

2008 Interim Report

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Sydbank's 2008 Interim Report

Summary

Satisfactory core earnings

The Sydbank Group recorded a pre-tax profit of DKK 858m for the first six months of 2008 against DKK 1,177m in 1H 2007. The result equals a return of 25% p.a. on average shareholders' equity (Tier 1).

Core earnings before impairment represent DKK 841m against DKK 891m for the first six months of 2007. The decline is caused by a reduction in trading income and a rise in costs.

In 1H 2008, the Sydbank Group recognised DKK 13m as income under impairment of loans and advances.

Investment portfolio earnings constitute a loss of DKK 192m and non-recurring items amounting to DKK 196m were recognised as net income.

Post-tax profit amounts to DKK 668m, equal to a return of 19% p.a. on average shareholders' equity (Tier 1). Earnings per share for the period decreased from DKK 13.1 to DKK 10.5.

As of 1 February 2008 bankTrelleborg was acquired by and merged with Sydbank, which has favourably affected the Sydbank Group's loans and advances, deposits and profit etc in 1H 2008.

Performance and business developments are considered satisfactory and the Bank still projects core earnings before impairment in the region of DKK 1.6-1.9bn for the full year.

In addition it should be noted that the Bank's investment portfolio earnings have improved by DKK 60m.

Yours faithfully



Carsten Andersen
Group Chief Executive

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Group Financial Highlights

	1H 2008	1H 2007	Index 08/07	Full year 2007
Income statement (DKKm)				
Core income excl trading income	1,482	1,235	120	2,539
Trading income	635	772	82	1,488
Total core income	2,117	2,007	105	4,027
Costs and depreciation	1,276	1,116	114	2,200
Core earnings before impairment	841	891	94	1,827
Impairment of loans and advances etc	(13)	(270)	5	(568)
Core earnings	854	1,161	74	2,395
Profit/(Loss) on investment portfolios	(192)	(30)	640	(193)
Profit before non-recurring items	662	1,131	59	2,202
Non-recurring items, net	196	46	-	55
Profit before tax	858	1,177	73	2,257
Tax	190	276	69	547
Profit for the period	668	901	74	1,710
Balance sheet highlights (DKKbn)				
Loans and advances at amortised cost	82.5	68.9	120	74.5
Loans and advances at fair value	11.5	8.0	144	8.6
Deposits and other debt	67.6	57.1	118	66.0
Bonds issued at amortised cost	10.1	10.0	101	10.1
Subordinated capital (Tier 2)	4.2	3.8	111	3.8
Shareholders' equity (Tier 1)	7.1	6.2	115	6.7
Total assets	149.8	121.1	124	132.3
Financial ratios per share (DKK per share of DKK 10)				
EPS Basic	10.5	13.1		25.6
EPS Diluted	10.5	13.1		25.6
Share price at period-end	180.5	264.0		219.3
Book value	112.0	94.2		104.3
Share price/book value	1.61	2.80		2.10
Average number of shares outstanding (millions)	63.5	68.6		66.7
Other financial ratios and key figures				
Solvency (total capital) ratio	14.8	12.6		11.9
Core capital (Tier 1) ratio	10.7	9.3		8.9
Pre-tax profit as % of average shareholders' equity	12.4	18.7		34.6
Post-tax profit as % of average shareholders' equity	9.7	14.3		26.2
Income/cost ratio (DKK)	1.62	2.38		2.37
Interest rate risk	3.0	0.3		2.6
Foreign exchange position	12.9	16.1		1.7
Foreign exchange risk	0.0	0.2		0.0
Loans and advances relative to deposits *	1.1	1.1		1.0
Loans and advances relative to shareholders' equity *	11.6	11.1		11.1
Growth in loans and advances during the period *	10.8	5.2		13.7
Excess cover relative to statutory liquidity requirements	69.7	48.4		103.1
Total large exposures	39.5	29.5		46.4
Accumulated impairment ratio	0.8	1.4		0.9
Impairment ratio for the period	(0.01)	(0.31)		(0.60)
Number of full-time staff at period-end	2,457	2,237	110	2,276

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

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

Review

Summary

- The Sydbank Group recorded a pre-tax profit of DKK 858m for the first six months of 2008 against DKK 1,177m in 1H 2007, equal to a return of 25% p.a. on average shareholders' equity (Tier 1).
- Income from interest margins etc rose by DKK 250m to DKK 1,238m.
- Trading income declined by DKK 137m to DKK 635m.
- Costs grew by DKK 160m to DKK 1,276m.
- Core earnings before impairment represent DKK 841m against DKK 891m for the first six months of 2007.
- Net income from impairment of loans and advances of DKK 13m.
- Loss on investment portfolios of DKK 192m.
- Non-recurring items recognised as income of net DKK 196m.
- Post-tax profit amounts to DKK 668m (2007: DKK 901m). The result equals a return of 19% p.a. on average shareholders' equity (Tier 1). Earnings per share for the period decreased from DKK 13.1 to DKK 10.5.
- Bank loans and advances have increased by DKK 13.6bn to DKK 82.5bn since 1H 2007.
- As of February 2008 bankTrelleborg was acquired by and merged with Sydbank, which has favourably affected the Sydbank Group's loans and advances, deposits and profit etc in 1H 2008.

Performance and business developments are considered satisfactory and core earnings before impairment for 2008 are forecast to make up around DKK 1.6-1.9bn.

Income statement 1H (DKKm)	2008	2007
Core income excl trading income	1,482	1,235
Trading income	635	772
Total core income	2,117	2,007
Costs and depreciation	1,276	1,116
Core earnings before impairment	841	891
Impairment of loans and advances etc	(13)	(270)
Core earnings	854	1,161
Loss on investment portfolios	(192)	(30)
Profit before non-recurring items	662	1,131
Non-recurring items, net	196	46
Profit before tax	858	1,177
Tax	190	276
Profit after tax	668	901

Core income excl trading income represents DKK 1,482m (2007: DKK 1,235m).

Income from interest margins etc rose by DKK 250m to DKK 1,238m – affected by growth in bank loans and advances as well as a small increase in interest margins.

Trading income declined from DKK 772m in 1H 2007 to DKK 635m as a result of reduced trading as well as capital losses on the trading portfolio.

Total core income represents DKK 2,117m compared with DKK 2,007m for the first six months of 2007. Part of the increase derives from bankTrelleborg.

Costs and depreciation recorded DKK 1,276m against DKK 1,116m, an increase of DKK 160m of which almost half is attributable to the acquisition of bankTrelleborg. The remainder corresponds to the originally budgeted rise for Sydbank. Costs include DKK 18m for the Group's employee share scheme.

bankTrelleborg has been incorporated into Sydbank's organisation and the remaining former bankTrelleborg branches constitute a new independent region Zealand with its own regional management. The integration of bankTrelleborg into the Sydbank Group's systems, products and processes, including credit grants and financial management is according to schedule. The operations of bankTrelleborg are expected to be integrated into Sydbank's IT platform during the first weekend of October 2008.

At the end of 1H 2008, staff members numbered 2,457 compared with 2,237 at the same time in 2007.

Since year-end, Sydbank has closed five branches taken over from bankTrelleborg. The branch in Aarhus has been disposed of; three branches in the metropolitan area and one branch in Odense have been amalgamated with existing Sydbank branches in these areas. Finally five small branches have been closed in the remaining branch network.

Core earnings before impairment of loans and advances represent DKK 841m compared with DKK 891m during the same period in 2007.

In 1H 2008, DKK 13m concerning impairment of loans and advances etc was recognised as net income; in 1H 2007 DKK 270m was recognised as income.

Loss on investment portfolios amounts to DKK 192m for the first six months of 2008 (2007: DKK 30m). Investment portfolio earnings are greatly affected by the imperfections which emerged in the short-term money market and mortgage credit market in June. In addition the result is affected by an unrealised capital loss of DKK 50m on the Group's portfolio of CDOs. The market value of the CDO portfolio represents DKK 192m as of 30 June 2008.

In 1H 2008 non-recurring items amounting to DKK 196m (2007: DKK 46m) were recognised as net income. The main items include: an adjustment of the purchase sum concerning Totalcredit of DKK 185m, negative goodwill of DKK 119m recognised as income less integration costs of DKK 108m in relation to bankTrelleborg. The remaining integration costs are projected to make up around DKK 32m and will be charged to income over the current financial year.

The subsidiary, Sydbank (Schweiz) AG, contributes a pre-tax loss of DKK 2m (2007: profit of DKK 13m).

The Group's pre-tax profit represents DKK 858m. Less a calculated tax charge of DKK 190m, profit stands at DKK 668m.

Return on shareholders' equity (Tier 1) represents 19% p.a. against 29% p.a. in 1H 2007. Earnings per share for the period decreased from DKK 13.1 to DKK 10.5.

Balance sheet

The Group's total assets recorded DKK 150bn (31 December 2007: DKK 132bn).

Assets (DKKbn)	30 Jun 2008	31 Dec 2007
Amounts owed by credit institutions etc	15.6	19.1
Loans and advances at fair value (reverse repo transactions)	11.5	8.6
Loans and advances at amortised cost (bank loans and advances)	82.5	74.5
Securities and holdings etc	25.1	17.6
Assets related to pooled plans	6.3	6.8
Other assets etc	8.8	5.7
Total	149.8	132.3

Bank loans and advances – loans and advances at amortised cost – have grown by DKK 8bn to DKK 82.5bn since 31 December 2007, comprising loans and advances from bankTrelleborg. The rise constitutes DKK 13.6bn compared with 1H 2007.

Shareholders' equity and liabilities (DKKbn)	30 Jun 2008	31 Dec 2007
Amounts owed to credit institutions and central banks	40.1	26.5
Deposits	67.6	66.0
Deposits in pooled plans	6.3	6.8
Bonds issued	10.1	10.1
Other liabilities etc	14.2	12.2
Provisions	0.2	0.2
Subordinated capital (Tier 2)	4.2	3.8
Shareholders' equity (Tier 1)	7.1	6.7
Total	149.8	132.3

Amounts owed to credit institutions rose by DKK 13.6bn to DKK 40.1bn, predominantly via amounts owed to Danmarks Nationalbank. Amounts owed to other credit institutions rose from DKK 22.7bn to DKK 25.6bn.

Since year-end, deposits have gone up by DKK 1.6bn to DKK 67.6bn, including deposits from bankTrelleborg. The rise constitutes DKK 10.5bn compared with 1H 2007.

Capital

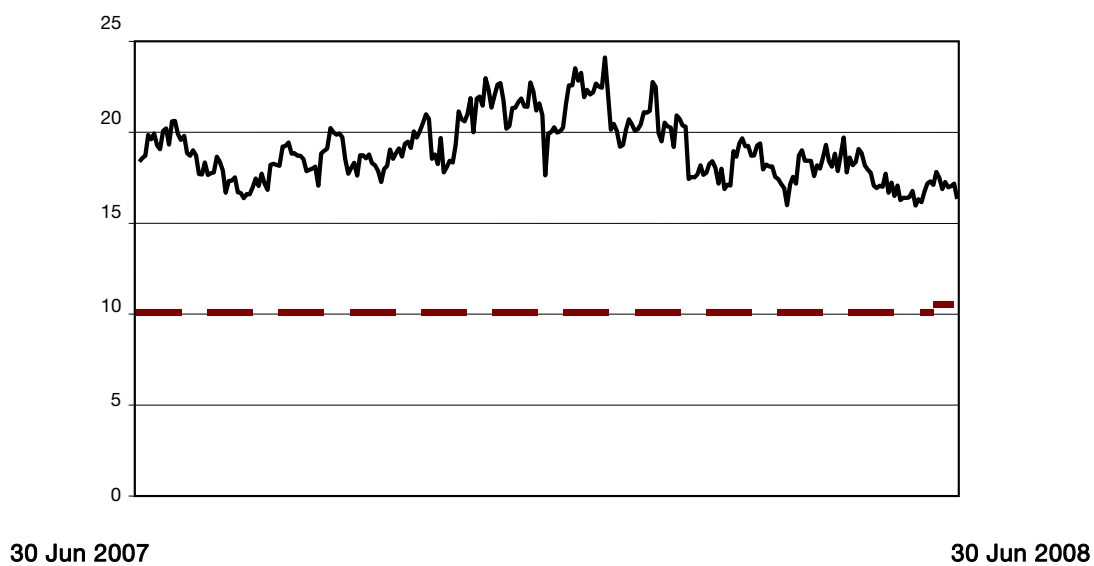
Supplementary capital (Tier 2) represents DKK 2,839m and hybrid Tier 1 capital DKK 1,383m. The increases of DKK 307m and DKK 86m, respectively, compared with the beginning of the year are solely ascribable to the acquisition of bankTrelleborg. Subordinated capital (Tier 2) totals DKK 4,222m.

Shareholders' equity (Tier 1) has increased by DKK 445m since year-end and constitutes DKK 7,142m as of 30 June 2008. The change comprises disposals deriving from dividend distribution etc of net DKK 207m, net purchase of own shares totalling DKK 58m and market value adjustment of the purchase price concerning bankTrelleborg of DKK 5m as well as additions concerning tax on equity items of DKK 47m and profit for the period of DKK 668m.

Liquidity

The Bank's unencumbered liquid assets, which in accordance with section 152 of the Danish Financial Business Act must make up at least 10% of financial liabilities, represent DKK 25.3bn as of 30 June 2008, equivalent to 17.0%. The Bank's policy of producing, both now and in the future, a significant excess cover relative to the statutory requirements has, as illustrated by the chart below, been followed throughout the past 12 months.

Liquidity as % of financial liabilities



The crisis in the international financial and money markets has not weakened the Bank's comfortable liquidity situation.

As of 30 June 2008 the Group's untapped cash resources under the Global MTN Programme represent EUR 2,310m.

Capital management

As of 1 January 2008 the Group applies the IRB approach in connection with the calculation of capital adequacy. The transition is described in detail in the Quarterly Report for Q1 2008.

As at 30 June 2008 the solvency (total capital) ratio stands at 14.8%, of which 10.7% is ascribable to the Group's core capital (Tier 1). At the beginning of the year, the solvency (total capital) ratio stood at 15.8% and the core capital (Tier 1) ratio stood at 11.5%.

Consequently the Group's capital base is well in excess of the statutory minimum requirements.

The Group's internal capital target, which was specified in the Quarterly Report for Q1 2008, continues to represent DKK 9,900m. Free capital – the difference between the capital base (Tiers 1+2) and the internal capital target – represents DKK 1,398m (31 March 2008: DKK 960m).

Moreover reference is made to the Group's capital management as mentioned in the 2007 Annual Report.

Acquisition of bankTrelleborg – merger with Sydbank

On 21 January 2008 Fonden for bankTrelleborg and Sydbank concluded an agreement for the acquisition of the share capital of bankTrelleborg at a price of DKK 250m to be paid in Sydbank shares at the current share price based on the average of all trades on 22 January 2008.

On 1 February 2008 Sydbank acquired the share capital of bankTrelleborg and bankTrelleborg became a wholly-owned subsidiary. The purchase price is fixed as at the date of acquisition, 1 February 2008, and the purchase price is therefore subject to a market value adjustment.

According to a separate item in the instrument of transfer, Fonden for bankTrelleborg is obliged to compensate Sydbank for any losses incurred in connection with the sale of fmsTrelleborg (ownership share of 60%), which took place in Q2 2008. The loss in connection with the sale and termination of the cooperation agreement totals DKK 18.1m.

DKKm	
Contractual purchase price (1,347,201 shares at price 185.57)	250.0
Market value adjustment of purchase price (at price 181.50 at 1 February 2008)	(5.5)
Value adjustment – fmsTrelleborg	(4.2)
Termination costs – cooperation agreement fmsTrelleborg	(13.9)
Purchase price subject to market value adjustment at date of acquisition 1 February 2008	226.4

The market value adjustment of the shares/purchase price has been recognised directly in equity. The value adjustment and costs relating to the termination of the cooperation agreement with fmsTrelleborg have been reimbursed by Fonden for bankTrelleborg.

On 27 March Sydbank and bankTrelleborg merged with retrospective accounting effect from 1 February 2008.

In connection with the acquisition, the difference between the shareholders' equity of the acquired company and the purchase price must be allocated to assets and liabilities at fair value as well as identifiable intangible assets. Following this allocation a negative balance exists in connection with the acquisition of bankTrelleborg – negative goodwill – which is recognised directly in income.

DKKm	
Shareholders' equity (Tier 1) at 31 January 2008	599.6
Loans and advances	(324.0)
Employee benefits	(10.6)
Deferred tax	79.9
Subsidiaries	3.5
Termination – cooperation agreement	(13.9)
Strategic shares	(3.4)
Provision	(0.7)
Investment property and owner-occupied property	(0.6)

Goodwill concerning customer relations	15.7
Negative goodwill	(119.1)
Purchase price	226.4

As a consequence of the initial recognition at fair value of the loans and advances taken over, neither bankTrelleborg's accumulated impairment nor the overall fair value adjustment of loans and advances as of 1 February 2008 has been included in Sydbank's accumulated impairment in connection with the merger. Since 1 February 2008 total value adjustment has developed as follows:

DKKm	
Accumulated impairment 1 February 2008	201
Fair value adjustment of loans and advances 1 February 2008	324
Total value adjustment of loans and advances 1 February 2008	525
Write-offs covered by accumulated impairment 1 February 2008	(51)
Adjustment to cover normal market rate	(13)
Remaining value adjustment 30 June 2008	461

At the end of February 2008 boligTrelleborg and finansTrelleborg were disposed of at fair value.

Other issues

The association of minority shareholders of bankTrelleborg has filed a class action against Fonden for bankTrelleborg, Sydbank and the Danish Financial Supervisory Authority regarding the compulsory redemption of shares held by minority shareholders, etc.

Pursuant to section 144 (4) of the Danish Financial Business Act, the Institute of State Authorised Public Accountants in Denmark have appointed two members as valuation experts to measure bankTrelleborg in connection with the implemented compulsory redemption of the bank's shares.

Rating

Moody's rating of Sydbank's long-term debt remains unchanged at Aa3. The ratings concerning short-term debt and financial strength remain unchanged at P-1 and C+, respectively.

Outlook for 2008

Regardless of the fact that core earnings before impairment for 1H 2008 are below the Group's expectations due to reduced trading income and increased costs, the outlook for 2008 in the region of DKK 1,600-1,900m as announced in the 2007 Annual Report is maintained. All other expectations remain unchanged.

Sydbank's Interim Report – Q1-Q3 is scheduled for 21 October 2008.

Management Statement

Today we have considered and approved the Interim Report for 1H 2008 of Sydbank A/S.

The consolidated interim financial statements for 1H 2008 have been prepared in accordance with the International Financial Reporting Standards as approved by the EU. The Interim Report of the parent Sydbank A/S has been prepared in compliance with the Danish Financial Business Act. Furthermore the Interim Report has been prepared in compliance with additional Danish disclosure requirements for interim reports of listed financial companies. The Interim Report has not been audited or reviewed.

We consider the accounting policies applied to be appropriate and the Interim Report gives a true and fair view of the Group's assets, shareholders' equity and liabilities and financial position at 30 June 2008 and of the results of the Group's operations and consolidated cash flows for the financial period 1 January – 30 June 2008.

Aabenraa, 12 August 2008

Group Executive Management

Carsten Andersen
(Group Chief Executive)

Karen Frøsig

Preben L. Hansen

Torben A. Nielsen

Board of Directors

Kresten Philipsen
(Chairman)

Anders Thoustrup
(Vice-Chairman)

Otto Christensen

Peder Damgaard

Harry Max Friedrichsen

Peter Gæmelke

Hanni Toosbuy Kasprzak

Per Olesen

Sven Rosenmeyer Paulsen

Jan Uldahl-Jensen

Margrethe Weber

Income Statement

DKKm	Note	Sydbank Group		Sydbank A/S	
		1H 2008	1H 2007	1H 2008	1H 2007
Interest income	3	3,462	2,590	3,459	2,587
Interest expense	4	2,166	1,566	2,168	1,570
Net interest income		1,296	1,024	1,291	1,017
Dividends on shares		22	18	22	18
Fee and commission income	5	673	752	658	728
Fee and commission expense		83	86	82	85
Net interest and fee income		1,908	1,708	1,889	1,678
Market value adjustments	6	184	268	181	264
Other operating income	7	131	22	131	9
Staff costs and administrative expenses	8	1,314	1,066	1,290	1,047
Depreciation and impairment of property, plant and equipment		75	47	73	45
Other operating expenses		0	9	0	9
Impairment of loans and advances etc	10	(13)	(270)	(13)	(270)
Profit on holdings in associates and subsidiaries	11	11	31	7	57
Profit on assets temporarily acquired		0	0	0	0
Profit before tax		858	1,177	858	1,177
Tax	12	190	276	190	276
Profit for the period		668	901	668	901
EPS Basic for the period (DKK) *				10.5	13.1
EPS Diluted for the period (DKK) *				10.5	13.1

* Based on average number of shares outstanding, see page 17.

Balance Sheet

DKKm	Note	Sydbank Group		Sydbank A/S	
		30 Jun 2008	31 Dec 2007	30 Jun 2008	31 Dec 2007
Assets					
Cash and balances on demand at central banks		1,071	677	1,060	665
Amounts owed by credit institutions and central banks	13	14,537	18,450	14,692	18,822
Loans and advances at fair value		11,507	8,552	11,507	8,552
Loans and advances at amortised cost		82,520	74,475	82,197	73,840
Bonds at fair value		23,761	16,145	23,761	16,145
Shares etc		1,155	1,311	1,155	1,311
Holdings in associates etc		207	201	207	201
Holdings in subsidiaries		-	-	232	229
Assets related to pooled plans		6,319	6,789	6,319	6,789
Intangible assets		15	-	15	-
Total land and buildings		901	852	704	679
investment property		9	3	9	3
owner-occupied property		892	849	695	676
Other property, plant and equipment		118	116	109	107
Current tax assets		51	35	51	40
Deferred tax assets		23	23	7	7
Assets in temporary possession		4	-	4	-
Other assets	14	7,606	4,656	7,584	4,627
Prepayments		53	41	51	41
Total assets		149,848	132,323	149,655	132,055
Shareholders' equity and liabilities					
Amounts owed to credit institutions and central banks	15	40,097	26,523	40,245	26,535
Deposits and other debt	16	67,634	66,037	67,329	65,795
Deposits in pooled plans		6,319	6,789	6,319	6,789
Bonds issued at amortised cost		10,079	10,076	10,079	10,076
Current tax liabilities		20	19	14	19
Other liabilities	17	14,108	12,083	14,077	12,045
Deferred income		92	85	93	85
Total liabilities		138,349	121,612	138,156	121,344
Provisions	18	135	185	135	185
Subordinated capital (Tier 2)	19	4,222	3,829	4,222	3,829
Shareholders' equity (Tier 1):					
Share capital		675	675	675	675
Revaluation reserve		91	91	91	91
Other reserves:					
Reserves according to articles of association		399	399	399	399
Other reserves		11	11	11	11
Retained earnings		5,966	5,521	5,966	5,521
Shareholders' equity (Tier 1) *		7,142	6,697	7,142	6,697
Total shareholders' equity and liabilities		149,848	132,323	149,655	132,055
* Including proposed dividend		-	223	-	230

Group Structure

30 June 2008	Activity	Share capital (m)	Shareholders' equity (DKKm) *	Result (DKKm) *	Ownership (%)
Sydbank A/S		DKK 675			
Consolidated subsidiaries:					
Sydbank (Schweiz) AG, St. Gallen, Switzerland	Banking	CHF 40	216	(6)	100
Ejendomsselskabet af 1. juni 1986 A/S, Aabenraa	Real property	DKK 7	12	(9)	100
Associates:					
Foreningen Bankdata, Fredericia	IT	DKK 248	294	9	50
Value-Call S.à r.l., Luxembourg	Investment and finance	EUR 1	35	30	25
Core Property Management A/S, Copenhagen	Real property	DKK 10	26	13	20
Other entities in which the Group owns more than 10% of the share capital:					
PRAS A/S	Investment and finance	DKK 578	1,735	91	11
Linde Partners Asset Management S.A., Luxembourg	Investment and finance	EUR 1	54	32	10
Scandinavian Private Equity Partners A/S	Investment and finance	DKK 5	8	3	17

* According to the most recent annual report.

Group Financial Highlights – Quarterly

	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007
Income statement (DKKm)						
Core income excl trading income	778	704	668	636	620	615
Trading income	320	315	374	342	395	377
Total core income	1,098	1,019	1,042	978	1,015	992
Costs and depreciation	617	659	572	512	546	570
Core earnings before impairment	481	360	470	466	469	422
Impairment of loans and advances etc	6	(19)	40	(338)	(133)	(137)
Core earnings	475	379	430	804	602	559
Profit/(Loss) on investment portfolios	(137)	(55)	(44)	(119)	(44)	14
Profit before non-recurring items	338	324	386	685	558	573
Non-recurring items, net	(2)	198	-	9	8	38
Profit before tax	336	522	386	694	566	611
Tax	89	101	97	174	112	164
Profit for the period	247	421	289	520	454	447
Balance sheet highlights (DKKbn)						
Loans and advances at amortised cost	82.5	81.3	74.5	71.9	68.9	67.5
Loans and advances at fair value	11.5	8.0	8.6	7.6	8.0	7.4
Deposits and other debt	67.6	70.1	66.0	57.9	57.1	56.5
Bonds issued at amortised cost	10.1	10.1	10.1	10.0	10.0	10.0
Subordinated capital (Tier 2)	4.2	4.2	3.8	3.8	3.8	3.8
Shareholders' equity (Tier 1)	7.1	6.8	6.7	6.4	6.2	6.5
Total assets	149.8	141.1	132.3	127.4	121.1	119.2
Financial ratios per share (DKK per share of DKK 10)						
EPS Basic	3.9	6.6	4.5	7.9	6.7	6.5
EPS Diluted	3.9	6.6	4.5	7.9	6.7	6.5
Share price at period-end	180.5	171.8	219.3	227.5	264.0	300.0
Book value	112.0	107.5	104.6	99.0	94.2	94.7
Share price/book value	1.61	1.60	2.10	2.30	2.80	3.17
Average number of shares outstanding (millions)	63.5	63.4	64.1	65.7	68.2	68.9
Other financial ratios and key figures						
Solvency (total capital) ratio	14.8	14.3	11.9	12.0	12.6	13.1
Core capital (Tier 1) ratio	10.7	10.1	8.9	9.0	9.3	9.8
Pre-tax profit as % of average shareholders' equity	4.8	7.7	5.9	11.0	8.9	9.5
Post-tax profit as % of average shareholders' equity	3.5	6.2	4.4	8.3	7.1	7.0
Income/cost ratio (DKK)	1.53	1.70	1.63	4.91	2.36	2.40
Interest rate risk	3.0	2.4	2.6	1.4	0.3	2.5
Foreign exchange position	12.9	5.6	1.7	9.3	16.1	9.0
Foreign exchange risk	0.0	0.0	0.0	0.3	0.2	0.1
Loans and advances relative to deposits *	1.1	1.1	1.0	1.1	1.1	1.1
Loans and advances relative to shareholders' equity *	11.6	12.0	11.1	11.3	11.1	10.4
Growth in loans and advances during the period *	1.5	9.2	3.6	4.3	2.2	3.0
Excess cover relative to statutory liquidity requirements	69.7	78.5	103.1	63.9	48.4	53.8
Total large exposures	39.5	44.7	46.4	61.4	29.5	-
Accumulated impairment ratio	0.8	0.9	0.9	0.9	1.4	1.5
Impairment ratio for the period	0.01	(0.02)	0.04	(0.39)	(0.16)	(0.15)
Number of full-time staff at period-end	2,457	2,469	2,276	2,266	2,237	2,208

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

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

Statement of Changes in Equity – Sydbank Group

DKKm	Share capital	Revaluation reserve	Restricted savings bank reserve	Reserve for net revaluation according to equity method	Retained earnings	Proposed dividend etc	Total
Shareholders' equity 1 Jan 2008	675	91	399	11	5,298	223	6,697
Changes in equity in 2008:							
Translation of foreign entities	-	-	-	-	7	-	7
Hedge of net investment in foreign entities	-	-	-	-	(7)	-	(7)
Profit for the period	-	-	-	-	668	-	668
Total income	-	-	-	-	668	-	668
Purchase of own shares	-	-	-	-	(1,756)	-	(1,756)
Sale of own shares	-	-	-	-	1,680	-	1,680
Adjustment of purchase price bank Trelleborg	-	-	-	-	(5)	-	(5)
Employee shares	-	-	-	-	18	-	18
Tax on equity items	-	-	-	-	47	-	47
Adopted dividend etc	-	-	-	-	-	(223)	(223)
Dividends, own shares	-	-	-	-	16	-	16
Total changes in equity	-	-	-	-	668	(223)	445
Shareholders' equity 30 Jun 2008	675	91	399	11	5,966	-	7,142
Shareholders' equity 1 Jan 2007	700	-	388	8	5,023	230	6,349
Changes in equity in 2007:							
Translation of foreign entities	-	-	-	-	(6)	-	(6)
Hedge of net investment in foreign entities	-	-	-	-	6	-	6
Profit for the period	-	-	-	-	901	-	901
Total income	-	-	-	-	901	-	901
Purchase of own shares	-	-	-	-	(2,898)	-	(2,898)
Sale of own shares	-	-	-	-	2,047	-	2,047
Employee shares	-	-	-	-	18	-	18
Tax on equity items	-	-	-	-	23	-	23
Adopted dividend etc	-	-	-	-	-	(230)	(230)
Dividends, own shares	-	-	-	-	8	-	8
Total changes in equity	-	-	-	-	99	(230)	(131)
Shareholders' equity 30 Jun 2007	700	-	388	8	5,122	-	6,218

Own Holdings and Solvency – Sydbank Group

DKKkm	1H 2008	1H 2007	Full year 2007	
Own holdings:				
Nominal portfolio of own holdings	37	40	35	
Nominal portfolio of own holdings as % of share capital	5.5	5.7	5.1	
Shares outstanding (number)	63,792,912	66,023,252	64,034,059	
Holding of own shares (number)	3,707,088	3,976,748	3,465,941	
Total share capital (number)	67,500,000	70,000,000	67,500,000	
Average number of shares outstanding	63,458,299	68,580,569	66,741,416	
DKKkm	IRB 1H 2008	IRB 1 Jan 2008	Standardised Full year 2007	Standardised 1H 2007
Capital base (Tiers 1+2) and solvency (total capital) ratio:				
Shareholders' equity (Tier 1) excl revaluation reserve	7,051	6,606	6,606	6,218
Proposed dividend	0	(223)	(223)	-
Capitalised tax assets	(23)	(23)	(23)	(6)
Intangible assets	(16)	-	-	-
Core capital (Tier 1) (excl hybrid core capital)	7,012	6,360	6,360	6,212
Hybrid core capital	1,237	1,123	1,123	1,096
Deductions for holdings	(100)	(224)	(224)	(181)
Core capital (Tier 1)	8,149	7,259	7,259	7,127
Subordinated capital (Tier 2)	2,843	2,535	2,535	2,530
Hybrid core capital	153	182	182	206
Revaluation reserve	91	91	91	-
Difference between expected losses and accounting value adjustments and accounting provisions	224	244	-	-
Deductions for holdings	(162)	(281)	(281)	(236)
Capital base (Tiers 1+2)	11,298	10,030	9,786	9,627
Risk-weighted items	76,427	63,300	81,917	76,417
Core capital (Tier 1) ratio (excl hybrid core capital)	9.2	10.0	7.8	8.1
Core capital (Tier 1) ratio	10.7	11.5	8.9	9.3
Solvency (total capital) ratio	14.8	15.8	11.9	12.6

Cash Flow Statement – Sydbank Group

DKK m	1H 2008	1H 2007	Full year 2007
Operating activities:			
Pre-tax profit for the period	858	1,177	2,257
Taxes paid	(88)	(80)	(447)
Adjustment of non-cash operating income	0	(347)	(576)
Cash flows from working capital	(1,804)	(2,356)	(975)
Cash flows from operating activities	(1,034)	(1,606)	259
Investing activities:			
Purchase and sale of holdings in associates	5	(48)	(54)
Purchase and sale of intangible assets	(15)	-	-
Purchase and sale of property, plant and equipment	(126)	(31)	(128)
Cash flows from investing activities	(136)	(79)	(182)
Financing activities:			
Purchase and sale of own holdings	0	(802)	(1,223)
Dividend	(223)	(230)	(230)
Raising of subordinated capital (Tier 2)	394	347	354
Issue of bonds	4	(17)	27
Cash flows from financing activities	175	(702)	(1,072)
Cash flows for the period	(995)	(2,387)	(995)
Cash equivalent positions at beginning of period	5,084	6,079	6,079
Cash flows for the year (changes during the period)	(995)	(2,387)	(995)
Cash equivalent positions at period-end	4,089	3,692	5,084

Segment Statements – Sydbank Group

DKKm	Banking*	Markets	Treasury	Other	Total
Business segments 1H 2008:					
Core income excl trading income	1,330	13	-	139	1,482
Trading income	497	117	-	21	635
Core income	1,827	130	-	160	2,117
Costs and depreciation	895	56	5	325	1,281
Impairment of loans and advances etc	(13)	-	-	-	(13)
Core earnings	945	74	(5)	(165)	849
Profit/(Loss) on investment portfolios	-	-	(178)	(9)	(187)
Profit before non-recurring items	945	74	(183)	(174)	662
Non-recurring items, net	196	-	-	-	196
Profit for the period	1,141	74	(183)	(174)	858
Business segments 1H 2007:					
Core income excl trading income	1,117	14	-	104	1,235
Trading income	612	160	-	-	772
Core income	1,729	174	-	104	2,007
Costs and depreciation	782	45	7	288	1,122
Impairment of loans and advances etc	(270)	-	-	-	(270)
Core earnings	1,217	129	(7)	(184)	1,155
Profit/(Loss) on investment portfolios	-	-	(27)	3	(24)
Profit before non-recurring items	1,217	129	(34)	(181)	1,131
Non-recurring items, net	46	-	-	-	46
Profit for the period	1,263	129	(34)	(181)	1,177

* Including Asset Management

Notes

Note 1

Accounting policies:

The consolidated financial statements for 1H 2008 have been prepared in accordance with IAS 34 Interim Financial Reporting as well as additional Danish disclosure requirements for interim reports. As a result of the use of IAS 34, the presentation is limited compared with the presentation of a complete annual report and the measurement principles are in compliance with IFRS.

The purchase method has been applied in connection with the acquisition of bankTrelleborg. Comparative figures have not been restated.

The accounting policies applied are consistent with those adopted in the 2007 Annual Report apart from the above.

The measurement of certain assets and liabilities require managerial estimates as to how future events will affect the value of such assets and liabilities. Estimates significant to financial reporting are made for instance in connection with impairment of loans and advances, fair values of unlisted financial instruments as well as provisions. Estimates are based on assumptions that are considered reasonable by management but which by their nature are uncertain. The Group's most significant risks are described in the 2007 Annual Report.

Notes

Note 2

Acquisition of subsidiaries:

In January 2008 Sydbank concluded an agreement for the purchase of the shares of bankTrelleborg a/s. The purchase was executed on 1 February 2008.

Subsequently Sydbank and bankTrelleborg have merged. For accounting purposes the merger has been implemented as of the date of acquisition. If bankTrelleborg had been acquired as from 1 January 2008, it is estimated that the Group's profit would have been DKK 7m lower and total income DKK 21m higher. The result of bankTrelleborg for the period 1 February 2008 to 30 June 2008 cannot be made up separately as costs etc are no longer recorded separately as regards the activity acquired. In addition the entire treasury area including interest items is fully integrated into Sydbank. The preliminary allocation of the purchase price to net assets, including identifiable intangible assets and negative goodwill, is shown below.

Negative goodwill expresses the difference between the fair value of net assets acquired including identified intangible assets by way of goodwill concerning customer relations and the purchase price.

Negative goodwill was recognised as income in 1H 2008. Negative goodwill is cancelled out by integration costs etc which are expected to amount to DKK 140m for the 2008 financial year, of which DKK 108m was charged to income in 1H 2008. Negative goodwill and integration costs etc are included under "Non-recurring items, net" in Financial Highlights.

	Fair value at time of acquisition	Carrying amount before acquisition
Net assets acquired:		
Amounts owed by credit institutions	1,441	1,441
Bank loans and advances	4,951	5,275
Bonds	465	465
Shares etc	121	124
Tax assets	104	24
Property, plant and equipment	42	43
Other assets	895	891
Total assets	8,019	8,263
Amounts owed to credit institutions	3,934	3,934
Deposits	3,042	3,042
Subordinated capital (Tier 2)	391	391
Other liabilities	323	296
Total liabilities	7,690	7,663
Net assets acquired	329	600
Goodwill concerning customer relations	16	
Negative goodwill	(119)	
Market value adjusted purchase price	226	

The above financial figures have been determined immediately before the time of acquisition in accordance with the accounting policies (IFRS) of bankTrelleborg.

Notes

	Sydbank Group		Sydbank A/S	
	1H 2008	1H 2007	1H 2008	1H 2007
DKKm				

Note 3

Interest income/forward premium of:

Amounts owed by credit institutions and central banks	324	230	329	245
Loans and advances and other amounts owed	2,598	1,947	2,589	1,926
Bonds	294	183	294	183
Total derivatives	236	228	237	231
comprising				
Foreign exchange contracts	253	221	254	224
Interest rate contracts	(17)	7	(17)	7
Other interest income	10	2	10	2
Total	3,462	2,590	3,459	2,587

Of which income from genuine purchase and resale transactions stated under:

Amounts owed by credit institutions and central banks	152	119	152	119
Loans and advances and other amounts owed	191	148	191	148

Note 4

Interest expense to:

Credit institutions and central banks	513	374	516	378
Deposits and other debt	1,301	907	1,300	907
Bonds issued	239	200	239	200
Subordinated capital (Tier 2)	111	83	111	83
Other interest expense	2	2	2	2
Total	2,166	1,566	2,168	1,570

Of which expense to genuine sale and repurchase transactions stated under:

Amounts owed to credit institutions and central banks	20	19	20	19
Deposits and other debt	8	7	8	7

Notes

	Sydbank Group		Sydbank A/S	
	1H 2008	1H 2007	1H 2008	1H 2007
DKKkm				

Note 5

Fee and commission income:

Securities trading and custody accounts	416	521	403	499
Payment services	83	79	83	79
Loan fees	35	38	35	38
Guarantee commission	55	80	55	80
Other fees and commission	84	34	82	32
Total	673	752	658	728

Note 6

Market value adjustments:

Other loans and advances and amounts owed at fair value	(2)	0	(2)	0
Bonds	(401)	(52)	(401)	(52)
Shares etc	5	(49)	5	(49)
Investment property	-	8	-	8
Foreign exchange	118	277	114	274
Total derivatives	464	87	465	86
Assets related to pooled plans	(565)	10	(565)	10
Deposits in pooled plans	565	(10)	565	(10)
Other assets/liabilities	0	(3)	0	(3)
Total	184	268	181	264
Trading portfolio	149	220	146	216
Strategic portfolio	35	48	35	48
Total	184	268	181	264

Note 7

Other operating income:

Negative goodwill	119	-	119	-
Rent – real property	5	6	5	6
Other operating income	7	16	7	3
Total	131	22	131	9

Notes

	Sydbank Group		Sydbank A/S	
	1H 2008	1H 2007	1H 2008	1H 2007
DKKkm				

Note 8

Staff costs and administrative expenses:

Salaries and emoluments to:

Group Executive Management:

Wages and salaries	10	8	10	8
Pensions	1	1	1	1
Board of Directors	2	1	2	1
Shareholders' Committee	1	1	1	1
Total	14	11	14	11

Staff costs:

Wages and salaries	605	522	591	511
Pensions	60	52	59	51
Social security contributions	2	4	2	4
Payroll tax etc	58	50	57	49
Total	725	628	709	615

Other administrative expenses:

IT (including withdrawal and conversion)	320	212	317	210
Rent etc	75	54	77	57
Marketing and entertainment expenses	43	42	41	40
Other expenses	137	119	132	114
Total	575	427	567	421
Total	1,314	1,066	1,290	1,047

Note 9

Staff:

Average number of staff (full-time equivalent)	2,478	2,259	2,438	2,229
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Notes

	Sydbank Group		Sydbank A/S	
	1H 2008	1H 2007	1H 2008	1H 2007
DKKm				
Note 10				
Impairment of loans and advances recognised in the income statement:				
Impairment and provisions	4	(257)	4	(257)
Write-offs not covered by impairment and provisions	15	13	15	13
Recovered from debt previously written off	32	26	32	26
Impairment of loans and advances etc	(13)	(270)	(13)	(270)
Impairment and provisions end of period:				
Individual impairment and provisions	696	1,055	652	1,055
Collective impairment and provisions	173	145	173	145
Impairment and provisions end of period	869	1,200	825	1,200
Individual impairment of loans and advances and provisions for guarantees:				
Impairment and provisions beginning of period	738	1,262	696	1,262
Exchange rate adjustment	2	0	0	0
Impairment and provisions during the period	330	410	330	410
Reversal of impairment and provisions made in previous years	318	581	318	581
Write-offs covered by impairment and provisions	56	36	56	36
Impairment and provisions end of period	696	1,055	652	1,055
Individual impairment of loans and advances	662	978	618	978
Individual provisions for guarantees	34	77	34	77
Impairment and provisions end of period	696	1,055	652	1,055
Collective impairment of loans and advances and provisions for guarantees:				
Impairment and provisions beginning of period	157	195	157	195
Impairment and provisions during the period	16	2	16	2
Reversal of impairment and provisions made in previous years	-	52	-	52
Impairment and provisions end of period	173	145	173	145
Sum of loans and advances and amounts owed subject to collective impairment and provisions	16,480	14,891	16,480	14,891
Collective impairment and provisions	173	145	173	145
Loans and advances and amounts owed after collective impairment and provisions	16,307	14,746	16,307	14,746
Individual impairment of loans and advances subject to objective evidence of impairment:				
Balance before individual impairment of loans and advances	1,336	1,648	1,292	1,648
Individual impairment of loans and advances	662	978	618	978
Balance after individual impairment of loans and advances	674	670	674	670

Notes

	Sydbank Group		Sydbank A/S	
	1H 2008	1H 2007	1H 2008	1H 2007
DKKm				

Note 11

Profit on holdings in associates and subsidiaries:

Profit on holdings in associates etc	11	6	11	6
Profit/(Loss) on holdings in subsidiaries	-	25	(4)	51
Total	11	31	7	57

Note 12

Effective tax rate:

Current tax rate of the Sydbank Group	25.0	25.0	25.0	25.0
Adjustment of deferred tax due to changed corporation tax rate	-	(1.0)	-	(1.0)
Permanent differences	(3.4)	(0.5)	(3.4)	(0.5)
Adjustment of tax of previous years	0.6	0.0	0.6	0.0
Effective tax rate	22.2	23.5	22.2	23.5

Note 13

Amounts owed by credit institutions and central banks:

Amounts owed at notice by central banks	500	2,358	500	2,358
Amounts owed by credit institutions	14,037	16,092	14,192	16,464
Total	14,537	18,450	14,692	18,822

Note 14

Other assets:

Positive market value of derivatives etc	6,593	3,699	6,593	3,699
Sundry debtors	273	345	251	316
Interest and commission receivable	740	612	740	612
Other assets	0	0	0	0
Total	7,606	4,656	7,584	4,627

Notes

	Sydbank Group		Sydbank A/S	
	30 Jun 2008	31 Dec 2007	30 Jun 2008	31 Dec 2007
DKK m				

Note 15

Amounts owed to credit institutions and central banks:

Amounts owed to central banks	14,491	3,856	14,491	3,856
Amounts owed to credit institutions	25,606	22,667	25,754	22,679
Total	40,097	26,523	40,245	26,535

Note 16

Deposits and other debt:

On demand	39,957	37,192	39,652	36,950
At notice	738	735	738	735
Time deposits	22,158	23,703	22,158	23,703
Special categories of deposits	4,781	4,407	4,781	4,407
Total	67,634	66,037	67,329	65,795

Note 17

Other liabilities:

Negative market value of derivatives etc	4,655	3,064	4,655	3,064
Sundry creditors	8,637	8,505	8,607	8,468
Interest and commission etc	816	508	815	507
Other liabilities	0	6	0	6
Total	14,108	12,083	14,077	12,045

Note 18

Provisions:

Provisions for pensions and similar obligations	4	2	4	2
Provisions for deferred tax	71	114	71	114
Provisions for guarantees	34	40	34	40
Other provisions	26	29	26	29
Total	135	185	135	185

Notes

	Sydbank Group		Sydbank A/S	
	30 Jun 2008	31 Dec 2007	30 Jun 2008	31 Dec 2007
DKK m				

Note 19

Subordinated capital (Tier 2):

Interest rate		Nom (m)	Maturity						
Floating	Bond loan	EUR	100	29.06.12	745	745	745	745	745
Floating	Bond loan	EUR	40	17.09.12	298	298	298	298	298
Floating	Bond loan	DKK	50	29.10.12	56	-	56	-	-
Floating	Bond loan	EUR	100	21.10.13	745	745	745	745	745
Floating	Bond loan	DKK	200	14.11.14	200	-	200	-	-
Floating	Bond loan	EUR	100	04.04.15	745	744	745	744	744
Floating	Bond loan	EUR	8	31.10.15	50	-	50	-	-
Total supplementary capital					2,839	2,532	2,839	2,532	
Floating	Bond loan	EUR	100	Perpetual	739	738	739	738	738
Floating	Bond loan	EUR	75	Perpetual	559	559	559	559	559
Floating	Bond loan	EUR	85	Perpetual	85	-	85	-	-
Total hybrid capital					1,383	1,297	1,383	1,297	
Total					4,222	3,829	4,222	3,829	

Note 20

Guarantees and other contingent liabilities:

Guarantees:

Financial guarantees	5,049	3,829	5,150	3,853
Mortgage finance guarantees	1,044	1,609	1,044	1,609
Registration and remortgaging guarantees	3,531	3,738	3,531	3,738
Other guarantees	1,489	1,470	1,489	1,470
Total	11,113	10,646	11,214	10,670

Other contingent liabilities:

Irrevocable credit commitments	223	235	223	235
Other liabilities *	67	87	129	148
Total	290	322	352	383

* Including intragroup liabilities in relation to rented premises - - 63 67

Note 21

This half-year:

After the expiry of the half-year, no matters of significant impact on the financial position of the Sydbank Group have occurred.

Notes

DKK m	Sydbank Group		Sydbank A/S	
	30 Jun 2008	31 Dec 2007	30 Jun 2008	31 Dec 2007
Note 22				
Genuine sale and repurchase transactions and genuine purchase and resale transactions:				
Of the below asset items genuine purchase and resale transactions amount to:				
Amounts owed by credit institutions and central banks	7,624	7,914	7,624	7,914
Loans and advances at fair value	11,507	8,551	11,507	8,551
Assets bought as part of genuine sale and repurchase transactions				
Asset:				
Bonds at fair value	17,929	14,930	17,929	14,930
Shares etc	853	1,237	853	1,237
Of the below liability items genuine sale and repurchase transactions amount to:				
Amounts owed to credit institutions and central banks	1,569	577	1,569	577
Deposits and other debt	156	-	156	-
Assets sold as part of genuine sale and repurchase transactions				
Asset:				
Bonds at fair value	1,696	571	1,696	571
Shares etc	-	-	-	-

Note 23

Large shareholders:

Nykredit owns more than 5% of the Bank's share capital.

Note 24

Collateral:

As of 30 June 2008 the Bank had deposited securities at a market value of DKK 15,106m with Danish and foreign exchanges and clearing centres etc in connection with margin calls and securities settlements etc.

Notes

	Sydbank Group		Sydbank A/S	
	30 Jun 2008	31 Dec 2007	30 Jun 2008	31 Dec 2007
DKK m				

Note 25

Fair value hedging of interest rate risks (macro hedge):

Sydbank adopts a cash flow model for managing interest rate risk on all positions other than Danish callable mortgage credit bonds. The model is updated daily with all the Bank's positions. These are distributed into portfolios according to responsibility and product.

One of these portfolios consists of the Bank's positions in fixed-rate loans and advances, fixed-rate deposits, and related hedging transactions. To ensure interest rate risk management of this portfolio, the model generates a synthetic cash flow to describe the Bank's risk position in selected interest rate scenarios.

The Bank's basis for concluding hedging transactions – primarily interest rate swaps – is thus a synthetic net cash flow, based on the actual cash flow of loans and advances, deposits and previously concluded hedging transactions in the relevant portfolio.

The aim is to keep the interest rate risk in this portfolio at a minimum as the Bank wishes to place its interest rate risk in other portfolios containing bonds and other cash equivalent positions.

In connection with the preparation of interim and annual reports the rules on macro hedge are applied, which aim to ensure symmetry between income and expense in the financial statements.

Symmetry is achieved by making a hedge adjustment corresponding to the part of the market value adjustment of derivatives which concerns future periods. This hedge adjustment is recorded under "Other liabilities" and represents DKK 38m as at 30 June 2008.

During the first six months a net gain on hedging transactions of DKK 28m has been recorded. The gain eliminates the equivalent net loss on the secured items.

Loans and advances:

Carrying amount	1,771	1,735	1,771	1,735
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Deposits:

Carrying amount	1,318	1,063	1,318	1,063
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The following derivatives hedge the above:

Forward Rate Agreements:

Principal	94	89	94	89
Fair value	(1)	(1)	(1)	1

Swaps:

Principal	740	882	740	882
Fair value	24	7	24	7

Notes

DKKkm	Sydbank Group			
	1H 2008	1H 2007	Index 08/07	Full year 2007

Note 26

Core income

Core income excl trading income:

Interest margins etc	1,238	988	125	2,060
Mortgage credit	92	101	91	186
Payment services	71	65	109	144
Remortgaging and loan fees	36	40	90	73
Other commission	33	31	106	55
Other operating income	12	10	120	21
Total	1,482	1,235	120	2,539

Trading income:

Bonds	73	97	75	184
Assets	142	238	60	406
Foreign exchange	136	122	111	256
Money market	63	43	147	119
Asset management	221	272	81	523
Total	635	772	82	1,488

DKKkm	Sydbank Group					
	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007

Core income excl trading income:

Interest margins etc	651	587	548	524	502	486
Mortgage credit	44	48	44	40	43	58
Payment services	41	30	43	36	33	32
Remortgaging and loan fees	18	18	15	19	20	20
Other commission	18	15	11	13	15	16
Other operating income	6	6	7	4	7	3
Total	778	704	668	636	620	615

Trading income:

Bonds	33	40	40	46	30	67
Assets	78	64	80	89	112	126
Foreign exchange	62	74	73	60	62	60
Money market	30	33	51	26	26	17
Asset management	117	104	130	121	165	107
Total	320	315	374	342	395	377

Group Financial Highlights – Half-yearly

	1H 2008	1H 2007	1H 2006	1H 2005	1H 2004
Income statement (DKK m)					
Core income excl trading income	1,482	1,235	1,101	962	962
Trading income	635	772	705	528	376
Total core income	2,117	2,007	1,806	1,490	1,338
Costs and depreciation	1,276	1,116	1,020	925	867
Core earnings before impairment	841	891	786	565	471
Impairment of loans and advances etc	(13)	(270)	(22)	49	148
Core earnings	854	1,161	808	516	323
Profit/(Loss) on investment portfolios	(192)	(30)	58	75	74
Profit before non-recurring items	662	1,131	866	591	397
Non-recurring items, net	196	46	-	-	-
Profit before tax	858	1,177	866	591	397
Tax	190	276	241	171	121
Profit for the period	668	901	625	420	276
Balance sheet highlights (DKK bn)					
Loans and advances at amortised cost	82.5	68.9	61.1	47.5	37.5
Loans and advances at fair value	11.5	8.0	7.2	7.9	6.3
Deposits and other debt	67.6	57.1	46.0	42.2	37.1
Bonds issued at amortised cost	10.1	10.0	10.4	1.9	1.9
Subordinated capital (Tier 2)	4.2	3.8	3.5	2.1	1.3
Shareholders' equity (Tier 1)	7.1	6.2	5.2	4.5	4.1
Total assets	149.8	121.1	107.5	88.6	69.0
Financial ratios per share (DKK per share of DKK 10)					
EPS Basic	10.5	13.1	9.1	6.1	3.6
EPS Diluted	10.5	13.1	9.1	6.1	3.6
Share price at period-end	180.5	264.0	193.5	137.8	89.5
Book value	112.0	94.2	76.8	66.0	58.1
Share price/book value	1.61	2.80	2.52	2.09	1.54
Average number of shares outstanding (millions)	63.5	68.6	68.4	68.6	70.8
Other financial ratios and key figures					
Solvency (total capital) ratio	14.8	12.6	10.4	10.0	10.1
Core capital (Tier 1) ratio	10.7	9.3	7.3	7.8	8.1
Pre-tax profit as % of average shareholders' equity	12.4	18.7	17.0	13.2	9.7
Post-tax profit as % of average shareholders' equity	9.7	14.3	12.3	9.4	6.8
Income/cost ratio (DKK)	1.62	2.38	1.86	1.60	1.39
Interest rate risk	3.0	0.3	2.2	3.4	2.4
Foreign exchange position	12.9	16.1	10.9	12.0	5.3
Foreign exchange risk	0.0	0.2	0.1	0.1	0.0
Loans and advances relative to deposits *	1.1	1.1	1.2	1.0	0.9
Loans and advances relative to shareholders' equity *	11.6	11.1	11.8	10.5	9.2
Growth in loans and advances during the period *	10.8	5.2	14.1	13.7	7.5
Excess cover relative to statutory liquidity requirements	69.7	48.4	38.8	74.9	152.0
Total large exposures	39.5	29.5	64.9	102.2	79.1
Accumulated impairment ratio	0.8	1.4	1.9	2.2	2.7
Impairment ratio for the period	(0.01)	(0.31)	(0.03)	0.07	0.27
Number of full-time staff at period-end	2,457	2,237	2,172	2,092	2,024

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

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

Sydbank A/S Financial Highlights – Half-yearly

	1H 2008	1H 2007	1H 2006	1H 2005	1H 2004
Income statement highlights (DKKm)					
Net interest and fee income	1,889	1,678	1,535	1,306	1,246
Market value adjustments	181	264	296	230	137
Staff costs and administrative expenses	1,290	1,047	964	877	825
Impairment of loans and advances etc	(13)	(270)	(22)	50	148
Profit on holdings in associates and subsidiaries	7	57	10	10	12
Profit after tax for the period	668	901	625	420	276
Balance sheet highlights (DKKbn)					
Loans and advances	93.7	75.9	67.8	55.4	43.9
Shareholders' equity (Tier 1)	7.1	6.2	5.2	4.5	4.1
Total assets	149.7	121.1	107.4	88.5	69.1
Financial ratios per share (DKK per share of DKK 10)					
EPS Basic	9.9	12.9	8.9	6.0	3.7
Book value	105.8	88.8	74.0	64.8	56.1
Dividend	3.0	3.0	3.0	3.0	2.0
Share price/profit for the period	18.2	20.5	21.7	23.0	23.9
Share price/book value	1.71	2.97	2.62	2.13	1.60
Other financial ratios and key figures					
Solvency (total capital) ratio *	14.9	12.7	10.1	10.0	10.1
Core capital (Tier 1) ratio *	10.9	9.4	7.1	7.9	8.1
Pre-tax profit as % of average shareholders' equity	12.4	18.7	17.0	13.2	8.8
Post-tax profit as % of average shareholders' equity	9.7	14.3	12.3	9.4	6.1
Income/cost ratio (DKK)	1.64	2.42	1.88	1.61	1.39
Interest rate risk	3.0	0.3	2.2	3.4	2.4
Foreign exchange position	12.9	16.1	10.9	12.0	5.3
Foreign exchange risk	0.0	0.2	0.1	0.1	0.0
Loans and advances relative to deposits	1.3	1.2	1.3	1.2	1.1
Loans and advances relative to shareholders' equity	13.1	12.2	13.1	12.2	10.1
Growth in loans and advances during the period	13.7	5.2	12.0	16.4	10.5
Excess cover relative to statutory liquidity requirements	68.6	55.5	41.6	74.7	151.6
Total large exposures	39.5	29.5	64.9	102.2	79.1
Impairment ratio for the period	0.0	(0.3)	0.0	0.1	0.3

Financial ratios have been determined by the Danish FSA's executive order on financial reporting of credit institutions and brokerage firms etc. The Bank has changed its accounting policies as of 2005.