

The Copenhagen Stock Exchange
The London Stock Exchange
Other stakeholders

Stock Exchange Announcement No 13/04

Date
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Dear Sirs

Sydbank to raise hybrid capital

Sydbank has issued a bond loan of EUR 75m (DKK 557m) in the form of hybrid capital. The loan is perpetual and can be included in the Bank's core capital. Sydbank may, subject to the approval of the Danish Financial Supervisory Authority, redeem the loan after 10 years. The bonds will be listed on the Luxembourg Stock Exchange and on Euronext Amsterdam. The loan has been issued in collaboration with ABN AMRO Bank N.V.

The loan has been raised in connection with the ongoing refinancing of the Bank's capital base (Tiers 1+2).

Sydbank's policies on capital structure and solvency remain unchanged. The structure of the Bank's capital base (Tiers 1+2) must be as appropriate as possible in relation to prices/costs of different types of capital as well as business conditions. Against this background the Bank aims to have a capital base (Tiers 1+2) whose size will ensure that the Bank's solvency meets the statutory requirements + 2 percentage points, ie approximately 10% and that core capital (Tier 1) based on shareholders' equity (Tier 1) (excl hybrid capital) constitutes 7% as a minimum.

These aims have been fully met. The Bank's solvency ratio (total capital) as at 31 October 2004 including profit for the year and hybrid capital, constitutes 11.8%. Core capital (Tier 1) including hybrid capital represents 9.9% and shareholders' equity (Tier 1) 8.8%.

Yours faithfully



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