

## Sydbank's Interim Report – Q1-Q3 2014

### Sydbank's plan to increase profitability is generating results

CEO Karen Frøsig comments on the interim financial statements:

- Q3 performance shows that Sydbank's plan to increase profitability is working. Costs are falling, income is growing and at the same time credit quality is improving. Consequently we will continue to proceed as planned.
- I am proud as well as happy and humble that again this year Sydbank has the most satisfied customers among the major banks. Our efforts are focused on building strong relationships and being available when our customers need us to be. This is appreciated by our customers as seen in the annual Aalund satisfaction survey of corporate clients and the annual EPSI satisfaction survey of retail clients.

### Q1-Q3 results – highlights

- Core income has risen by 6% to DKK 3,225m compared to the first nine months of 2013.
- Deposits as well as loans and advances have gone up during the period. In 2014 loans and advances have grown by 2% in a market where competition for clients is very intense.
- Sydbank continues to see an influx of new clients and customer satisfaction remains very high, both as regards retail clients and corporate clients.
- Impairment charges for loans and advances have declined by 43%.
- Costs (core earnings) have increased as a result of the acquisition of DiBa Bank.
- Profit before tax equals a return of 13.1% p.a. on average shareholders' equity.
- Profit for the period amounts to DKK 828m compared with DKK 469m in 2013. The result for the period is the best result since 2007.

Progress was particularly remarkable in Q3 when Sydbank recorded its best quarterly result in more than six years, namely DKK 314m. Impairment charges for the quarter of DKK 129m have been maintained at a low level.

### Outlook for 2014

Sydbank continues to project rising core income and trading income. Costs (core earnings) are still expected to increase as a result of the acquisition of DiBa Bank. Impairment charges for loans and advances of around DKK 700-800m are projected. Integration and restructuring costs are still forecast to total around DKK 75m.

### Additional information

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*Karen Frøsig, CEO, Bjarne Larsen, Deputy Group Chief Executive, and Jørn Adam Møller, Chief Investor Relations Officer, will review the Q1-Q3 Report today at 14.00 (CET) at a teleconference. The teleconference will be held in Danish and may be followed via [www.sydbank.dk/audiocast](http://www.sydbank.dk/audiocast).*

*Attendees, please call by 13.55 (CET). Danish attendees are invited to call 70 25 23 00 or 70 25 67 00. International attendees are invited to call +44 208 817 93 11. Please quote the following code: 7264 0502#*