks		3,399		3,399	3,399
Loans and advances at fair value		10,940		10,940	10,940
Bonds at fair value		30,119		30,119	30,119
Shares etc	645	30	2,291	2,966	2,966
Assets related to pooled plans	15,066	6,575		21,641	21,641
Land and buildings			1,194	1,194	1,194
Other assets	429	5,871		6,300	6,300
Total	16,140	56,934	3,485	76,559	76,559
Financial liabilities					
Amounts owed to credit institutions and central banks		3,660		3,660	3,660
Deposits and other debt		1,369		1,369	1,369
Deposits in pooled plans		21,641		21,641	21,641
Other liabilities	376	10,509		10,885	10,885
Total	376	37,179	-	37,555	37,555
31 Dec 2022					
Financial assets					
Amounts owed by credit institutions and central banks		2,891		2,891	2,891
Loans and advances at fair value		10,490		10,490	10,490
Bonds at fair value		30,553		30,553	30,553
Shares etc	626	56	2,382	3,064	3,064
Assets related to pooled plans	13,532	7,065		20,597	20,597
Land and buildings			1,228	1,228	1,228
Other assets	383	6,113		6,496	6,496
Total	14,541	57,168	3,610	75,319	75,319
Financial liabilities					
Amounts owed to credit institutions and central banks		2,868		2,868	2,868
Deposits and other debt		1,106		1,106	1,106
Deposits in pooled plans		20,597		20,597	20,597
Other liabilities	301	10,567		10,868	10,868
Total	301	35,138	-	35,439	35,439

DKKkm	30 Sep 2023	31 Dec 2022	30 Sep 2022
Assets measured on the basis of unobservable inputs			
Carrying amount at 1 Jan	2,382	2,183	2,183
Additions	2	156	6
Disposals	239	68	63
Market value adjustment	145	111	78
Carrying amount at end of period	2,290	2,382	2,204
Recognised in profit for the period			
Dividend	18	22	22
Market value adjustment	145	111	78
Total	163	133	100

Notes

DKKm	Sydbank Group		
	30 Sep 2023	31 Dec 2022	30 Sep 2022
Note 27			
Leverage ratio			
Leverage ratio exposures			
Total assets	181,028	179,318	177,878
Of which pooled assets	(21,641)	(20,597)	(20,304)
Correction derivatives etc	5,228	968	6,355
Guarantees etc	14,638	15,949	17,490
Undrawn credit commitments etc	13,410	11,733	10,415
Other adjustments	(2,167)	(2,280)	(2,168)
Total	190,496	185,091	189,666
T1 capital – current (transitional rules)	11,865	11,227	11,033
T1 capital – fully loaded	11,865	11,185	10,991
Leverage ratio (%) – current (transitional rules)	6.2	6.1	5.8
Leverage ratio (%) – fully loaded	6.2	6.0	5.8

30 Sep 2023	Activity	Share capital (DKKm)	Equity (DKKm)	Profit/(Loss) (DKKm)	Sydbank Group Ownership share (%)
Note 28					
Group holdings and enterprises					
Sydbank A/S		DKK 565			
Consolidated subsidiaries					
Ejendomsselskabet af 1. juni 1986 A/S, Aabenraa	Real property	DKK 11	32	3	100
Syd Administration A/S, Aabenraa	Invt & admin.	DKK 300	2,087	64	100
Syd Fund Management A/S, Aabenraa	Administration	DKK 100	118	18	67
Held for sale					
Green Team Group A/S, Sønder Omme*	Wholesale	DKK 101	4	(24)	100
Holdings in associates					
Foreningen Bankdata, Fredericia*	IT	DKK 472	461	10	34
Komplementarselskabet Core Property Management A/S, Copenhagen*	Real property	DKK 1	1	0	20
Core Property Management P/S, Copenhagen*	Real property	DKK 5	50	36	20

* Financial information according to the companies' most recently published annual reports.

Management Statement

We have reviewed and approved the Interim Report – Q1-Q3 2023 of Sydbank A/S.

The consolidated interim financial statements are prepared in accordance with IAS 34 “Interim Financial Reporting” as adopted by the EU. Furthermore the consolidated financial statements are prepared in compliance with Danish disclosure requirements for listed financial companies.

The Interim Report has not been audited or reviewed. However the Bank’s external auditor has conducted a verification of profit for the period, including audit procedures consistent with the requirements as regards a review and has thus verified that the conditions for ongoing recognition of profit for the period in CET1 capital were met.

In our opinion the interim financial statements give a true and fair view of the Group’s assets, equity and liabilities and financial position at 30 September 2023 and of the results of the Group’s operations and consolidated cash flows for the period 1 January – 30 September 2023.

Moreover it is our opinion that the management’s review includes a fair review of the developments in the Group’s operations and financial position as well as a description of the most significant risks and elements of uncertainty which may affect the Group.

Aabenraa, 1 November 2023

Group Executive Management

Karen Frøsig
CEO

Bjarne Larsen

Jørn Adam Møller

Board of Directors

Lars Mikkelsen-Jensen
Chairman

Jacob Chr. Nielsen
Vice-Chairman

Carsten Andersen

Henrik Hoffmann

Søren Holm

Janne Moltke-Leth

Ellen Trane Nørby

Jarl Oxlund

Gitte Poulsen

Susanne Schou

Jon Stefansson

Jørn Krogh Sørensen

Pia Wrang

Supplementary Information

Financial calendar

In 2023 and 2024 the Group's preliminary announcement of financial statements will be released as follows:

- Announcement of the 2023 Financial Statements
28 February 2024
- Annual General Meeting 2024
21 March 2024
- Interim Report - Q1 2024
1 May 2024
- Interim Report - First Half 2024
21 August 2024
- Interim Report - Q1-Q3 2024
30 October 2024

Sydbank contacts

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Relevant links

sydbank.dk
sydbank.com

For further information reference is made to Sydbank's 2022 Annual Report at sydbank.com