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Sydbank A/S  
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**Company Announcement No 04/2018**

20 February 2018

Dear Sirs

**Sydbank to repurchase shares**

Sydbank's Board of Directors has decided to implement a share buyback programme of DKK 500m, however a maximum of 3 million shares. The purpose of the share buyback is to reduce the Bank's share capital with the shares purchased under the programme.

Using the closing price on Monday 19 February 2018 the buyback equals about 1.9m shares, equal to 2.8% of the Bank's share capital.

The share buyback will be executed in accordance with the authorisation of the general meeting of 23 March 2017 whereby the Board of Directors may acquire own shares of up to 10% of the capital.

The share buyback is part of the capital adjustment to optimise the capital structure in accordance with the Bank's capital targets and capital policy published in the Bank's 2017 Annual Report. At 31 December 2017 the Bank's Common Equity Tier 1 capital ratio stood at 17.3% and its capital ratio stood at 20.8%.

The share buyback programme will be initiated on Wednesday 21 February 2018 and will be completed by 31 December 2018. Sydbank has chosen Danske Bank to manage the buyback which will be executed in compliance with Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 and the Commission Delegated Regulation (EU) 2016/1052 of 8 March 2016, collectively referred to as the Safe Harbour rules.

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The share buyback programme will be subject to the following guidelines:

- shares may not be purchased at a price higher than the higher of the following prices:
  - I. the price of the last independent trade
  - II. the highest current independent purchase bid on the trading venue where the purchase is carried out, including when the shares are traded on different trading venues
- purchases on any trading day must not exceed 25% of the average daily volume of the shares in the preceding 20 trading days on the trading venue on which the purchase is carried out.

On the first banking day of each week Sydbank will state the number and value of repurchased shares in a company announcement, the first time being on 26 February 2018.

Sydbank may suspend or end the share buyback programme at any time. In such case this will be announced in a company announcement.

Yours sincerely



Torben Nielsen  
Chairman  
Board of Directors



Karen Frøsig  
CEO