

The Copenhagen Stock Exchange
The London Stock Exchange
Other stakeholders

Stock Exchange Announcement No 12/02

Date
22 April 2002

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
CVR No DK 12626509, Aabenraa

Direct tel +45 74 36 20 02
direktionen@sydbank.dk

Quarterly Report – Q1 2002 of the Sydbank Group

For the first three months of 2002 Sydbank recorded a satisfactory pre-tax profit of DKK 171m, equal to a return of 21% p.a. on shareholders' equity at the beginning of the year. Business developments have been satisfactory with sustained favourable influx of new customers and shareholders.

Following a voluntary share exchange offer to the shareholders of Egnsbank Fyn, Sydbank's shareholding of Egnsbank Fyn amounts to 96% at the end of Q1 2002. In mid-May Egnsbank Fyn and Sydbank are to merge with retrospective effect from 1 January 2002 and consequently Egnsbank Fyn has been consolidated into Sydbank's Q1 report without isolating minority shareholder interests. Total goodwill has been written off directly against shareholders' equity at 1 January 2002. Comparative figures for 2001 have not been restated.

Profit and loss account – Q1 (DKKm)		
	2001	2002
Core income excl trading income	441	459
Trading income	141	121
Total core income	582	580
Costs and depreciation	370	395
Provisions for bad and doubtful debts	64	75
Core earnings	148	110
Profit from investment portfolios	60	61
Pre-tax profit	208	171
Tax	58	54
Post-tax profit	150	117

Profit and loss account

Core income excl trading income grew by DKK 18m to DKK 459m – mainly attributable to income from Egnsbank Fyn.

Trading income represents DKK 121m compared to DKK 141m in Q1 2001. Activities and income generated in Sydbank Markets are on a par with Q4 2001.

Total core income amounts to DKK 580m.

Costs and depreciation represent DKK 395m – an increase of DKK 25m of which Egnsbank Fyn accounts for DKK 11m. At the end of Q1 2002 staff members numbered 1,955 compared with 1,891 at 31 March 2001.

Provisions for bad and doubtful debts total DKK 75m (2001: DKK 64m) – equal to 0.7% p.a. of ordinary loans and advances, guarantees and provisions for the first three months of 2002. Provisions total DKK 1,327m – of which A-provisions amount to DKK 1,202m. Non-performing credits equal DKK 194m.

Total core earnings constitute DKK 110m compared with DKK 148m in 2001. The decline is primarily ascribable to a combination of reduced trading income, increased costs and rising provisions for bad and doubtful debts.

Profit from investment portfolios, including a DKK 11m return on own shares, stands at DKK 61m for Q1 2002 (2001: DKK 60m) which is highly satisfactory taking market trends into account.

The Group's pre-tax profit represents DKK 171m. Less a calculated tax charge of DKK 54m profit stands at DKK 117m and book value at DKK 453 per share.

Balance sheet and capital

Total assets amount to DKK 63bn at 31 March 2002 (2001: DKK 60bn). Ordinary loans and advances rose by DKK 0.7bn to DKK 32.8bn and deposits by DKK 1.9bn to DKK 31.5bn compared with Q1 2001. The increase in ordinary loans and advances and almost half of the rise in deposits derive from Egnsbank Fyn.

The Group's solvency ratio (total capital) is 10.4% (2001: 9.6%) and the core capital ratio (tier 1) 7.7% (2001: 7.7%). Incorporating profit for the quarter, solvency (total capital) and core capital (tier 1) ratios amount to 10.7% and 7.9% respectively.

Outlook for 2002

In Q1 2002 core income developments were consistent with the outlook presented in Sydbank's 2001 Annual Report. The anticipated increased income as a result of the merger with Egnbank Fyn has not prompted any adjustment of previously published outlooks for 2002.

Yours faithfully

A handwritten signature in blue ink, appearing to be 'CA', with a long horizontal stroke extending to the right.

Carsten Andersen
Chief Executive

GROUP FINANCIAL HIGHLIGHTS

	Q1 2001	Q2 2001	Q3 2001	Q4 2001	Q1 2002	Year 2001
Profit and loss account (DKKm)						
Core income excl trading income	441	456	453	445	459	1,795
Trading income	141	104	81	125	121	451
Total core income	582	560	534	570	580	2,246
Costs and depreciation	370	361	360	384	395	1,474
Provisions for bad and doubtful debts	64	65	66	65	75	260
Core earnings	148	134	108	121	110	512
Profit from investment portfolios	60	22	3	15	61	99
Profit on ordinary activities before tax	208	156	111	136	171	611
Tax	58	18	26	54	54	156
Post-tax profit	150	138	85	82	117	455
Balance sheet end of period (DKKbn)						
Ordinary loans and advances	32.1	33.0	31.9	32.7	32.8	32.7
Reverse repo loans and advances	3.3	3.8	3.3	4.6	3.9	4.6
Deposits	29.6	30.1	30.6	31.6	31.5	31.6
Bonds issued	-	-	1.9	1.9	1.9	1.9
Subordinated capital (tier 2)	0.9	1.4	1.2	1.2	1.2	1.2
Shareholders' equity (tier 1)	3.4	3.4	3.5	3.4	3.4	3.4
Total assets	59.5	59.2	59.0	66.0	63.3	66.0
Guarantees etc	6.7	6.9	7.1	7.5	8.1	7.5
Financial ratios and key figures						
The Sydbank share (DKK per share)						
Pre-tax profit	26.5	20.4	14.7	18.2	22.8	79.6
Post-tax profit	19.1	18.0	11.4	11.0	15.6	59.3
Share price end of period	371	437	425	430	443	430
Book value	429	451	462	458	453	458
Share price/book value	0.86	0.97	0.92	0.94	0.98	0.94
Sydbank Group						
Solvency ratio (total capital) (%)	9.6	10.3	10.2	10.4	10.4	10.4
Core capital ratio (tier 1) (%)	7.7	7.3	7.5	7.8	7.7	7.8
Pre-tax profit as % of average equity p.a.	25.3	18.5	12.9	15.8	20.5	18.4
Post-tax profit as % of average equity p.a.	18.2	16.3	10.0	9.5	14.1	13.7
Income/cost ratio (DKK)	1.48	1.37	1.26	1.30	1.36	1.35
Interest rate risk	3.5	3.7	2.4	4.2	2.8	4.2
Exchange rate risk	0.2	0.1	0.2	0.1	0.2	0.1
Provisions	2.9	2.8	2.9	2.7	2.9	2.7
Losses and provisions p.a. for the period	0.6	0.6	0.6	0.6	0.6	0.6
Number of full-time staff end of period	1,891	1,900	1,926	1,897	1,955	1,897
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 2001	Q1 2002	Year 2001
Profit and loss account (DKKm)			
Interest income	904	787	3,478
Interest expense	505	377	1,872
Net interest income	399	410	1,606
Dividends from shares	14	17	51
Fee and commission income	150	166	601
Fee and commission expense	19	18	83
Net interest and fee income	543	575	2,175
Market value adjustments of securities and foreign exchange	97	59	156
Other operating income	5	9	15
Staff costs and administrative expenses	352	376	1,404
Depreciation of tangible assets	19	20	75
Other operating expenses	1	0	1
Provisions for bad and doubtful debts	64	75	260
Profit on holdings in associated and group undertakings	0	0	5
Profit on ordinary activities before tax	208	171	611
Tax	58	54	156
Post-tax profit	150	117	455
Balance sheet end of period (DKKm)			
Assets			
Cash and balances on demand at central banks	372	443	580
Amounts owed by credit institutions and central banks	3,994	4,440	4,948
Loans and advances	35,429	36,675	37,328
Bonds	11,677	16,375	17,213
Shares etc	1,623	1,742	1,584
Interests in associated undertakings etc	280	192	282
Shares in group undertakings	-	-	-
Tangible assets	996	975	945
Own shares	157	29	136
Other assets	4,922	2,386	3,004
Prepayments and accrued income	36	35	28
Total assets	59,484	63,292	66,048
Liabilities			
Amounts owed to credit institutions and central banks	19,084	19,149	21,815
Deposits	29,570	31,490	31,640
Bonds issued	-	1,858	1,859
Other liabilities	6,428	6,059	5,951
Accruals and deferred income	29	36	40
Provisions for obligations	82	91	93
Subordinated capital (tier 2)	921	1,214	1,215
Shareholders' equity (tier 1)	3,371	3,395	3,435
Total liabilities	59,484	63,292	66,048

SYDBANK GROUP

	Q1 2001	Q1 2002	Year 2001
Off-balance sheet items			
Guarantees etc	6,719	8,057	7,521
Other commitments	420	286	484
Total off-balance sheet items	7,139	8,342	8,005

Shareholders' equity (tier 1):

Shareholders' equity (tier 1) beginning of January	3,221	3,435	3,221
Write-off of goodwill etc	-	(157)	-
Adjusted shareholders' equity (tier 1) 1 January	3,221	3,278	3,221
Allocated for other purposes	-	-	(2)
Capital reduction	-	-	(126)
Dividend	-	-	(113)
Profit for the period	150	117	455
Total shareholders' equity (tier 1)	3,371	3,395	3,435

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):

Composition of capital and weighted items:

Core capital (tier 1) after deductions	3,064	3,249	3,299
Capital base (tiers 1+2) after deductions	3,840	4,434	4,400
Weighted items outside the trading portfolio	35,568	36,385	35,927
Weighted items with market risks etc	4,372	6,068	6,520
Total weighted items	39,940	42,453	42,447
Solvency ratio (total capital) (%)	9.6	10.4	10.4
Core capital ratio (tier 1) (%)	7.7	7.7	7.8