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## Stock Exchange Announcement No 01/06

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**Group 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 SYBKDK22

Sydbank A/S  
CVRNo DK 12626509, Aabenraa

Contact  
Group Chief Executive Carsten Andersen  
Direct tel +45 74 36 20 00  
Group Executive Vice President Mogens Asmund  
Direct tel +45 74 36 20 50  
[direktionen@sydbank.dk](mailto:direktionen@sydbank.dk)

Dear Sirs

### **Preliminary announcement of the 2005 financial statements**

#### **Summary – Extremely satisfactory profit before tax of DKK 1,313m**

In 2005 the Sydbank Group realised a highly satisfactory profit before tax of DKK 1,313m – equalling a pre-tax return of 28% on average shareholders' equity.

The income statement for 2005 is characterized by:

- 7% effective increase in core income excl trading income
- 52% growth in trading income
- 23% effective rise in profit from investment portfolios
- No Totalkredit gain
- 8% growth in costs
- 39% effective reduction in write-downs of loans and advances etc.

The Group's core earnings of DKK 1,174m exceed previously published expectations of DKK 1,050-1,150m for the year. The favourable difference can be ascribed to the increase in trading income.

The Group's profit after tax represents DKK 936m compared with DKK 750m in 2004. The realised profit for the year is the best in the Group's history. Profit generates a return on average shareholders' equity of 20% and profit per share has gone up by 27%.

Group balance sheet highlights include:

- 28% rise in ordinary loans and advances to DKK 53.5bn
- 13% growth in deposits and other debt to DKK 43.6bn.

<b>Summary income statement (DKKm)</b>	<b>2005</b>	<b>2004</b>
Core income excl trading income	2,013	1,965
Trading income	1,079	712
<b>Total core income</b>	<b>3,092</b>	<b>2,677</b>
Costs and depreciation	1,853	1,714
<b>Core income before write-downs of loans and advances etc</b>	<b>1,239</b>	<b>963</b>
Write-downs of loans and advances etc	65	225
<b>Core earnings</b>	<b>1,174</b>	<b>738</b>
Profit from investment portfolios	139	160
<b>Profit before Totalkredit gain</b>	<b>1,313</b>	<b>898</b>
Gain on sale of Totalkredit	0	87
<b>Profit before tax</b>	<b>1,313</b>	<b>985</b>
Tax	377	235
<b>Profit for the year</b>	<b>936</b>	<b>750</b>

The Group's solvency (total capital) ratio amounts to 11.1%, incl a core capital (Tier 1) ratio of 8.1%.

The Bank plans to seek approval to apply the Internal Ratings-Based (IRB) Approach in accordance with the new capital adequacy rules on the opening date for applications in September 2006.

As a consequence of the very satisfactory performance in 2005 the Board of Directors has decided to offer employee shares in March 2006 corresponding to a charge in the region of DKK 15m for the Bank.

The Group projects core earnings in the region of DKK 875-1,025m in 2006.

The Annual General Meeting is scheduled for Thursday 9 March 2005 at 3:00pm in the Soenderjyllandshallen in Aabenraa. The following proposals will be put before the AGM: that a dividend of DKK 3 per share be distributed and that an amount of DKK 10m be distributed to the sponsorship fund, "Sydbank Sønderjyllands Fond".

Yours faithfully



Carsten Andersen  
Group Chief Executive

## Group Financial Highlights

	2005	2004	2003	2002	2001
<b>Income statement (DKK m)</b>					
Core income excl trading income	2,013	1,965	1,865	1,846	1,795
Trading income	1,079	712	638	515	451
<b>Total core income</b>	<b>3,092</b>	<b>2,677</b>	<b>2,503</b>	<b>2,361</b>	<b>2,246</b>
Costs and depreciation	1,853	1,714	1,654	1,573	1,474
Write-downs of loans and advances etc	65	225	300	299	260
<b>Core earnings</b>	<b>1,174</b>	<b>738</b>	<b>549</b>	<b>489</b>	<b>512</b>
Profit from investment portfolios	139	160	217	120	99
<b>Profit before Totalkredit gain</b>	<b>1,313</b>	<b>898</b>	<b>766</b>	<b>609</b>	<b>611</b>
Gain on sale of Totalkredit	-	87	282	-	-
<b>Profit before tax</b>	<b>1,313</b>	<b>985</b>	<b>1,048</b>	<b>609</b>	<b>611</b>
Tax	377	235	376	195	156
<b>Profit for the year</b>	<b>936</b>	<b>750</b>	<b>672</b>	<b>414</b>	<b>455</b>
<b>Balance sheet highlights (DKK bn)</b>					
Loans and advances at amortised cost	53.5	41.8	34.9	33.9	32.7
Loans and advances at fair value	7.2	5.7	4.7	4.7	4.6
Deposits and other debt	43.6	38.6	37.8	33.4	31.6
Bonds issued at amortised cost	6.7	1.9	1.9	1.9	1.9
Subordinated capital (Tier 2)	2.8	1.8	1.3	1.3	1.2
Shareholders' equity (Tier 1)	5.0	4.4	4.3	3.6	3.4
Total assets	98.9	78.6	73.5	66.8	66.0
<b>Financial ratios per share (DKK per share of DKK 10)</b>					
EPS Basic ***	13.7	10.7	9.1	5.6	6.2
EPS Diluted ***	13.7	10.7	9.1	5.6	6.2
Share price at year-end	151.0	107.8	80.3	49.0	43.0
Book value ****	72.9	63.6	57.8	47.7	45.8
Share price/book value ****	2.07	1.69	1.39	1.03	0.94
Average number of shares outstanding (in millions)	68.6	70.3	73.6	73.3	73.5
Proposed dividend	3.0	3.0	2.0	1.5	1.5
<b>Other financial ratios and key figures</b>					
Solvency (total capital) ratio	11.1	11.4	11.1	11.4	10.4
Core capital (Tier 1) ratio	8.1	9.3	8.9	8.3	7.8
Pre-tax profit as % of avg shareholders' equity	27.9	22.3	25.7	17.8	18.4
Post-tax profit as % of avg shareholders' equity	19.9	17.0	16.5	12.1	13.7
Income/cost ratio (DKK)	1.68	1.51	1.53	1.32	1.35
Interest rate risk *	2.3	3.4	4.8	5.9	4.2
Foreign exchange position *	2.8	1.5	4.1	11.2	4.4
Foreign exchange risk *	0.1	0.0	0.1	0.1	0.1
Loans and advances relative to deposits **	1.1	1.1	0.9	1.0	1.0
Loans and advances relative to shareholders' equity **	10.7	9.4	8.1	9.5	9.5
Growth in loans and advances for the year **	28.0	19.9	3.1	3.4	4.1
Excess cover relative to statutory liquidity requirements *	95.1	114.2	139.4	120.4	80.7
Total large exposures *	93.9	61.5	79.1	70.0	95.8
Accumulated write-down ratio	2.1	2.6	2.9	2.8	2.7
Write-down ratio for the year	0.1	0.4	0.6	0.6	0.6
Number of full-time staff at year-end	2,123	2,075	1,988	1,945	1,897

\* Ratios for 2001-2004 have not been restated.

\*\* Ratios calculated on the basis of loans and advances at amortised cost.

\*\* Calculation based on average number of shares outstanding.

\*\*\*\* Calculation based on number of shares outstanding at year-end.

The financial ratios are prepared according to "Recommendations & Financial Ratios 2005" published by the Danish Society of Financial Analysts.

## Performance in 2005

### Core income excl trading income

In 2005 core income excl trading income constitutes DKK 2,013m. As a result of the change in measurement of loans and advances to amortised cost as of 1 January 2005, this amount has been reduced by DKK 85m. Of this amount DKK 73m is due to the recognition of interest income concerning written-down loans and advances on the basis of the written-down value instead of the nominal value applied previously. In addition the changed measurement generates a decline of DKK 8m in origination fees for 2005 and a funding expense of DKK 4m relating to own shares which are now recognised directly in equity. Subject to identical policies in the two years core income excl trading income grew by 7%.

<b>Core income excl trading income (DKKm)</b>	<b>2005</b>	<b>2004</b>
Interest margins etc	1,528	1,473
Mortgage credit	179	152
Payment services	114	104
Remortgaging and loan fees	77	102
Other commission	89	107
Other operating income	26	27
<b>Total</b>	<b>2,013</b>	<b>1,965</b>

Income from interest margins etc totals DKK 1,528m and is favourably affected by rising loans and advances and adversely impacted by declining interest margins due to keener competition and a relatively large increase in the volume of low interest margin products. As a result of the change in measurement of loans and advances, interest margins etc have been reduced by the above-mentioned DKK 85m and an increase of DKK 53m is attributable to origination fees which must be recognised under interest income as of 1 January 2005 – ie a net reduction of DKK 32m in interest margins etc. Subject to identical policies in the two years interest margins etc record an improvement of 6%.

Continued growth in mortgage credit activity has generated a rise in income from this business activity of DKK 27m to DKK 179m and income from international and national payment services has gone up by DKK 10m to DKK 114m as a result of increased business activity.

Income from remortgaging and loan fees represents DKK 77m. In comparison with 2004 the change in measurement generates a reduction in income of DKK 53m. The income is now recognised in profit or loss under interest margins etc. Subject to identical policies in the two years remortgaging and loan fees have grown by 27%.

Other commission has been reduced from DKK 107m in 2004 to DKK 89m in 2005. An amount of DKK 16m can be ascribed to declining income from company administration in the subsidiary, DMK-Holding.

### Trading income

Overall rising activity in the Bank within trading in securities etc has resulted in a 52% rise in trading income – from DKK 712m in 2004 to DKK 1,079m in 2005. This sharp increase in

income has been supported by growing demand and high activity. Private investors, including the Bank's private banking clients, are showing mounting interest in the Bank's asset management services and equity investments. Moreover widespread remortgaging activity and a favourable trend in wholesale trade have contributed to growth in bond turnover. Finally the demand for currency and interest rate swaps by the Bank's corporate clients is steadily increasing.

At year-end 2005 the Group manages securities based savings of DKK 49bn compared with DKK 33bn a year ago.

<b>Trading income (DKKm)</b>	<b>2005</b>	<b>2004</b>
Bonds	175	133
Shares	320	179
Foreign exchange	233	97
Money market	36	60
Asset management	315	243
<b>Total</b>	<b>1,079</b>	<b>712</b>

### **Costs and depreciation**

Costs and depreciation recorded DKK 1,862m, equalling a rise of 8% compared to 2004.

At year-end 2005 total staff numbered 2,123 against 2,075 one year ago.

In the course of 2005 five small branches merged with other branches and a new branch was opened in Hillerød, bringing the number of branches to 112, including two in Germany.

<b>Costs and depreciation (DKKm)</b>	<b>2005</b>	<b>2004</b>
Staff costs	1,074	977
Other administrative expenses	673	661
Depreciation and write-downs of property, plant and equipment	105	85
Other operating expenses	10	0
<b>Total</b>	<b>1,862</b>	<b>1,723</b>

Of which profit from investment portfolios	9	9
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### **Write-downs of loans and advances etc**

Write-downs of loans and advances etc total DKK 65m. In comparison with 2004 the change in measurement of loans and advances generates a reduction of DKK 73m in write-downs of loans and advances etc, which amount has been deducted from interest margins etc. Subject to identical policies in the two years write-downs of loans and advances etc have been reduced by DKK 87m from DKK 225m in 2004 – equal to 39%.

### **Core earnings**

Core earnings total DKK 1,174m – an increase of DKK 436m or 59%.

### **Profit from investment portfolios**

Profit from investment portfolios amounts to DKK 139m less funding charges and less related costs of DKK 9m. Own shares are recognised directly in equity and as a result profit from investment portfolios has been reduced by DKK 57m. Subject to identical policies in the two years profit from investment portfolios shows an improvement of 23%.

### **Profit before Totalkredit gain**

The overall profit before Totalkredit gain has risen by DKK 415m to DKK 1,313m – an improvement of 46%.

### **Gain on sale of Totalkredit shares**

In 2004 a gain of DKK 87m was realised in connection with the sale of shares in Totalkredit to Nykredit. Similar gains have not been realised in 2005.

### **Subsidiaries**

SBK-Invest, undertaking mainly leasing and factoring, contributed a pre-tax profit of DKK 19m (2004: DKK 10m). SBK-Invest lending rose by DKK 608m to DKK 2,794m.

DMK-Holding, engaged in company administration, contributed a pre-tax profit of DKK 21m (2004: DKK 37m). Reduced income is ascribed to a receding business volume.

Undertaking private banking activities in St. Gallen, the subsidiary bank, Sydbank (Schweiz) AG, realised a pre-tax loss of DKK 7m (2004: loss of DKK 12m), equal to the budgeted results. Business developments have been satisfactory and a profit is budgeted for 2006.

Ejendomsselskabet recorded a pre-tax loss of DKK 8m (2004: pre-tax profit of DKK 3m).

### **Profit for the year**

Pre-tax profit amounts to DKK 1,313m compared with DKK 985m in 2004. The tax charge represents DKK 377m (2004: DKK 235m). Profit for the year amounts to DKK 936m compared with DKK 750m in 2004.

### **ROE**

ROE went up from 17.0% in 2004 to 19.9%. Profit per share rose from DKK 10.7 to DKK 13.7 – an increase of 28%.

### **Balance sheet**

The Group's total assets made up DKK 98.9bn at year-end 2005 against DKK 78.6bn at year-end 2004.

Reverse repo loans and advances have risen by DKK 1.5bn to DKK 7.2bn. Ordinary loans and advances total DKK 53.5bn – an increase of 28%. The rise is broadly distributed in terms of lending purposes and customer segments.

<b>Assets, year-end (DKKbn)</b>	<b>2005</b>	<b>2004</b>
Amounts owed by credit institutions etc	15.0	9.9
Loans and advances at fair value (reverse repo transactions)	7.2	5.7
Loans and advances at amortised cost (ordinary loans and advances)	53.5	41.8
Securities and holdings etc	13.4	11.4
Assets related to pooled plans	5.6	4.9
Other assets etc	4.2	4.9
<b>Total</b>	<b>98.9</b>	<b>78.6</b>

Deposits and other debt make up DKK 43.6bn against DKK 38.6bn at year-end 2004. The 13% increase is mainly attributable to a rise in on demand deposits. With the aim of strengthening the Bank's long-term funding, bonds representing EUR 650m have been issued during the year, bringing bonds issued to a total of DKK 6.7bn (2004: DKK 1.9bn).

<b>Debt and provisions, year-end (DKKbn)</b>	<b>2005</b>	<b>2004</b>
Amounts owed to credit institutions etc	25.7	19.1
Deposits and other debt	43.6	38.6
Deposits in pooled plans	5.6	4.9
Bonds issued	6.7	1.9
Other liabilities etc	9.2	7.7
Provisions	0.3	0.1
<b>Total</b>	<b>91.1</b>	<b>72.3</b>

### **Subordinated capital**

Supplementary capital (Tier 2) constitutes DKK 2,271m at year-end 2005 (2004: DKK 1,258m). In 2005 EUR 50m and GBP 10m were repaid and EUR 200m was raised as supplementary capital (Tier 2), ie a strengthening of the Bank's capital resources. In addition supplementary capital totalling EUR 15m was repaid at the beginning of 2006.

Hybrid core capital makes up EUR 75m at year-end 2005.

Total subordinated capital (Tier 2) represents DKK 2,831m at year-end 2005 (2004: DKK 1,816m).

### **Share capital**

Share capital makes up DKK 700,000,000 at year-end 2005.

The number of shares outstanding has been reduced from 69,654,680 (99.5%) at year-end 2004 to 68,355,127 (97.7%) at year-end 2005. Book value of the Sydbank share is DKK 73. At year-end 2005 the closing rate was 151 and share price/book value 2.07.

<b>The Sydbank share (number)</b>	<b>2005</b>	<b>2004</b>
Average number of shares outstanding	68,567,202	70,249,516
Shares outstanding at year-end	68,355,127	69,654,680
Shares issued at year-end	70,000,000	70,000,000

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

At year-end 2005 shareholders' equity (Tier 1) totals DKK 4,986m – an increase of DKK 555m since the beginning of 2005. The changes are ascribable to dividend distribution etc in March 2005 of net DKK 211m, net purchase of own shares of DKK 155m, tax on equity items of DKK 15m and profit for the year of DKK 936m.

### **Solvency**

In the course of the year capital base (Tiers 1+2) has increased by DKK 1,468m to DKK 7,296m at year-end 2005. In addition as a consequence of increased business volume weighted items have gone up from DKK 51,128m at the beginning of the year to DKK 65,718m at year-end.

Solvency (total capital) ratio amounted to 11.1% at year-end 2005, of which 8.1 percentage points is ascribable to core capital (Tier 1) (including hybrid core capital).

The Bank plans to seek approval to apply the Internal Ratings-Based (IRB) Approach in accordance with the new capital adequacy rules on the opening date for applications in September 2006.

<b>Solvency, year-end (DKKm)</b>	<b>2005</b>	<b>2004</b>
Core capital (Tier 1)	4,986	4,431
Deductions	220	215
Hybrid capital	560	558
Core capital (incl hybrid core capital) after deductions	5,326	4,774
Supplementary capital (Tier 2) included	2,271	1,258
Deductions	301	204
Supplementary capital after deductions	1,970	1,054
Capital base (Tiers 1+2)	7,296	5,828
Capital base requirements (solvency requirements)	5,257	4,090
Total weighted items	65,718	51,128
Core capital (Tier 1) ratio (excl hybrid core capital)	7.3	8.2
Core capital (Tier 1) ratio	8.1	9.3
Solvency (total capital) ratio	11.1	11.4

## **Outlook for 2006**

The Group's 2006 budget is based on expectations of sustained growth in the Danish economy in 2006 with continued high employment as a consequence. The level of prices and interest rates is presumed stable in a general context albeit a minor interest rate increase is expected in the course of the year.

Against this background credit quality is forecast to remain unchanged and loans and advances to grow by 15%. Moreover it is expected that the downward pressure on interest margins will continue.

A 1% rise in staffing is budgeted and costs are projected to go up by around 5%.

Overall the Group projects core earnings in the region of DKK 875-1,025m in 2006.

Profit from investment portfolios will depend on financial market trends. Sydbank anticipates that Nykredit will exercise the option that expires on 1 October 2006 to purchase the remaining portfolio of Totalkredit shares. The projected sale will generate a tax-free gain of DKK 121m.

The Group's tax charge is budgeted at 28% excluding the above tax-free gain.

## **Rating**

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

## **Accounting policies**

Sydbank's consolidated statements have been prepared for the first time in compliance with the International Financial Reporting Standards (IFRS) as adopted by the EU. The transition is in accordance with IFRS 1. Reference is made to Sydbank's 2005 Annual Report for more detailed information on accounting policies and changes in the opening balance sheet and comparative amounts.

## **Financial calendar**

AGM of Sydbank A/S	9 March 2006
Quarterly Report – Q1 2006	25 April 2006
2006 Interim Report	14 August 2006
Quarterly Report – Q1-Q3 2006	24 October 2006

The Group's annual report is available in its entirety at [www.sydbank.dk](http://www.sydbank.dk) (in Danish) and at [www.sydbank.com](http://www.sydbank.com) (in English).

## Income Statement – Sydbank Group

DKKm	2005	2004
Interest income	2,904	2,515
Interest expense	1,192	853
<b>Net interest income</b>	<b>1,712</b>	<b>1,662</b>
Dividends on shares	16	40
Fee and commission income	1,132	927
Fee and commission expense	149	95
<b>Net interest and fee income</b>	<b>2,711</b>	<b>2,534</b>
Market value adjustments	503	372
Other operating income	25	27
Staff costs and administrative expenses	1,747	1,638
Depreciation and write-downs of property, plant and equipment	105	85
Other operating expenses	10	0
Write-downs of loans and advances etc	65	225
Profit on holdings in associates and subsidiaries	(1)	0
Profit on assets temporarily acquired	2	0
<b>Profit before tax</b>	<b>1,313</b>	<b>985</b>
Tax	377	235
<b>Profit for the year</b>	<b>936</b>	<b>750</b>

### Distribution of profit for the year including proposed dividend

Profit for the year	936	750
<b>Total amount to be allocated</b>	<b>936</b>	<b>750</b>
Proposed dividend	210	210
Proposal for allocation for other purposes	10	5
Profit retained	716	535
<b>Total amount allocated</b>	<b>936</b>	<b>750</b>
EPS Basic (DKK) *	13.7	10.7
EPS Diluted (DKK) *	13.7	10.7
Proposed dividend per share (DKK)	3	3

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

## Balance Sheet – Sydbank Group

DKKm	2005	2004
<b>Assets</b>		
Cash and balances on demand at central banks	4,037	594
Amounts owed by credit institutions and central banks	10,967	9,294
Loans and advances at fair value	7,174	5,708
Loans and advances at amortised cost	53,538	41,836
Bonds at fair value	12,248	10,410
Shares etc	1,026	844
Holdings in associates etc	143	147
Holdings in subsidiaries	-	-
Assets related to pooled plans	5,615	4,857
Total land and buildings	748	732
investment property	45	47
owner-occupied property	703	685
Other property, plant and equipment	94	94
Current tax assets	84	161
Deferred tax assets	-	-
Assets temporarily acquired	-	8
Other assets	3,203	3,857
Prepayments	36	34
<b>Total assets</b>	<b>98,913</b>	<b>78,576</b>
<b>Shareholders' equity and liabilities</b>		
Amounts owed to credit institutions and central banks	25,692	19,076
Deposits and other debt	43,590	38,620
Deposits in pooled plans	5,615	4,857
Bonds issued at amortised cost	6,701	1,860
Current tax liabilities	20	3
Other liabilities	9,155	7,700
Deferred income	56	58
<b>Total liabilities</b>	<b>90,829</b>	<b>72,174</b>
Provisions	267	155
Subordinated capital (Tier 2)	2,831	1,816
Shareholders' equity (Tier 1):		
Share capital	700	700
Other reserves:		
Reserves according to articles of association	381	375
Other reserves	8	8
Retained earnings	3,897	3,348
Total shareholders' equity *	4,986	4,431
<b>Total shareholders' equity and liabilities</b>	<b>98,913</b>	<b>78,576</b>
* Including proposed dividend etc	220	215

## Capital Position – Sydbank Group

DKKm	Reserve for					Total
	Share capital	savings bank reserve	Restricted net revaluation according to equity method	Retained earnings	Proposed dividend etc	
Adj. shareholders' equity 1 Jan 2005	700	375	8	3,133	215	4,431
<b>Changes in equity in 2005:</b>						
Exchange rate adj., foreign entities	-	-	-	1	-	1
Hedge accounting of foreign entities	-	-	-	(1)	-	(1)
Tax on equity items	-	-	-	(15)	-	(15)
Profit for the year	-	6	-	710	220	936
Total income	-	6	-	695	220	921
Purchase/sale of own shares	-	-	-	(168)	-	(168)
Employee shares	-	-	-	13	-	13
Adopted dividend etc	-	-	-	-	(215)	(215)
Dividends, own shares	-	-	-	4	-	4
Total changes in equity in 2005	-	6	-	544	5	555
<b>Shareholders' equity 31 Dec 2005</b>	<b>700</b>	<b>381</b>	<b>8</b>	<b>3,677</b>	<b>220</b>	<b>4,986</b>

### Solvency (total capital) and capital base (Tiers 1+2):

DKKm	2005	2004
<b>Solvency:</b>		
Solvency (total capital) ratio	11.1	11.4
Core capital (Tier 1) ratio	8.1	9.3
Core capital (Tier 1) ratio (excl hybrid core capital)	7.3	8.2
<b>Composition of capital and weighted items:</b>		
Core capital (Tier 1)	4,986	4,431
Hybrid core capital (Tier 1)	560	558
Deductions	220	215
Core capital (Tier 1) (incl hybrid core capital) after deductions	5,326	4,774
Subordinated capital (Tier 2) included	2,271	1,258
Deductions	301	204
Supplementary capital (Tier 2) after deductions	1,970	1,054
Capital base (Tiers 1+2) after deductions	7,296	5,828
<b>Capital base requirement</b> (solvency requirement 8%)	5,257	4,090
Weighted assets and off-balance sheet items	58,186	45,966
Weighted items with market risk	7,532	5,162
Total weighted items	65,718	51,128

## Cash Flow Statement – Sydbank Group

DKKm	2005	2004
<b>Operating activities:</b>		
Profit for the year	936	750
Adjustment of non-cash operating items:		
Depreciation of property and equipment	105	85
Write-offs of loans and advances	97	215
Other non-cash operating items	80	(89)
<b>Total</b>	<b>1,218</b>	<b>961</b>
Changes in working capital:		
Credit institutions	4,389	(3,655)
Trading portfolio	(2,019)	4,494
Loans and advances	(13,234)	(8,076)
Deposits	4,970	5,495
Other assets/liabilities	2,206	232
<b>Cash flows from operating activities</b>	<b>(2,470)</b>	<b>(549)</b>
<b>Investing activities:</b>		
Purchase and sale of holdings in associates	3	38
Purchase and sale of property, plant and equipment	(121)	(16)
<b>Cash flows from investing activities</b>	<b>(118)</b>	<b>22</b>
<b>Financing activities:</b>		
Purchase and sale of own holdings	(165)	(249)
Dividends	(215)	(155)
Raising of subordinated capital (Tier 2)	1,015	556
Issue of bonds	4,842	(2)
<b>Cash flows from financing activities</b>	<b>5,477</b>	<b>150</b>
<b>Cash flows for the year</b>	<b>2,889</b>	<b>(377)</b>
Cash equivalent positions at 1 January	4,426	4,803
Changes during the year	2,889	(377)
<b>Cash equivalent positions at year -end</b>	<b>7,315</b>	<b>4,426</b>