

Copenhagen Stock Exchange  
London Stock Exchange  
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## **Stock Exchange Announcement No 12/05**

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Dear Sirs

### **The Sydbank Group 2005 Interim Report**

For the first six months of 2005, Sydbank recorded a pre-tax profit of DKK 591m, equal to a 26% return p.a. on shareholders' equity (Tier 1).

Core earnings improved by 61% – from DKK 320m in 1H 2004 to DKK 516m.

Highlights include

- increase in core income excl trading income of just under 5%
- rise in trading income of 41%
- reduction in write-downs of loans and receivables etc by just over 50%.

Ordinary loans and receivables grew by an annualized 27%.

Profit from investment portfolios rose by DKK 30m to DKK 75m.

The post-tax profit of DKK 420m is equal to a 19% return p.a. on shareholders' equity (Tier 1). Book value represents DKK 66 per share in issue.

Core earnings for 1H 2005 are consistent with the expectations that were published in June.

In summary, performance and business developments are considered highly satisfactory.

### **Upgrade of core earnings outlook for 2005**

On the basis of realized core earnings for the first six months of 2005 and core earnings YTD, core earnings for 2005 as a whole will exceed previously published expectations. As a result the 2005 core earnings outlook is upgraded by DKK 100m to DKK 900-1,000m. This is the third upgrade in 2005.

## Core income

Core income excluding trading income has risen by just over DKK 44m compared with the first six months of 2004. The profit and loss account records an improvement of DKK 3m to DKK 962m. However the amounts are not directly comparable as the measurement of loans and receivables changed as of 31 December 2004 in connection with the transition to IFRS. Adjusted thereof, the rise from 1H 2004 to 1H 2005 can be estimated at DKK 44m as stated above, ie equal to just below 5%.

Increased business activities in Sydbank Markets and in the Bank's decentralized investment departments have generated a rise in trading income from DKK 376m to DKK 529m. This sharp increase in income has been supported by growing customer demand and high activity. Private investors, including the Bank's private banking clients, have shown mounting interest in the Bank's asset management services and equity investments. Moreover widespread re-mortgaging activity and a favourable trend in wholesale trade have contributed to growth in relation to bonds. Finally the demand for currency and interest rate swap products by the Bank's corporate clients is steadily increasing.

| <b>Profit and loss account 1 January to 30 June (DKKm)</b> | <b>2004</b>  | <b>2005</b>  |
|--|--------------|--------------|
| Core income excl trading income                            | 959          | 962          |
| Trading income   | 376          | 529          |
| <b>Total core income</b>                                   | <b>1,335</b> | <b>1,491</b> |
| Costs and depreciation                                     | 867          | 925          |
| Write-downs of loans and receivables etc                   | 148          | 50           |
| <b>Core earnings</b>                                       | <b>320</b>   | <b>516</b>   |
| Profit from investment portfolios                          | 45           | 75           |
| <b>Profit before tax</b>                                   | <b>365</b>   | <b>591</b>   |
| Tax  | 113          | 171          |
| <b>Profit after tax</b>                                    | <b>252</b>   | <b>420</b>   |

Total core income amounts to DKK 1,491m (2004: DKK 1,335m).

## Costs and depreciation

Costs and depreciation related to core income grew by DKK 58m (6.7%) to DKK 925m.

The rise is mainly ascribable to the increase in the number of employees to 2,092 at the end of 1H 2005 compared with 2,024 one year ago – growth triggered by rising activity. So far this year 5 small branches have been closed/amalgamated. Following the opening of the new branch in Hillerød in early 2005, the number of branches totals 112.

## Write-downs of loans and receivables etc

Write-downs of loans and receivables etc recorded DKK 50m in 1H 2005. The amount is not comparable with the write-downs in 1H 2004 as the change of measurement did not take effect until 31 December 2004. Adjusted thereof, the reduction can be estimated at DKK 57m.

### Core earnings

Total core earnings represent DKK 516m against DKK 320m a year ago and are directly comparable; the increase constitutes 61%.

### Profit from investment portfolios

Profit from investment portfolios amounts to DKK 75m for the first six months of 2005 (2004: DKK 45m).

### Subsidiary undertakings

The subsidiary undertakings, DMK-Holding and SBK-Invest, contributed a pre-tax profit of DKK 21m (2004: DKK 26m). The subsidiary bank, Sydbank (Schweiz) AG in St. Gallen, recorded a pre-tax loss of DKK 2m, which is less than budgeted. The total profit of the subsidiary undertakings has been included in Group core earnings.

### Profit after tax

The Group's pre-tax profit makes up DKK 591m. Less a calculated tax charge of DKK 171m, profit stands at DKK 420m and book value at DKK 66 per share in issue.

### Balance sheet and capital

The Group's total assets amount to DKK 89bn at 30 June 2005 (31 December 2004: DKK 78bn).

| <b>Balance sheet (DKKbn)</b>                                 | <b>31 Dec 2004</b> | <b>30 Jun 2005</b> |
|--|--------------------|--------------------|
| <b>Assets</b>  |                    |                    |
| Amounts owed by credit institutions etc                      | 9.9                | 10.7               |
| Ordinary loans and receivables                               | 41.8               | 47.6               |
| Repo loans and receivables                                   | 5.7                | 7.8                |
| Securities and holdings in associated and group undertakings | 11.4               | 12.2               |
| Assets – pooled schemes                                      | 4.7                | 5.2                |
| Other assets   | 4.9                | 5.1                |
| <b>Total assets</b>  | <b>78.4</b>        | <b>88.6</b>        |
| <b>Shareholders' equity and liabilities</b>                  |                    |                    |
| Amounts owed to credit institutions                          | 19.1               | 24.9               |
| Deposits   | 38.4               | 42.2               |
| Deposits with pooled schemes                                 | 4.9                | 5.2                |
| Bonds issued   | 1.9                | 1.9                |
| Other liabilities  | 7.9                | 7.8                |
| Subordinated capital (Tier 2)                                | 1.8                | 2.1                |
| Shareholders' equity (Tier 1)                                | 4.4                | 4.5                |
| <b>Total shareholders' equity and liabilities</b>            | <b>78.4</b>        | <b>88.6</b>        |

In 1H 2005 ordinary loans and receivables increased by DKK 5.8bn to DKK 47.6bn. The rise constitutes DKK 10.0bn or 26.8% compared with 1H 2004. The growth in loans and receivables comes from a broad base. It is especially worth noting that the past year has seen a sharp rise in the demand for loans and receivables in the Bank's internationally oriented departments.

Group deposits rose by DKK 3.8bn to DKK 42.2bn in 1H 2005.

In 1H subordinate loan capital of EUR 50m and GBP 10m was redeemed and subordinate loan capital of EUR 100m was raised.

Shareholders' equity (Tier 1) has been increased by DKK 103m since year-end 2004 and constitutes DKK 4,534m as of 30 June 2005. The changes are ascribable to dividend distribution etc of net DKK 210m, net purchase of own shares of DKK 95m, tax on equity items of DKK 12m and profit for the period of DKK 420m.

The Group's solvency (total capital) ratio stands at 10.0%, including a core capital (Tier 1) ratio of 7.8% and a core capital (Tier 1) ratio (excl hybrid core capital) of 6.9%. Incorporating profit for the period, the solvency (total capital) ratio is 10.7%, including a core capital (Tier 1) ratio of 8.6% and a core capital (Tier 1) ratio (excl hybrid core capital) of 7.6%.

#### **Other issues**

Moody's ratings remain unchanged: A2 (long-term), P-1 (short-term) and C+ (financial strength).

Sydbank's opening balance as at 1 January 2005 and Sydbank's 2005 Interim Report have not been audited.

#### **Outlook for 2005**

Performance and customer development was highly satisfactory in the first six months of 2005.

On the basis of realized core earnings for the first six months of 2005 and core earnings YTD – including developments following 30 June 2005 in the need for write-downs in relation to a few major exposures, core earnings for 2005 as a whole will exceed previously published expectations. As a result the 2005 core earnings outlook is upgraded by DKK 100m to DKK 900-1,000m. This is the third upgrade in 2005.

Investment portfolio earnings will depend on financial market trends, including price levels at year-end 2005.

The Group's tax charge, including tax on write-downs of loans and receivables etc, is projected to represent 29% of pre-tax profit.

Yours faithfully



Carsten Andersen  
Group Chief Executive

## GROUP FINANCIAL HIGHLIGHTS

|   | 1H<br>2001 | 1H<br>2002 | 1H<br>2003 | 1H<br>2004 | 1H<br>2005 | Full year<br>2004 |
|---|------------|------------|------------|------------|------------|-------------------|
| <b>Profit and loss account highlights (DKKm)</b>              |            |            |            |            |            |                   |
| Net interest and fee income                                   | 1,103      | 1,188      | 1,263      | 1,264      | 1,330      | 2,531             |
| Market value adjustments                                      | 120        | 40         | 145        | 107        | 231        | 327               |
| Staff costs and administrative expenses                       | 696        | 747        | 772        | 836        | 890        | 1,638             |
| Write-downs of loans and receivables etc                      | 129        | 149        | 149        | 148        | 50         | 225               |
| Profit after tax  | 288        | 216        | 301        | 252        | 420        | 715               |
| <b>Balance sheet highlights (DKKbn)</b>                       |            |            |            |            |            |                   |
| Loans and receivables   | 36.8       | 37.4       | 39.4       | 43.8       | 55.4       | 47.5              |
| Deposits and other debt                                       | 30.1       | 32.8       | 35.5       | 37.1       | 42.2       | 38.4              |
| Subordinated capital (Tier 2)                                 | 1.4        | 1.2        | 1.5        | 1.3        | 2.1        | 1.8               |
| Shareholders' equity (Tier 1)                                 | 3.4        | 3.5        | 4.1        | 4.1        | 4.5        | 4.4               |
| Total assets  | 59.2       | 70.1       | 69.8       | 69.0       | 88.6       | 78.4              |
| <b>Financial ratios per share (DKK per share of DKK 10)**</b> |            |            |            |            |            |                   |
| Profit after tax  | 3.9        | 3.0        | 4.1        | 3.6        | 6.1        | 10.2              |
| Share price, end of half-year                                 | 43.7       | 49.0       | 68.7       | 89.5       | 137.8      | 107.8             |
| Book value  | 45.1       | 46.6       | 54.9       | 58.1       | 66.0       | 63.6              |
| Share price/book value  | 0.97       | 1.05       | 1.25       | 1.54       | 2.09       | 1.69              |
| Average number of shares in issue (millions)                  | 74.3       | 72.7       | 73.6       | 70.8       | 68.6       | 70.3              |
| Dividends   | 1.5        | 1.5        | 1.5        | 2.0        | 3.0        | 2.0               |
| <b>Other financial ratios</b>                                 |            |            |            |            |            |                   |
| Solvency (total capital) ratio *)                             | 10.3       | 10.4       | 10.5       | 10.1       | 10.0       | 11.5              |
| Core capital (Tier 1) ratio *)                                | 7.3        | 7.6        | 7.9        | 8.1        | 7.8        | 9.5               |
| Profit before tax as % of avg shareholders' equity            | 11.0       | 9.2        | 11.4       | 8.8        | 13.2       | 21.7              |
| Profit after tax as % of avg shareholders' equity             | 8.7        | 6.4        | 7.6        | 6.1        | 9.4        | 16.6              |
| Income/cost ratio (DKK)                                       | 1.42       | 1.33       | 1.47       | 1.35       | 1.60       | 1.48              |
| Interest rate risk *)   | 3.7        | 4.8        | 5.3        | 2.4        | 3.4        | 3.4               |
| Foreign exchange position *)                                  | 10.2       | 2.9        | 15.7       | 5.3        | 12.0       | 1.5               |
| Foreign exchange risk *)                                      | 0.1        | 0.1        | 0.1        | 0.0        | 0.1        | 0.0               |
| Loans and receivables relative to deposits                    | 1.2        | 1.1        | 1.1        | 1.1        | 1.3        | 1.2               |
| Loans and receivables relative to shareholders' equity        | 10.9       | 10.7       | 9.6        | 10.8       | 12.2       | 10.7              |
| Growth in loans and receivables for the half-year             | 5.0        | 0.1        | 2.1        | 10.7       | 16.6       | 20.1              |
| Excess cover relative to statutory liquidity requirements *)  | 80.0       | 110.0      | 88.7       | 152.0      | 74.9       | 114.2             |
| Total large exposures *)                                      | 87.9       | 95.2       | 99.9       | 79.1       | 102.2      | 61.5              |
| Accumulated write-down ratio                                  | 2.8        | 2.9        | 2.8        | 2.7        | 2.2        | 2.6               |
| Write-down ratio for the half-year                            | 0.29       | 0.32       | 0.30       | 0.27       | 0.07       | 0.38              |
| Number of full-time staff, end of half-year                   | 1,900      | 1,958      | 1,979      | 2,024      | 2,092      | 2,075             |

\*) Financial ratios for 2004 and earlier have not been adjusted

\*\*\*) Calculation based on average number of shares in issue

Financial highlights for 2001, 2002 and 2003 have not been adjusted

## PROFIT AND LOSS ACCOUNT FOR THE FIRST HALF-YEAR

| DKKm   | Note     | Sydbank Group |              | Sydbank A/S  |              |
|--|----------|---------------|--------------|--------------|--------------|
|  |          | 2004          | 2005         | 2004         | 2005         |
| Interest income  | 3        | 1,257         | 1,377        | 1,240        | 1,350        |
| Interest expense   | 4        | 418           | 539          | 418          | 539          |
| <b>Net interest income</b>                                     | <b>5</b> | <b>839</b>    | <b>838</b>   | <b>822</b>   | <b>811</b>   |
| Dividends from shares  |          | 16            | 10           | 16           | 10           |
| Fee and commission income                                      |          | 453           | 547          | 421          | 517          |
| Fee and commission expense                                     |          | 44            | 65           | 43           | 64           |
| <b>Net interest and fee income</b>                             |          | <b>1,264</b>  | <b>1,330</b> | <b>1,216</b> | <b>1,274</b> |
| Market value adjustments                                       | 6        | 107           | 231          | 107          | 230          |
| Other operating income   |          | 14            | 11           | 10           | 9            |
| Staff costs and administrative expenses                        | 7        | 836           | 890          | 807          | 858          |
| Depreciation and write-downs of tangible assets                |          | 35            | 40           | 34           | 37           |
| Other operating expenses                                       |          | 0             | 0            | 0            | 0            |
| Write-downs of loans and receivables etc                       | 9        | 148           | 50           | 147          | 46           |
| Profit/(Loss) on holdings in associated and group undertakings | 10       | (1)           | (1)          | 20           | 19           |
| <b>Profit before tax</b>                                       |          | <b>365</b>    | <b>591</b>   | <b>365</b>   | <b>591</b>   |
| Tax  | 11       | 113           | 171          | 113          | 171          |
| <b>Profit after tax</b>  |          | <b>252</b>    | <b>420</b>   | <b>252</b>   | <b>420</b>   |

## BALANCE SHEET

| DKKm  | Note | Sydbank Group  |                | Sydbank A/S    |                |
|---|------|----------------|----------------|----------------|----------------|
|   |      | 31 Dec<br>2004 | 30 Jun<br>2005 | 31 Dec<br>2004 | 30 Jun<br>2005 |
| <b>Assets</b>   |      |                |                |                |                |
| Cash and balances on demand at central banks          |      | 594            | 1,054          | 590            | 1,039          |
| Amounts owed by credit institutions and central banks | 12   | 9,294          | 9,575          | 9,317          | 9,691          |
| Loans and receivables at amortized cost               |      | 47,544         | 55,428         | 47,491         | 55,325         |
| Bonds at fair value                                   |      | 10,410         | 11,316         | 10,410         | 11,316         |
| Shares etc  |      | 844            | 787            | 843            | 785            |
| Holdings in associated undertakings                   |      | 147            | 143            | 147            | 143            |
| Holdings in group undertakings                        |      | -              | -              | 135            | 148            |
| Assets – pooled schemes                               |      | 4,671          | 5,167          | 4,671          | 5,167          |
| Total land and property:                              |      | 736            | 749            | 580            | 583            |
| investment property                                   |      | 47             | 45             | 47             | 45             |
| owner-occupied property                               |      | 689            | 704            | 533            | 538            |
| Other tangible assets                                 |      | 90             | 89             | 87             | 87             |
| Current tax assets                                    |      | 161            | 43             | 161            | 43             |
| Non-current assets held for sale                      |      | 8              | 8              | 8              | 8              |
| Other assets  | 13   | 3,856          | 4,156          | 3,800          | 4,059          |
| Prepayments   |      | 35             | 37             | 34             | 39             |
| <b>Total assets</b>                                   |      | <b>78,390</b>  | <b>88,552</b>  | <b>78,274</b>  | <b>88,433</b>  |
| <b>Shareholders' equity and liabilities</b>           |      |                |                |                |                |
| Amounts owed to credit institutions and central banks |      | 19,076         | 24,885         | 19,105         | 24,952         |
| Deposits and other debt                               | 14   | 38,434         | 42,243         | 38,419         | 42,157         |
| Deposits with pooled schemes                          |      | 4,857          | 5,239          | 4,857          | 5,239          |
| Bonds issued  |      | 1,860          | 1,858          | 1,860          | 1,858          |
| Current tax liabilities                               |      | 3              | -              | 3              | -              |
| Other liabilities                                     | 15   | 7,788          | 7,593          | 7,716          | 7,540          |
| Deferred income                                       |      | 58             | 51             | 0              | 4              |
| <b>Total debt</b>                                     |      | <b>72,076</b>  | <b>81,869</b>  | <b>71,960</b>  | <b>81,750</b>  |
| Provisions for liabilities                            | 16   | 67             | 62             | 67             | 62             |
| Subordinated capital (Tier 2)                         | 17   | 1,816          | 2,087          | 1,816          | 2,087          |
| Shareholders' equity (Tier 1)                         | 1    | 4,431          | 4,534          | 4,431          | 4,534          |
| <b>Total shareholders' equity and liabilities</b>     |      | <b>78,390</b>  | <b>88,552</b>  | <b>78,274</b>  | <b>88,433</b>  |

## ACCOUNTING POLICIES

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As of 1 January 2005 the accounting policies of the Sydbank Group have been changed to the International Financial Reporting Standards, IFRS. Moreover the accounting policies applied by Sydbank A/S have been changed in compliance with the Danish executive order on financial reporting of credit institutions and brokerage firms etc, which is in compliance with IFRS apart from the measurement of group and associated undertakings at book value. The date of transition is 1 January 2004. The accounting policies of this interim report are consistent with the accounting policies of the 2004 Annual Report except for the changes which are presented in the section "Transition to IFRS in 2005" in the 2004 Annual Report, which describes the changes between the formerly Applied Danish accounting standards and IFRS. However the measurement of loans and receivables at amortized cost, IAS 39, will take place as of 1 January 2005 for the first time. Measurement as of 1 January 2005 has been incorporated in the balance sheet as of 31 December 2004. As a consequence the reporting before and after the changes will not be fully comparable. The presentation, format and terminology of this interim report are in compliance with IFRS. Previously the Group's tax liability was paid by the parent company. In future tax will be paid by each individual undertaking. The financial ratios have been prepared in accordance with "Recommendations & Financial Ratios 2005" published by the Danish Society of Financial Analysts. No historical adjustment of financial ratios related to capital adequacy. Comparative figures for 2001, 2002 and 2003 have not been restated.

## GROUP STRUCTURE

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| Activity                                      | Share capital (millions) | Equity (DKKm) | Profit/(Loss) *) (DKKm) | Ownership share (%) |
|---|--------------------------|---------------|-------------------------|---------------------|
| <b>Sydbank A/S</b>                            | DKK 700                  | 4,427         |                         |                     |
| <b>Consolidated subsidiary undertakings:</b>  |                          |               |                         |                     |
| DMK-Holding A/S                               | DKK 11                   | 12            | 37                      | 100                 |
| SBK-Invest A/S                                | DKK 10                   | 20            | 10                      | 100                 |
| Ejendomsselskabet af 1. juni 1986 A/S         | DKK 3                    | 6             | 3                       | 100                 |
| Sydbank (Schweiz) AG, St. Gallen, Switzerland | CHF 21                   | 94            | (12)                    | 100                 |

All consolidated subsidiary undertakings are domiciled in Aabenraa unless otherwise stated.

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### Associated undertakings:

|                                 |           |         |     |   |    |
|---------------------------------|-----------|---------|-----|---|----|
| Foreningen Bankdata, Fredericia | IT centre | DKK 249 | 281 | 0 | 53 |
|---------------------------------|-----------|---------|-----|---|----|

\*) According to most recent annual report

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**Sydbank Group**

|  | Q1<br>2004 | Q2<br>2004 | Q3<br>2004 | Q4<br>2004 | Q1<br>2005 | Q2<br>2005 |
|--|------------|------------|------------|------------|------------|------------|
|--|------------|------------|------------|------------|------------|------------|

**SIX QUARTER SUMMARY**

|  |            |            |            |            |            |            |
|--|------------|------------|------------|------------|------------|------------|
| Core income excl trading income          | 474        | 485        | 486        | 514        | 478        | 484        |
| Trading income                           | 231        | 145        | 145        | 191        | 231        | 298        |
| <b>Total core income</b>                 | <b>705</b> | <b>630</b> | <b>631</b> | <b>705</b> | <b>709</b> | <b>782</b> |
| Costs and depreciation                   | 459        | 408        | 411        | 436        | 470        | 455        |
| Write-downs of loans and receivables etc | 74         | 74         | 51         | 26         | 20         | 30         |
| <b>Core earnings</b>                     | <b>172</b> | <b>148</b> | <b>169</b> | <b>243</b> | <b>219</b> | <b>297</b> |
| Profit/(Loss) from investment portfolios | 66         | (21)       | 21         | 51         | 16         | 59         |
| <b>Profit before Totalkredit gain</b>    | <b>238</b> | <b>127</b> | <b>190</b> | <b>294</b> | <b>235</b> | <b>356</b> |
| Gain on sale of Totalkredit              | -          | -          | -          | 87         | -          | -          |
| <b>Profit before tax</b>                 | <b>238</b> | <b>127</b> | <b>190</b> | <b>381</b> | <b>235</b> | <b>356</b> |
| Tax                                      | 74         | 39         | 66         | 42         | 72         | 99         |
| <b>Profit after tax</b>                  | <b>164</b> | <b>88</b>  | <b>124</b> | <b>339</b> | <b>163</b> | <b>257</b> |

**Sydbank Group**

| DKK m | 1H<br>2004 | 1H<br>2005 | Full year<br>2004 |
|-------|------------|------------|-------------------|
|-------|------------|------------|-------------------|

**CORE INCOME****Core income excl trading income:**

|                            |            |            |              |
|----------------------------|------------|------------|--------------|
| Interest margins etc       | 727        | 734        | 1,491        |
| Mortgage credit            | 67         | 81         | 152          |
| Payment services           | 36         | 42         | 80           |
| Remortgaging and loan fees | 52         | 43         | 102          |
| Other commission           | 63         | 51         | 107          |
| Other operating income     | 14         | 11         | 27           |
| <b>Total</b>               | <b>959</b> | <b>962</b> | <b>1,959</b> |

**Trading income:**

|                  |            |            |            |
|------------------|------------|------------|------------|
| Bonds            | 100        | 108        | 133        |
| Shares           | 98         | 141        | 179        |
| Foreign exchange | 40         | 113        | 97         |
| Money market     | 26         | 10         | 60         |
| Asset management | 112        | 157        | 243        |
| <b>Total</b>     | <b>376</b> | <b>529</b> | <b>712</b> |

## NOTES

| DKK m | Sydbank Group  |                | Sydbank A/S    |                |
|-------|----------------|----------------|----------------|----------------|
|       | 31 Dec<br>2004 | 30 Jun<br>2005 | 31 Dec<br>2004 | 30 Jun<br>2005 |

### Note 1

#### Shareholders' equity (Tier 1):

Changes in capital:

|   |              |              |              |              |
|---|--------------|--------------|--------------|--------------|
| Shareholders' equity (Tier 1) 1 January                 | 4,331        | 4,431        | 4,331        | 4,431        |
| IFRS impact 1 January                                   | (144)        | -            | (144)        | -            |
| <b>Adjusted shareholders' equity (Tier 1) 1 January</b> | <b>4,187</b> | <b>4,431</b> | <b>4,187</b> | <b>4,431</b> |
| Profit for the period                                   | 715          | 420          | 715          | 420          |
| Purchase/sale of own shares                             | (240)        | (95)         | (240)        | (95)         |
| Tax on equity items                                     | (14)         | (12)         | (14)         | (12)         |
| Allocated for other purposes                            | (5)          | (5)          | (5)          | (5)          |
| Dividend concerning shares in issue                     | (147)        | (205)        | (147)        | (205)        |
| IFRS impact, end of period (IAS 39)                     | (65)         | -            | (65)         | -            |
| <b>Total shareholders' equity (Tier 1)</b>              | <b>4,431</b> | <b>4,534</b> | <b>4,431</b> | <b>4,534</b> |

Share capital comprises 70,000,000 shares at a nominal value of DKK 10 or a total of DKK 700m.

|                                  |  |                   |                   |
|----------------------------------|--|-------------------|-------------------|
| Shares in issue (qty)            |  | 69,654,680        | 68,751,441        |
| Holding of own shares (qty)      |  | 345,320           | 1,248,559         |
| <b>Total share capital (qty)</b> |  | <b>70,000,000</b> | <b>70,000,000</b> |

### Note 2

#### Capital base (Tiers 1+2) and solvency (total capital) ratio:

|   |               |               |               |               |
|---|---------------|---------------|---------------|---------------|
| Shareholders' equity (Tier 1) *)                                  | 4,427         | 4,534         | 4,427         | 4,534         |
| Profit for the half year  | -             | 420           | -             | 420           |
| Core capital (Tier 1)   | 4,427         | 4,114         | 4,427         | 4,114         |
| Hybrid core capital   | 558           | 559           | 558           | 559           |
| Deductions  | 37            | 0             | 37            | 0             |
| Core capital (Tier 1) (incl hybrid core capital) after deductions | 4,948         | 4,673         | 4,948         | 4,673         |
| Subordinated capital (Tier 2) included                            | 1,257         | 1,528         | 1,257         | 1,528         |
| Deductions  | 203           | 251           | 203           | 251           |
| Supplementary capital (Tier 2) after deductions                   | 1,054         | 1,277         | 1,054         | 1,277         |
| <b>Capital base after deductions</b>                              | <b>6,002</b>  | <b>5,950</b>  | <b>6,002</b>  | <b>5,950</b>  |
| Weighted items outside the trading portfolio                      | 47,070        | 52,968        | 47,000        | 52,835        |
| Weighted items with market risk etc                               | 5,162         | 6,585         | 5,160         | 6,574         |
| <b>Total weighted items</b>                                       | <b>52,232</b> | <b>59,553</b> | <b>52,160</b> | <b>59,409</b> |
| Core capital (Tier 1) ratio (excl hybrid core capital)            | 8.4           | 6.9           | 8.4           | 6.9           |
| Core capital (Tier 1) ratio                                       | 9.5           | 7.8           | 9.5           | 7.9           |
| Solvency (total capital) ratio                                    | 11.5          | 10.0          | 11.5          | 10.0          |

\*) Shareholders' equity (Tier 1) at 31 December 2004 has been calculated according to the former accounting policy.

## NOTES

| DKKm  | Sydbank Group |              | Sydbank A/S  |              |
|---|---------------|--------------|--------------|--------------|
|   | 2004          | 2005         | 2004         | 2005         |
| <b>Note 3</b>   |               |              |              |              |
| <b>Interest income from:</b>  |               |              |              |              |
| Amounts owed by credit institutions and central banks                       | 69            | 73           | 69           | 73           |
| Loans and receivables   | 922           | 1,015        | 906          | 988          |
| Bonds   | 232           | 163          | 232          | 163          |
| Total derivatives   | 31            | 123          | 31           | 123          |
| including   |               |              |              |              |
| Foreign exchange contracts  | 73            | 131          | 73           | 131          |
| Interest rate contracts   | (42)          | (8)          | (42)         | (8)          |
| Other interest income   | 3             | 3            | 2            | 3            |
| <b>Total</b>  | <b>1,257</b>  | <b>1,377</b> | <b>1,240</b> | <b>1,350</b> |
| Of which income from genuine purchase and resale transactions stated under: |               |              |              |              |
| Amounts owed by credit institutions and central banks                       | 19            | 19           | 19           | 19           |
| Loans and receivables   | 59            | 73           | 59           | 73           |

## Note 4

### Interest expense to:

|   |            |            |            |            |
|---|------------|------------|------------|------------|
| Credit institutions and central banks   | 116        | 167        | 117        | 167        |
| Deposits  | 259        | 306        | 258        | 306        |
| Bonds issued  | 22         | 22         | 22         | 22         |
| Subordinated capital (Tier 2)   | 21         | 39         | 21         | 39         |
| Other interest expense  | 0          | 5          | 0          | 5          |
| <b>Total</b>  | <b>418</b> | <b>539</b> | <b>418</b> | <b>539</b> |
| Of which interest expense to genuine sale and repurchase transactions stated under: |            |            |            |            |
| Amounts owed to credit institutions and central banks                               | 24         | 13         | 24         | 13         |
| Deposits  | 0          | 8          | 0          | 8          |

## NOTES

| Sydbank Group   | 1H 2004 |          |                      | 1H 2005 |          |                      |   |
|---|---------|----------|----------------------|---------|----------|----------------------|---|
|   | DKKm    | Interest | Average total assets | %       | Interest | Average total assets | % |
| <b>Note 5</b>   |         |          |                      |         |          |                      |   |
| <b>Net interest income and average total assets:</b>  |         |          |                      |         |          |                      |   |
| Amounts owed by                                       |         |          |                      |         |          |                      |   |
| credit institutions and central banks                 | 69      | 6,534    | 2.11                 | 73      | 6,968    | 2.10                 |   |
| Ordinary loans and receivables                        | 864     | 34,491   | 5.01                 | 942     | 42,095   | 4.48                 |   |
| Repo loans and receivables                            | 59      | 5,387    | 2.20                 | 73      | 6,647    | 2.18                 |   |
| Bonds   | 232     | 10,407   | 4.46                 | 163     | 7,057    | 4.63                 |   |
| Interest earning assets                               | 1,224   | 56,819   | 4.31                 | 1,251   | 62,767   | 3.99                 |   |
| Amounts owed to credit institutions and central banks |         |          |                      |         |          |                      |   |
| Ordinary deposits                                     | 116     | 16,054   | 1.45                 | 167     | 16,344   | 2.04                 |   |
| Repo deposits   | 259     | 35,372   | 1.46                 | 298     | 39,567   | 1.50                 |   |
| Bonds issued  | 0       | 19       | 2.12                 | 8       | 780      | 2.11                 |   |
| Subordinated capital (Tier 2)                         | 22      | 1,861    | 2.33                 | 22      | 1,856    | 2.38                 |   |
| Interest bearing liabilities                          | 21      | 1,264    | 3.29                 | 39      | 1,886    | 4.13                 |   |
| Total interest margin                                 | 418     | 54,570   | 1.53                 | 534     | 60,433   | 1.77                 |   |
|   |         |          | 2.78                 |         |          | 2.22                 |   |

Average balance sheet sums calculated on the basis of day-to-day averages.

Adjusted for negative bond portfolios.

| DKKm                                      | Sydbank Group |            | Sydbank A/S |            |
|---|---------------|------------|-------------|------------|
|   | 2004          | 2005       | 2004        | 2005       |
| <b>Note 6</b>                             |               |            |             |            |
| <b>Market value adjustments:</b>          |               |            |             |            |
| Other loans and receivables at fair value | (8)           | 2          | (8)         | 2          |
| Bonds                                     | 7             | 65         | 7           | 65         |
| Shares etc                                | 40            | 75         | 40          | 75         |
| Foreign exchange                          | 69            | 77         | 69          | 76         |
| Total derivatives                         | (1)           | 12         | (1)         | 12         |
| Assets – pooled schemes                   | 59            | 272        | 59          | 272        |
| Deposits with pooled schemes              | (59)          | (272)      | (59)        | (272)      |
| <b>Total</b>                              | <b>107</b>    | <b>231</b> | <b>107</b>  | <b>230</b> |

## NOTES

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|   | Sydbank Group |            | Sydbank A/S |            |
|---|---------------|------------|-------------|------------|
| DKKm  | 2004          | 2005       | 2004        | 2005       |
| <b>Note 7</b>                                   |               |            |             |            |
| <b>Staff costs and administrative expenses:</b> |               |            |             |            |
| Salaries and emoluments to:                     |               |            |             |            |
| Executive Management                            | 5             | 6          | 5           | 6          |
| Board of Directors                              | 1             | 1          | 1           | 1          |
| Shareholders' Committee                         | 1             | 1          | 1           | 1          |
| <b>Total</b>                                    | <b>7</b>      | <b>8</b>   | <b>7</b>    | <b>8</b>   |
| Staff costs:                                    |               |            |             |            |
| Wages and salaries                              | 411           | 443        | 398         | 427        |
| Pension costs                                   | 41            | 44         | 40          | 42         |
| Social security costs                           | 34            | 42         | 33          | 41         |
| <b>Total</b>                                    | <b>486</b>    | <b>529</b> | <b>471</b>  | <b>510</b> |
| Other administrative expenses:                  |               |            |             |            |
| IT  | 153           | 169        | 148         | 165        |
| Rent etc  | 56            | 53         | 56          | 51         |
| Marketing etc                                   | 26            | 27         | 25          | 26         |
| Other expenses                                  | 108           | 104        | 100         | 98         |
| <b>Total</b>                                    | <b>343</b>    | <b>353</b> | <b>329</b>  | <b>340</b> |
| <b>Total</b>                                    | <b>836</b>    | <b>890</b> | <b>807</b>  | <b>858</b> |

## Note 8

### Number of employees:

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|  |       |       |       |       |
|--|-------|-------|-------|-------|
| Average number of staff (full-time equivalent) | 2,046 | 2,124 | 1,985 | 2,057 |
|--|-------|-------|-------|-------|

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## NOTES

| DKK m | Sydbank Group |      | Sydbank A/S |      |
|-------|---------------|------|-------------|------|
|       | 2004          | 2005 | 2004        | 2005 |

### Note 9

#### Write-downs of loans and receivables and provisions for guarantees:

|  |              |              |              |              |
|--|--------------|--------------|--------------|--------------|
| Write-downs and provisions 1 January                   | 1,439        | 1,545        | 1,419        | 1,521        |
| IFRS adjustment  | -            | (13)         | -            | (13)         |
| Adjusted write-downs and provisions 1 January          | 1,439        | 1,532        | 1,419        | 1,508        |
| Exchange rate adjustment                               | 0            | 0            | 0            | 0            |
| Write-downs and provisions for the half-year           | 153          | 79           | 151          | 79           |
| Written off included in write-downs and provisions     | 67           | 113          | 67           | 111          |
| Adjustment regarding discounting of interest           | -            | 38           | -            | 38           |
| <b>Write-downs and provisions 30 June</b>              | <b>1,525</b> | <b>1,536</b> | <b>1,503</b> | <b>1,514</b> |
| Individual write-downs and provisions                  |              | 1,348        |              | 1,332        |
| Grouped write-downs and provisions                     |              | 188          |              | 182          |
| <b>Write-downs and provisions 30 June</b>              | <b>1,525</b> | <b>1,536</b> | <b>1,503</b> | <b>1,514</b> |
| Write-downs and provisions                             | 153          | 79           | 151          | 79           |
| Written off not included in write-downs and provisions | 12           | 10           | 12           | 6            |
| Recovered from debt previously written off             | 17           | 39           | 16           | 39           |
| <b>Write-downs of loans and receivables etc</b>        | <b>148</b>   | <b>50</b>    | <b>147</b>   | <b>46</b>    |

### Note 10

#### Profit on holdings in associated and group undertakings:

|  |            |            |           |           |
|--|------------|------------|-----------|-----------|
| Profit/(Loss) on holdings in associated undertakings | (1)        | (1)        | (1)       | (1)       |
| Profit on holdings in group undertakings             | -          | -          | 21        | 20        |
| <b>Total</b>   | <b>(1)</b> | <b>(1)</b> | <b>20</b> | <b>19</b> |

### Note 11

#### Effective tax rate:

|                                     |             |             |             |             |
|-------------------------------------|-------------|-------------|-------------|-------------|
| Corporation tax rate in Denmark     | 30.0        | 28.0        | 30.0        | 28.0        |
| Permanent differences               | 0.3         | 0.1         | 0.3         | 0.1         |
| Adjustment of tax of previous years | (0.4)       | 0.2         | (0.4)       | 0.2         |
| Tax on accumulated write-downs      | 1.0         | 0.7         | 1.0         | 0.7         |
| <b>Effective tax rate</b>           | <b>30.9</b> | <b>29.0</b> | <b>30.9</b> | <b>29.0</b> |

## NOTES

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| DKKm | Sydbank Group  |                | Sydbank A/S    |                |
|------|----------------|----------------|----------------|----------------|
|      | 31 Dec<br>2004 | 30 Jun<br>2005 | 31 Dec<br>2004 | 30 Jun<br>2005 |

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### Note 12

#### Amounts owed by credit institutions and central banks:

|   |              |              |              |              |
|---|--------------|--------------|--------------|--------------|
| Amounts owed at notice by central banks | 2,278        | 1,720        | 2,278        | 1,720        |
| Amounts owed by credit institutions     | 7,016        | 7,855        | 7,039        | 7,971        |
| <b>Total</b>                            | <b>9,294</b> | <b>9,575</b> | <b>9,317</b> | <b>9,691</b> |

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### Note 13

#### Other assets:

|  |              |              |              |              |
|--|--------------|--------------|--------------|--------------|
| Positive market value of derivatives etc | 3,403        | 3,526        | 3,403        | 3,526        |
| Interest and commission receivable       | 367          | 394          | 367          | 393          |
| Other assets                             | 86           | 236          | 30           | 140          |
| <b>Total</b>                             | <b>3,856</b> | <b>4,156</b> | <b>3,800</b> | <b>4,059</b> |

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### Note 14

#### Deposits and other debt:

|                               |               |               |               |               |
|-------------------------------|---------------|---------------|---------------|---------------|
| On demand                     | 21,714        | 29,303        | 21,700        | 29,217        |
| At notice                     | 3,710         | 774           | 3,710         | 774           |
| Time deposits                 | 9,818         | 9,042         | 9,817         | 9,042         |
| Special categories of deposit | 3,192         | 3,124         | 3,192         | 3,124         |
| <b>Total</b>                  | <b>38,434</b> | <b>42,243</b> | <b>38,419</b> | <b>42,157</b> |

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### Note 15

#### Other liabilities:

|                                 |              |              |              |              |
|---------------------------------|--------------|--------------|--------------|--------------|
| Negative value of derivatives   | 2,960        | 2,789        | 2,959        | 2,789        |
| Sundry creditors                | 4,738        | 4,583        | 4,672        | 4,530        |
| Interest and commission payable | 77           | 219          | 77           | 219          |
| Other liabilities               | 13           | 2            | 8            | 2            |
| <b>Total</b>                    | <b>7,788</b> | <b>7,593</b> | <b>7,716</b> | <b>7,540</b> |

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## NOTES

|       | Sydbank Group  |                | Sydbank A/S    |                |
|-------|----------------|----------------|----------------|----------------|
|       | 31 Dec<br>2004 | 30 Jun<br>2005 | 31 Dec<br>2004 | 30 Jun<br>2005 |
| DKK m |                |                |                |                |

### Note 16

#### Provisions for liabilities:

|  |           |           |           |           |
|--|-----------|-----------|-----------|-----------|
| Provisions for pensions and similar liabilities        | 1         | 1         | 1         | 1         |
| Provisions for deferred tax                            | 16        | 16        | 16        | 16        |
| Provisions for losses on guarantees                    | 28        | 23        | 28        | 23        |
| Provisions for losses in connection with legal actions | 22        | 22        | 22        | 22        |
| <b>Total</b>   | <b>67</b> | <b>62</b> | <b>67</b> | <b>62</b> |

### Note 17

#### Subordinated capital (Tier 2):

| Interest rate (%)                          | Nominal (m) |     | Maturity  |              |              |              |              |
|--|-------------|-----|-----------|--------------|--------------|--------------|--------------|
| Floating                                   | EUR         | 50  | 01.02.08  | 372          | -            | 372          | -            |
| Floating                                   | GBP         | 10  | 17.04.08  | 105          | -            | 105          | -            |
| Floating                                   | EUR         | 15  | 04.01.09  | 112          | 112          | 112          | 112          |
| Floating                                   | EUR         | 50  | 01.05.09  | 372          | 373          | 372          | 373          |
| Floating                                   | EUR         | 40  | 17.09.12  | 297          | 298          | 297          | 298          |
| Floating                                   | EUR         | 100 | 01.04.15  | -            | 745          | -            | 745          |
| <b>Total subordinated capital (Tier 2)</b> |             |     |           | <b>1,258</b> | <b>1,528</b> | <b>1,258</b> | <b>1,528</b> |
| Floating                                   | EUR         | 75  | Perpetual | 558          | 559          | 558          | 559          |
| <b>Total hybrid capital</b>                |             |     |           | <b>558</b>   | <b>559</b>   | <b>558</b>   | <b>559</b>   |
| <b>Total</b>                               |             |     |           | <b>1,816</b> | <b>2,087</b> | <b>1,816</b> | <b>2,087</b> |

## NOTES

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| DKKm | Sydbank Group  |                | Sydbank A/S    |                |
|------|----------------|----------------|----------------|----------------|
|      | 31 Dec<br>2004 | 30 Jun<br>2005 | 31 Dec<br>2004 | 30 Jun<br>2005 |

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### Note 18

#### Contingent liabilities:

Guarantees etc:

|   |               |               |               |               |
|---|---------------|---------------|---------------|---------------|
| Financial guarantees  | 4,416         | 6,112         | 4,425         | 6,112         |
| Loss on guarantees issued for mortgage credit loans and receivables | 4,796         | 4,608         | 4,796         | 4,608         |
| Other guarantees  | 1,127         | 1,380         | 1,127         | 1,386         |
| <b>Total</b>  | <b>10,339</b> | <b>12,100</b> | <b>10,348</b> | <b>12,106</b> |

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Other contingent liabilities:

|                              |            |           |            |           |
|------------------------------|------------|-----------|------------|-----------|
| Irrevocable loan commitments | 98         | 64        | 98         | 64        |
| Other liabilities            | 22         | 23        | 22         | 23        |
| <b>Total</b>                 | <b>120</b> | <b>87</b> | <b>120</b> | <b>87</b> |

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### Note 19

#### This half-year:

After the expiry of the half-year, no matters of any significant impact on the financial position of the Sydbank Group have occurred.

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| DKKm | Sydbank Group |      | Sydbank A/S |      |
|------|---------------|------|-------------|------|
|      | 2004          | 2005 | 2004        | 2005 |

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### Note 20

#### Contribution to the profit by foreign entities:

Total interest income, dividend income, fee and commission income, market value adjustments of securities and foreign exchange income and other operating income:

|              |           |           |           |           |
|--------------|-----------|-----------|-----------|-----------|
| Germany:     | 49        | 59        | 49        | 59        |
| Switzerland: | 9         | 14        | 10        | 14        |
| <b>Total</b> | <b>58</b> | <b>73</b> | <b>59</b> | <b>73</b> |

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## NOTES

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| DKKm | Sydbank Group  |                | Sydbank A/S    |                |
|------|----------------|----------------|----------------|----------------|
|      | 31 Dec<br>2004 | 30 Jun<br>2005 | 31 Dec<br>2004 | 30 Jun<br>2005 |

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### Note 21

#### Genuine sale and repurchase transactions and genuine purchase and resale transactions:

Of the below asset items genuine purchase and resale transactions amount to:

|   |       |       |       |       |
|---|-------|-------|-------|-------|
| Amounts owed by credit institutions and central banks | 3,002 | 2,429 | 3,002 | 2,429 |
| Loans and receivables                                 | 5,708 | 7,878 | 5,708 | 7,878 |

Of the below liability items genuine sale and repurchase transactions amount to:

|   |       |       |       |       |
|---|-------|-------|-------|-------|
| Amounts owed to credit institutions and central banks | 1,261 | 1,303 | 1,261 | 1,303 |
| Deposits  | 1,783 | 1,658 | 1,783 | 1,658 |

Assets sold as part of genuine sale and repurchase transactions

|       |       |       |       |       |
|-------|-------|-------|-------|-------|
| Bonds | 3,001 | 2,930 | 3,001 | 2,930 |
|-------|-------|-------|-------|-------|

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### Note 22

#### Large shareholders:

The following shareholders have announced that they each own more than 5% of Sydbank's share capital: Nykredit as well as the investor groups Fidelity and Silchester.

### Note 23

#### Security:

The Bank has deposited securities with Danish and foreign stock exchanges and clearing centres etc in connection with margin and securities settlements at a market value of:

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|  |       |       |
|--|-------|-------|
|  | 4,585 | 5,708 |
|--|-------|-------|

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## NOTES

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|       | Sydbank Group  |                | Sydbank A/S    |                |
|-------|----------------|----------------|----------------|----------------|
| DKK m | 31 Dec<br>2004 | 30 Jun<br>2005 | 31 Dec<br>2004 | 30 Jun<br>2005 |

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### Note 24

#### Macro hedge:

Sydbank adopts a cash flow model for managing interest rate risk on all positions other than Danish callable mortgage credit bonds. This model requires daily updating of all the Bank's positions. These are distributed into different portfolios according to responsibility and product.

One of these portfolios consists of the Bank's positions in fixed rate loans and receivables, fixed rate deposits, and related hedging transactions. To ensure interest rate risk management the model generates a synthetic cash flow to describe the Bank's risk positions in selected interest rate scenarios.

The Bank's basis for concluding hedging transactions – primarily interest rate swaps – is thus a synthetic net cash flow, based on the actual cash flow of loans and receivables, deposits and previously concluded hedging transactions in the relevant portfolio. The aim is to keep the interest rate risk in this portfolio at a minimum as the Bank wishes to place its interest rate risk in other portfolios containing bonds and other cash equivalent positions.

In connection with the preparation of interim and annual accounts the macro hedge rules are applied. These rules have been introduced as part of the overall IFRS requirements and they aim to ensure symmetry between income and expense in the accounts. In contrast to previously when the rules allowed market value adjustment of derivatives, symmetry is now achieved by hedge adjusting equal to market value adjustment of derivatives concerning future periods. This hedge adjustment has been booked as income under market value adjustments and set off under other assets and represents DKK 39m as at 30 June 2005.

#### Loans and receivables:

|                             |       |       |       |       |
|-----------------------------|-------|-------|-------|-------|
| Market value                | 3,023 | 2,450 | 3,023 | 2,450 |
| Book value (amortized cost) | 2,954 | 2,397 | 2,954 | 2,397 |

#### Deposits:

|                             |     |       |     |       |
|-----------------------------|-----|-------|-----|-------|
| Market value                | 981 | 1,251 | 981 | 1,251 |
| Book value (amortized cost) | 961 | 1,243 | 961 | 1,243 |

#### Total fixed rate assets and liabilities (net):

|                             |       |       |       |       |
|-----------------------------|-------|-------|-------|-------|
| Market value                | 2,042 | 1,199 | 2,042 | 1,199 |
| Book value (amortized cost) | 1,993 | 1,154 | 1,993 | 1,154 |

The following derivatives hedge the above:

#### Forward rate agreement:

|                 |      |      |      |      |
|-----------------|------|------|------|------|
| Notional amount | (39) | (42) | (39) | (42) |
| Market value    | 0    | 1    | 0    | 1    |

#### Swaps:

|                 |       |       |       |       |
|-----------------|-------|-------|-------|-------|
| Notional amount | 1,523 | 2,412 | 1,523 | 2,412 |
| Market value    | (69)  | (34)  | (69)  | (34)  |

#### Total derivatives (net):

|                 |       |       |       |       |
|-----------------|-------|-------|-------|-------|
| Notional amount | 1,484 | 2,370 | 1,484 | 2,370 |
| Market value    | (69)  | (33)  | (69)  | (33)  |

## NOTES

### Note 25

#### IFRS impact on 2004 quarterly figures:

The reconciling items of the tables refer to the explanation of the accounting policy changes in the section "Transition to IFRS in 2005" of the 2004 Annual Report.

|                                    | <b>Sydbank Group</b> |            |            |            |                   |
|------------------------------------|----------------------|------------|------------|------------|-------------------|
| DKKm                               | Q1<br>2004           | Q2<br>2004 | Q3<br>2004 | Q4<br>2004 | Full year<br>2004 |
| <b>Profit – former policy</b>      | 203                  | 86         | 120        | 355        | 764               |
| a) Return on own shares            | (26)                 | (7)        | (8)        | (8)        | (49)              |
| c) Adjustment of employee benefits | (29)                 | 10         | 14         | (15)       | (20)              |
| f) Adjustment of tax               | 16                   | (1)        | (2)        | 7          | 20                |
| <b>Profit – IFRS</b>               | <b>164</b>           | <b>88</b>  | <b>124</b> | <b>339</b> | <b>715</b>        |

  

|   | Q1<br>2004   | Q2<br>2004   | Q3<br>2004   | Q4<br>2004   | Year-end<br>2003 |
|---|--------------|--------------|--------------|--------------|------------------|
| DKKm  | 4,312        | 4,398        | 4,288        | 4,427        | 4,331            |
| <b>Shareholders' equity – former policy</b>                       | 4,312        | 4,398        | 4,288        | 4,427        | 4,331            |
| a) Value of own shares (excl pooled schemes)                      | (190)        | (224)        | (69)         | (37)         | (204)            |
| b) No provisions for dividends and other distributions            | -            | -            | -            | 215          | 155              |
| c) Adjustment of employee benefits                                | (123)        | (114)        | (100)        | (114)        | (94)             |
| d) Recognition of fees in effective interest                      | -            | -            | -            | (109)        | -                |
| d) Change from provisions to write-downs of loans and receivables | -            | -            | -            | 13           | -                |
| d) New measurement and hedge rules of fixed rate loans            | -            | -            | -            | 2            | -                |
| f) Adjustment of deferred tax                                     | 34           | 31           | 27           | 60           | 25               |
| g) Adjustment of property to revalued/fair value                  | (26)         | (26)         | (26)         | (26)         | (26)             |
| <b>Shareholders' equity – IFRS</b>                                | <b>4,007</b> | <b>4,065</b> | <b>4,120</b> | <b>4,431</b> | <b>4,187</b>     |

## SYDBANK A/S FINANCIAL HIGHLIGHTS

|   | 1H<br>2001 | 1H<br>2002 | 1H<br>2003 | 1H<br>2004 | 1H<br>2005 | Full year<br>2004 |
|---|------------|------------|------------|------------|------------|-------------------|
| <b>Profit and loss account highlights (DKK m)</b>                   |            |            |            |            |            |                   |
| Net interest and fee income   | 1,076      | 1,158      | 1,221      | 1,216      | 1,274      | 2,428             |
| Market value adjustments  | 120        | 41         | 147        | 107        | 230        | 326               |
| Staff costs and administrative expenses                             | 686        | 735        | 749        | 807        | 858        | 1,575             |
| Write-downs of loans and receivables etc                            | 126        | 145        | 145        | 147        | 46         | 219               |
| Profit after tax  | 288        | 216        | 301        | 252        | 420        | 715               |
| <b>Balance sheet highlights (DKK bn)</b>                            |            |            |            |            |            |                   |
| Loans and receivables   | 37.0       | 37.5       | 39.5       | 43.9       | 55.3       | 47.5              |
| Deposits and other debt   | 30.1       | 32.8       | 35.5       | 37.0       | 42.2       | 38.4              |
| Subordinated capital (Tier 2)                                       | 1.4        | 1.2        | 1.5        | 1.3        | 2.1        | 1.8               |
| Shareholders' equity (Tier 1)                                       | 3.4        | 3.5        | 4.1        | 4.1        | 4.5        | 4.4               |
| Total assets  | 59.1       | 70.0       | 69.6       | 68.9       | 88.4       | 78.3              |
| <b>Ratios per share (DKK per share of DKK 10)</b>                   |            |            |            |            |            |                   |
| Profit after tax (**)   | 3.9        | 3.0        | 4.1        | 3.6        | 6.1        | 10.2              |
| Share price, end of half-year                                       | 43.7       | 49.0       | 68.7       | 89.5       | 137.8      | 107.8             |
| Book value  | 45.1       | 46.6       | 54.9       | 58.1       | 66.0       | 63.6              |
| Share price/book value  | 0.97       | 1.05       | 1.25       | 1.54       | 2.09       | 1.69              |
| Average number of shares in issue (millions)                        | 74.3       | 72.7       | 73.6       | 70.8       | 68.6       | 70.3              |
| Dividends   | 1.5        | 1.5        | 1.5        | 2.0        | 3.0        | 2.0               |
| <b>Other ratios</b>   |            |            |            |            |            |                   |
| Solvency (total capital) ratio *)                                   | 10.2       | 10.3       | 10.5       | 10.1       | 10.0       | 11.5              |
| Core capital (Tier 1) ratio *)                                      | 7.3        | 7.6        | 7.9        | 8.1        | 7.9        | 9.5               |
| Profit before tax as % of avg shareholders' equity                  | 11.0       | 9.2        | 11.4       | 8.8        | 13.2       | 21.7              |
| Profit after tax as % of avg shareholders' equity                   | 8.7        | 6.4        | 7.6        | 6.1        | 9.4        | 16.6              |
| Income/cost ratio (DKK)   | 1.43       | 1.34       | 1.49       | 1.37       | 1.63       | 1.50              |
| Interest rate risk *)   | 3.7        | 4.8        | 5.3        | 2.4        | 3.4        | 3.4               |
| Foreign exchange position *)  | 9.9        | 3.1        | 15.4       | 5.3        | 11.9       | 1.5               |
| Foreign exchange risk *)  | 0.1        | 0.1        | 0.1        | 0.0        | 0.1        | 0.0               |
| Loans and receivables relative to deposits                          | 1.3        | 1.2        | 1.2        | 1.2        | 1.3        | 1.2               |
| Loans and receivables relative to shareholders' equity              | 10.9       | 10.7       | 9.6        | 10.8       | 12.2       | 10.7              |
| Growth in loans and receivables for the half-year                   | 5.2        | (0.1)      | 2.0        | 10.5       | 16.5       | 19.4              |
| Excess cover relative to statutory liquidity requirements *)        | 79.4       | 109.7      | 88.9       | 151.9      | 74.9       | 114.7             |
| Total large exposures *)  | 87.9       | 95.2       | 99.9       | 79.1       | 102.2      | 61.5              |
| Accumulated write-down ratio  | 2.7        | 2.8        | 2.8        | 2.7        | 2.2        | 2.6               |
| Write-down ratio for the half-year                                  | 0.28       | 0.31       | 0.29       | 0.26       | 0.07       | 0.37              |
| Number of full-time staff, end of half-year                         | 1,863      | 1,921      | 1,930      | 1,975      | 2,024      | 2,012             |
| *) Financial ratios for 2004 and earlier have not been adjusted     |            |            |            |            |            |                   |
| **) Calculation based on average number of shares in issue          |            |            |            |            |            |                   |
| Financial highlights for 2001, 2002 and 2003 have not been adjusted |            |            |            |            |            |                   |