

# Announcement of the 2009 Financial Statements

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## Group Financial Highlights

	2009	2008	Index 09/08	2007	2006	2005
<b>Income statement (DKKm)</b>						
Core income excl trading income	3,320	3,066	108	2,539	2,298	2,013
Trading income	1,266	1,159	109	1,488	1,319	1,079
<b>Total core income</b>	<b>4,586</b>	<b>4,225</b>	<b>109</b>	<b>4,027</b>	<b>3,617</b>	<b>3,092</b>
Costs and depreciation	2,466	2,484	99	2,200	2,030	1,853
<b>Core earnings before impairment</b>	<b>2,120</b>	<b>1,741</b>	<b>122</b>	<b>1,827</b>	<b>1,587</b>	<b>1,239</b>
Impairment of loans and advances etc	1,195	544	220	(568)	(171)	65
<b>Core earnings</b>	<b>925</b>	<b>1,197</b>	<b>77</b>	<b>2,395</b>	<b>1,758</b>	<b>1,174</b>
Profit/(Loss) on investment portfolios	430	(385)	-	(193)	173	139
<b>Profit before non-recurring items</b>	<b>1,355</b>	<b>812</b>	<b>167</b>	<b>2,202</b>	<b>1,931</b>	<b>1,313</b>
Non-recurring items, net	86	162	53	55	120	-
<b>Profit before contribution to the Private Contingency Association</b>	<b>1,441</b>	<b>974</b>	<b>148</b>	<b>2,257</b>	<b>2,051</b>	<b>1,313</b>
Contribution to the Private Contingency Association	443	163	272	-	-	-
<b>Profit before tax</b>	<b>998</b>	<b>811</b>	<b>123</b>	<b>2,257</b>	<b>2,051</b>	<b>1,313</b>
Tax	217	205	106	547	537	377
<b>Profit for the year</b>	<b>781</b>	<b>606</b>	<b>129</b>	<b>1,710</b>	<b>1,514</b>	<b>936</b>
<b>Balance sheet highlights (DKKbn)</b>						
Loans and advances at amortised cost	74.5	82.5	90	74.5	65.5	53.5
Loans and advances at fair value	12.9	13.3	97	8.6	7.7	7.2
Deposits and other debt	68.8	75.0	92	66.0	50.0	43.6
Bonds issued at amortised cost	8.6	10.1	85	10.1	10.0	6.7
Subordinated capital (Tier 2)	3.1	4.2	73	3.8	3.5	2.8
Shareholders' equity (Tier 1)	9.1	7.1	129	6.7	6.3	5.0
Total assets	157.8	156.0	101	132.3	114.8	98.9
<b>Financial ratios per share (DKK per share of DKK 10)</b>						
EPS Basic	11.7	9.5		25.6	22.1	13.7
EPS Diluted	11.7	9.5		25.6	22.1	13.7
Share price at year-end	133.8	64.3		219.3	270.0	151.0
Book value	124.1	112.5		104.6	92.1	72.9
Share price/book value	1.08	0.57		2.10	2.93	2.07
Average number of shares outstanding (millions)	66.9	63.4		66.7	68.5	68.6
Proposed dividend	-	-		3.0	3.0	3.0
<b>Other financial ratios and key figures</b>						
Solvency (total capital) ratio	15.2	14.7		11.9	11.8	11.1
Core capital (Tier 1) ratio	13.1	10.8		8.9	9.0	8.1
Pre-tax profit as % of average equity	12.3	11.8		34.6	36.2	27.9
Post-tax profit as % of average equity	9.6	8.8		26.2	26.7	19.9
Income/cost ratio (DKK)	1.24	1.24		2.37	2.10	1.68
Interest rate risk	1.0	1.4		2.6	2.0	2.3
Foreign exchange position	1.1	11.4		1.7	10.3	2.8
Foreign exchange risk	0.0	0.0		0.0	0.1	0.1
Loans and advances relative to deposits	1.0	1.0		1.0	1.2	1.1
Loans and advances relative to equity	8.2	11.6		11.1	10.3	10.7
Growth in loans and advances for the year	(9.6)	10.7		13.7	22.4	28.0
Excess cover relative to statutory liquidity requirem.	94.4	89.4		103.1	74.0	95.1
Total large exposures	17.2	23.8		46.4	34.7	93.9
Accumulated impairment ratio	1.8	1.0		0.9	1.6	2.1
Impairment ratio for the year	1.4	0.6		(0.6)	(0.2)	0.1
Number of full-time staff at year-end	2,369	2,479	96	2,276	2,190	2,123

As from 2008 solvency and core capital ratios calculated in accordance with the new capital adequacy requirements.

## Summary

Considering the difficult economic situation, profit before tax of DKK 998m is considered satisfactory. The result equals a return of 12.3% on average shareholders' equity (Tier 1).

The financial statements are characterised by:

- 8% increase in core income excl trading income
- 9% rise in trading income
- Declining costs (core earnings)
- Impairment of loans and advances of DKK 1,195m
- Profit on investment portfolios of DKK 430m
- Non-recurring items of DKK 86m
- Contribution of DKK 443m to the Private Contingency Association
- 10% reduction in bank loans and advances to DKK 74.5bn
- 8% decline in deposits to DKK 68.8bn
- 29% increase in shareholders' equity (Tier 1)
- Core capital (Tier 1) ratio of 13.1%
- Solvency (total capital) ratio of 15.2%
- Solvency need of 9.0%.

### Summary income statement

Group (DKKm)	2009	2008
Core income excl trading income	3,320	3,066
Trading income	1,266	1,159
<b>Total core income</b>	<b>4,586</b>	<b>4,225</b>
Costs and depreciation	2,466	2,484
<b>Core earnings before impairment</b>	<b>2,120</b>	<b>1,741</b>
Impairment of loans and advances etc	1,195	544
<b>Core earnings</b>	<b>925</b>	<b>1,197</b>
Profit/(Loss) on investment portfolios	430	(385)
<b>Profit before non-recurring items</b>	<b>1,355</b>	<b>812</b>
Non-recurring items, net	86	162
<b>Profit before contribution to the Private Contingency Association</b>	<b>1,441</b>	<b>974</b>
Contribution to the Private Contingency Association	443	163
<b>Profit before tax</b>	<b>998</b>	<b>811</b>
Tax	217	205
<b>Profit for the year</b>	<b>781</b>	<b>606</b>

Core earnings before impairment represent DKK 2,120m against DKK 1,741m in 2008. The improvement of DKK 379m consists of a rise in core income excl trading income of DKK 254m, an increase in trading income of DKK 107m and a reduction in costs (core earnings) of DKK 18m – the highest level of core earnings before impairment in the Group's history.

Core earnings before impairment are above the projected level announced in the Q1-Q3 2009 Interim Report. The favourable variance can be ascribed to reduced costs (core earnings).

Impairment of loans and advances represent DKK 1,195m against DKK 544m in 2008.

Investment portfolio earnings constitute DKK 430m compared with a loss of DKK 385m in 2008.

Non-recurring items amounting to DKK 86m were recognised as income due to an increase in the measurement of the Group's holdings in PBS Holding prompted by the planned merger with the Norwegian company Nordito AS.

Contribution to the Private Contingency Association makes up DKK 443m (2008: DKK 163m).

Following a tax charge of DKK 217m, the Group's profit after tax constitutes DKK 781m. In 2008 profit after tax amounted to DKK 606m. Profit after tax for 2009 equals a return on average shareholders' equity (Tier 1) of 9.6% and earnings per share stand at DKK 11.7 compared with DKK 9.5 in 2008.

During the year, shareholders' equity (Tier 1) grew by DKK 2,030m or 28.6% to DKK 9,118m, synonymous with an appreciable strengthening of the capital structure. Core capital (Tier 1) currently accounts for 86.6% of the total capital base against 73.4% at the beginning of the year.

The Group's solvency (total capital) ratio stands at 15.2%, including a core capital (Tier 1) ratio of 13.1%. At the beginning of the year, the solvency (total capital) ratio stood at 14.7% and the core capital (Tier 1) ratio stood at 10.8%.

Risk-weighted items rose from DKK 74.6bn to DKK 77.9bn at year-end 2009, of which DKK 2.0bn is ascribable to an increase in credit risk caused by a decline in the average rating of the lending portfolio.

The solvency need is determined on the basis of the regulatory requirement of 8%. For precautionary reasons, an estimated buffer of one percentage point has been added to the regulatory requirement and the Group's solvency need at 31 December 2009 has been set at 9%.

The Group's internal capital target continues to represent DKK 9,900m, equal to 12.7% of risk-weighted items.

The Group's liquidity measured under the 15% and 10% statutory requirements constitutes 31.2% and 19.4%, respectively, at year-end 2009.

The Group projects core earnings before impairment of loans and advances in the region of DKK 1,900-2,100m in 2010.

## **Group Executive Management**

Group Chief Executive Carsten Andersen, who will be 65 in August, has informed the Bank's Board of Directors that he wishes to retire at the end of May.

The Board of Directors has appointed Deputy Group Chief Executive Karen Frøsig as new Group Chief Executive.

Karen Frøsig, who is 51 and a lawyer, has been a member of the Bank's Executive Management since May 2008. As of 1 June the Bank's Executive Management will consist of:

Karen Frøsig, Group Chief Executive  
Preben Lund Hansen, Deputy Group Chief Executive  
Allan Nørholm, Deputy Group Chief Executive

Aabenraa, 16 February 2010

Chairman of the  
Board of Directors



Kresten Philipsen

Group Chief Executive



Carsten Andersen

## Performance in 2009

### Core income excl trading income

Total core income excl trading income grew by 8% to DKK 3,320m.

Group (DKKm)	2009	2008
Interest margins etc	2,776	2,610
Mortgage credit	221	176
Payment services	159	136
Remortgaging and loan fees	83	73
Other commission	59	48
Other operating income	22	23
<b>Total</b>	<b>3,320</b>	<b>3,066</b>

Despite a decline in bank loans and advances of 10% and in deposits of 8%, net interest developed favourably in 2009 due to a rise in interest margins.

After a set-off of DKK 8m – triggered by a loss as regards the share guaranteed by Sydbank in connection with the Totalkredit mortgage credit cooperation – net income from the cooperation totals DKK 160m (2008: DKK 135m). The corresponding cooperation with DLR Kredit has generated an income of DKK 52m (2008: DKK 33m). After adding the remaining mortgage credit income of DKK 9m, total mortgage credit income represents DKK 221m.

Income from foreign and domestic payment services went up by DKK 23m, mainly in the form of returns from partly owned sector companies. Remortgaging and loan fees rose by DKK 10m as a result of increased commission relating to loans.

### Trading income

Income from bonds was favoured by a sharp growth in trading with institutional clients. As regards the other highly-diversified trading activities, the number of transactions has returned to the pre-financial crisis level albeit the volume is slightly lower. Income from asset management rose during the year but has not quite reached its former level. Total trading income increased by 9% – from DKK 1,159m in 2008 to DKK 1,266m in 2009.

Group (DKKm)	2009	2008
Bonds	292	156
Shares	258	193
Foreign exchange	234	311
Money market	178	124
Asset management	304	375
<b>Total</b>	<b>1,266</b>	<b>1,159</b>

### Costs and depreciation

The Group's total costs and depreciation recorded DKK 2,746m against DKK 2,723m in 2008. This includes a guarantee commission of DKK 270m to the Private Contingency Association (2008: DKK 86m).

Costs (core earnings) show a decrease of DKK 18m triggered by a decline in staff.

Group (DKKm)	2009	2008
Staff costs	1,454	1,453
Other administrative expenses	887	997
Depreciation and impairment of property, plant and equipment	135	187
Other operating expenses	270	86
<b>Total costs</b>	<b>2,746</b>	<b>2,723</b>
Distributed as follows:		
Costs, core earnings	2,466	2,484
Costs, investment portfolio earnings	10	10
Costs, integration of bankTrelleborg	-	143
Costs, guarantee commission to the Private Contingency Association	270	86

Costs (core earnings) as a percentage of core income improved from 58.8 in 2008 to 53.8 in 2009.

At year-end 2009 the Group's staff numbered 2,369 (full-time equivalent) compared with 2,479 in 2008.

In 2009 Sydbank closed down two small branches, bringing the number of branches to 110 in Denmark and three in Germany.

### Core earnings before impairment of loans and advances

Core earnings before impairment of loans and advances increased by DKK 379m to DKK 2,120m.

### Impairment of loans and advances etc

Impairment of loans and advances represent DKK 1,195m against DKK 544m in 2008. This level exceeds the Group's expectations at the beginning of the year and reflects the downturn of the real economy. The impairment charges are predominantly ascribable to the Group's highly-diversified corporate lending portfolio.

At 31 December 2009 the impairment ratio relative to bank loans and advances and guarantees represents 1.38%. At year-end accumulated impairment and provisions (excl the accumulated provision of DKK 220m for the Private Contingency Association) amount to DKK 1,558m, a rise of DKK 499m compared with the beginning of the year.

### Core earnings

Core earnings represent DKK 925m compared with DKK 1,197m in 2008.

### Investment portfolio earnings

Less funding charges and less related costs of DKK 10m, investment portfolio earnings amount to DKK 430m (2008: loss of DKK 385m).

### Non-recurring items

In 2009 non-recurring items amounting to DKK 86m were recognised as income due to an increase in the measurement of the Group's holdings in PBS Holding prompted by the planned merger with the Norwegian company Nordito AS. In 2008 DKK 162m was recognised as net income, consisting of an adjustment of the purchase sum concerning Totalkredit of DKK 186m, negative goodwill recognised as income concerning bankTrelleborg of DKK 119m and integration costs relating to bankTrelleborg of DKK 143m.

### Contribution to the Private Contingency Association

In October 2008 Sydbank signed the agreement of the Private Contingency Association concerning the Danish government guarantee scheme for deposits and unsecured claims against Danish banks. The Private

Contingency Association pays an annual guarantee commission of DKK 7.5bn to the Financial Stability Company until the government guarantee expires on 30 September 2010. Sydbank's share represented DKK 270m in 2009.

In addition the Private Contingency Association guarantees payment of up to two times DKK 10bn to cover losses in the Financial Stability Company.

Sydbank's proportionate share of the loss in the Financial Stability Company is expensed at DKK 173m in 2009. The remaining guarantee – of the first DKK 10bn – constitutes DKK 156m and has been recognised as a guarantee commitment.

If the estimated loss in the Financial Stability Company exceeds DKK 25bn, the Private Contingency Association must cover further losses of up to DKK 10bn. Sydbank's share constitutes DKK 375m which has also been recognised as a guarantee commitment.

## Subsidiaries

The subsidiary bank, Sydbank (Schweiz) AG, which conducts private banking activities in St. Gallen, Switzerland, recorded a profit after tax of DKK 0.4m (2008: loss of DKK 33m). Business developments have been turned around in 2009 following the financial crisis.

Ejendomsselskabet recorded a profit after tax of DKK 1m (2008: loss of DKK 26m).

## Profit for the year

Pre-tax profit amounts to DKK 998m compared with DKK 811m in 2008. The tax charge represents DKK 217m (2008: DKK 205m). Profit for the year amounts to DKK 781m compared with DKK 606m in 2008.

## Return

Return on shareholders' equity (Tier 1) represents 9.6% against 8.8% in 2008. Earnings per share rose from DKK 9.5 to DKK 11.7.

## Q4 2009

In Q4 2009 core income excl trading income represents DKK 849m (Q3 2009: DKK 830m) and trading income constitutes DKK 296m (Q3 2009: DKK 329m). After costs of DKK 592m, core earnings before impairment stand at DKK 553m, which is DKK 20m lower than in Q3 2009.

Group (DKKm)	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q4 2008
Core income excl trading income	849	830	819	822	830
Trading income	296	329	369	272	301
<b>Total core income</b>	<b>1,145</b>	<b>1,159</b>	<b>1,188</b>	<b>1,094</b>	<b>1,131</b>
Costs and depreciation	592	586	629	659	617
<b>Core earnings before impairment</b>	<b>553</b>	<b>573</b>	<b>559</b>	<b>435</b>	<b>514</b>
Impairment of loans and advances etc	346	284	295	270	459
<b>Core earnings</b>	<b>207</b>	<b>289</b>	<b>264</b>	<b>165</b>	<b>55</b>
Profit/(Loss) on investment portfolios	69	150	139	72	(23)
<b>Profit before non-recurring items</b>	<b>276</b>	<b>439</b>	<b>403</b>	<b>237</b>	<b>32</b>
Non-recurring items, net	86	-	-	-	(18)
<b>Profit before contribution to the Private Contingency Association</b>	<b>362</b>	<b>439</b>	<b>403</b>	<b>237</b>	<b>14</b>
Contribution to the Private Contingency Association	116	113	142	72	163

<b>Profit before tax</b>	<b>246</b>	<b>326</b>	<b>261</b>	<b>165</b>	<b>(149)</b>
Tax	29	81	66	41	(11)
<b>Profit for the period</b>	<b>217</b>	<b>245</b>	<b>195</b>	<b>124</b>	<b>(138)</b>

In Q3 2009 the allocation between core income excl trading income and investment portfolio earnings changed by DKK 21m. The quarterly break-down is based on the published unaudited interim reports.

Impairment of loans and advances etc totals DKK 346m in Q4 2009 (Q3 2009: DKK 284m). Core earnings represent DKK 207m (Q3 2009: DKK 289m).

Investment portfolio earnings for Q4 2009 represent DKK 69m.

Profit before the contribution to the Private Contingency Association constitutes DKK 362m. After the contribution of DKK 116m to the Private Contingency Association and tax of DKK 29m, profit after tax for Q4 2009 amounts to DKK 217m (Q3 2009: DKK 245m).

## Balance sheet

The Group's total assets made up DKK 157.8bn at year-end 2009 against DKK 156.0bn at year-end 2008.

<b>Assets – year-end (DKKbn)</b>	<b>2009</b>	<b>2008</b>
Amounts owed by credit institutions etc	14.5	12.9
Loans and advances at fair value (reverse repo transactions)	12.9	13.3
Loans and advances at amortised cost (bank loans and advances)	74.5	82.5
Securities and holdings etc	38.5	28.3
Assets related to pooled plans	6.7	5.8
Other assets etc	10.7	13.2
<b>Total</b>	<b>157.8</b>	<b>156.0</b>

The Group's bank loans and advances total DKK 74.5bn – a decrease of 10% which is primarily ascribable to a decline in corporate lending.

<b>Shareholders' equity and liabilities – year-end (DKKbn)</b>	<b>2009</b>	<b>2008</b>
Amounts owed to credit institutions etc	45.4	38.9
Deposits and other debt	68.8	75.0
Deposits in pooled plans	6.7	5.8
Bonds issued	8.6	10.1
Other liabilities etc	15.6	14.8
Provisions	0.5	0.1
Subordinated capital (Tier 2)	3.1	4.2
Shareholders' equity (Tier 1)	9.1	7.1
<b>Total</b>	<b>157.8</b>	<b>156.0</b>

The Group's deposits make up DKK 68.8bn against DKK 75.0bn at year-end 2008. The 8% decrease is solely ascribable to a decline in time deposits.

## Subordinated capital (Tier 2)

During the year the Group has prepaid supplementary capital (Tier 2) amounting to DKK 1,095m.

Supplementary capital (Tier 2) represents DKK 1,743m and hybrid Tier 1 capital DKK 1,381m. Subordinated capital (Tier 2) totals DKK 3,124m (2008: DKK 4,219m).

## Share capital

In September 2009 the Bank completed a share capital increase of DKK 67,499,990 after which the share capital constitutes DKK 742,499,990 at year-end 2009.

The Sydbank share – (number)	2009	2008
Average number of shares outstanding	66,926,690	63,446,971
Shares outstanding at year-end (number)	73,471,636	63,011,999
Shares issued at year-end	74,249,999	67,500,000

The number of shares outstanding increased from 63,011,999 (93.35%) at the end of 2008 to 73,471,636 (98.95%) at the end of 2009. The Sydbank share's book value represents 124.1. At year-end 2009 the closing price of the Sydbank share stood at 133.8 and share price/book value at 1.08.

## Shareholders' equity (Tier 1)

At year-end 2009 shareholders' equity constitutes DKK 9,118m – an increase of DKK 2,030m or 28.6% since 1 January 2009. The change comprises additions from:

- net sale of own shares of DKK 433m
- proceeds from share issue of DKK 855m
- property revaluation of DKK 23m
- profit for the year of DKK 781m

as well as disposals deriving from tax on equity items of DKK 62m.

## Solvency

Group (DKKm)	2009	2008
Risk-weighted items	77,909	74,608
Core capital (Tier 1) (excl hybrid core capital)	8,981	6,971
Core capital	10,224	8,069
Capital base (Tiers 1+2)	11,809	10,989
Core capital (Tier 1) ratio (excl hybrid core capital)	11.5	9.3
Core capital ratio	13.1	10.8
Solvency (total capital) ratio	15.2	14.7

During the year the Group's capital structure was strengthened considerably thanks to the positive development in shareholders' equity (Tier 1) which has resulted in:

- an increase in core capital of DKK 2,155m to DKK 10,224m
- an increase in the capital base of DKK 820m after prepayment of supplementary capital of DKK 1,095m
- an increase in core capital relative to the total capital base from 73.4% in 2008 to 86.6%.

Risk-weighted items rose from DKK 74.6bn to DKK 77.9bn at year-end 2009, of which DKK 2.0bn is ascribable to an increase in credit risk caused primarily by two opposite trends:

- a decline in the average rating of the lending portfolio
- a 10% decrease in bank loans and advances.

At year-end 2009 the solvency (total capital) ratio stands at 15.2%, including a core capital (Tier 1) ratio of 13.1 percentage points compared with 14.7% and 10.8, respectively, at year-end 2008. The core capital (Tier 1) ratio excluding hybrid core capital has risen from 9.3% to 11.5%.

The solvency need is determined on the basis of the regulatory requirement of 8%. For precautionary reasons, an estimated buffer of one percentage point has been added to the regulatory requirement and the

Group's solvency need at 31 December 2009 has been set at 9%.

The Group's internal capital target continues to represent DKK 9,900m, equal to 12.7% of risk-weighted items.

## **Rating**

In autumn 2009, Sydbank's rating for long-term debt was lowered – as was the case for virtually all other Scandinavian banks – and Moody's current ratings of the Bank are as follows: A1 (long-term debt), P-1 (short-term debt) and C+ (financial strength).

## **Dividend**

On the basis of the suspension of dividend distribution as a consequence of Bank Package I, Sydbank will not distribute dividends concerning the 2009 financial year.

## **Outlook for 2010**

The 2010 outlook is based on the assumption of modest positive growth in the Danish economy.

The Group's bank loans and advances are projected to display unchanged to moderate growth.

Core income excl trading income is expected to remain unchanged or to rise slightly.

Trading income is projected to remain unchanged or to decline slightly.

The level of costs is expected to remain largely unchanged due to a budgeted reduction in staff of almost 100.

Based on the above premises, the Group projects core earnings in the region of DKK 1.9-2.1bn before impairment of loans and advances – unchanged compared to 2009.

The prospects for many industries continue to seem bleak, which will trigger a continued large demand for impairment charges as regards the Bank's corporate clients. In contrast it is expected that the financial situation of the broad portfolio of retail clients will be satisfactory also in 2010. Overall the Group's impairment charges are projected to display an unchanged or declining trend in 2010.

Investment portfolio earnings will depend on financial market developments. At the beginning of 2010 the Bank's position-taking is characterised by positions in Danish floating-rate mortgage bonds involving limited interest rate risk.

The Group does not expect to realise non-recurring items in 2010.

It is anticipated that the contribution to the Private Contingency Association in the form of guarantee commission will total DKK 210m. To this must be added Sydbank's share of the Private Contingency Association's payment to cover any further losses in the Financial Stability Company of up to DKK 156m concerning the first guarantee of DKK 10bn which will be finally calculated during Q4 2010.

The Group's tax is budgeted at 25%.

## Income Statement – the Sydbank Group

DKKm	2009	2008
Interest income	5,695	7,457
Interest expense	2,290	4,692
<b>Net interest income</b>	<b>3,405</b>	<b>2,765</b>
Dividends on shares	31	31
Fee and commission income	1,114	1,256
Fee and commission expense	151	172
<b>Net interest and fee income</b>	<b>4,399</b>	<b>3,880</b>
Market value adjustments	667	115
Other operating income	23	143
Staff costs and administrative expenses	2,341	2,449
Depreciation and impairment of property, plant and equipment	135	187
Other operating expenses	270	86
Impairment of loans and advances etc	1,368	622
Profit on holdings in associates and subsidiaries	23	17
<b>Profit before tax</b>	<b>998</b>	<b>811</b>
Tax	217	205
<b>Profit for the year</b>	<b>781</b>	<b>606</b>
<b>Distribution of profit for the year</b>		
Profit for the year	781	606
<b>Total amount to be allocated</b>	<b>781</b>	<b>606</b>
Transfer to shareholders' equity (Tier 1)	781	606
<b>Total amount allocated</b>	<b>781</b>	<b>606</b>
EPS Basic (DKK)*	11.7	9.5
EPS Diluted (DKK)*	11.7	9.5
Proposed dividend per share (DKK)	-	-

\* Calculated on the basis of average number of shares outstanding.

## Statement of Comprehensive Income

<b>Profit for the year</b>	<b>781</b>	<b>606</b>
<b>Other comprehensive income</b>		
Translation of foreign entities	1	23
Hedge of net investment in foreign entities	(1)	(23)
Property revaluation	23	0
<b>Other comprehensive income after tax</b>	<b>23</b>	<b>0</b>
<b>Comprehensive income after tax</b>	<b>804</b>	<b>606</b>

## Balance Sheet – the Sydbank Group

DKKm	2009	2008
<b>ASSETS</b>		
Cash and balances on demand at central banks	862	752
Amounts owed by credit institutions and central banks	13,637	12,165
Loans and advances at fair value	12,930	13,282
Loans and advances at amortised cost	74,544	82,476
Bonds at fair value	36,642	26,749
Shares etc	1,552	1,315
Holdings in associates etc	310	232
Holdings in subsidiaries	-	-
Assets related to pooled plans	6,735	5,777
Intangible assets	14	15
Total land and buildings	1,046	1,009
investment property	2	8
owner-occupied property	1,044	1,001
Other property, plant and equipment	139	158
Current tax assets	32	186
Deferred tax assets	11	10
Assets held for sale	-	5
Other assets	9,316	11,796
Prepayments	51	48
<b>Total assets</b>	<b>157,821</b>	<b>155,975</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
Amounts owed to credit institutions and central banks	45,406	38,889
Deposits and other debt	68,780	75,007
Deposits in pooled plans	6,735	5,777
Bonds issued at amortised cost	8,622	10,096
Current tax liabilities	8	13
Other liabilities	15,524	14,764
Deferred income	27	19
<b>Total liabilities</b>	<b>145,102</b>	<b>144,565</b>
Provisions	477	103
Subordinated capital (Tier 2)	3,124	4,219
Shareholders' equity (Tier 1):		
Share capital	742	675
Revaluation reserves	112	91
Other reserves:		
Reserves according to articles of association	418	411
Reserve for net revaluation according to the equity method	33	20
Retained earnings	7,813	5,891
Total shareholders' equity (Tier 1)	9,188	7,088
<b>Total shareholders' equity and liabilities</b>	<b>157,821</b>	<b>155,975</b>

## Capital – the Sydbank Group

DKKM	Share capital	Revaluation reserves	Reserves acc to articles of association	Reserve for net revaluation acc to equity method	Retained earnings	Proposed dividend etc	Total
Shareholders' equity at 1 Jan 2009	675	91	411	20	5,891	-	7,088
<b>Changes in equity in 2009</b>							
Purchase of own shares	-	-	-	-	(2,679)	-	(2,679)
Sale of own shares	-	-	-	-	3,112	-	3,112
Share issue *	67	-	-	-	788	-	855
Adjustment concerning property sold	-	(2)	-	-	2	-	-
Tax on equity items	-	-	-	-	(62)	-	(62)
Comprehensive income after tax	-	23	7	13	761	-	804
<b>Total changes in equity in 2009</b>	<b>67</b>	<b>21</b>	<b>7</b>	<b>13</b>	<b>1,922</b>	<b>-</b>	<b>2,030</b>
<b>Shareholders' equity at 31 Dec 2009</b>	<b>742</b>	<b>112</b>	<b>418</b>	<b>33</b>	<b>7,813</b>	<b>-</b>	<b>9,118</b>
Shareholders' equity at 1 Jan 2008	675	91	399	11	5,298	223	6,697
<b>Changes in equity in 2008</b>							
Purchase of own shares	-	-	-	-	(2,741)	-	2,741
Sale of own shares	-	-	-	-	2,560	-	2,560
Adjustment of purchase price bankTrelleborg	-	-	-	-	(5)	-	(5)
Employee shares	-	-	-	-	18	-	18
Adopted dividend etc	-	-	-	-	-	(223)	(223)
Tax on equity items	-	-	-	-	160	-	160
Dividends, own shares	-	-	-	-	16	-	16
Comprehensive income after tax	-	-	12	9	585	-	606
<b>Total changes in equity in 2008</b>	<b>-</b>	<b>-</b>	<b>12</b>	<b>9</b>	<b>593</b>	<b>(223)</b>	<b>391</b>
<b>Shareholders' equity at 31 Dec 2008</b>	<b>675</b>	<b>91</b>	<b>411</b>	<b>20</b>	<b>5,891</b>	<b>-</b>	<b>7,088</b>

\* Shares issued in connection with the capital increase of Sydbank A/S of DKK 67,499,990 nominal (6,749,999 shares of DKK 10 nominal).

As at 31 December 2009 share capital comprises 74,249,999 shares at a nominal value of DKK 10 or a total of DKK 742.5m. The Bank has only one class of shares as all shares carry the same rights.

## Capital – the Sydbank Group

DKKm	2009	2008
<b>Solvency</b>		
Solvency (total capital) ratio	15.2	14.7
Core capital (Tier 1) ratio	13.1	10.8
<b>Capital base (Tiers 1+2) after deductions</b>		
Shareholders' equity (Tier 1)	9,118	7,088
Revaluation reserves	(112)	(91)
Proposed dividend	-	-
Intangible assets and capitalised tax assets	(25)	(26)
Core capital (excl hybrid core capital)	8,981	6,971
Hybrid core capital	1,386	1,230
50% of holdings > 10%	(105)	(98)
50% of total holdings etc > 10%	-	(34)
50% of difference between expected losses and accounting value adjustment and accounting provisions	(33)	-
50% of the value of transferred payments etc with delivery risk	(5)	-
Core capital (Tier 1) (incl hybrid core capital) after deductions	10,224	8,069
Subordinated loan capital (Tier 2)	1,744	2,839
Revaluation reserves	112	91
Hybrid core capital	-	158
Difference between expected losses and impairment charges	-	26
Capital base before deductions	12,080	11,183
50% of holdings > 10%	(105)	(98)
50% of total holdings etc > 10%	-	(34)
50% of difference between expected losses and accounting value adjustment and accounting provisions	(33)	-
50% of the value of transferred payments etc with delivery risk	(5)	-
Holdings in associates	(128)	(62)
<b>Capital base (Tiers 1+2) after deductions</b>	<b>11,809</b>	<b>10,989</b>
Credit risk	62,608	60,616
Market risk	8,764	7,261
Operational risk	6,537	6,731
<b>Risk-weighted items</b>	<b>77,909</b>	<b>74,608</b>
Capital requirement under Pillar I	6,233	5,968
Transitional rules, IRB	-	711
<b>Capital requirement</b>	<b>6,233</b>	<b>6,679</b>

## Supplementary Information

### Presentation of the financial statements

In connection with the release of Sydbank's Annual Report on 16.02.10, a video presentation in Danish will be available at [sydbank.dk](http://sydbank.dk).

### Financial calendar

In 2010 Sydbank's financial statements will be announced as follows:

- Annual General Meeting  
4 March 2010
- Interim Report – Q1 2010  
27 April 2010
- Interim Report – 1H 2010  
17 August 2010
- Interim Report Q1-Q3 2010  
26 October 2009

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### Relevant links

[sydbank.dk](http://sydbank.dk)  
[sydbank.com](http://sydbank.com)

For further information reference is made to Sydbank's audited 2009 Annual Report at [sydbank.com](http://sydbank.com).