

The Copenhagen Stock Exchange
The London Stock Exchange
Other stakeholders

Stock Exchange Announcement No 10/01

Date
22 October 2001

Dear Sirs

Sydbank Group's Q1-Q3 2001 Report

Sydbank recorded a satisfactory pre-tax profit of DKK 475m for the nine months to 30 September 2001, equal to a return of 20% p.a. on shareholders' equity at the beginning of the year.

Executive Management

Peberlyk 4
PO Box 1038
DK-6200 Aabenraa

Tel +45 74 36 36 36
Fax +45 74 36 35 36
direktionen@sydbank.dk
www.sydbank.com
SWIFT SYBK DK 22

Sydbank A/S
CVR No DK 12626509, Aabenraa

Ref – direct tel
CA/MA/yc – +45 7436 2000/2050

Profit and loss account Q1-Q3 (DKKm)	2000	2001
Core income excl trading income	1,241	1,350
Trading income	427	326
Total core income	1,668	1,676
Costs and depreciation	1,011	1,091
Provisions for bad and doubtful debts	170	195
Core earnings	487	390
Profit/(Loss) from investment portfolios	(6)	85
Pre-tax profit	481	475
Tax	99	102
Post-tax profit	382	373

Core income excl trading income grew by DKK 109m or 9% to DKK 1,350m.

Trading income declined from DKK 427m to DKK 326m as a result of decreased customer securities trading caused in particular by negative share market trends.

Total core income amounts to DKK 1,676m – largely unchanged compared to 2000.

Costs and depreciation represent DKK 1,091m – an 8% increase.

Staff members numbered 1,926 at the end of Q3 compared with 1,932 one year ago.

Standing at DKK 195m (2000: DKK 170m) the charge for loans and advances amounts to an unchanged 0.6% p.a. of ordinary loans and advances, guarantees and provisions for the nine months to 30 September. Total provisions make up DKK 1,279m including A-provisions of DKK 1,148m. Non-performing loans and advances represent DKK 214m.

Core earnings constitute DKK 390m against DKK 487m the year before. The causes of this decrease are mainly a blend of declining trading income and rising costs.

Profit from investment portfolios stands at DKK 85m (2000: loss of DKK 6m) for the nine months to 30 September. Two main contributing factors in this respect are a fall in interest rates of short-term bonds during the period and a DKK 25m return on own shares.

Pre-tax profit totals DKK 475m and post-tax profit DKK 373m – similar to profit results one year ago.

Balance sheet and capital

At 30 September 2001 the Group's total assets amounted to DKK 59.0bn (2000: DKK 60.9bn). Ordinary loans and advances as well as deposits have risen by 5% to DKK 31.9bn and DKK 30.6bn respectively against one year ago.

Guarantees, primarily financial guarantees, grew by 14% to DKK 7.1bn.

Representing DKK 3,467m at the end of Q3, shareholders' equity (tier 1) decreased as a result of a capital reduction and rose by the period's profit during the course of the year.

The solvency ratio (total capital) stands at 10.2% (2000: 8.9%) and the core capital (tier 1) ratio at 7.5% (2000: 7.0%) at 30 September. If profit for the period is included, solvency and core capital ratios amount to 11.1% and 8.4% respectively.

Other elements

For the nine months to 30 September Sydbank welcomed nearly 7,000 new shareholders bringing the total to 118,000. During the same period more than 4,000 new customers joined Sydbank bringing the total to 320,000, one of the reasons being the promising start for the newly established branch in Silkeborg.

Outlook for 2001 as a whole

Core earnings in the region of DKK 500-550m are projected. In particular uncertainty as regards trading income developments has depressed profit expectations. Sydbank expects a satisfactory profit for 2001 as a whole.

Yours faithfully



Carsten Andersen
Chief Executive

GROUP FINANCIAL HIGHLIGHTS

	Q1-Q3 2000	Q1-Q3 2001	Year 2000
Profit and loss account (DKKm)			
Core income excl trading income	1,241	1,350	1,697
Trading income	427	326	539
Total core income	1,668	1,676	2,236
Costs and depreciation	1,011	1,091	1,386
Provisions for bad and doubtful debts	170	195	229
Core earnings	487	390	621
Profit/(Loss) from investment portfolios	(6)	85	54
Pre-tax profit	481	475	675
Tax	99	102	106
Post-tax profit	382	373	569
Balance sheet end of period (DKKbn)			
Ordinary loans and advances	30.4	31.9	31.5
Reverse repo loans and advances	3.0	3.3	3.5
Deposits	29.2	30.6	29.0
Subordinated capital (tier 2)	1.0	1.2	0.9
Shareholders' equity (tier 1)	3.2	3.5	3.2
Total assets	60.9	59.0	59.8
Guarantees, etc	6.3	7.1	6.5
Financial ratios and key figures			
The Sydbank share (DKK per share)			
Pre-tax profit	59.8	61.8	83.9
Post-tax profit	47.5	48.6	70.7
Share price end of period	282	425	310
Book value	402	462	410
Share price/book value	0.70	0.92	0.76
Sydbank Group			
Solvency ratio (total capital)	8.9	10.2	10.0
Core capital ratio (tier 1)	7.0	7.5	7.9
Pre-tax profit as % of average equity p.a.	21.2	18.9	22.1
Post-tax profit as % of average equity p.a.	16.9	14.9	18.6
Income/cost ratio (DKK)	1.41	1.37	1.42
Interest rate risk	2.9	2.4	4.4
Exchange rate risk	0.1	0.2	0.1
Provisions	3.0	2.9	2.7
Losses and provisions p.a. for the period	0.6	0.6	0.5
Number of full-time staff end of period	1,932	1,926	1,916
Rating			
Moody's (long-term)	A2	A2	A2
Moody's (short-term)	P-1	P-1	P-1
Moody's (financial strength)	C+	C+	C+

7 QUARTER GROUP FINANCIAL HIGHLIGHTS

	Q1 2000	Q2 2000	Q3 2000	Q4 2000	Q1 2001	Q2 2001	Q3 2001
Profit and loss account (DKKm)							
Core income excl trading income	390	410	441	456	441	456	453
Trading income	176	119	132	112	141	104	81
Total core income	566	529	573	568	582	560	534
Costs and depreciation	340	336	335	375	370	361	360
Provisions for bad and doubtful debts	60	49	60	60	64	65	66
Core earnings	166	144	178	133	148	134	108
Profit/(Loss) from investment portfolios	40	(49)	3	60	60	22	3
Profit on ordinary activities before tax	206	95	181	193	208	156	111
Tax	63	29	7	7	58	18	26
Post-tax profit	143	66	174	186	150	138	85

Balance sheet end of period (DKKbn)

Ordinary loans and advances	28.7	29.9	30.4	31.5	32.1	33.0	31.9
Reverse repo loans and advances	3.7	4.2	3.0	3.5	3.3	3.8	3.3
Deposits	27.7	28.8	29.2	29.0	29.6	30.1	30.6
Subordinated capital (tier 2)	1.0	1.0	1.0	0.9	0.9	1.4	1.2
Shareholders' equity (tier 1)	3.0	3.0	3.2	3.2	3.4	3.4	3.5
Total assets	60.2	61.3	60.9	59.8	59.5	59.2	59.0
Guarantees, etc	6.0	6.1	6.3	6.5	6.7	6.9	7.1

Financial ratios and key figures

The Sydbank share (DKK per share)

Pre-tax profit	24.9	11.8	23.0	24.6	26.5	20.4	14.7
Post-tax profit	17.3	8.2	22.1	23.7	19.1	18.0	11.4
Share price end of period	277	264	282	310	371	437	425
Book value	367	380	402	410	429	451	462
Share price/book value	0.76	0.70	0.70	0.76	0.86	0.97	0.92

Sydbank Group

Solvency ratio (total capital)	9.6	9.4	8.9	10.0	9.6	10.3	10.2
Core capital ratio (tier 1)	7.5	7.4	7.0	7.9	7.7	7.3	7.5
Pre-tax profit as % of average equity p.a.	27.8	12.7	23.5	24.3	25.3	18.5	12.9
Post-tax profit as % of average equity p.a.	19.3	8.8	22.7	23.4	18.2	16.3	10.0
Income/cost ratio (DKK)	1.51	1.25	1.45	1.42	1.48	1.36	1.26
Interest rate risk	4.5	0.6	2.9	4.4	3.5	3.7	2.4
Exchange rate risk	0.1	0.1	0.1	0.1	0.2	0.1	0.2
Provisions	3.1	2.9	3.0	2.8	2.9	2.8	2.9
Losses and provisions p.a. for the period	0.6	0.5	0.6	0.6	0.6	0.6	0.6
Number of full-time staff end of period	1,909	1,906	1,932	1,916	1,891	1,900	1,926

Rating

Moody's (long-term)	A2	A2	A2	A2	A2	A2
Moody's (short-term)	P-1	P-1	P-1	P-1	P-1	P-1
Moody's (financial strength)	C+	C+	C+	C+	C+	C+

SYDBANK GROUP

	Q1-Q3 2000	Q1-Q3 2001	Year 2000
Profit and loss account (DKKm)			
Interest income	2,377	2,647	3,303
Interest expense	1,306	1,466	1,823
Net interest income	1,071	1,181	1,480
Dividends from shares	38	49	44
Fee and commission income	499	439	665
Fees and commissions payable	68	59	91
Net interest and fee income	1,540	1,610	2,098
Market value adjustments of securities and FX income	103	137	162
Other operating income	27	19	30
Staff costs and administrative expenses	967	1,038	1,327
Depreciation of tangible assets	47	57	63
Other operating expenses	2	1	2
Provisions for bad and doubtful debts	170	195	229
Profit/(Loss): holdings in associated & group undertakings	(3)	0	6
Profit on ordinary activities before tax	481	475	675
Tax	99	102	106
Post-tax profit	382	373	569
Balance sheet end of period (DKKm)			
Assets			
Cash and balances on demand at central banks	380	590	459
Due from credit institutions and central banks	7,619	3,934	5,808
Loans and advances	33,367	35,241	35,026
Bonds	11,133	12,917	11,052
Shares, etc	1,782	1,363	1,678
Interests in associated undertakings, etc	277	277	287
Shares in group undertakings	-	-	-
Tangible assets	999	974	1,015
Own shares	83	104	116
Other assets	5,214	3,574	4,303
Prepayments and accrued income	34	37	28
Total assets	60,888	59,011	59,772
Liabilities			
Due to credit institutions and central banks	19,220	15,641	18,497
Deposits	29,174	30,619	28,996
Bonds issued	-	1,859	-
Other liabilities	8,293	6,104	8,014
Accruals and deferred income	25	29	28
Provisions for obligations	41	79	82
Subordinated capital (tier 2)	981	1,213	934
Shareholders' equity (tier 1)	3,154	3,467	3,221
Total liabilities	60,888	59,011	59,772

SYDBANK GROUP

	Q1-Q3 2000	Q1-Q3 2001	Year 2000
Off-balance sheet items (DKK m)			
Guarantees, etc	6,276	7,146	6,503
Other commitments	409	415	602
Total off-balance sheet items	6,685	7,561	7,105

Shareholders' equity (tier 1) (DKK m):

Shareholders' equity (tier 1) beginning of January	2,887	3,221	2,887
Profit for the period	382	373	569
Allocated for other purposes	-	-	(2)
Capital reduction	(115)	(127)	(115)
Dividend	-	-	(118)
Total shareholders' equity (tier 1)	3,154	3,467	3,221

Share capital consists of 7,500,000 shares at a nominal value of DKK 100 or a total of DKK 750m.

Solvency (excl profit for the period) (DKK m):

Composition of capital and weighted items:

Core capital (tier 1) after deductions	2,689	2,990	3,106
Capital base (tiers 1+2) after deductions	3,417	4,094	3,921
Weighted items outside the trading portfolio	34,102	35,588	34,912
Weighted items with market risks, etc	4,417	4,480	4,414
Total weighted items	38,519	40,068	39,326
Solvency ratio (total capital) (%)	8.9	10.2	10.0
Core capital ratio (tier 1) (%)	7.0	7.5	7.9