

To the Copenhagen Stock Exchange and
other interested parties

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Executive Management

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Dear Sirs

Quarterly Report – First Quarter of 2001 of the Sydbank Group

Sydbank recorded a pre-tax profit of DKK 208m for the first quarter of 2001, equal to a return of 26% p.a. on shareholders' equity at the beginning of the year.

Profit and Loss Account First Quarter (DKKm)	2000	2001
Core income excl. trading income	390	441
Trading income	176	141
Total core income	566	582
Costs, amortisation and depreciation	341	370
Provisions for bad and doubtful debts	60	64
Core earnings	165	148
Profit from investment portfolios	41	60
Profit before tax	206	208
Tax	63	58
Profit after tax	143	150

Core income excl. trading income grew by 13% to DKK 441m compared to the same period last year.

The level of customer-facing investment activities was lower than in the first quarter of 2000. Thus, trading income fell by approx. 15% to DKK 141m for the first quarter of 2001, but nonetheless it exceeds average quarterly income for 2000.

Total core income of DKK 582m grew against DKK 566m for the first quarter of 2000.

Costs and depreciation related to core income grew by DKK 29m to DKK 370m of which DKK 8m derives from the dismissal of 24 employees in the first quarter of 2001. The charge for bad and doubtful debts was DKK 64m, equal to 0.6% p.a. Accumulated loan loss provisions are rising and now total DKK 1,241m. Non-performing loans and advances make up DKK 179m.

For the first quarter of 2001, profit from investment portfolios was DKK 60m less funding charges and costs, equal to an increase of DKK 19m compared to the same period last year.

Profit before tax grew by DKK 2m to DKK 208m compared to the first quarter of 2000. The tax charge for the period has been calculated at 30%, equal to DKK 58m after adjustment of tax calculated for previous years.

Profit after tax of DKK 150m equals a return of 18.6% p.a. on shareholders' equity at the beginning of the year.

Balance sheet and capital

Total assets were DKK 60m at the end of the first quarter of 2001 that is unchanged to last year. Ordinary loans and advances grew by DKK 3.5bn to DKK 32.2bn and deposits by DKK 1.9bn to DKK 29.6bn.

In the first quarter, shareholders' equity grew by the period's profit to DKK 3,371m. We expect that the AGM resolution of March 2001 to reduce the share capital by nominally DKK 35m will be finally registered by mid-June 2001 immediately following expiry of the statutory notice. To strengthen and refinance the Group's capital resources, the Bank issued in April 2001 two new tier 2 floating rate notes totalling approximately DKK 870m.

At the end of the first quarter, the solvency ratio (total capital) was 9.7% compared to 9.6% at the same time last year and the core capital ratio (tier 1) was 7.7% compared to 7.5% last year. Risk weighted items total DKK 39.8bn at the end of the first quarter 2001 against DKK 36.0bn last year.

In the first quarter, the number of shareholders grew by almost 3,000 bringing the total to 114,000. Sydbank experiences favourable and rising influx of customers – retail customers as well as corporate clients.

Outlook for 2001

In connection with the half-year report for 2001 which we expect to publish on 20th August 2001, the Group will be reviewing its core earnings estimate. We plan to publish the Quarterly Report for the third quarter of 2001 on 22nd October 2001.

Yours sincerely



Carsten Andersen
Chief Executive

Sydbank Group	Q1 2000	Q2 2000	Q3 2000	Q4 2000	Q1 2001	Full year 2000
Profit and Loss Account (DKKm)						
Core income excl. trading income	390	410	441	456	441	1,697
Trading income	176	119	132	112	141	539
Total core income	566	529	573	568	582	2,236
Costs, amortisation and depreciation	340	336	335	375	370	1,386
Provisions for bad and doubtful debts	60	49	60	60	64	229
Core earnings	166	144	178	133	148	621
Profit from investment portfolios	40	(49)	3	60	60	54
Profit on ordinary activities before tax	206	95	181	193	208	675
Tax	63	29	7	7	58	106
Profit after tax	143	66	174	186	150	569
Selected Balance Sheet Items (DKKbn)						
Ordinary loans and advances	28.7	29.9	30.4	31.5	32.2	31.5
Reverse repo loans and advances	3.7	4.2	3.0	3.5	3.3	3.5
Deposits	27.7	28.8	29.2	29.0	29.6	29.0
Subordinated capital (tier 2)	1.0	1.0	1.0	0.9	0.9	0.9
Shareholders' equity (tier 1)	3.0	3.0	3.2	3.2	3.4	3.2
Total assets	60.2	61.3	60.9	59.8	59.5	59.8
Guarantees, etc.	6.0	6.1	6.3	6.5	6.7	6.5
Financial Ratios and Key Figures						
The Sydbank share (DKK per share)						
Profit for the period	17.3	8.4	22.1	23.7	19.1	72.5
Share price end of period	277	264	282	310	371	310
Book value	367	380	402	410	429	410
Share price/book value	0.76	0.70	0.70	0.76	0.86	0.76
Sydbank Group						
Solvency ratio (total capital) (%)	9.7	9.4	9.0	10.0	9.7	10.0
Core capital ratio (tier 1)	7.5	7.4	7.0	7.9	7.7	7.9
Pre-tax profit as % of average shareholders' equity p.a.	27.8	12.7	23.5	24.3	25.3	22.1
Profit after tax as % of average shareholders' equity p.a.	19.3	8.8	22.7	23.4	18.2	18.6
Income/cost ratio (DKK)	1.51	1.25	1.45	1.42	1.48	1.41
Interest rate risk	4.5	0.6	2.9	4.4	3.5	4.4
Foreign exchange risk	0.1	0.1	0.1	0.1	0.2	0.1
Provisioning ratio	3.1	2.9	3.0	2.8	2.9	2.8
Losses and provisions p.a. for the period	0.6	0.5	0.6	0.6	0.6	0.5
Number of full-time employees end of period	1,909	1,906	1,932	1,916	1,891	1,916
Rating						
Moody's (long-term)			A2	A2	A2	A2
Moody's (short-term)			P-1	P-1	P-1	P-1
Moody's (financial strength)			C+	C+	C+	C+