

2008 Annual Report

Sydbank

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Group Financial Highlights

	2008	2007	2006	2005	2004
Income statement (DKKm)					
Core income excl trading income	3,066	2,539	2,298	2,013	1,965
Trading income	1,159	1,488	1,319	1,079	712
Total core income	4,225	4,027	3,617	3,092	2,677
Costs and depreciation	2,484	2,200	2,030	1,853	1,714
Core earnings before impairment	1,741	1,827	1,587	1,239	963
Impairment of loans and advances etc	544	(568)	(171)	65	225
Core earnings	1,197	2,395	1,758	1,174	738
Profit/(Loss) on investment portfolios	(385)	(193)	173	139	160
Profit before non-recurring items	812	2,202	1,931	1,313	898
Non-recurring items, net	162	55	120	-	87
Profit before contribution to the Danish Contingency Committee	974	2,257	2,051	1,313	985
Contribution to the Danish Contingency Committee	163	-	-	-	-
Profit before tax	811	2,257	2,051	1,313	985
Tax	205	547	537	377	235
Profit for the year	606	1,710	1,514	936	750
Balance sheet highlights (DKKbn)					
Loans and advances at amortised cost	82.5	74.5	65.5	53.5	41.8
Loans and advances at fair value	13.3	8.6	7.7	7.2	5.7
Deposits and other debt	75.0	66.0	50.0	43.6	38.6
Bonds issued at amortised cost	10.1	10.1	10.0	6.7	1.9
Subordinated capital (Tier 2)	4.2	3.8	3.5	2.8	1.8
Shareholders' equity (Tier 1)	7.1	6.7	6.3	5.0	4.4
Total assets	156.0	132.3	114.8	98.9	78.6
Financial ratios per share (DKK per share of DKK 10)					
EPS Basic	9.5	25.6	22.1	13.7	10.7
EPS Diluted	9.5	25.6	22.1	13.7	10.7
Share price at year-end	64.3	219.3	270.0	151.0	107.8
Book value	112.5	104.6	92.1	72.9	63.6
Share price/book value	0.57	2.10	2.93	2.07	1.69
Average number of shares outstanding (in millions)	63.4	66.7	68.5	68.6	70.3
Proposed dividend	-	3.0	3.0	3.0	3.0
Other financial ratios and key figures					
Solvency (total capital) ratio	14.7	11.9	11.8	11.1	11.4
Core capital (Tier 1) ratio	10.8	8.9	9.0	8.1	9.3
Pre-tax profit as % of average shareholders' equity	11.8	34.6	36.2	27.9	22.3
Post-tax profit as % of average shareholders' equity	8.8	26.2	26.7	19.9	17.0
Income/cost ratio (DKK)	1.24	2.37	2.10	1.68	1.51
Interest rate risk	1.4	2.6	2.0	2.3	3.4
Foreign exchange position	11.4	1.7	10.3	2.8	1.5
Foreign exchange risk	0.0	0.0	0.1	0.1	0.0
Loans and advances relative to deposits	1.0	1.0	1.2	1.1	1.1
Loans and advances relative to shareholders' equity	11.6	11.1	10.3	10.7	9.4
Growth in loans and advances for the year	10.7	13.7	22.4	28.0	19.9
Excess cover relative to statutory liquidity requirements	89.4	103.1	74.0	95.1	114.2
Total large exposures	23.8	46.4	34.7	93.9	61.5
Accumulated impairment ratio	1.0	0.9	1.6	2.1	2.6
Impairment ratio for the year	0.6	(0.6)	(0.2)	0.1	0.4
Number of full-time staff at year-end	2,479	2,276	2,190	2,123	2,075

Financial ratio definitions on page 54.

From 2008 solvency (total capital) ratio and core capital (Tier 1) ratio are calculated according to the new capital adequacy requirements.

Summary

Profit for 2008 is severely adversely impacted by the financial crisis and by the decline in economic growth. In this light profit before tax of DKK 811m is satisfactory. The result equals a return of 11.8% on average shareholders' equity (Tier 1).

Sydbank's acquisition of and merger with bankTrelleborg was executed on 1 February 2008. Comparative figures for 2007 have not subsequently been restated.

The Group's Danish activities are covered by the Danish government guarantee scheme for deposits with and unsecured claims against Danish banks.

The income statement for 2008 is characterised by:

- 21% increase in core income excl trading income
- 22% decline in trading income
- 13% growth in costs (core earnings)
- Impairment of loans and advances and amounts owed of DKK 544m
- Loss on investment portfolios of DKK 385m
- Non-recurring items of DKK 162m
- Contribution of DKK 163m to the Danish Contingency Committee.

Summary income statement

Group (DKKm)	2008	2007
Core income excl trading income	3,066	2,539
Trading income	1,159	1,488
Total core income	4,225	4,027
Costs and depreciation	2,484	2,200
Core earnings before impairment	1,741	1,827
Impairment of loans and advances etc	544	(568)
Core earnings	1,197	2,395
Loss on investment portfolios	(385)	(193)
Profit before non-recurring items	812	2,202
Non-recurring items, net	162	55
Profit before contribution to the Danish Contingency Committee	974	2,257
Contribution to the Danish Contingency Committee	163	-
Profit before tax	811	2,257
Tax	205	547
Profit for the year	606	1,710

Core earnings before impairment represent DKK 1,741m against DKK 1,827m in 2007. The decline of DKK 86m consists of a rise in core income excl trading income of DKK 527m, a decline in trading income of DKK 329m and a rise of DKK 284m in costs (core earnings).

Core earnings before impairment are in line with our announce-

ment in the Q1-Q3 2008 Interim Report. In Q4 2008 core earnings before impairment made up DKK 514m, the highest level in the Group's history.

Impairment of loans and advances and amounts owed represents DKK 544m compared with a reversal of impairment charges of DKK 568m in 2007.

Loss on investment portfolios amounts to DKK 385m. It must be noted that the Group has not applied the new reclassification option of IAS 39 which permits retroactive reclassification of securities in order to avoid value adjustment through profit or loss.

Non-recurring items of DKK 162m were recognised as income.

Following a contribution to the Danish Contingency Committee of DKK 163m and a tax charge of DKK 205m, the Group's profit after tax constitutes DKK 606m. In 2007 profit after tax amounted to DKK 1,710m. Profit after tax for 2008 equals a return on average shareholders' equity (Tier 1) of 8.8% and earnings per share stands at DKK 9.5 compared with DKK 25.6 in 2007.

Group balance sheet highlights in 2008 include:

- 11% rise in bank loans and advances to DKK 82.5bn
- 14% growth in deposits to DKK 75.0bn.

Bank loans and advances of DKK 5bn and deposits of just over DKK 2bn concern the acquisition of bankTrelleborg.

The Group's solvency (total capital) ratio stands at 14.7%, including a core capital (Tier 1) ratio of 10.8%. The Group's internal capital target continues to represent DKK 9,900m, equal to 13.3% of risk-weighted items.

The Group's liquidity measured under the 15% and 10% statutory requirements constitutes 33.2% and 18.9%, respectively, at year-end 2008.

The Group projects core earnings before impairment of loans and advances in the region of DKK 1,600-1,900m in 2009 – unchanged compared with the figure realised in 2008.

During 1H 2009 Sydbank will finally assess the need for capital injection provided by the government of up to approximately DKK 2.2bn.

Performance in 2008

Core income excl trading income

Total core income excl trading income grew by 21% to DKK 3,066m.

Core income excl trading income		
Group (DKKm)	2008	2007
Interest margins etc	2,610	2,060
Mortgage credit	176	186
Payment services	136	144
Remortgaging and loan fees	73	73
Other commission	48	55
Other operating income	23	21
Total	3,066	2,539

During 2008 income from interest margins etc showed significant robustness with an increase of DKK 550m to DKK 2,610m – favourably impacted by the growth in bank loans and advances of 11% as well as an increase in interest margins.

As a result of the downturn in the housing market, income from mortgage credit activities has declined by 5%. Moreover income from national and international payment services has decreased by 5%.

Trading income

The huge turmoil in the capital markets prompted by the financial crisis has resulted in reduced income from trading in securities and capital losses on the necessary trading portfolio as well as reduced income from asset management. Total trading income decreased by 22% – from DKK 1,488m in 2007 to DKK 1,159m in 2008.

Trading income		
Group (DKKm)	2008	2007
Bonds	156	184
Shares	193	406
Foreign exchange	311	256
Money market	124	119
Asset management	375	523
Total	1,159	1,488

Costs and depreciation

The Group's total costs and depreciation recorded DKK 2,723m against DKK 2,213m in 2007. This includes DKK 143m ascribable to the integration of bankTrelleborg and a guarantee commission of DKK 86m paid to the Danish Contingency Committee.

Costs and depreciation

Group (DKKm)	2008	2007
Staff costs	1,453	1,263
Other administrative expenses	997	804
Depreciation and impairment of property, plant and equipment	187	135
Other operating expenses	86	11
Total costs	2,723	2,213
Distributed as follows:		
Costs, core earnings	2,484	2,200
Costs, investment portfolio earnings	10	13
Costs, integration of bankTrelleborg	143	-
Costs, guarantee commission to the Danish Contingency Committee	86	-

At year-end 2008 the Group's staff numbered 2,479 (full-time equivalent) compared with 2,276 in 2007.

bankTrelleborg had 16 branches. Of these the branch in Aarhus has been disposed of and five branches in the metropolitan area and in Odense have amalgamated with existing Sydbank branches in these areas. Moreover Sydbank closed down six small branches in 2008 and opened new branches in Greve and Roskilde in September and October 2008, bringing the number of branches to 112 in Denmark and three in Germany.

An impairment charge of net DKK 76m concerns the development of owner-occupied property.

Core earnings before impairment of loans and advances

Core earnings before impairment of loans and advances decreased by DKK 86m to DKK 1,741m.

Impairment of loans and advances etc

Impairment of loans and advances and amounts owed constitutes DKK 544m compared with a reversal of impairment charges of DKK 568m in 2007. This level exceeds the Group's expectations at the beginning of the year and reflects the financial crisis as well as the downturn of the real economy.

Impairment of loans and advances includes DKK 150m concerning the EBH Group. Another approximately DKK 175m relates to impairment of securities-based loans and advances. The remaining impairment charges are predominantly ascribable to the Group's highly-diversified corporate lending portfolio.

Core earnings

Core earnings represent DKK 1,197m compared with DKK 2,395m in 2007.

Investment portfolio earnings

Less funding charges and less related costs of DKK 10m, investment portfolios generated a loss of DKK 385m (2007: loss of DKK 193m), of which DKK 23m concerns Q4. The overall result is adversely affected by an unrealised capital loss of DKK 175m on the Group's portfolio of CDOs. The market value of the CDO portfolio represents DKK 70m as of 31 December 2008. The Group has not applied the new reclassification option of IAS 39 which permits retroactive reclassification of securities in order to avoid value adjustment through profit or loss.

Non-recurring items

In 2008 non-recurring items amounting to DKK 162m (2007: DKK 55m) were recognised as net income. The main items include: an adjustment of the purchase sum concerning Totalkredit of DKK 186m, negative goodwill of DKK 119m recognised as income and integration costs of DKK 143m in relation to bankTrelleborg.

Contribution to the Danish Contingency Committee

In early September 2008 Sydbank paid its share of DKK 30m of the original guarantee in connection with the Danish Contingency Committee's participation in the solutions as regards Roskilde Bank. This amount was written down to DKK 0 in December 2008.

In October 2008 Sydbank signed the agreement of the Danish Contingency Committee on the Danish government guarantee scheme for deposits with and unsecured claims against Danish banks. The Danish Contingency Committee pays an annual guarantee commission of DKK 7.5bn to the Winding-Up Company ("Afviklingselskabet til sikring af finansiel stabilitet A/S") during the period from 5 October 2008 to 30 September 2010. Sydbank's share so far represents DKK 86m for Q4 2008.

In addition the Danish Contingency Committee guarantees the payment of up to DKK 10bn to cover any losses in the Winding-Up Company. As at 31 December 2008 the Winding-Up Company recorded a loss of DKK 1,025m which can be ascribed to the preliminary loss in connection with the takeover of EBH Bank. Sydbank's share of the guarantee constitutes

DKK 459m which is recognised as a guarantee commitment. Sydbank's proportionate share of the loss of the Winding-Up Company is expensed at DKK 47m.

If the estimated loss of the Winding-Up Company exceeds DKK 25bn the Danish Contingency Committee must cover further losses of up to DKK 10bn. Sydbank's initial share constitutes DKK 459m which has also been recognised as a guarantee commitment.

A further consequence of the participation in the government guarantee scheme is that dividend distribution and share buy-backs are not possible during the two-year period.

Sydbank – the parent

The Bank's total income before costs and impairment of loans and advances etc makes up DKK 4,065 (2007: DKK 3,808m). Income includes an adjustment of DKK 186m of the purchase sum concerning Totalkredit and a loss of DKK 42m (2007: profit of DKK 21m) on holdings in associates and subsidiaries, comprising a loss on subsidiaries after tax of DKK 59m. Total costs – including integration costs of DKK 143m and guarantee commission to the Danish Contingency Committee representing DKK 86m – constitute DKK 2,649m (2007: DKK 2,152m). An impairment charge of DKK 619m concerning loans and advances and amounts owed has been recorded including DKK 77m in relation to the Danish Contingency Committee. In 2007 impairment charges of DKK 611m were reversed. Reference is made to the five-year highlights of the parent on page 73.

Subsidiaries

The subsidiary bank, Sydbank (Schweiz) AG, which conducts private banking activities in St. Gallen, Switzerland, recorded a loss after tax of DKK 33m (2007: loss of DKK 7m). As a result of the financial crisis, business developments have not been satisfactory.

Ejendomsselskabet recorded a loss after tax of DKK 26m (2007: loss of DKK 8m) as a consequence of impairment charges for property developments.

Performance in 2008

Profit for the year

Pre-tax profit amounts to DKK 811m compared with DKK 2,257m in 2007. The tax charge represents DKK 205m (2007: DKK 547m). Profit for the year amounts to DKK 606m compared with DKK 1,710m in 2007.

Return

Return on shareholders' equity (Tier 1) represents 8.8% against 26.2% in 2007. Earnings per share decreased from DKK 25.6 to DKK 9.5.

Balance sheet

The Group's total assets made up DKK 156.0bn at year-end 2008 against DKK 132.3bn at year-end 2007.

Assets

Group – year-end (DKKbn)	2008	2007
Amounts owed by credit institutions etc	12.9	19.1
Loans and advances at fair value (reverse repo transactions)	13.3	8.6
Loans and advances at amortised cost (bank loans and advances)	82.5	74.5
Securities and holdings etc	28.3	17.6
Assets related to pooled plans	5.8	6.8
Other assets etc	13.2	5.7
Total	156.0	132.3

The Group's bank loans and advances total DKK 82.5bn – an increase of 11%, of which DKK 5bn concerns loans and advances from bankTrelleborg. Individual and collective impairment and provisions stand at DKK 1,106m at year-end 2008 (2007: DKK 895m), equal to 1.0% of total bank loans and advances and guarantees (2007: 0.9%).

Accumulated impairment and provisions for loans and advances and guarantees amounting to DKK 1,106m do not include accumulated impairment and fair value adjustments of loans and advances taken over from bankTrelleborg. The market value adjustment of the loans and advances acquired totals DKK 277m at 31 December 2008.

Shareholders' equity and liabilities

Group – year-end (DKKbn)	2008	2007
Amounts owed to credit institutions etc	38.9	26.5
Deposits and other debt	75.0	66.0
Deposits in pooled plans	5.8	6.8
Bonds issued	10.1	10.1
Other liabilities etc	14.8	12.2
Provisions	0.1	0.2
Subordinated capital (Tier 2)	4.2	3.8
Shareholders' equity (Tier 1)	7.1	6.7
Total	156.0	132.3

The Group's deposits make up DKK 75.0bn against DKK 66.0bn at year-end 2007. The 14% increase derives primarily from a rise in time deposits.

Subordinated capital (Tier 2)

Supplementary capital (Tier 2) represents DKK 2,837m and hybrid Tier 1 capital DKK 1,382m. The increases of DKK 305m and DKK 85m, respectively, compared with the beginning of the year are solely ascribable to the acquisition of bankTrelleborg. Subordinated capital (Tier 2) totals DKK 4,219m (2007: DKK 3,829m).

Share capital

Share capital is unchanged at DKK 675,000,000 at year-end 2008.

The Sydbank share

Number	2008	2007
Average number of shares outstanding	63,446,971	66,741,416
Shares outstanding at year-end	63,011,999	64,034,059
Shares issued at year-end	67,500,000	67,500,000

The number of shares outstanding decreased from 64,034,059 (94.87%) at the end of 2007 to 63,011,999 (93.35%) at the end of 2008. The Sydbank share's book value represents 112.5. At year-end 2008 the closing price of the Sydbank share stood at 64.3 and share price/book value at 0.57.

Shareholders' equity (Tier 1)

At year-end 2008 shareholders' equity constitutes DKK 7,088m – an increase of DKK 391m since the beginning of 2008. The change comprises disposals deriving from:

- Dividend distribution etc of net DKK 207m
- Net purchase of own shares of DKK 168m

as well as additions deriving from:

- Tax on equity items of DKK 160m
- Profit for the year of DKK 606m.

Accounting estimates

Estimates in relation to the measurement of assets and liabilities are based on assumptions considered reasonable by management but which by their nature are uncertain. They may prove to be incomplete or inaccurate as a result of developments differing from projections in the external environment in which the Group operates or in other respects relating to clients or business relations.

Solvency 2008

Group (DKKm)	31 Dec IRB	1 Jan IRB
Risk-weighted items	74,608	63,257
Core capital (Tier 1) (excl hybrid core capital)	6,971	6,360
Core capital	8,069	7,259
Capital base (Tiers 1+2)	10,989	10,030
Core capital (Tier 1) ratio (excl hybrid core capital)	9.3	10.0
Core capital ratio	10.8	11.5
Solvency (total capital) ratio	14.7	15.8

During the year the capital base (Tiers 1+2) rose by DKK 959m to DKK 10,989m at year-end 2008. The increase in risk-weighted items from DKK 63.3bn at the beginning of 2008 to DKK 74.6bn at year-end 2008 is mainly ascribable to the acquisition of bankTrelleborg and other generated growth in lending.

At year-end 2008 the solvency (total capital) ratio stands at 14.7%, including a core capital (Tier 1) ratio of 10.8 percentage points compared with 15.8% and 11.5%, respectively, at the beginning of 2008. The core capital (Tier 1) ratio excluding hybrid core capital declined from 10.0% to 9.3%.

Moreover reference is made to the section on capital management on page 11.

Solvency of the parent

At end-2008 the solvency (total capital) ratio represents 14.8%, of which 10.9 percentage points is ascribable to core capital (Tier 1).

bankTrelleborg

Sydbank's acquisition of and merger with bankTrelleborg was executed on 1 February 2008. Subsequently the branch in Århus and the three active subsidiaries – boligTrelleborg, finansTrelleborg and fmsTrelleborg – were sold.

bankTrelleborg has been incorporated into Sydbank's organisation and the remaining former bankTrelleborg branches constitute a new independent Slagelse Region with its own regional management. The integration of bankTrelleborg into the Sydbank Group's IT platform, other systems, products and processes, including credit approval and financial management, has been carried out according to schedule.

See note 38 "Acquisition of subsidiaries" for the accounting effect of the acquisition.

Comparative figures for 2007 have not subsequently been restated.

In continuation of the redemption and transfer of the shares in bankTrelleborg to Sydbank by Fonden for bankTrelleborg, a group of minority shareholders decided to file a complaint regarding the pricing of the shares in accordance with section 144 (4) of the Danish Financial Business Act. Subsequently the Institute of State Authorized Public Accountants appointed two appraisers to measure the shares in bankTrelleborg.

The appraisers assessed the fair market value of bankTrelleborg at DKK 393.4m, equivalent to a share price of 93.27. Fonden for bankTrelleborg was not in agreement and maintained that the share price of 59.3 as applied in connection with the compulsory redemption reflected the value of the ailing bank as of 21 January 2008.

However as neither Fonden for bankTrelleborg nor Sydbank wished to conduct a protracted case, Sydbank took note of

Performance in 2008

the decision of Fonden for bankTrelleborg to settle to the shareholders the price differential between the originally applied price and the price calculated by the appraisers. Consequently Fonden for bankTrelleborg paid the differential amounting to DKK 38m.

Consideration for the staff in Sydbank's Slagelse Region as well as the fact that the shareholders of bankTrelleborg would not be sympathetic if Fonden for bankTrelleborg did not comply with the findings of the appraisers were determining factors in connection with Sydbank's position.

A few shareholders have subsequently brought the decision of the appraisers before the courts.

Finally it should be mentioned that the group of minority shareholders ("Foreningen af Mindretsaktionærer i bankTrelleborg") has filed a class action regarding the legality of the compulsory redemption against Fonden for bankTrelleborg, Sydbank and the Danish Financial Supervisory Authority.

Sydbank has released two stock exchange announcements, No 12/08 and No 01/09 regarding corrective/supplementary information concerning the 1H 2007 Interim Report and 2007 Annual Report of bankTrelleborg as ordered by the Danish Securities Council.

Outlook for 2009

The 2009 outlook is based on the assumption that the Danish economy is in recession.

The Group projects moderate to zero growth in its bank loans and advances.

The positive trend in core income excl trading income is expected to continue in 2009 due to increased interest margins particularly in 2H 2008.

It is assumed that trading income will show a falling trend compared with the trading income generated in 2008. Much will however depend on financial market developments.

A reduction in staff of approximately 100, synonymous with a largely unchanged level of costs, is provided for in the budget.

Overall the Group projects core earnings before impairment of loans and advances in the region of DKK 1,600-1,900m in 2009 – unchanged compared with 2008.

The Danish economy is in recession. The prospects for many industries seem bleak, which will trigger a rise in impairment charges as regards corporate clients. In contrast it is expected that in general the financial situation of retail clients will continue to be satisfactory in 2009. The Group's overall impairment charges for 2009 are expected to be higher than that of DKK 544m realised in 2008.

Investment portfolio earnings will depend on financial market developments. At the beginning of 2009 the Group's position-taking is predominantly short-term involving limited interest rate risk.

The Group does not expect to realise non-recurring items in 2009.

It is anticipated that the contribution to the Danish Contingency Committee in the form of guarantee commission will total around DKK 300m. To this must be added Sydbank's share of the Committee's payment to cover any loss of the Winding-Up Company as a result of the acquisition of EBH Bank and any other acquisitions of ailing banks.

The Group's tax is budgeted at 25%.

Government capital injection

On 3 February 2009 the Danish parliament passed a bill according to which Danish credit institutions complying with the statutory solvency requirements may apply to the government for the injection of hybrid core capital not later than 30 June 2009. During 1H 2009 Sydbank will finally assess the need for government capital injection provided by the government of up to approximately DKK 2.2bn.

Capital Management

The Group's capital management aims to ensure efficient deployment of capital relative to the Group's overall capital targets. The Group's risk profile is determined while taking into account the capital targets and implies first and foremost that the Group must have sufficient capital to cover the Group's growth expectations and all fluctuations in the risks assumed by the Group.

Sydbank has long focussed on the development and application of internal ratings based (IRB) approaches to manage the credit risks on the Group's corporate and retail client portfolios. To determine the Group's capital requirements, Sydbank uses the advanced IRB approach as regards retail clients and the foundation IRB approach as regards corporate clients.

During a transition period the Group will continue to apply the Standardised Approach to credit risk in relation to a few portfolios – mainly exposures via the Group's foreign entities – totalling around DKK 6bn, as well as exposures deriving from the Group's acquisition of bankTrelleborg of around DKK 6bn. There are roll-out and action plans for the transition of these exposures to IRB. The transition to IRB of exposures regarding former bankTrelleborg is expected to take place as of 30 June 2009.

Further details, also concerning risk-weighted items, capital as well as solvency (total capital) ratios, are found in the section on solvency on page 45.

Until the end of Q1 2008 the Group's capital targets were composed as follows:

- Core capital (Tier 1) ratio (excl hybrid capital) of 7.0%
- Core capital (Tier 1) ratio of 8.0%
- Solvency (total capital) ratio of 10.0%.

Following the transition to the IRB approach the Group's capital targets were adjusted, which resulted in a reduction of risk-weighted items of just over 20%.

The Group's capital management currently focuses on four capital elements: minimum capital (Pillar I), sufficient capital base (Tiers 1+2) (Pillar II), internal capital target and capital base (Tiers 1+2).

Minimum capital represents the capital required in compliance with the Capital Requirements Directive, sometimes referred to as the Pillar I requirement.

The sufficient capital base is the Group's own internal determination of the capital which is sufficient to cover current and future risks during the prevailing economic conditions.

Also reflecting the rating level desired, the internal capital target is the level of capital that the Group wishes to have at its disposal to cover current and future risks during worsened economic conditions.

The difference between minimum capital and the internal capital target is made up of the Group's buffer capital. Buffer capital serves to cover fluctuations in the sufficient capital base resulting from a change in economic conditions, full utilisation of instruction limits as regards market risks and model risk, and is also based on the Group's wish to maintain its Aa rating. When calculating the buffer capital, the Group uses eg stress tests, including the scenario "severe recession".

The difference between the capital base (Tiers 1+2) and the internal capital target is made up of free capital. Free capital may be used to assume new risks, including the acquisition of other institutions, the purchase of own shares, dividend distribution and repayment of subordinated capital.

Capital

At 31 December 2008	DKKm	% of risk-weighted items
Minimum capital (Pillar I requirement)	5,968	8.0
Buffer capital	3,932	5.3
Internal capital target	9,900	13.3
Free capital	1,089	1.4
Capital base (Tiers 1+2)	10,989	14.7

It is aimed that core capital (Tier 1) (excl hybrid capital) represents 60-70% of the capital base, that hybrid core capital accounts for around 10% of the capital base and that supplementary capital makes up 20-30% of the capital base.

Capital Management

The Group's Danish activities are covered by the Danish government guarantee scheme for deposits with and unsecured claims against Danish banks. As a result dividend distribution and capital reduction is not possible during the period extending to 30 September 2010.

The Group's sufficient capital base is calculated on the basis of the determination of the solvency requirement under Pillar I.

The methods and approaches adopted by the Group as regards individual risks are described in the section on solvency on page 45. Individual risk areas are adjusted for any requirements that are not included or that, in the Group's view, are insufficient.

The Group has implemented new and more sophisticated portfolio systems which measure the actual credit risk on the Group's corporate and retail client portfolios more precisely. The initial calculations show a smaller total capital requirement to cover the credit risks on these portfolios. However the Group will not make a decision on the recognition of this "capital relief" until more calculations have been made and experience has been gained in this regard.

In 2008 the Group further formalised the internal procedure for assessing the sufficient capital base and the procedure will be further developed in 2009.

Throughout 2008 the Group has fully met external as well as internal capital requirements.

Market Risk

Market risk is the risk that the market value of the Group's assets and liabilities will be affected as a result of changes in market conditions.

Overall Group market risk is stated as total interest rate, foreign exchange and equity risks. Assuming market risk forms part of the Group's core business and is of great importance to total income.

Market risk is managed by the Treasury department in accordance with the policies and limits determined and adopted by the Bank's Board of Directors.

The Bank's controllers continuously monitor the individual risk areas and provide the Bank's management with ongoing and extensive reporting.

Interest rate risk

Interest rate risk comprises the Group's total risk of loss resulting from interest rate fluctuations in the financial markets.

The Group adopts a cash flow model to determine the interest rate risk of fixed-rate positions (bonds etc). A duration model is used to calculate the interest rate risk of Danish callable mortgage bonds. Interest rate risk makes up the bulk of overall Group market risk.

In accordance with the ratio system of the Danish FSA, interest rate risk is calculated as the risk of a parallel shift in the interest rate level of 1 percentage point in all currencies and totals DKK 109m or 1.4% at year-end (2007: 2.6%) of Group core capital (Tier 1) (including hybrid core capital) after deductions. A calculated loss of DKK 101m (2007: DKK 132m) derives from positions in Danish kroner.

Interest rate risk by duration and currency

DKKm	0-1 yr	1-2 yrs	2-3 yrs	>3 yrs	Total 2008	Total 2007
DKK	4	4	65	28	101	132
CHF	16	(1)	0	(1)	14	11
EUR	(23)	4	4	13	(2)	34
SEK	(1)	(1)	0	0	(2)	6
USD	8	0	(1)	(9)	(2)	9
Other	1	0	(1)	0	0	(5)
Total 2008	5	6	67	31	109	
Total 2007	8	11	4	164		187

The ratio system of the Danish FSA allows full set-off between currencies, durations and yield curves. The Group is aware of the risk of these assumptions and monitors these risks separately on an ongoing basis.

The Group has established an internal interest rate risk scenario where set-off between currencies is not allowed (apart from EUR and DKK), where the net yield curve risk cannot be lower than the risk on the highest of the three individual curves (government curve, Danish mortgage curve and swap curve), and where the risk on options is recognised including a premium.

Foreign exchange risk

As in previous years the Group's foreign exchange risk was insignificant in 2008.

Equity risk

The Group's portfolio of shares and holdings in associates represents DKK 1,547m at year-end 2008 (2007: DKK 1,512m).

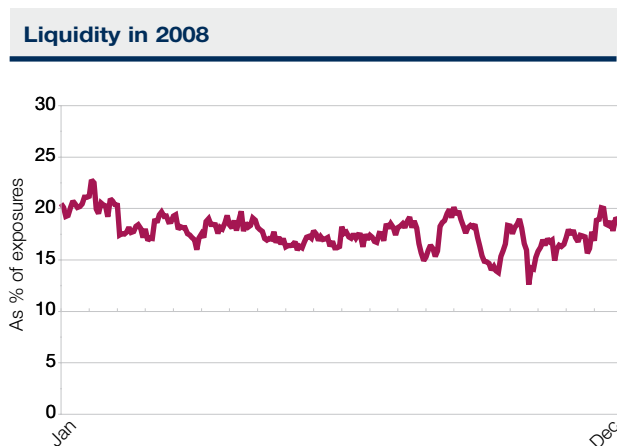
Equity investments constitute DKK 937m (2007: DKK 845m).

Liquidity risk

Liquidity risk comprises the risk that payment obligations cannot be honoured by means of the cash resources.

Liquidity is managed and monitored on an ongoing basis in accordance with section 152 of the Danish Financial Business Act which stipulates the size of cash and cash equivalents which the Group is required to have at its disposal relative to total debt and guarantee exposures and short-term debt and guarantee exposures. The Bank's Board of Directors has determined stricter requirements concerning these financial ratios than those prescribed by the Act.

Liquidity for 2008, measured in relation to the 10% requirement as specified in section 152 of the Danish Financial Business Act, appears from the chart below.

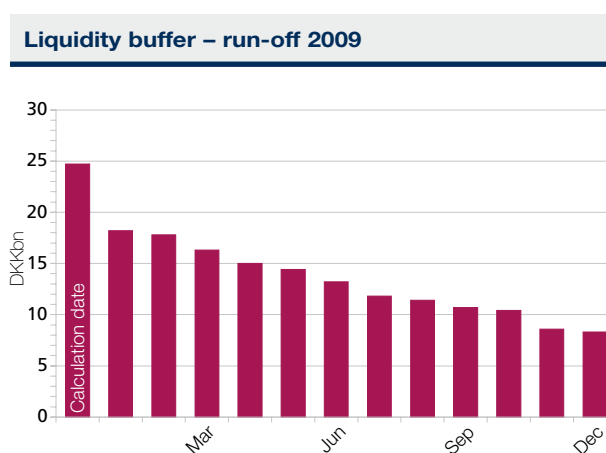


Moreover the size of cash and cash equivalents is adjusted to the maturity profile of exposures to enable the Group to honour debt and guarantee exposures as they mature. The maturity profile of the Group's debt exposures can be seen on page 49.

In addition the Board of Directors has set requirements concerning the Group's ability to withstand a run-off of capital market financing, defined in terms of the interbank market and Global MTN issues, and at the same time finance a normal growth in loans and advances.

The time frame is 12 months and is based on a calculation of the Group's liquidity buffer, which is determined while taking into account the liquidity value of the Group's assets. Fully liquid deposits with Nationalbanken and certificates of deposit are included at full value in contrast to unlisted shares which do not carry any value. Consequently the assets are recognised at a conservatively determined realisable value or loan value when calculating the liquidity buffer.

The run-off profile as of 31 December 2008 expressed by the so-called "Moody's chart" is shown below:



Credit Risk

Credit risk is the risk of loss as a result of a debtor's default on his payment obligations to the Group.

The Group's overall credit risk is managed according to policies and limits determined and adopted by the Board of Directors.

The Group applies the options available to mitigate the risk on individual transactions in the form of pledge of assets, netting agreements and guarantees etc.

The most frequent types of pledges include mortgages on real property and pledges of financial assets (shares, bonds and units).

The Group assesses on an ongoing basis the value of collateral provided. The value is determined as the expected net proceeds on realisation. As regards the most frequent types of collateral, the Group has established models that estimate the value of the assets in question.

Monitoring, follow-up and reporting to the management are undertaken centrally.

Credit risk to financial counterparties

Trading in securities, currency and derivatives as well as payment services etc involve exposure to financial counterparties in the form of delivery risk or credit risk.

Delivery risk is the risk that the Group does not receive payments or securities in connection with the settlement of securities or currency transactions equalling the securities or payments delivered by the Group.

The management grants delivery risk lines and credit risk lines to financial counterparties based on the risk profile of the financial counterparty, rating, size and financial standing. Risks and lines to financial counterparties are monitored continuously, also intra-day.

The Group participates in an international foreign exchange settlement system, CLS[®], which aims to reduce delivery risk. In CLS[®] payment is made on the net position for each currency, and only one amount for each currency is paid or received. In addition this net exposure is only to one counterparty, who is the Group's partner in CLS[®].

The Group aims to mitigate credit risk to financial counterparties in many ways, eg by concluding netting agreements. Moreover the Group has entered into agreements with a number of the largest counterparties to ensure credit risk mitigation of derivatives. Exposures are calculated on a daily basis after which the parties settle collateral movements. Consequently exposures are reset in all material respects on a daily basis.

The increasing number of agreements is managed by Operations. In 2008 the Group purchased a system to handle these agreements and the system will be implemented in the first half of 2009.

The gross exposure to financial counterparties constitutes DKK 24,141m (2007: DKK 32,676m) and the net exposure to financial counterparties represents DKK 16,409m (2007: DKK 16,891m).

Financial counterparties by counterparty type

DKKm	Gross exposure*		Net exposure*	
	2008	2007	2008	2007
Governments etc	2,734	7,867	1,884	3,511
Institutions, repo/reverse	4,573	8,499	1,110	410
Institutions, other	16,834	16,310	13,415	12,970
Total	24,141	32,676	16,409	16,891

* Gross exposure and net exposure are defined in "Credit Risk 2008" which is available at www.sydbank.com. Gross exposure determination takes undrawn credit commitments into account. Net exposure determination takes undrawn credit commitments, collateral and conversion factors into account.

Credit risk to non-financial counterparties

The Group has developed rating models to manage the credit risks to retail and corporate clients. The overriding objective is to identify any deterioration in the client's financial situation as early as possible – in order to work out a plan of action in cooperation with the client.

The models are used in connection with credit approval, pricing, profitability calculations and calculation of collective impairment as well as the assessment of concentration risks.

Clients are rated in four partially independent models: retail clients, SMEs, corporate clients and investment clients. All models are based on statistical processing of client data for the purpose of classifying clients according to their probability of default (PD) within the next 12 months. The corporate rating model contains a qualitative element in the form of an industry profile and a strength profile which in aggregate can affect the clients' classification. Clients are classified in three groups: corporate, SME and retail.

Model development is based on the recommendations submitted by the Basel Committee. Through dialogue with other interested parties in the market (credit institutions, supervisory authorities, rating agencies etc) the Group has ensured that the models comply with market standards.

The Group applies the models to determine the solvency requirement. As regards retail clients the Group applies the advanced IRB approach, ie the Group estimates probability of default (PD), loss given default (LGD), and the utilisation of credit facilities (CF). As regards corporate clients the Group applies the foundation IRB approach, ie the Group only estimates PD and not LGD or CF.

Development and maintenance of rating and credit models will continue to represent an important element of the Group's competences and the findings are applied throughout the Group.

Exposures outside rating models

A small part of the exposures to non-financial counterparties is not yet comprised by the rating models. In connection with the Danish FSA approval, the Group has been granted exemption in this respect.

These exposures consist mainly of exposures via foreign entities and from bankTrelleborg. The Group has formulated action plans as to how and when they will form part of the Group's rating models, and in the longer term all significant exposures will be included.

Retail clients

The retail client model is based primarily on account behaviour. On the basis of this data and inherent statistical correlations, retail clients are classified according to their probability of default (PD) vis-à-vis the Group within the next 12 months.

The gross exposure to retail clients represents DKK 35,350m (2007: DKK 35,629m) and the net exposure to retail clients constitutes DKK 25,906m (2007: DKK 24,029m).

Retail clients by rating category and approach

DKKm	Gross exposure		Net exposure	
	2008	2007	2008	2007
1	9,845	12,122	6,250	6,363
2	9,607	9,606	7,141	6,830
3	5,858	5,951	4,508	4,436
4	3,102	3,013	2,454	2,381
5	2,080	2,227	1,670	1,716
6	605	713	486	599
7	98	88	83	74
8	48	88	42	73
9	194	220	144	162
Default	189	78	164	64
Total IRB	31,626	34,106	22,942	22,698
Standardised Approach	3,724	1,523	2,964	1,331
Total	35,350	35,629	25,906	24,029

Credit Risk

Corporate clients

The corporate client model is based on the client's accounting data supplemented by appraisals made by the credit officer and/or account manager on the corporate client's current circumstances.

The gross exposure to corporate clients represents DKK 102,994m (2007: DKK 87,167m) and the net exposure to corporate clients constitutes DKK 59,335m (2007: DKK 48,180m).

Corporate clients by rating category and approach

DKKm	Gross exposure		Net exposure	
	2008	2007	2008	2007
1	5,093	12,103	2,486	1,128
2	32,726	23,771	12,390	12,764
3	24,352	17,896	15,099	11,498
4	15,140	14,975	10,611	9,688
5	8,597	6,593	6,336	4,196
6	3,012	2,499	2,099	1,716
7	1,217	396	955	292
8	1,079	374	609	250
9	1,810	1,690	1,446	1,462
Default	826	352	773	283
Total IRB	93,852	80,649	52,804	43,277
Standardised Approach	9,189	6,518	6,555	4,903
Total	102,994	87,167	59,335	48,180

Additional information on credit risk

The Bank's website, www.sydbank.com, provides additional information on the Group's credit risk.

Operational Risk

Operational risk is the risk of direct or indirect loss resulting from inappropriate or deficient internal procedures, human and systems errors or external events, including legal events.

The Group classifies its operational losses in three main groups according to frequency and severity:

- high-frequency, low-severity losses
- medium-frequency, medium-severity losses
- low-frequency, high-severity losses.

High-frequency, low-severity losses are handled via the Group's budget and accounting systems. Sizing is budgeted on an annual basis and follow-up is undertaken on an ongoing basis via accounting follow-up at branch, regional and divisional levels.

Medium-frequency, medium-severity losses are handled via an internally developed system which collects loss data on an ongoing basis. Collection is electronic and loss data is classified according to event type and business line. Moreover the system ensures compliance with the Group's business procedures for approval, information, accounting and payment, if any.

Low-frequency, high-severity losses are handled manually, both when reporting the event and when reporting to the management.

The management receives ongoing reporting as regards all medium-severity and high-severity losses, including distribution by event type and business line as well as developments concerning frequency and size.

Collection and storage of loss data is a significant condition of any subsequent application of internal models to calculate the capital requirement.

On the basis of reported events – and trends in other observable data – procedures are continuously improved in order to minimise the number of errors and events involving a risk of loss.

The Group reviews all business lines with the aim of identifying and describing the largest individual risks where the Group may incur significant losses as well as the relevant business procedures and routines for the purpose of minimising such risks.

The Group applies the Standardised Approach to calculate the capital requirement in accordance with Basel II. Under this approach the capital requirement is calculated on the basis of weightings in compliance with the Capital Requirements Directive. Weightings are assigned to each of the following business lines:

- corporate finance
- trading and sales
- retail brokerage
- commercial banking
- retail banking
- payment and settlement
- agency services
- asset management.

The Group's accounting ensures that gross income can be allocated to these business lines and the Group's capital charge for operational risk is determined for each business line as gross income multiplied by the weighting assigned to the individual business line. In 2008 the Group's total capital requirement for operational risk represented DKK 538m.

IT supply is a significant op risk aspect. On an ongoing basis the Group describes and reviews this area – system by system. Forming part of this description, individual event requirements have been set up regarding support, error reporting and error correction.

The Group's management continuously reviews IT security and specifies levels of eg accessibility and reliability of systems as well as data. As a result of these requirements, a significant part of the Group's use of IT has been mirrored and physically separated to minimise the risk of breakdown. The requirements apply to the internal IT organisation as well as the IT supplier, Bankdata.

Mission Statement and Business Goals

History and status

Sydbank, Denmark's fourth largest bank, was established in 1970 as the result of a merger between four small banks in Southern Jutland. Since then the Bank, whose head office is located in Aabenraa, has grown through mergers, acquisitions and branch openings, and today its scope of activities encompasses the entire country.

The Bank's national market share represents 5-8%, depending on customer segment and type of business. The share is naturally largest in the areas where Sydbank has its historical roots – especially the Region of Southern Denmark. The Bank's international presence includes branches in North Germany and a subsidiary bank in St. Gallen, Switzerland.

For a number of years Sydbank has recorded significant growth in business volume and generated financial results ranking it among the top performers of the banking sector.

Moody's has rated the Sydbank Group as follows: Aa3 (long-term), P-1 (short-term) and C+ (financial strength).

Mission statement

Since 1995 Sydbank's fundamental values have been communicated via its mission statement. According to this, as a service undertaking the Bank first and foremost exists to meet the financial requirements of its clients. In all relations the Bank aims to create value based on the service philosophy, "What can we do for you", and to be perceived as competent, reliable, obliging and competitive.

Sydbank aims to be perceived by retail clients and small corporate clients as a competent, approachable and committed business partner with roots in the local community. As regards major clients, including private banking clients, corporate enterprises, other financial institutions and institutional clients, the Bank wishes to be perceived as a competent, approachable and committed business partner that fulfils clients' banking requirements by delivering professional, dynamic services coupled with financial capacity.

The Group aims to expand its banking operations in the Danish market for instance by opening branches in major urban communities in growth areas and consequently consolidate its

position as a nationwide player. The Group aims to increase its market share in Denmark and to further develop its long-standing presence in North Germany as well as its international private banking activities.

Sydbank's organisational philosophy is based on the needs and requirements of clients and business activities, and on broad delegation of professional competence and decision-making responsibility to individual customer oriented units. At the same time efforts are made to streamline administration. Committed and inspired, customer oriented and performance oriented employees who can and who want to make a difference are the Bank's most valuable resource and competitive parameter.

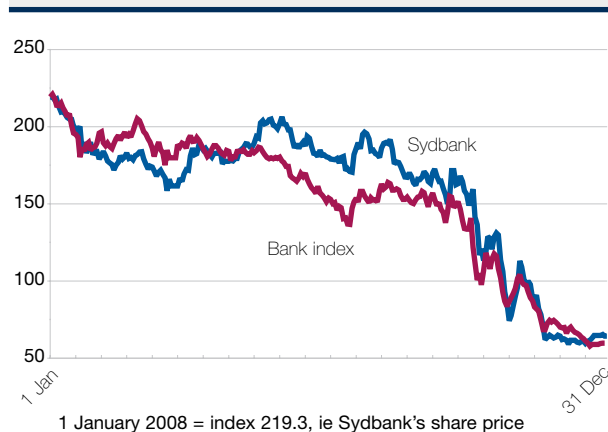
Overall financial goals

The Group aims to generate over time financial results to the satisfaction of shareholders' long-term return expectations and exceeding the average return of Danish banking peers.

The Sydbank share

At year-end 2008 Sydbank's shareholders numbered 146,000. Two shareholders, Nykredit and ATP, have each reported a holding of more than 5% of Sydbank's share capital. Since December 2006 the Sydbank share has been part of OMXC20 – the elite index of the Nasdaq OMX Copenhagen. The Sydbank share price (DKK 10 each) stood at 64.3 at year-end 2008 against 219.3 at the beginning of 2008 and 270.0 at the beginning of 2007.

Share price developments 2008



Customers and Business Areas

Clients

Sydbank has 375,000 clients including approx 28,000 corporate clients. The increase in clients reflects the acquisition of bankTrelleborg and is a highly satisfactory trend, also considering the Bank's focus on total banking relationships as well as mutual profitability and loyalty between client and bank.

Moreover it demonstrates Sydbank's ability to attract and retain clients in a highly competitive market.

Business areas

Sydbank's product range and supply channels are competitive and fulfil customer needs and requirements. The Bank attaches importance to being a proactive sparring partner and providing professional advice as well as smooth and efficient services for the benefit of all customer segments: retail clients, private banking clients and corporate clients. This is based on the Bank's knowledge of individual customer needs and requirements and on staff specialist knowledge and expertise within the respective areas of banking.

Retail segment

Sydbank has chosen to operate its banking business focussing on the development of services.

As a result product innovation is ongoing. During 2008 Sydbank's deposit products have been in particular focus.

To supplement its product development the Bank has concluded a number of cooperation agreements with sub-suppliers from outside the classic banking product range. Sydbank's primary mortgage credit partners are Totalkredit/Nykredit and DLR Kredit (the Agricultural Mortgage Bank) and its life insurance partners are Topdanmark and PFA.

Investment advice and private banking

For quite a few years Sydbank has focussed on the business areas, investment and wealth advisory services as well as asset management. These areas have grown substantially over a number of years and also in future they are expected to grow

considerably as a consequence of for instance rising pension savings and mounting interest in investments among the Bank's clients. Wide presence and high professional expertise established the Bank among the very first to meet the requirements of eg private banking clients for wealth advisory services.

Sydbank's customer oriented expertise within investment and wealth advisory services is available in 17 local investment centres. The customer solutions offered by the Bank are based on personal knowledge and attention as well as on customer needs oriented tools and analyses and are reflected in the sector's perhaps best ratio of decentralised investment competence to custody volume. Consequently Sydbank is in a strong position to respond to the growing demands of wealthy Danish private banking clients.

Sydbank has successfully provided investment and wealth advisory services to foreign clients through its Private Banking International department in Gråsten for a number of years.

Markets undertakes asset management tasks for a wide range of clients, including institutional clients, pooled pension plans, portfolio management mandates as well as investment and hedge funds. At year-end 2008 assets under management totalled DKK 46bn, a decrease from DKK 71bn at year-end 2007, predominantly caused by the very significant price declines in securities in 2008.

Sydbank in Switzerland

In 2003 Sydbank established the subsidiary bank, Sydbank (Schweiz) AG, which from its domicile in St. Gallen, Switzerland, targets eg private banking clients domiciled outside Denmark, including Danish expatriates. The subsidiary has a staff of 33.

Corporate segment

Sydbank is and will continue to be a competitive bank for corporate clients.

Customers and Business Areas

Sydbank has special competence when eg corporate clients request efficient payment services and cash management solutions – nationally as well as internationally. An illustration of this is the Bank's branches in Germany as well as its close collaboration with other Nordic banks in the Scandinavian local market. Moreover through its participation in Connector, Sydbank offers cash management solutions on a world-wide basis in collaboration with a large number of international banks. As a result the Bank's corporate clients have access to more than 20,000 bank branches around the world.

Sydbank is a direct participant in the new Single Euro Payments Area (SEPA) which was introduced in early 2008. As a result euro payment costs for the Bank's corporate clients have dropped substantially.

Another field of competence is the hedging of corporate clients' interest rate and foreign exchange risks. Client needs are identified by means of ongoing advisory services where sophisticated analysis tools are applied to provide an overview of a client's funding structure as well as interest rate and foreign exchange risks. Against this background the Bank offers interest rate hedging of short-term and long-term facilities as well as a wide range of instruments, including ordinary forward contracts and complex option products, to hedge foreign exchange risks. Moreover corporate clients are offered professional eBanking solutions within special areas such as foreign exchange trading and documentary credits.

A growing number of corporate clients have joined Sydbank's corporate pension programme, which is a flexible and competitive product to accommodate the business sector's requirements in this area.

Merchant Bank is a specialist function providing advisory services to corporate clients on for instance succession, the raising of subordinated loan capital, initial public offerings and share issues as well as incentive schemes such as employee bonds and shares.

Sydbank regularly takes part in polls focussing on corporate clients' satisfaction with their banker. The 2008 Aalund Business Research survey, based on interviews with enterprises with 10-499 employees, showed that Sydbank – for the eighth consecutive year – is one of the banks with the most satisfied and loyal corporate clients.

Sydbank in Germany

Sydbank in Germany targets Danish corporate clients who trade with Germany as well as German corporate and retail clients. Investment and wealth advisory services as well as private banking are also available at Sydbank's German branches in Flensburg, Hamburg and Kiel. In addition the Flensburg branch is a specialist banker for retail clients commuting across the Danish-German border.

Leasing and boat financing

Sydbank's leasing services to corporate clients are provided via the department, Sydleasing. In addition the Bank provides financing of leisure boats – under the brand, Søfinans.

Markets

Markets manages the Bank's trading and customer oriented activities within the securities, interest rate and foreign exchange markets. Sydbank Markets, Asset Management, Markets – Clients and Operations are located at the Bank's head office in Aabenraa and have a staff of approx 190.

Sydbank Markets quotes all prices and performs market making obligations and is a primary dealer of Danish government bonds – a market maker function undertaken by very few Danish banks. Other areas of responsibility include the servicing of a few major clients, local banks and the Bank's investment centres.

The Treasury department is responsible for the Bank's treasury portfolio.

Asset Management undertakes traditional asset management tasks, eg advisory services and/or management tasks for a wide range of clients, including institutional clients, pooled pension plans, portfolio management mandates as well as investment and hedge funds. In addition Asset Management is the organisational domicile of macro, equity and fixed income research.

Asset management

DKKbn	2008	2007
Pooled pension plans	6	7
Portfolio management mandates	6	5
Portfolio management mandates, institutional clients	6	7
Management agreements	2	3
Investment funds and hedge funds	27	49
Total	47	71

Asset Management is also the organisational domicile of Emerging Markets bonds and shares, a successful initiative targeting the institutional segment.

Markets – Clients undertakes and coordinates Markets' responsibility vis-à-vis the Bank's decentralised investment centres. With a total staff of around 110, these centres provide investment and wealth advisory services to Sydbank's private banking clients as well as advisory services concerning foreign exchange and interest rates to corporate clients in particular.

Operations, with a staff of around 75, performs administrative tasks relating to the Bank's activities in securities, interest rate and foreign exchange markets. Operations is responsible for the settlement of transactions virtually worldwide, including in the four Nordic countries where the Bank is represented directly on the exchanges. Tasks also include the safe custody and administration of clients' securities. Moreover Sydbank has been approved to undertake custodial services for investment funds.

Custody account volume

DKKbn	2008	2007
Retail and corporate clients	61	95
Pooled pension plans	6	6
Financial institutions	5	9
Investment funds and hedge funds	33	59
Total	105	169

The custody account volume of retail and corporate clients by type of security:

Custody account volume distribution

DKKbn	2008	2007
Danish bonds	17	17
Foreign bonds	4	4
Danish equities	14	27
Foreign equities	3	6
Investment funds and hedge funds	23	41
Total	61	95

Organisation, Distribution and Staff

Clients' contact with Sydbank takes place via the branches in the Bank's 17 Danish regions, its branches in Germany, PBI in Gråsten, its subsidiary bank in Switzerland, and the expert functions at the head office in Aabenraa.

Providing full service to all clients, the Danish regions are organised in corporate, investment and retail sections and service the Bank's smaller branches. Administrative tasks are carried out by customer secretariats supported by expert functions at head office.

Branches

Sydbank has a total of 115 customer branches, including three in Germany and PBI in Gråsten. In addition Sydbank has a subsidiary bank in Switzerland.

In recent years the Bank has opened new branches in growth areas in central Jutland and Zealand, most recently in Greve and Roskilde (Copenhagen suburbs). By enlarging the physical distribution network, Sydbank's operations are expanded in the parts of the country where the Bank has not had a presence. The acquisition of bankTrelleborg in early 2008 reinforces Sydbank's presence in Zealand. At the same time the branch network is gradually adjusted within the Bank's original core areas to allow – naturally in a cost-effective fashion – Sydbank's continued presence also in small communities.

Customer and employee safety in connection with physical services and the supply of cash is given high priority. Time delay locks have been installed in all branches. Also with security against robberies in focus, the Bank will continue to expand the number of cashless branches.

Sydbank has a firm footing in Germany on the promising North German market with branches in Flensburg, Hamburg and Kiel.

Self-service/eBanking

Sydbank's NetBank enables clients to carry out ordinary banking transactions, including securities trading, and gives clients the possibility to review pension and insurance schemes and to receive text messages or emails, for instance when a pay cheque has been credited an account or a securities transaction has been implemented. In addition, via NetBank, clients can be redirected to for instance PensionsInfo. The vast majority of NetBank clients have chosen to use the electronic filing system, eArkiv, instead of ring binders to store the various types of banking documents.

The sharp rise in the number of NetBank clients and in the use of NetBank for transactions and banking business continued in 2008.

Sydbank's corporate client Online Banking system can be fully integrated with a client's ERP system and supports a wide range of national and international electronic cash management solutions.

Sydbank's hotline, which is also open at night, services all eBanking solutions. In 2008 the hotline responded to more than 130,000 customer enquiries.

More than 85% of clients' payment transactions – national as well as international – are conducted via Sydbank's eBanking systems.

Sydbank issues Dankort cards, with or without the Visa facility, Visa Electron cards and – since 2005 – a versatile credit card programme. At end-2008 Sydbank MasterCard in circulation numbered more than 20,000.

All Sydbank branches have an ATM, 150 in all, and 130 ATMs are open for cash withdrawals virtually 24/7/365. Last year the Bank's ATMs handled more than 5m cash withdrawals – equal to just over 80% of all cash withdrawals in or through the Bank.

Staff

In 2008 Sydbank's staff rose from 2,276 to 2,479 (full-time equivalent) – a rise of 8.9%. The increase in staff reflects continued growth in the number of clients and not least the acquisition of bankTrelleborg.

Sydbank's reputation as an attractive workplace is a contributory factor to the Bank's ability to keep staff turnover at a relatively modest level.

Sydbank does not have formal incentive pay programmes. Since 2001 the Group has allotted employee shares based on a general model which is performance related in relative terms. As of 2009 this model is suspended as a consequence of the introduction of the bank rescue package in 2008 according to which distribution of dividends to shareholders is not allowed. Moreover a general offer of savings deducted from gross pay to purchase Sydbank shares or bonds at market price was introduced in 2007 – an offer which almost three fourths of the staff have accepted.

IT

Bankdata is Sydbank's primary IT supplier and acts as supplier to 14 other Danish financial institutions.

Sydbank is well positioned within IT. The operational reliability of the Bank's systems was high also in 2008 with accessibility for clients as well as employees very close to 100%. Moreover, in terms of security, systems have demonstrated robustness.

In terms of development, efforts in 2008 have concentrated on for instance ebanking solutions, ongoing improvement of tools for the Bank's advisors, and a number of streamlining measures. As a result Bankdata is well positioned to implement electronic land registration in the course of 2009.

One of the major projects in 2008 was the conversion of bank-Trelleborg to Sydbank's IT platform. The project was completed in Q4.

Danish Regional Bankers' Association

Sydbank is a member of the Danish Regional Bankers' Association together with Amagerbanken, Arbejdernes Landsbank, Fionia Bank, Jyske Bank and Spar Nord Bank. The main object of the Association is to strengthen members' position in relation to sector policy. The Association's secretariat in Copenhagen coordinates the Association's work.

Corporate Governance and Corporate Social Responsibility

Corporate governance

Since 2002 Sydbank has backed and actively addressed the recommendations for corporate governance issued by the Committee on Corporate Governance. The Bank's position in this respect has since then been stated in its annual reports. As from 2006 the Bank's position on the existing recommendations has been adopted on the basis of the "comply-or-explain" principle.

The Board of Directors of Sydbank supports the corporate governance efforts, and the Board of Directors has decided to comply with the most important elements of the existing recommendations. The position of the Board of Directors as regards the recommendations can be read at www.sydbank.com.

In some areas the Board of Directors has decided to comply only partly with the recommendations and in a few areas it has decided not to comply at all.

Highlights:

- Sydbank's Articles of Association include a voting right limitation (no shareholder on his own behalf may cast a vote of more than 5,000 shares).
- The framework for the work of the Board of Directors and the Chairman is considered to be sufficiently stipulated and described in the procedures of the Board of Directors.
- The existing framework for the work of the Board of Directors is considered adequate also in relation to recruitment criteria etc concerning new board members, restrictions as regards other directorships of board members, length of the term of office as well as recurrent evaluation procedures.

Additional highlights:

- In the event of takeover bids the Board of Directors will to the best of its ability consider all interests – primarily of course the interests of the Bank and its shareholders – while respecting the Bank's declared aim of remaining independent.
- Sydbank does not comply with the recommendation on openness concerning remuneration to the members of the Group Executive Management and the Board of Directors as the Board of Directors finds that private information of this nature is not relevant to the public.

- As a general rule Sydbank does not establish committees. Following the AGM on 5 March 2009 Sydbank will establish an audit committee.

Moreover the rules concerning the appointment and replacement of the company's Board of Directors, amendments to the Articles of Association, and the authority of the Board of Directors regarding the issue of shares or purchase of own shares are stipulated in the Articles of Association of Sydbank A/S, in particular Articles 16, 10 and 3. The Articles of Association are available at www.sydbank.com.

Corporate social responsibility

Sydbank is a large Danish enterprise operating as a responsible player in society while respecting its business goals. The Group's service philosophy, "What can we do for you", is a clear manifestation of social responsibility.

Social responsibility incorporates being an active player in the activities of associations and sports – locally and regionally. Numerous sponsorships are nurtured in Sydbank's 17 Danish regions – with elite sports people and not least amateur sports associations on a much wider front. On top of that Sydbank's fund gives small and large donations for cultural and social purposes. Our local and regional commitment is the cornerstone of our corporate mission and one of the reasons why we remain the business partner characterised by closeness and local knowledge – despite our nationwide presence.

Also in relation to its employees the Group takes its social responsibility seriously. Continuous initiatives within stress prevention, health promotion and senior policy schemes constitute some of the reasons why Sydbank is regarded as a highly attractive workplace. Also in terms of environmental awareness the Group has launched a range of initiatives in recent years aimed at minimising the Bank's energy consumption.

The joint aim of the Bank's CSR efforts is to emphasize Sydbank's position as ethically sound – among employees, clients and other stakeholders.

Management Statement

Today we have prepared the 2008 Annual Report of Sydbank A/S.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU, and the financial statements of the Parent have been prepared in accordance with the Danish Financial Business Act. Furthermore, the annual report has been prepared in compliance with additional Danish disclosure requirements for annual reports of listed financial companies.

We consider the accounting policies applied to be appropriate and the annual report gives a true and fair view of the Group's and the Parent's assets, shareholders' equity and liabilities and financial position at 31 December 2008 and of the results of the Group's and the Parent's operations and consolidated cash flows for the financial year 1 January – 31 December 2008. The statement of the Board of Directors and the Group Executive Management on the annual report includes a fair examination of the development in the Parent's and the Group's activities and financial position as well as a description of the most significant risks and elements of uncertainty which may affect the Parent and the Group.

We propose that the Annual Report be submitted
for adoption by the AGM.

Aabenraa, 17 February 2009

Group Executive Management

Carsten Andersen
(Group Chief Executive)

Preben Lund Hansen

Karen Frøsig

Allan Nørholm

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

Auditors' Reports

Internal Audit

To the Shareholders of Sydbank A/S

We have audited the annual report of Sydbank A/S for the financial year 1 January – 31 December 2008, which comprises the statement of the Board of Directors and Group Executive Management on the annual report, the management's review, a summary of significant accounting policies, the income statement, balance sheet, statement of changes in equity, cash flow statement for the year then ended and notes for the Group as well as the Parent Company. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU, and the financial statements of the Parent Company have been prepared in accordance with the Danish Financial Business Act. Further, the annual report has been prepared in accordance with additional Danish disclosure requirements for annual reports of listed financial companies.

Basis of opinion

We conducted our audit on the basis of the executive order of the Danish Financial Supervisory Authority on the performance of the audit in financial institutions etc and financial groups and in accordance with Danish Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the annual report is free from material misstatement.

The audit has been performed in accordance with the segregation of duties as agreed with the external auditor and involves evaluating established procedures and internal control including the risk management planned by the Board of Directors and Group Executive Management as regards reporting processes and significant business risks. Based on an evaluation of materiality and risk we have examined, on a test basis, the

basis for the amounts and disclosures in the annual report, including examining evidence supporting the amounts and disclosures of the annual report. The audit also included evaluating the appropriateness of accounting policies applied by the Board of Directors and Group Executive Management and the reasonableness of accounting estimates made by the Board of Directors and Group Executive Management, as well as evaluating the overall presentation of the annual report.

We have participated in the audit of significant and risky areas and we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion established procedures and internal control, including the risk management planned by the Board of Directors and Group Executive Management as regards reporting processes and significant business risks, are satisfactory.

Moreover it is our opinion that the annual report gives a true and fair view of the Group's and the Parent Company's assets, shareholders' equity and liabilities and financial position at 31 December 2008 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 1 January – 31 December 2008 in accordance with International Financial Reporting Standards as adopted by the EU in respect of the consolidated financial statements, in accordance with the Danish Financial Business Act in respect of the financial statements of the Parent Company and in accordance with additional Danish disclosure requirements for annual reports of listed financial companies.

Aabenraa, 17 February 2009

Ole Kirkbak

Head of Internal Audit

Auditors' Reports

Independent Auditor's Report

To the shareholders of Sydbank A/S

We have audited the annual report of Sydbank A/S for the financial year 1 January – 31 December 2008, which comprises the statement of the Board of Directors and Group Executive Management on the annual report, the management's review, a summary of significant accounting policies, the income statement, balance sheet, statement of changes in equity, cash flow statement for the year then ended and notes for the Group as well as the Parent Company. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU, and the financial statements of the Parent Company have been prepared in accordance with the Danish Financial Business Act. Further, the annual report has been prepared in accordance with additional Danish disclosure requirements for annual reports of listed financial companies.

Responsibility of the Board of Directors and Group Executive Management

The Board of Directors and Group Executive Management are responsible for the preparation and fair presentation of an annual report in accordance with International Financial Reporting Standards as adopted by the EU (consolidated financial statements), the Danish Financial Business Act (financial statements of the Parent Company) and additional Danish disclosure requirements for annual reports of listed financial companies. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of an annual report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility and basis of opinion

Our responsibility is to express an opinion on this annual report based on our audit. We conducted our audit in accordance with Danish Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the

audit to obtain reasonable assurance about whether the annual report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the annual report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies applied by the Board of Directors and Group Executive Management and the reasonableness of accounting estimates made by the Board of Directors and Group Executive Management, as well as evaluating the overall presentation of the annual report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the annual report gives a true and fair view of the Group's and the Parent Company's assets, shareholders' equity and liabilities and financial position at 31 December 2008 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 1 January – 31 December 2008 in accordance with International Financial Reporting Standards as adopted by the EU in respect of the consolidated financial statements, in accordance with the Danish Financial Business Act in respect of the financial statements of the Parent Company and in accordance with additional Danish disclosure requirements for annual reports of listed financial companies.

Aabenraa, 17 February 2009

KPMG

Statsautoriseret Revisionspartnerselskab

Sven Jørgensen

State Authorised Public Accountant

Accounting Policies

Basis of preparation

The financial statements of the Sydbank Group have been prepared in compliance with International Financial Reporting Standards (IFRS) as adopted by the EU. The financial statements of the parent, Sydbank A/S, have been prepared in compliance with the Danish Financial Business Act, including the executive order on financial reporting of credit institutions and brokerage firms etc, which is in compliance with IFRS apart from the measurement of holdings in subsidiaries and associates at equity value.

Furthermore the annual report has been prepared in compliance with additional Danish disclosure requirements for annual reports of listed financial companies.

Impact of new accounting provisions

In October 2008 the EU adopted the amendments to IAS 39 as published by the IASB, whereby bonds etc in rare circumstances may be reclassified out of the trading portfolio. As a result the relevant bonds etc are measured at amortised cost and not at fair value. Sydbank has decided not to apply the reclassification option in 2008.

The accounting policies applied are consistent with those adopted in the preceding year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable that the future economic benefits will flow to the Group and the value of the asset can be measured reliably. Liabilities are recognised in the balance sheet when they are probable and can be measured reliably.

On initial recognition assets and liabilities are measured at fair value. Subsequent measurement of assets and liabilities is as described for each item below.

Recognition and measurement take into account gains, losses and risks arising before the presentation of the annual report and which confirm or invalidate circumstances existing at the balance sheet date.

Income is recognised in the income statement as earned.

Expenses incurred to earn the year's income are recognised in the income statement. Value adjustments of financial assets, financial liabilities and derivatives are recognised in the income statement apart from value adjustments of derivative contracts entered into to provide foreign currency hedge of net investments in foreign subsidiaries and associates. The latter value adjustments are recognised directly in equity. Derivatives are recognised at the settlement date.

Accounting estimates

Determination of the carrying amounts of certain assets and liabilities requires estimates as to how future events will affect the value of such assets and liabilities at the balance sheet date. Estimates significant to financial reporting are made for instance by determining the fair values of unlisted financial instruments as well as of impairment of loans and advances where determination is based on the most likely outcome of the cash flows. Estimates are made on the basis of assumptions considered reasonable by management but which by their nature are uncertain. They may prove to be incomplete or inaccurate as a result of developments differing from projections in the external environment in which the Group operates or in other respects relating to clients or business relations.

Impairment of loans and advances and other amounts owed involves significant estimates in relation to the quantification of the risk of not receiving all future payments. If it can be ascertained that not all future payments will be received, determination of the size of the expected payments, including realisable values of collateral held and expected dividend payments from estates, will also be subject to significant estimates. Moreover as regards provisions for guarantees there is an element of uncertainty in determining the extent to which the guarantee will become effective in the event of the financial breakdown of the guarantee applicant.

Up until now the Sydbank Group has collectively assessed loans and advances and amounts owed on a gross basis. In connection with the preparation of the 2008 Annual Report

assessment has been carried out on a net basis. This transition is treated as a change in accounting estimates. Calculated on a net basis collective impairment would have represented DKK 88m at the beginning of 2008 compared with DKK 157m at 31 December 2007 calculated on a gross basis. The change has increased profit for 2008 by DKK 69m before tax.

In addition the emergence period has been reassessed, which has contributed to a reduction in collective impairment charges for loans and advances.

Significant estimates are involved in the measurement of the fair value of unlisted financial instruments. Fair values are determined on the basis of market prices in liquid markets and of recognised measurement methods including discounted cash flow models and option pricing models. Input variables of measurement methods include unlisted yield curves, exchange rates and volatility curves which indicate the volatility of the underlying with subsequent uncertainty as regards the determined fair values. Unlisted shares are measured at an estimated fair value on the basis of available budget and accounting data of the relevant company or on the basis of the management's best estimates.

Significant recognition and measurement principles

Consolidated financial statements

The consolidated financial statements include the parent, Sydbank A/S, as well as subsidiaries in which Sydbank A/S exercises control over financial and operating policies. The Group Structure (page 40) lists the consolidated entities.

The consolidated financial statements combine the financial statements of the parent and the individual subsidiaries in accordance with the Group's accounting policies, in which intragroup income and costs, shareholdings, balances and dividends as well as realised and unrealised gains on intragroup transactions have been eliminated.

Acquirees are included from the date of acquisition.

The assets of acquirees, including identifiable intangible assets, as well as liabilities and contingent liabilities, are recognised at the date of acquisition at fair value in accordance with the acquisition method.

Where the cost including direct transaction costs exceeds the fair value of the net assets of the acquiree, the difference will be recognised as goodwill. Goodwill is carried at the functional currency of the acquiree. Where the fair value of net assets exceeds the cost (negative goodwill), the difference will be recognised as income in the income statement at the date of acquisition.

Enterprises disposed of are included until the date of disposal.

Foreign currency translation

The consolidated financial statements are presented in DKK, the functional currency of the parent. Transactions in foreign currencies are translated at the exchange rate on the date of transaction.

Balances in foreign currencies are translated at the closing rate.

Offsetting

The Group sets off assets and liabilities only when the Group has a legally enforceable right to set off the recognised amounts and at the same time intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income criteria

Income and expenses are accrued over the periods to which they relate and are recognised in profit or loss at the amounts relevant to the accounting period. Fees and commission concerning loans and advances and amounts owed are included in the carrying amounts of loans and advances and amounts owed and are recognised in profit or loss over the life of the loans as part of the effective interest rate. Guarantee commission is recognised as income over the life of the guarantees. Income for implementing a given transaction, including securities fees as well as payment service fees, is recognised as income when the transaction has been implemented.

Accounting Policies

Core income

Core income is defined as net income before costs excluding investment portfolio income. Core income comprises core income excluding trading income, and trading income. Trading income derives from trading in financial instruments as well as gains/losses on the related trading portfolio. Trading income also comprises income relating to asset management and advisory services, including commission and fees from investment funds and the Bank's pooled plans as well as custody fees.

Core earnings before impairment of loans and advances etc

Core earnings before impairment of loans and advances etc represent total core income less costs relating to core income.

Core earnings

Core earnings represent total core income less costs and impairment charges for loans and advances etc relating to core income.

Investment portfolio earnings

Investment portfolio earnings derive from the portfolios of shares, bonds, derivatives and holdings managed by Sydbank Markets. Investment portfolio earnings are less funding charges and costs.

Government guarantee

The Bank participates in the government guarantee scheme extending to 30 September 2010. Guarantee commission is recognised on a straight-line basis in the income statement over the guarantee period and is presented under "Other operating expenses". The Bank's commitment to cover any loss under the scheme is recognised as a provision when it is probable and can be measured reliably. Such amounts are recognised in the income statement under "Impairment of loans and advances etc".

Repo and reverse repo transactions

Securities sold under agreements to repurchase the same are recognised in the balance sheet as if the securities were still

part of the portfolio. Consideration received is recognised as a liability and the difference between selling and buying prices is recognised over the life as interest in profit or loss. Any gain on securities is recognised in the income statement.

Securities bought under agreements to resell the same are not recognised in the balance sheet and any gain is not recognised in profit or loss. Consideration paid is recognised as a receivable and the difference between selling and buying prices is recognised over the life as interest in profit or loss.

Repo and reverse repo transactions are recognised and measured at fair value as they are regarded as an integral part of the Bank's trading portfolio and form part of ongoing risk management and determination of gain thereon.

Amounts owed and loans and advances

Initial recognition of amounts owed by credit institutions and central banks as well as loans and advances is at fair value plus transaction costs and less origination fees received.

Subsequent measurement of amounts owed by credit institutions etc and loans and advances that are not reverse repo transactions is at amortised cost less impairment charges. Amounts owed by credit institutions and central banks at amortised cost are all assessed individually to determine whether objective evidence of impairment exists. As regards significant amounts owed and loans and advances assessment is carried out to determine whether objective evidence of impairment exists.

There is objective evidence of impairment of amounts owed and loans and advances if one or more of the following events have occurred:

- Considerable financial difficulties on the part of the debtor.
- Breach of contract by the debtor, for instance by way of failure to fulfil the payment obligations as regards instalments and interest.
- Special terms granted to the debtor by the Sydbank Group, which would otherwise not have been considered if the debtor had not been experiencing financial difficulties.

- The likelihood of bankruptcy or other financial restructuring on the part of the debtor.

Impairment charges are determined individually when there is objective evidence of impairment at an individual level.

Individually assessed loans and advances without impairment as well as other loans and advances are subsequently assessed at portfolio level. If there is objective evidence of impairment at portfolio level an impairment test is carried out where the expected future cash flows are estimated on the basis of the historical loss experience adjusted for the effects of prevailing conditions. The impairment charge for the portfolio is calculated in a ratings based model where loans and advances are classified according to client ratings at the balance sheet date. Impairment charges concern the impaired loans and advances.

Impairment charges calculated via the ratings based model are supplemented by the effect of events unaccounted for by the model.

Impairment charges are determined as the difference between amortised cost and the discounted value of the expected cash flows, including the realisable value of any collateral held. Individual impairment is determined on the basis of the most likely outcome of the cash flows. Any subsequent increase in the discounted value of the expected cash flows will result in reversal in full or in part of the impairment charge. Determination of the discounted value is based on the original effective interest rate as regards fixed-rate loans and advances and the current effective interest rate as regards floating-rate loans and advances.

Interest calculated on the impaired value is recognised as income when impairment charges for loans and advances are recognised.

Leasing

Leased assets in connection with finance leases in which the Group is the lessor are recognised under loans and advances

at the net investment in the leases less amortisation (repayment), which is computed according to the annuity method over the lease term. Income from the leased assets is recognised on the basis of the agreed effective interest rate of the leases and is recognised in profit or loss under interest income. Sales proceeds of leased assets are recognised as "Other operating income".

Bonds and shares etc

Bonds and shares etc are recognised and measured at fair value. The fair value option is applied to shares outside the trading portfolio as they form part of a portfolio which is managed and measured at fair value. As regards listed securities the closing price is applied. Determination of fair value of unlisted shares and other holdings is based on available information about trades etc or alternatively value in use based on expected future cash flows. If a reliable fair value cannot be determined, measurement will be at cost less any impairment charges. The purchase and sale of securities are recognised on the settlement date.

Holdings in subsidiaries

Holdings in subsidiaries are measured at the equity value of the entities in the financial statements of the parent. The proportionate share of the profit after tax of the entities is recognised under "Profit/(Loss) on holdings in associates and subsidiaries".

Holdings in associates

Associates are entities, other than subsidiaries, in which the Group has holdings and significant influence but not control. Holdings in associates are recognised at cost at the acquisition date and subsequent measurement is at the proportionate share of the equity value of the entities plus acquired goodwill and other differences in connection with the acquisition. The proportionate share of the profit after tax of the entities is recognised under "Profit/(Loss) on holdings in associates and subsidiaries".

Accounting Policies

Derivatives and hedge accounting

Derivatives are recognised and measured at fair value. Positive market values are recognised under "Other assets". Negative market values are recognised under "Other liabilities".

Market value adjustment of derivatives, mainly interest rate swaps concluded for the purpose of hedging the interest rate risk of fixed-rate loans and advances, generates immediate asymmetry in the financial statements as fixed-rate loans and advances are measured at amortised cost. The macro hedging provisions of IFRS aim to eliminate this asymmetry. The calculated change in the fair value of the loans and advances effectively hedged is recognised in the balance sheet under "Other assets" or under "Other liabilities" and is recognised in profit or loss under "Market value adjustments".

Pooled plans

All pooled assets and deposits are recognised in separate balance sheet items. Return on pooled assets and distribution to holders of pooled assets are recognised under "Market value adjustments".

Intangible assets

Intangible assets concern the value of customer relations acquired in connection with the acquisition of bankTrelleborg. The value of customer relations acquired is measured at cost less accumulated amortisation and impairment. The value of customer relations acquired is amortised over the expected useful life, ie 15 years.

Investment property

Investment property is property mainly held to earn rental income and/or for capital appreciation.

Investment property is recognised on acquisition at cost and subsequent measurement is at fair value. Fair value adjustments as well as rental income are recognised in the income statement under "Market value adjustments" and "Other operating income", respectively. The fair value of investment property is determined on the basis of a systematic assessment of the expected return on the property.

Investment property is not depreciated.

Owner-occupied property

Owner-occupied property is property out of which the Group operates its banking business.

Owner-occupied property is recognised on acquisition at cost and subsequently carried at a revalued amount corresponding to the fair value at the date of the revaluation less depreciation and impairment. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date. Where the carrying amount decreases as a result of the revaluation of land and buildings, the decrease is charged to the income statement to the extent that any credit balance exists in the revaluation reserves in equity as a result of a previous revaluation of that asset. Any increase as a result of the revaluation of land and buildings is recognised in the revaluation reserves apart from the extent to which the increase reverses a decrease in the revaluation of the same asset previously recognised as a cost. Owner-occupied property is depreciated on a straight-line basis over the expected useful life of 50 years, taking into account the expected residual value at the expiry of the useful life.

As regards ongoing measurement of land and buildings the value of the individual property is measured on the basis of the return method. The underlying assumptions, return and return percentage are assessed by external property valuers.

As regards minor properties, fair value measurement is based on the public land assessment.

Depreciation and impairment charges are recognised in the income statement under "Depreciation and impairment of property, plant and equipment".

Other property, plant and equipment

Other property, plant and equipment is measured at cost less depreciation and impairment. Depreciation is provided on a

straight-line basis over the estimated useful life, typically 3-5 years. Leasehold improvements are depreciated over the term of the lease.

Depreciation and impairment charges are recognised in the income statement under "Depreciation and impairment of property, plant and equipment".

Other assets

This item includes assets not recognised under other asset items, eg positive market values of spot transactions and derivatives as well as interest receivable.

Dividends

Proposed dividend is recognised as a liability at the time of adoption at the AGM. Dividends proposed for distribution for the year are recognised as a separate item in equity until adoption.

Own shares

Consideration paid or received in connection with the Group's purchase and sale of Sydbank shares is recognised directly in equity.

Other liabilities

This item includes liabilities not recognised under other liability items, eg negative market values of spot transactions and derivatives, interest payable and provisions for employee benefits.

Wages and salaries, payroll tax, social security contributions and compensated absences are recognised in the financial year in which the associated service has been rendered by the Group's employees. Costs relating to the Group's long-term employee benefits are accrued and follow the service rendered by the employees in question. Pension contributions are paid into the employees' pension plans on a continuing basis and are charged to the income statement – with the exception of two contracts where the capitalised value of the pension obligation has been provided for.

Provisions

Provisions include provisions for guarantees, provisions for onerous contracts and legal actions etc. Initial recognition of financial guarantees is at fair value which is often equal to the guarantee premium received. Subsequent measurement of financial guarantees is at the higher of the guarantee premium received amortised over the guarantee period and any provision made.

A provision for a guarantee or an onerous contract is recognised if claims for payment under the guarantee or contract are probable and the liability can be measured reliably. Provisions are based on the management's best estimates of the size of the liabilities. Measurement of provisions includes discounting when significant.

Financial liabilities

Deposits, bonds issued, subordinated capital and amounts owed to credit institutions etc are recognised initially at the proceeds received net of transaction costs incurred.

Subsequent measurement of deposits, bonds issued, subordinated capital and amounts owed to credit institutions etc that are not repo transactions is at amortised cost using the effective interest method by which the difference between net proceeds and nominal value is recognised in the income statement under interest expense over the loan period.

Other liabilities are measured at the net realisable value.

Assets held for sale

Assets held for sale include property, plant and equipment and disposal groups held for sale. Assets are classified as held for sale when the carrying amount will be recovered principally through a sale transaction within 12 months in accordance with a formal plan rather than through continuing use. Assets or disposal groups held for sale are measured at the lower of carrying amount and fair value less costs to sell. An asset is not depreciated or amortised from the time when it is classified as held for sale.

Accounting Policies

Impairment losses arising at initial classification of the asset as held for sale and gains or losses at subsequent measurement at the lower of carrying amount and fair value less costs to sell are recognised in profit or loss under the items they concern.

Tax

Danish consolidated entities are subject to compulsory joint taxation. The Sydbank Group has not opted for international joint taxation. Sydbank A/S has been appointed the management company of the joint taxation entity. Corporation tax on income subject to joint taxation is fully distributed on payment of joint taxation contributions between the Danish consolidated entities. Tax for the year includes tax on taxable profit for the year, adjustment of deferred tax as well as adjustment of tax for previous years. Tax for the year is recognised in the income statement as regards the elements that can be attributed to profit for the year and directly in equity as regards the elements that can be attributed to items recognised directly in equity.

Current tax liabilities and current tax assets are recognised in the balance sheet as calculated tax on taxable profit for the year, adjusted for tax on taxable profit of previous years as well as of tax paid on account.

Provisions for deferred tax are based on the balance sheet liability method and include temporary differences between the carrying amounts and tax bases of the balance sheets of each consolidated entity as well as tax loss carryforwards that are expected to be realised. In addition deferred tax is recognised to cover retaxation of previously deducted tax losses in the foreign subsidiary which has withdrawn from joint taxation. Calculation of deferred tax is based on current tax law and tax rates at the balance sheet date.

Changes in deferred tax as a result of changes in the tax rates are recognised in profit or loss.

Cash flow statement

The cash flow statement presents the cash flows from operating, investing and financing activities as well as cash and cash

equivalents at the beginning and end of the year. The cash flow statement is presented using the indirect method based on profit before tax.

The cash flow effect of the acquisition and disposal of enterprises is shown separately under cash flows from investing activities. The cash flow statement recognises cash flows concerning acquirees from the date of acquisition and cash flows concerning enterprises disposed of until the date of disposal.

Cash flows from operating activities are determined as the net profit before tax for the year adjusted for non-cash operating items, taxes paid as well as changes in working capital.

Cash flows from investing activities include purchase and sale of property, plant and equipment as well as holdings in entities.

Cash flows from financing activities include dividends paid as well as changes in equity, subordinated capital and bonds issued.

Cash and cash equivalents comprise cash and balances on demand with central banks, fully secured cash and cash equivalent balances on demand with credit institutions as well as unencumbered certificates of deposit.

Segment reporting

Information is provided on business segments, the primary segment reporting format, and geographical segments, the secondary segment reporting format. The segments reflect the Group's risks as well as managerial and internal financial control. Segment information has been prepared in accordance with the Group's accounting policies.

Segment revenue and segment expenses as well as segment assets and liabilities comprise the items that are directly attributable to or reasonably allocable to a segment. Non-allocated items mainly include revenue and expenses relating to the Group's administrative functions, income taxes etc.

New standards and interpretations not yet adopted

The International Accounting Standards Board (IASB) has issued a number of amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and Interpretations (IFRIC) which are not mandatory for the Sydbank Group in connection with the preparation of the 2008 Annual Report. However the Sydbank Group plans to implement the new Financial Reporting Standards and Interpretations when they become mandatory in 2009 and 2010, respectively. Apart from the below, none of the new standards or interpretations are expected to have any impact on the Group's future financial reporting.

IFRS 8: Operating Segments will apply to financial years beginning on or after 1 January 2009. The standard will solely affect the presentation of the Group's segments and not recognition and measurement in the annual report. Under the new standard disclosures about business as well as geographical segments are no longer made, only such disclosures as reported and applied internally by management. Consequently as from 2009 the Group's geographical segments will no longer be disclosed.

IAS 23 (Revised 2007): Borrowing Costs will apply to financial years beginning on or after 1 January 2009. Under the amendment which has not yet been adopted by the EU, borrowing costs incurred in connection with the production and preparation of assets must be capitalised as part of the acquisition cost as regards the assets which are not recognised at fair value. The standard is not expected to have any significant effect on amounts.

IAS 1 (Revised 2007): Presentation of Financial Statements – A Revised Presentation will apply to financial years beginning on or after 1 January 2009. The standard which has not yet been adopted by the EU regulates the presentation of result and balance sheet total, including income and expense not recognised in the income statement.

The standard is expected to have a limited effect on the presentation of financial statements.

IFRS 3 (Revised 2007): Business Combinations (as well as the consequential amendments to IAS 27: Consolidated and Separate Financial Statements) will apply to financial years beginning on or after 1 July 2009. These standards which have not yet been adopted by the EU regulate the accounting treatment of business acquisitions and non-controlling interests. The amendments will solely effect acquisitions undertaken after 1 January 2010. The technical adjustments of the acquisition method are not expected to impact financial reporting.

Income Statement

DKKkm	Note	Sydbank Group		Sydbank A/S	
		2008	2007	2008	2007
Interest income	3	7,457	5,601	7,454	5,593
Interest expense	4	4,692	3,474	4,696	3,479
Net interest income		2,765	2,127	2,758	2,114
Dividends on shares		31	24	31	24
Fee and commission income	5	1,256	1,454	1,226	1,406
Fee and commission expense	5	172	172	159	170
Net interest and fee income		3,880	3,433	3,856	3,374
Market value adjustments	6	115	400	109	393
Other operating income	7	143	33	142	20
Staff costs and administrative expenses	8	2,449	2,067	2,402	2,023
Depreciation and impairment of property, plant and equipment		187	136	161	118
Other operating expenses		86	11	86	11
Impairment of loans and advances etc		622	(568)	619	(611)
Profit/(Loss) on holdings in associates and subsidiaries	10	17	37	(42)	21
Profit before tax		811	2,257	797	2,267
Tax	11	205	547	191	557
Profit for the year		606	1,710	606	1,710

Distribution of profit for the year including proposed dividend

Profit for the year	606	1,710
Total amount to be allocated	606	1,710
Proposed dividend	-	203
Proposal for allocation for other purposes	-	20
Transfer to shareholders' equity	606	1,487
Total amount allocated	606	1,710
EPS Basic (DKK)*	9.5	25.6
EPS Diluted (DKK)*	9.5	25.6
Proposed dividend per share (DKK)	-	3

* Calculated on the basis of average number of shares outstanding, see page 8.

Balance Sheet

DKKm	Note	Sydbank Group		Sydbank A/S	
		2008	2007	2008	2007
Assets					
Cash and balances on demand at central banks		752	677	740	665
Amounts owed by credit institutions and central banks	13	12,165	18,450	12,186	18,822
Loans and advances at fair value		13,282	8,552	13,282	8,552
Loans and advances at amortised cost		82,476	74,475	82,306	73,840
Bonds at fair value	14	26,749	16,145	26,749	16,145
Shares etc	15	1,315	1,311	1,315	1,311
Holdings in associates etc	17	232	201	232	201
Holdings in subsidiaries	18	-	-	252	229
Assets related to pooled plans	33	5,777	6,789	5,777	6,789
Intangible assets	19	15	-	15	-
Total land and buildings		1,009	852	755	679
investment property	20	8	3	8	3
owner-occupied property	21	1,001	849	747	676
Other property, plant and equipment	22	158	116	150	107
Current tax assets		186	35	184	40
Deferred tax assets		10	23	7	7
Assets held for sale		5	-	5	-
Other assets	23	11,796	4,656	11,771	4,627
Prepayments		48	41	48	41
Total assets		155,975	132,323	155,774	132,055
Shareholders' equity and liabilities					
Amounts owed to credit institutions and central banks	24	38,889	26,523	38,959	26,535
Deposits and other debt	25	75,007	66,037	74,798	65,795
Deposits in pooled plans		5,777	6,789	5,777	6,789
Bonds issued at amortised cost		10,096	10,076	10,096	10,076
Current tax liabilities		13	19	12	19
Other liabilities	26	14,764	12,083	14,702	12,045
Deferred income		19	85	19	85
Total liabilities		144,565	121,612	144,363	121,344
Provisions	27	103	185	104	185
Subordinated capital (Tier 2)		4,219	3,829	4,219	3,829
Shareholders' equity (Tier 1):					
Share capital		675	675	675	675
Revaluation reserves		91	91	91	91
Other reserves:					
Reserves according to articles of association		411	399	411	399
Reserve for net revaluation according to the equity method		20	11	20	11
Retained earnings		5,891	5,298	5,891	5,298
Proposed dividend etc		-	223	-	223
Total shareholders' equity (Tier 1)		7,088	6,697	7,088	6,697
Total shareholders' equity and liabilities		155,975	132,323	155,774	132,055

Group Structure

31 December 2008	Activity	Share capital (in millions)	Shareholders' equity (DKKm)	Result (DKKm)	Ownership share (%)
Sydbank A/S		DKK 675			
Consolidated subsidiaries:					
Sydbank (Schweiz) AG, St. Gallen, Switzerland	Banking	CHF 40	206	(33)	100
Ejendomsselskabet af 1. juni 1986 A/S, Aabenraa	Real property	DKK 8	18	(26)	100
Pete Invest ApS *, Århus	Real property	DKK 0	28	0	100
Associates:					
Foreningen Bankdata, Fredericia	IT	DKK 248	294	9	50
Value-Call S.A., 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, Copenhagen	Investment and finance	DKK 578	1,735	91	11
ValueInvest Asset Management S.A, Luxembourg	Investment and finance	EUR 1	54	33	10
Scandinavian Private Equity Partners A/S, Copenhagen	Investment and finance	DKK 5	8	3	17
Hedgeföreningen Sydinvest, afdeling Aktie & ObligationsMix II, Aabenraa	Investment and finance	DKK 153	34	-	26

* It has been decided to merge the company with the parent, Sydbank A/S, effective 1 January 2009.

Group Financial Highlights – Quarterly (unaudited)

	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007
Income statement (DKKm)								
Core income excl trading income	830	754	778	704	668	636	620	615
Trading income	301	223	320	315	374	342	395	377
Total core income	1,131	977	1,098	1,019	1,042	978	1,015	992
Costs and depreciation	617	591	617	659	572	512	546	570
Core earnings before impairment	514	386	481	360	470	466	469	422
Impairment of loans and advances etc	459	98	6	(19)	40	(338)	(133)	(137)
Core earnings	55	288	475	379	430	804	602	559
Profit/(Loss) on investment portfolios	(23)	(170)	(137)	(55)	(44)	(119)	(44)	14
Profit before non-recurring items	32	118	338	324	386	685	558	573
Non-recurring items, net	(18)	(16)	(2)	198	-	9	8	38
Profit before contribution to the Danish Contingency Committee	14	102	336	522	386	694	566	611
Contribution to the Danish Contingency Committee	163	-	-	-	-	-	-	-
Profit before tax	(149)	102	336	522	386	694	566	611
Tax	(11)	26	89	101	97	174	112	164
Profit for the period	(138)	76	247	421	289	520	454	447
Balance sheet highlights (DKKbn)								
Loans and advances at amortised cost	82.5	81.8	82.5	81.3	74.5	71.9	68.9	67.5
Loans and advances at fair value	13.3	10.2	11.5	8.0	8.6	7.6	8.0	7.4
Deposits and other debt	75.0	63.4	67.6	70.1	66.0	57.9	57.1	56.5
Bonds issued at amortised cost	10.1	10.1	10.1	10.1	10.1	10.0	10.0	10.0
Subordinated capital (Tier 2)	4.2	4.2	4.2	4.2	3.8	3.8	3.8	3.8
Shareholders' equity (Tier 1)	7.1	7.2	7.1	6.8	6.7	6.4	6.2	6.5
Total assets	156.0	143.5	149.8	141.1	132.3	127.4	121.1	119.2
Financial ratios per share (DKK per share of DKK 10)								
EPS Basic	(2.2)	1.2	3.9	6.6	4.5	7.9	6.7	6.5
EPS Diluted	(2.2)	1.2	3.9	6.6	4.5	7.9	6.7	6.5
Share price at end of period	64.3	156.3	180.5	171.8	219.3	227.5	264.0	300.0
Book value	112.5	113.3	112.0	107.5	104.6	99.0	94.2	94.7
Share price/book value	0.57	1.38	1.61	1.60	2.10	2.30	2.80	3.17
Average number of shares outstanding (in millions)	63.2	63.7	63.5	63.4	64.1	65.7	68.2	68.9
Other financial ratios and key figures								
Solvency (total capital) ratio	14.7	15.5	14.8	14.3	11.9	12.0	12.6	13.1
Core capital (Tier 1) ratio	10.8	11.2	10.7	10.1	8.9	9.0	9.3	9.8
Profit before tax as % of avg shareholders' equity	(2.1)	1.4	4.8	7.7	5.9	11.0	8.9	9.5
Profit after tax as % of avg shareholders' equity	(1.9)	1.1	3.5	6.2	4.4	8.3	7.1	7.0
Income/cost ratio (DKK)	0.88	1.14	1.53	1.70	1.63	4.91	2.36	2.40
Interest rate risk	1.4	1.0	3.0	2.4	2.6	1.4	0.3	2.5
Foreign exchange position	11.4	9.7	12.9	5.6	1.7	9.3	16.1	9.0
Foreign exchange risk	0.0	0.0	0.0	0.0	0.0	0.3	0.2	0.1
Loans and advances relative to deposits*	1.0	1.2	1.1	1.1	1.0	1.1	1.1	1.1
Loans and advances relative to shareholders' equity*	11.6	11.4	11.6	12.0	11.1	11.3	11.1	10.4
Growth in loans and advances during the period*	0.8	(0.9)	1.5	9.2	3.6	4.3	2.2	3.0
Excess cover relative to statutory liquidity requirements	89.4	56.2	69.7	78.5	103.1	63.9	48.4	53.8
Total large exposures	23.8	53.3	39.5	44.7	46.4	61.4	29.5	-
Accumulated impairment ratio	1.0	0.9	0.8	0.9	0.9	0.9	1.4	1.5
Impairment ratio for the period	0.50	0.10	0.01	(0.02)	0.04	(0.39)	(0.16)	(0.15)
Number of full-time staff at end of period	2,479	2,487	2,457	2,469	2,276	2,266	2,237	2,208

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

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

bankTrelleborg recognised as from February 2008.

As from 2008 solvency and core capital ratios calculated in accordance with the new capital adequacy requirements.

Statement of Changes in Equity

Sydbank Group							
DKK m	Share capital	Revaluation reserves	Reserves acc to articles of association	Reserve for net revaluation according to equity method	Retained earnings	Proposed dividend etc	Total
Shareholders' equity at 1 Jan 2008	675	91	399	11	5,298	223	6,697
Changes in equity in 2008:							
Translation of foreign entities	-	-	-	-	23	-	23
Hedge of net investment in foreign entities	-	-	-	-	(23)	-	(23)
Property revaluation	-	0	-	-	0	-	0
Profit for the year	-	-	12	9	585	-	606
Total income	-	0	12	9	585	-	606
Purchase of own shares	-	-	-	-	(2,741)	-	(2,741)
Sale of own shares	-	-	-	-	2,555	-	2,555
Employee shares	-	-	-	-	18	-	18
Tax on equity items	-	-	-	-	160	-	160
Adopted dividend etc	-	-	-	-	-	(223)	(223)
Dividends, own shares	-	-	-	-	16	-	16
Total changes in equity in 2008	-	0	12	9	593	(223)	391
Shareholders' equity at 31 Dec 2008	675	91	411	20	5,891	-	7,088
Shareholders' equity at 1 Jan 2007	700	-	388	8	5,023	230	6,349
Changes in equity in 2007:							
Translation of foreign entities	-	-	-	-	(5)	-	(5)
Hedge of net investment in foreign entities	-	-	-	-	5	-	5
Property revaluation	-	91	-	-	-	-	91
Profit for the year	-	-	11	3	1,473	223	1,710
Total income	-	91	11	3	1,473	223	1,801
Capital reduction	(25)	-	-	-	25	-	-
Purchase of own shares	-	-	-	-	(5,115)	-	(5,115)
Sale of own shares	-	-	-	-	3,806	-	3,806
Employee shares	-	-	-	-	18	-	18
Tax on equity items	-	-	-	-	60	-	60
Adopted dividend etc	-	-	-	-	-	(230)	(230)
Dividends, own shares	-	-	-	-	8	-	8
Total changes in equity in 2007	(25)	91	11	3	275	(7)	348
Shareholders' equity at 31 Dec 2007	675	91	399	11	5,298	223	6,697

Sydbank A/S

DKKm	Share capital	Revaluation reserves	Reserves acc to articles of association	Reserve for net revaluation according to equity method	Retained earnings	Proposed dividend etc	Total
Shareholders' equity at 1 Jan 2008	675	91	399	11	5,298	223	6,697
Changes in equity in 2008:							
Translation of foreign entities	-	-	-	-	23	-	23
Hedge of net investment in foreign entities	-	-	-	-	(23)	-	(23)
Property revaluation	-	0	-	-	0	-	0
Profit for the year	-	-	12	9	585	-	606
Total income	-	0	12	9	585	-	606
Purchase of own shares	-	-	-	-	(2,741)	-	(2,741)
Sale of own shares	-	-	-	-	2,555	-	2,555
Employee shares	-	-	-	-	18	-	18
Tax on equity items	-	-	-	-	160	-	160
Adopted dividend etc	-	-	-	-	-	(223)	(223)
Dividends, own shares	-	-	-	-	16	-	16
Total changes in equity in 2008	-	0	12	9	593	(223)	391
Shareholders' equity at 31 Dec 2008	675	91	411	20	5,891	-	7,088
Shareholders' equity at 1 Jan 2007	700	-	388	8	5,023	230	6,349
Changes in equity in 2007:							
Translation of foreign entities	-	-	-	-	(5)	-	(5)
Hedge of net investment in foreign entities	-	-	-	-	5	-	5
Property revaluation	-	91	-	-	-	-	91
Profit for the year	-	-	11	3	1,473	223	1,710
Total income	-	91	11	3	1,473	223	1,801
Capital reduction	(25)	-	-	-	25	-	-
Purchase of own shares	-	-	-	-	(5,115)	-	(5,115)
Sale of own shares	-	-	-	-	3,806	-	3,806
Employee shares	-	-	-	-	18	-	18
Tax on equity items	-	-	-	-	60	-	60
Adopted dividend etc	-	-	-	-	-	(230)	(230)
Dividends, own shares	-	-	-	-	8	-	8
Total changes in equity in 2007	(25)	91	11	3	275	(7)	348
Shareholders' equity at 31 Dec 2007	675	91	399	11	5,298	223	6,697

As at 31 December 2008 share capital comprises 67,500,000 shares at a nominal value of DKK 10 or a total of DKK 675m. The Bank has only one class of shares as all shares carry the same rights.

Own Holdings – Subordinated Capital (Tier 2)

DKKm	Sydbank Group		Sydbank A/S	
	2008	2007	2008	2007
Own holdings:				
Nominal portfolio of own holdings	45	35	45	35
Nominal portfolio of own holdings as % of share capital	6.6	5.1	6.6	5.1
Shares outstanding (number)	63,011,999	64,034,059	63,011,999	64,034,059
Holding of own shares (number)	4,488,001	3,465,941	4,488,001	3,465,941
Total share capital (number)	67,500,000	67,500,000	67,500,000	67,500,000

Own holdings purchased during the year:

Number of shares	17,400,706	19,417,382	17,400,706	19,417,382
Nominal value	174	194	174	194
Consideration paid	2,741	5,115	2,741	5,115
Number of shares as % of share capital	25.8	28.8	25.8	28.8

Own holdings sold during the year:

Number of shares	16,378,646	14,525,390	16,378,646	14,525,390
Nominal value	164	145	164	145
Consideration received	2,555	3,806	2,555	3,806
Number of shares as % of share capital	24.3	21.5	24.3	21.5

Own holdings have been purchased and sold as part of the ordinary banking transactions/employee share scheme of Sydbank A/S.

Subordinated capital (Tier 2):

					Sydbank Group		Sydbank A/S	
					DKKm		DKKm	
Interest rate		Nominal (m)		Maturity	2008	2007	2008	2007
Floating	Bond loan	EUR	100	29.06.12	745	745	745	745
Floating	Bond loan	EUR	40	17.09.12	298	298	298	298
Floating	Bond loan	DKK	50	29.10.12	50	-	50	-
Floating	Bond loan	EUR	100	21.10.13	745	745	745	745
Floating	Bond loan	EUR	8	31.10.13	55	-	55	-
Floating	Bond loan	DKK	200	14.11.14	200	-	200	-
Floating	Bond loan	EUR	100	04.04.15	744	744	744	744
Total supplementary capital					2,837	2,532	2,837	2,532
Floating	FRN	EUR	100	Perpetual	738	738	738	738
Floating	FRN	EUR	75	Perpetual	559	559	559	559
6.36	FRN	DKK	85	Perpetual	85	-	85	-
Total hybrid capital					1,382	1,297	1,382	1,297
Total subordinated capital (Tier 2)					4,219	3,829	4,219	3,829

Costs relating to the raising and repayment of subordinated capital

- - - -

Solvency

The Group has adopted the following methods and approaches to calculate solvency:

Credit risk outside trading portfolio, retail clients	Advanced IRB
Credit risk outside trading portfolio, corporate clients	Foundation IRB
Credit risk outside trading portfolio, financial counterparties	Standardised Approach
Counterparty risk	Mark-to-Market Method
Valuation of collateral	Financial Collateral Comprehensive Method
Market risk	Standardised Approach
Operational risk	Standardised Approach

A small proportion of exposures to corporate and retail clients is not yet comprised by internal approaches, see page 11.

The Group's portfolio of equity investments includes strategic

shares etc and is included under credit risk outside the trading portfolio in the Group's solvency calculation.

Various types of collateral are used to reduce the risk of the Group's lending portfolio. The most significant types of collateral comprise pledges, sureties and guarantees.

Pledges represent deposit accounts and financial assets in the form of bonds and shares. The Group ensures that the pledged items are separate from clients' right of disposal and that the pledge is of legal validity. Valuation is ensured via the requirements of the Financial Collateral Comprehensive Method according to the executive order on capital adequacy which reduce the value of collateral on the basis of issuer, maturity and liquidity.

The Group has concluded netting agreements with all significant counterparties. Any impact thereof has been taken into account in the calculation of the Group's solvency only if the parties have settled collateral movements.

Sydbank Group

DKKm	2008	1 Jan 2008	2007
	IRB	IRB	Standardised
Solvency (total capital) ratio	14.7	15.8	11.9
Core capital (Tier 1) ratio	10.8	11.5	8.9
Capital base (Tiers 1+2) after deductions:			
Shareholders' equity (Tier 1)	7,088	6,697	6,697
Revaluation reserves	(91)	(91)	(91)
Proposed dividend	-	(223)	(223)
Intangible assets and capitalised tax assets	(26)	(23)	(23)
Core capital (excl hybrid capital)	6,971	6,360	6,360
Hybrid core capital	1,230	1,123	1,123
50% of holdings > 10%	(98)	(89)	(89)
50% of total holdings etc > 10%	(34)	(135)	(135)
Core capital (incl hybrid capital) after deductions	8,069	7,259	7,259
Subordinated loan capital	2,839	2,535	2,535
Revaluation reserves	91	91	91
Hybrid core capital	158	182	182
Difference between expected losses and impairment charges	26	244	-
Capital base before deductions	11,183	10,311	10,067
50% of holdings > 10%	(98)	(89)	(89)
50% of total holdings etc > 10%	(34)	(135)	(135)
Holdings in associates	(62)	(57)	(57)
Capital base (Tiers 1+2) after deductions	10,989	10,030	9,786
Risk-weighted items:			
Credit risk	60,616	51,491	70,151
Market risk	7,261	6,117	6,117
Operational risk	6,731	5,649	5,649
Risk-weighted items	74,608	63,257	81,917
Capital requirement under Pillar I	5,968	5,060	6,553
Pillar II and transitional rules	711	1,187	-
Capital requirement	6,679	6,247	6,553

As of 2008, the solvency and core (tier 1) capital ratios are calculated according to CRD. For 2007, the solvency and core (tier 1) capital ratios are calculated according to the Danish FSA rules in force at that time (Basel I). Risk-weighted items calculated under the Basel I rules amounted to DKK 92,764m at end-2008. Consequently following the transitional rules capital requirements represented 90% of the capital requirement of 8% of risk-weighted items, equivalent to DKK 6,679m.

Cash Flow Statement

	Sydbank Group	
DKKm	2008	2007
Operating activities:		
Pre-tax profit for the year	811	2,257
Taxes paid	(128)	(447)
Adjustment of non-cash operating items:		
Loss on holdings in associates	(17)	(5)
Amortisation and depreciation of intangible assets and property, plant and equipment	188	136
Impairment of loans and advances/guarantees	622	(529)
Other non-cash operating items	(62)	(178)
Total	1,414	1,234
Changes in working capital:		
Credit institutions and central banks	19,691	(3,818)
Trading portfolio	(10,607)	(3,186)
Other financial instruments at fair value	(1,110)	(90)
Loans and advances	(13,353)	(9,315)
Deposits	8,970	16,046
Other assets/liabilities	(3,676)	(612)
Cash flows from operating activities	1,329	259
Investing activities:		
Purchase of holdings in associates	(25)	(54)
Sale of holdings in associates	3	7
Purchase of intangible assets	(16)	0
Purchase of property, plant and equipment	(379)	(203)
Sale of property, plant and equipment	9	68
Cash flows from investing activities	(408)	(182)
Financing activities:		
Purchase and sale of own holdings	(8)	(1,223)
Dividend	(223)	(230)
Raising of subordinated capital (Tier 2)	390	354
Issue of bonds	20	27
Cash flows from financing activities	195	(1,072)
Cash flows for the year	1,116	(995)
Cash equivalent positions at 1 Jan	5,084	6,079
Cash flows for the year (changes during the year)	1,116	(995)
Cash equivalent positions at 31 Dec	6,200	5,084
Cash equivalent positions at 31 Dec:		
Cash and balances on demand at central banks	752	677
Fully secured and cash equivalent balances on demand with credit institutions and insurance companies	5,123	2,058
Unencumbered certificates of deposit	325	2,349
Total cash equivalent positions at 31 Dec	6,200	5,084

Credit Risk

%	Sydbank Group		Sydbank A/S	
	2008	2007	2008	2007
Loans and advances and guarantees by sector and industry:				
Agriculture, hunting and forestry	6.5	5.7	6.5	5.8
Fisheries	0.1	0.1	0.1	0.1
Manufacturing industries, extraction of raw materials, utilities	6.0	6.7	6.0	6.7
Building and construction	2.8	2.7	2.8	2.7
Trade, restaurants and hotels	8.9	9.1	9.0	9.2
Transport, mail and telephone	2.3	2.6	2.3	2.6
Credit, finance and insurance	16.2	13.7	16.3	13.8
Property administration, purchase and sale, and business services	14.3	13.5	14.5	13.8
Other corporate lending	9.0	9.2	9.0	9.3
Total corporate lending	66.1	63.3	66.5	64.0
Public sector	3.4	1.3	3.4	1.3
Retail clients	30.5	35.4	30.1	34.7
Total	100.0	100.0	100.0	100.0

DKKm	2008				2007			
	Retail	SME	Corporate	Total	Retail	SME	Corporate	Total
Past due amounts *:								
0-30 days	103	12	186	301	233	39	572	844
31-60 days	6	1	13	20	31	6	134	171
61-90 days	3	1	13	17	11	3	38	52
Total	112	14	212	338	275	48	744	1,067

Rating:

1	22	0	3	25	64	0	27	91
2	30	1	31	62	72	4	139	215
3	18	3	53	74	47	15	242	304
4	13	3	47	63	32	13	176	221
5	13	3	35	51	41	8	76	125
6	5	1	13	19	16	3	31	50
7	0	1	4	5	1	3	4	8
8	0	0	2	2	1	1	17	19
9	0	0	6	6	1	1	32	34
Not rated (NR)	11	2	18	31	0	0	0	0
Total	112	14	212	338	275	48	744	1,067

* Past due amounts concerning loans and advances etc which have not been subject to individual impairment. Loans and advances and amounts owed payable beyond 90 days are treated as impaired.

As shown above only a very limited share of past due amounts concerns high credit risk clients.

A significant part of the past due amounts at year-end 2007 was due to a lack of formalisation between granted bridge financing or information to clients about internally granted facilities. 2008 focussed on the formalisation thereof and as a result significant reductions in past due amounts have been achieved during the year.

Impairment of Loans and Advances and Provisions for Guarantees

DKKm	Sydbank Group		Sydbank A/S	
	2008	2007	2008	2007
Impairment of loans and advances recognised in the income statement:				
Impairment and provisions	167	(529)	164	(572)
Write-offs	499	28	499	28
Recovered from debt previously written off	44	67	44	67
Impairment of loans and advances etc	622	(568)	619	(611)
Impairment and provisions at 31 Dec:				
Individual impairment and provisions	954	738	904	696
Collective impairment and provisions	152	157	152	157
Impairment and provisions at 31 Dec	1,106	895	1,056	853
Individual impairment of loans and advances and provisions for guarantees:				
Impairment and provisions at 1 Jan	738	1,262	696	1,262
Exchange rate adjustment	5	0	0	0
Impairment and provisions during the year	216	(428)	213	(470)
Other movements	86	0	86	0
Write-offs covered by impairment and provisions	91	96	91	96
Impairment and provisions at 31 Dec	954	738	904	696
Individual impairment of loans and advances	888	698	838	656
Individual provisions for guarantees	66	40	66	40
Impairment and provisions at 31 Dec	954	738	904	696
Collective impairment of loans and advances and provisions for guarantees:				
Impairment and provisions at 1 Jan	157	196	157	196
Impairment and provisions during the year	(5)	(39)	(5)	(39)
Impairment and provisions at 31 Dec	152	157	152	157
Sum of loans and advances and amounts owed subject to collective impairment and provisions	14,286	11,188	14,286	11,188
Collective impairment and provisions	152	157	152	157
Loans and advances and amounts owed after collective impairment and provisions	14,134	11,031	14,134	11,031
Individual impairment of loans and advances subjective to objective evidence of impairment:				
Balance before impairment of individually assessed loans and advances	1,959	1,754	1,909	1,712
Impairment of individually assessed loans and advances	888	698	838	656
Balance after impairment of individually assessed loans and advances	1,071	1,056	1,071	1,056

Distribution by Maturity

DKKm	Sydbank Group		Sydbank A/S	
	2008	2007	2008	2007
Amounts owed by credit institutions and central banks:				
On demand	5,069	3,041	5,038	3,002
3 months or less	4,544	12,949	4,596	13,360
Over 3 months not exceeding 1 year	1,163	798	1,163	798
Over 1 year not exceeding 5 years	1,373	1,402	1,373	1,402
Over 5 years	16	260	16	260
Total	12,165	18,450	12,186	18,822
Loans and advances:				
On demand	18,538	14,415	18,369	13,780
3 months or less	16,314	12,118	16,314	12,118
Over 3 months not exceeding 1 year	33,272	29,438	33,271	29,438
Over 1 year not exceeding 5 years	18,723	20,641	18,723	20,641
Over 5 years	8,911	6,415	8,911	6,415
Total	95,758	83,027	95,588	82,392
Amounts owed to credit institutions and central banks:				
On demand	17,240	7,795	17,310	7,807
3 months or less	19,194	15,364	19,194	15,364
Over 3 months not exceeding 1 year	1,427	3,183	1,427	3,183
Over 1 year not exceeding 5 years	859	1	859	1
Over 5 years	169	180	169	180
Total	38,889	26,523	38,959	26,535
Deposits:				
On demand	42,037	38,735	41,828	38,493
3 months or less	25,579	22,394	25,579	22,394
Over 3 months not exceeding 1 year	2,650	1,284	2,650	1,284
Over 1 year not exceeding 5 years	708	576	708	576
Over 5 years	4,033	3,048	4,033	3,048
Total	75,007	66,037	74,798	65,795
Bonds issued at amortised cost:				
Over 3 months not exceeding 1 year	1,490	-	1,490	-
Over 1 year not exceeding 5 years	8,581	10,054	8,581	10,054
Over 5 years	25	22	25	22
Total	10,096	10,076	10,096	10,076
Subordinated capital (Tier 2):				
Over 1 year not exceeding 5 years	1,837	1,043	1,837	1,043
Over 5 years	2,382	2,786	2,382	2,786
Total	4,219	3,829	4,219	3,829

Derivatives

DKKm	Over 3 months		Over 1 year		2008 Total	2007 Total
	3 months or less	not exceeding 1 year	not exceeding 5 years	Over 5 years		
Nominal values						
Foreign exchange contracts:						
Spot, bought	22,753	-	-	-	22,753	6,291
Spot, sold	17,357	-	-	-	17,357	8,054
Forwards/futures, bought	77,817	9,106	1,622	0	88,545	78,595
Forwards/futures, sold	41,026	5,447	1,432	0	47,905	51,192
Swaps	222	5,649	11,876	446	18,193	17,183
Options, acquired	5,990	1,111	410	0	7,511	4,938
Options, written	5,938	1,790	429	0	8,157	4,395
Interest rate contracts:						
Spot, bought	4,625	-	-	-	4,625	4,707
Spot, sold	1,478	-	-	-	1,478	4,642
Forwards/futures, bought	10,152	1,175	0	0	11,327	16,954
Forwards/futures, sold	14,655	7,260	2,608	0	24,523	18,548
Forward Rate Agreements, bought	13,498	26,018	4,250	0	43,766	36,813
Forward Rate Agreements, sold	13,240	25,374	3,250	0	41,864	39,748
Swaps	33,767	48,691	63,007	74,252	219,717	270,944
Options, acquired	2,790	2,124	2,496	6,389	13,799	31,613
Options, written	1,825	5,261	3,096	4,911	15,093	53,160
Equity contracts:						
Spot, bought	494	-	-	-	494	195
Spot, sold	568	-	-	-	568	202
Forwards/futures, bought	0	0	0	0	0	21
Forwards/futures, sold	28	0	0	0	8	2
Options, acquired	1	0	0	0	1	1
Options, written	1	0	0	0	1	1
Other derivative contracts:						
Futures commodities, bought	9	2	0	0	11	0
Futures commodities, sold	9	2	0	0	11	0
Credit Default Swaps	264	1,120	3,129	317	4,830	356

DKKm	Over 3 months		Over 1 year		2008 Total	2007 Total
	3 months or less	not exceeding 1 year	not exceeding 5 years	Over 5 years		
Net market values						
Foreign exchange contracts:						
Spot, bought	58	-	-	-	58	(8)
Spot, sold	(109)	-	-	-	(109)	35
Forwards/futures, bought	840	163	71	0	1,074	(267)
Forwards/futures, sold	90	(117)	(63)	0	(90)	311
Swaps	22	21	771	40	854	315
Options, acquired	59	60	15	0	134	62
Options, written	(96)	(80)	(15)	0	(191)	(47)
Interest rate contracts:						
Spot, bought	32	-	-	-	32	(2)
Spot, sold	(9)	-	-	-	(9)	3
Forwards/futures, bought	5	1	0	0	6	1
Forwards/futures, sold	(10)	(2)	0	0	(12)	0
Forward Rate Agreements, bought	(60)	(112)	(13)	0	(185)	28
Forward Rate Agreements, sold	54	109	10	0	173	(12)
Swaps	45	23	(67)	(31)	(30)	117
Options, acquired	11	7	137	129	284	159
Options, written	0	(15)	(155)	(89)	(259)	(152)
Equity contracts:						
Spot, bought	3	-	-	-	3	4
Spot, sold	(3)	-	-	-	(3)	0
Forwards/futures, bought	0	0	0	0	0	89
Forwards/futures, sold	9	0	0	0	9	(1)
Options, acquired	2	0	0	0	2	6
Options, written	(2)	0	0	0	(2)	(6)
Other derivative contracts:						
Futures commodities, bought	0	0	0	0	0	10
Futures commodities, sold	0	0	0	0	0	(10)
Credit Default Swaps	0	0	2	0	2	0
Total net market values					1,741	635

Derivatives

DKKm	Total contracts 2008*			Total contracts 2007*		
	Positive	Negative	Net	Positive	Negative	Net
Market values						
Foreign exchange contracts:						
Spot, bought	99	(41)	58	4	(12)	(8)
Spot, sold	23	(132)	(109)	39	(4)	35
Forwards/futures, bought	2,973	(1,899)	1,074	692	(959)	(267)
Forwards/futures, sold	878	(968)	(90)	686	(375)	311
Swaps	1,242	(388)	854	581	(266)	315
Options, acquired	134	0	134	62	0	62
Options, written	0	(191)	(191)	0	(47)	(47)
Interest rate contracts:						
Spot, bought	32	0	32	1	(3)	(2)
Spot, sold	1	(10)	(9)	3	0	3
Forwards/futures, bought	7	(1)	6	5	(4)	1
Forwards/futures, sold	0	(12)	(12)	1	(1)	0
Forward Rate Agreements, bought	0	(185)	(185)	29	(1)	28
Forward Rate Agreements, sold	173	0	173	7	(19)	(12)
Swaps	4,320	(4,350)	(30)	1,247	(1,130)	117
Options, acquired	284	0	284	159	0	159
Options, written	0	(259)	(259)	0	(152)	(152)
Equity contracts:						
Spot, bought	5	(2)	3	11	(7)	4
Spot, sold	2	(5)	(3)	7	(7)	0
Forwards/futures, bought	0	0	0	135	(46)	89
Forwards/futures, sold	9	0	9	1	(2)	(1)
Options, acquired	2	0	2	6	0	6
Options, written	0	(2)	(2)	0	(6)	(6)
Other derivative contracts:						
Futures commodities, bought	0	0	0	10	0	10
Futures commodities, sold	0	0	0	0	(10)	(10)
Credit Default Swaps	390	(388)	2	13	(13)	0
Total market values	10,574	(8,833)	1,741	3,699	(3,064)	635

* All contracts are non-guaranteed.

DKKm	Total contracts 2008			Total contracts 2007		
	Positive	Negative	Net	Positive	Negative	Net
Average market values						
Foreign exchange contracts:						
Spot, bought	59	(71)	(12)	16	(22)	(6)
Spot, sold	49	(87)	(38)	23	(14)	9
Forwards/futures, bought	2,013	(1,365)	648	1,159	(991)	168
Forwards/futures, sold	1,070	(962)	108	919	(432)	487
Swaps	984	(318)	666	345	(169)	176
Options, acquired	160	0	160	53	0	53
Options, written	0	(140)	(140)	0	(42)	(42)
Interest rate contracts:						
Spot, bought	45	(19)	26	2	(43)	(41)
Spot, sold	20	(44)	(24)	44	(2)	42
Forwards/futures, bought	5	(7)	(2)	5	(17)	(12)
Forwards/futures, sold	6	(5)	1	14	(1)	13
Forward Rate Agreements, bought	75	(51)	24	75	(6)	69
Forward Rate Agreements, sold	49	(61)	(12)	8	(59)	(51)
Swaps	2,061	(1,844)	217	1,009	(930)	79
Options, acquired	243	0	243	133	0	133
Options, written	0	(211)	(211)	0	(127)	(127)
Equity contracts:						
Spot, bought	19	(15)	4	34	(22)	12
Spot, sold	14	(20)	(6)	23	(36)	(13)
Forwards/futures, bought	105	(12)	93	131	(7)	124
Forwards/futures, sold	3	(2)	1	2	(2)	0
Options, acquired	6	0	6	18	0	18
Options, written	0	(6)	(6)	0	(18)	(18)
Other derivative contracts:						
Futures commodities, bought	0	0	0	0	0	0
Futures commodities, sold	0	0	0	0	0	0
Credit Default Swaps	137	(135)	2	27	(26)	1
Total average market values	7,123	(5,375)	1,748	4,040	(2,966)	1,074

Average market value calculations are based on monthly statements.

Financial Ratios

Financial ratio	Definition
EPS Basic (DKK)	Profit for the year divided by average number of shares outstanding
EPS Diluted (DKK)	Profit for the year divided by average number of shares outstanding, including dilutive effect of share options and conditional shares
Share price at year-end	Closing price of the Sydbank share at year-end
Book value per share (DKK)	Shareholders' equity at year-end divided by number of shares outstanding at year-end
Solvency (total capital) ratio	Capital base after deductions divided by risk-weighted items
Core capital (Tier 1) ratio	Core capital including hybrid core capital after deductions divided by risk-weighted items
Pre-tax profit as % of average equity	Pre-tax profit divided by average shareholders' equity during the year
Post-tax profit as % of average equity	Post-tax profit divided by average shareholders' equity during the year
Loans and advances relative to deposits	Loans and advances at amortised cost divided by deposits (deposits and other debt and deposits in pooled plans)
Loans and advances relative to equity	Loans and advances at amortised cost divided by shareholders' equity
Growth in loans and advances for the year	Calculated on the basis of loans and advances at amortised cost
Number of full-time staff at year-end	Number of full-time equivalent staff (part-time staff translated into full-time staff) at year-end

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

Notes – Income Statement

Description of risk:

A description of the Group's market risks, credit risks and other risks is included in the financial review.

Note 1

DKKm	Banking*	Markets	Treasury	Other	Total
Business segments 2008:					
Core income excl trading income	2,693	29	-	344	3,066
Trading income	926	205	-	28	1,159
Core income	3,619	234	-	372	4,225
Costs and depreciation	1,780	92	10	612	2,494
Impairment of loans and advances etc	536	-	-	8	544
Core earnings	1,303	142	(10)	(248)	1,187
Loss on investment portfolios	-	-	(295)	(80)	(375)
Profit before non-recurring items	1,303	142	(305)	(328)	812
Non-recurring items, net	162	-	-	-	162
Profit before contribution to the Danish Contingency Committee	1,465	142	(305)	(328)	974
Contribution to the Danish Contingency Committee	-	-	-	163	163
Profit before tax	1,465	142	(305)	(491)	811
Depreciation and impairment of property, plant and equipment	144	-	-	43	187
Additions – property, plant and equipment	295	-	-	84	379
Total assets	89,615	46,475	18,916	969	155,975
Total liabilities	52,015	81,015	-	15,857	148,887
Full-time staff at year-end	2,041	131	7	300	2,479
Business segments 2007:					
Core income excl trading income	2,296	27	-	216	2,539
Trading income	1,168	301	-	19	1,488
Core income	3,464	328	-	235	4,027
Costs and depreciation	1,586	74	13	540	2,213
Impairment of loans and advances etc	(569)	1	-	-	(568)
Core earnings	2,447	253	(13)	(305)	2,382
Loss on investment portfolios	-	-	(172)	(8)	(180)
Profit before non-recurring items	2,447	253	(185)	(313)	2,202
Non-recurring items, net	29	-	-	26	55
Profit before contribution to the Danish Contingency Committee	2,476	253	(185)	(287)	2,257
Contribution to the Danish Contingency Committee	-	-	-	-	-
Profit before tax	2,476	253	(185)	(287)	2,257
Depreciation and impairment of property, plant and equipment	97	-	-	38	135
Additions – property, plant and equipment	124	-	-	79	203
Total assets	82,521	47,709	1,267	826	132,323
Total liabilities	63,596	46,634	-	15,396	125,626
Full-time staff at year-end	1,878	118	7	273	2,276

* Including asset management.

Note 1 – continued

DKKm	Core income	Total assets	2008 Additions PPE	Core income	Total assets	2007 Additions PPE
Geographical segments:						
Denmark	4,020	149,162	339	3,799	125,117	148
Abroad	205	6,813	40	228	7,206	55
Total	4,225	155,975	379	4,027	132,323	203

Note 2

DKKm	Interest income	Interest expense	2008 Market value adj and dividend	Interest income	Interest expense	2007 Market value adj and dividend
Fair value, classified at first recognition:						
Repo/reverse	709	67	0	601	45	0
Sector shares	-	-	67	-	-	86
Total	709	67	67	601	45	86
Fair value, classified as held for sale:						
Bonds, shares and derivatives etc	1,304	-	79	858	-	338
Total	1,304	-	79	858	-	338
Amortised cost:						
Amounts owed/debt	5,444	4,625	-	4,142	3,429	-
Total	5,444	4,625	-	4,142	3,429	-
Total	7,457	4,692	146	5,601	3,474	424

Notes – Income Statement

Note 3 DKKm	Sydbank Group		Sydbank A/S	
	2008	2007	2008	2007
Interest income/forward premium of:				
Amounts owed by credit institutions and central banks	628	540	637	572
Loans and advances and other amounts owed	5,525	4,204	5,510	4,161
Bonds	750	420	751	420
Total derivatives	519	433	521	436
comprising				
Foreign exchange contracts	531	402	533	405
Interest rate contracts	(12)	31	(12)	31
Other interest income	35	4	35	4
Total	7,457	5,601	7,454	5,593

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

Amounts owed by credit institutions and central banks	264	283	264	283
Loans and advances and other amounts owed	445	318	445	318

Note 4

Interest expense to:

Credit institutions and central banks	1,261	815	1,230	821
Deposits and other debt	2,773	2,036	2,736	2,035
Bonds issued	492	437	491	437
Subordinated capital (Tier 2)	232	181	232	181
Other interest expense	7	5	7	5
Total	4,765	3,474	4,696	3,479

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

Amounts owed to credit institutions and central banks	52	36	52	36
Deposits and other debt	15	9	15	9

Note 5	Sydbank Group		Sydbank A/S	
	2008	2007	2008	2007
DKKm				
Fee and commission income:				
Securities trading and custody accounts	751	1.004	726	960
Payment services	166	158	166	158
Loan fees	72	70	72	70
Guarantee commission	96	128	96	128
Other fees and commission	171	94	166	90
Total fee and commission income	1,256	1,454	1,226	1,406
Total fee and commission expense	172	172	159	170
Net fee and commission income	1,084	1,282	1,067	1,236
Fees and commission concerning financial assets and liabilities	168	190	168	190
Fees and commission from asset management activities	282	365	274	353
Other fees and commission	634	727	625	693
Net fee and commission income	1,084	1,282	1,067	1,236

Note 6

Market value adjustments:

Other loans and advances and amounts owed at fair value	6	1	6	1
Bonds	139	21	139	21
Shares etc	(151)	(9)	(151)	(9)
Investment property	0	17	0	17
Foreign exchange	250	530	244	524
Derivatives	(129)	(160)	(129)	(161)
Assets related to pooled plans	(1,281)	(105)	(1,281)	(105)
Deposits in pooled plans	1,281	105	1,281	105
Other assets/liabilities	0	0	0	0
Total	115	400	109	393
Trading portfolio	65	326	59	319
Equity investments	50	74	50	74
Total	115	400	109	393

Note 7

Other operating income:

Rental income – real property	12	13	11	12
Negative goodwill in connection with acquisition of bankTrelleborg	119	-	119	-
Other operating income	12	20	12	8
Total	143	33	142	20

Notes – Income Statement

Note 8 DKK m	Sydbank Group		Sydbank A/S	
	2008	2007	2008	2007
Staff costs and administrative expenses:				
Salaries and emoluments to:				
Group Executive Management:				
Salaries	15	11	15	11
Pensions	2	2	2	2
Board of Directors	3	3	3	3
Shareholders' Committee	2	2	2	2
Total	22	18	22	18
Staff costs:				
Wages and salaries	1,199	1,030	1,172	1,007
Pensions	125	110	122	107
Social security contributions	8	8	8	8
Payroll tax etc	98	97	96	96
Total	1,430	1,245	1,398	1,218
Other administrative expenses:				
IT	563	420	558	415
Rent etc	160	122	163	127
Marketing and entertainment expenses	88	86	85	81
Other expenses	186	176	176	164
Total	997	804	982	787
Total	2,449	2,067	2,402	2,023
Audit fees:				
Total fees to the AGM elected audit firm	3	2	2	1
Of which non-audit services	2	1	1	-

In addition to the fees paid to the AGM elected audit firm, costs have been incurred in operating the Group's Internal Audit.

Group Executive Management – severance terms:

Carsten Andersen

There is a mutual notice of termination of 12 months. In respect of dismissal by the Bank Carsten Andersen is entitled to receive severance pay equal to 24 months' salary.

Preben Lund Hansen

There is a mutual notice of termination of 6 months. In respect of dismissal by the Bank Preben Lund Hansen is entitled to receive severance pay equal to 18 months' salary.

Karen Frøsig and Allan Nørholm

The notice of termination is 6 and 12 months for the Deputy Group Chief Executive and the Bank, respectively. In respect of dismissal by the Bank the Deputy Group Chief Executive is entitled to receive severance pay equal to 12 months' salary.

Note 9	Sydbank Group		Sydbank A/S	
	2008	2007	2008	2007

DKK m				
Staff:				
Average number of staff (full-time equivalent)	2,504	2,285	2,466	2,254

Note 10

Profit on holdings in associates and subsidiaries:

Profit on holdings in associates etc	17	11	17	11
Profit on holdings in subsidiaries	-	26 *	(59)	10
Total	17	37	(42)	21

* Gain on sale of DMK-Holding of DKK 26m.

Note 11

Tax:				
Tax calculated on profit for the year	23	559	23	553
Deferred tax	173	(1)	157	14
Reduction in corporation tax rate	-	(12)	-	(12)
Adjustment of tax calculated for previous years	9	1	11	2
Total	205	547	191	557

Tax on equity items:

Tax on equity items concerning current tax	(160)	(60)	(160)	(60)
Total	(160)	(60)	(160)	(60)

Effective tax rate:

Current tax rate of Sydbank	25.0	25.0	25.0	25.0
Permanent differences	(0.8)	(0.8)	(2.3)	(0.5)
Adjustment of tax of previous years	1.1	0.1	1.3	0.1
Effective tax rate	25.3	24.3	24.0	24.6

Deferred tax:

Deferred tax 1 Jan	91	104	107	104
Additions – acquisition of entities	(90)	-	(90)	-
Reduction in corporation tax rate	-	(12)	-	(12)
Deferred tax for the year	13	(1)	1	15
Deferred tax at 31 Dec, net	14	91	18	107

Deferred tax assets	10	23	7	7
Deferred tax liabilities	24	114	25	114
Deferred tax at 31 Dec, net	14	91	18	107

Notes – Income Statement

Note 11 – continued				Sydbank Group			
DKKm				2008	2007		
	1 Jan	Additions – acquisition of entities	Recognised in profit for the year	31 Dec	1 Jan	Recognised in profit for the year	31 Dec
Deferred tax:							
Loans and advances at amortised cost	157	(87)	80	150	128	29	157
Bonds at fair value	-	-	-	-	(6)	6	-
Land and buildings	3	1	(1)	3	4	(1)	3
Property, plant and equipment	(23)	(5)	(2)	(30)	(18)	(5)	(23)
Intangible assets	-	4	-	4	-	-	-
Other assets	4	1	56	61	6	(2)	4
Provisions	(8)	-	6	(2)	(5)	(3)	(8)
Subordinated capital (Tier 2)	(3)	-	3	-	(2)	(1)	(3)
Other liabilities	(25)	(4)	1	(28)	(5)	(20)	(25)
Capitalised losses, foreign entities	(16)	-	13	(3)	-	(16)	(16)
Capitalised losses, jointly taxed income	-	-	(143)	(143)	-	-	-
Retaxation balance	2	-	-	2	2	-	2
Deferred tax at 31 Dec, net	91	(90)	13	14	104	(13)	91

In addition to the deferred tax charge provided for in the balance sheet, there is deferred tax of DKK 13m (2007: DKK 6m) concerning the portfolio of equity investments held for less than three years.

Notes – Balance Sheet

Note 12

Sydbank Group

DKKm	2008			2007		
	Fair value, classified at first recognition	Fair value, held for sale	Amortised cost	Fair value, classified at first recognition	Fair value, held for sale	Amortised cost
Financial assets:						
Cash and balances on demand at central banks	-	-	752	-	-	677
Amounts owed by credit institutions and central banks	2,408	-	9,757	7,914	-	10,536
Loans and advances at fair value	13,282	-	-	8,552	-	-
Loans and advances at amortised cost	-	-	82,476	-	-	74,475
Bonds at fair value	-	26,749	-	-	16,145	-
Shares etc	705	610	-	644	667	-
Other assets	50	11,256	225	38	3,913	360
Total	16,445	38,615	93,210	17,148	20,725	86,048
Undrawn credit facilities	-	-	31,801	-	-	34,417
Maximum credit risk, collateral not considered	16,445	38,615	125,061	17,148	20,725	120,465
Financial liabilities:						
Amounts owed to credit institutions and central banks	1,108	-	37,781	577	-	25,946
Deposits and other debt	-	-	75,007	-	-	66,037
Bonds issued at amortised cost	-	-	10,096	-	-	10,076
Other liabilities	-	8,833	629	-	3,064	508
Subordinated capital (Tier 2)	-	-	4,219	-	-	3,829
Total	1,108	8,833	127,732	577	3,064	106,396

Note 13

Sydbank Group

Sydbank A/S

DKKm	2008		2007	
	2008	2007	2008	2007
Amounts owed by credit institutions and central banks:				
Amounts owed at notice by central banks	340	2,358	340	2,358
Amounts owed by credit institutions	11,825	16,092	11,846	16,464
Total	12,165	18,450	12,186	18,822

Notes – Balance Sheet

Note 14	Sydbank Group		Sydbank A/S	
	2008	2007	2008	2007
DKKm				
Bonds at fair value (trading portfolio):				
Mortgage bonds	25,651	14,730	25,651	14,730
Government bonds	926	816	926	816
Other bonds	172	599	172	599
Total	26,749	16,145	26,749	16,145

Note 15

Shares etc:

Listed on Nasdaq OMX Copenhagen	252	358	252	358
Listed on other exchanges	268	290	268	290
Unlisted shares recognised at fair value	795	663	795	663
Total	1,315	1,311	1,315	1,311
Trading portfolio	610	667	610	667
Portfolio of equity investments	705	644	705	644
Total	1,315	1,311	1,315	1,311

Note 16

Collateral:

At the end of 2008 the Group had deposited securities at a market value of DKK 19,526m with Danish and foreign exchanges and clearing centres etc in connection with margin calls and securities settlements etc.

Note 17

Associates:

Carrying amount at 1 Jan	201	149	201	147
of which credit institutions	-	-	-	-
Cost at 1 Jan	193	146	193	143
Exchange rate adjustment	0	-	0	-
Additions	25	54	25	55
Disposals	3	7	3	5
Cost at 31 Dec	215	193	215	193
Revaluations and impairment at 1 Jan	8	3	8	4
Dividends	(8)	(7)	(8)	(7)
Revaluations and impairment for the year	17	12	17	12
Reversal of revaluations and impairment	0	0	0	(1)
Revaluations and impairment at 31 Dec	17	8	17	8
Carrying amount at 31 Dec	232	201	232	201
of which credit institutions	-	-	-	-

Note 18	Sydbank Group		Sydbank A/S	
	2008	2007	2008	2007
DKK m				
Subsidiaries:				
Carrying amount at 1 Jan	-	-	229	220
of which credit institutions	-	-	216	188
Cost at 1 Jan	-	-	559	560
Exchange rate adjustment	-	-	30	(7)
Additions	-	-	60	40
Disposals	-	-	1	34
Cost at 31 Dec	-	-	648	559
Revaluations and impairment at 1 Jan	-	-	(330)	(340)
Exchange rate adjustment	-	-	(6)	2
Profit/(Loss)	-	-	(59)	(15)
Dividends	-	-	-	-
Other capital movements	-	-	-	9
Revaluations and impairment for the year	-	-	-	-
Reversal of revaluations and impairment	-	-	1	(14)
Revaluations and impairment at 31 Dec	-	-	(396)	(330)
Carrying amount at 31 Dec	-	-	252	229
of which credit institutions	-	-	206	216

Note 19

Intangible assets:				
Carrying amount at 1 Jan	-	-	-	-
Purchase price at 1 Jan	-	-	-	-
Additions	16	-	16	-
Total purchase price at 31 Dec	16	-	16	-
Depreciation and impairment at 1 Jan	-	-	-	-
Depreciation and impairment for the year	1	-	1	-
Depreciation and impairment at 31 Dec	1	-	1	-
Carrying amount at 31 Dec	15	-	15	-

Notes – Balance Sheet

Note 20 DKKm	Sydbank Group		Sydbank A/S	
	2008	2007	2008	2007
Investment property:				
Fair value at 1 Jan	3	44	3	44
Additions, including improvements	6	1	6	1
Disposals	-	42	-	42
Value adjustments at fair value for the year	(1)	0	(1)	0
Fair value at 31 Dec	8	3	8	3
Rental income recognised in profit or loss	1	2	1	2
Operating expenses	1	1	1	1

Note 21

Owner-occupied property:				
Carrying amount at 1 Jan	849	725	676	552
Exchange rate adjustment	0	0	0	0
Additions, including improvements	217	109	136	78
Disposals	9	25	9	0
Depreciation for the year	6	5	4	4
Revaluation surplus	26	91	2	82
Impairment at revaluation	76	46	54	32
Carrying amount at 31 Dec	1,001	849	747	676

Note 22

Other property, plant and equipment:				
Carrying amount at 1 Jan	116	108	107	107
Cost at 1 Jan	405	366	386	355
Exchange rate adjustment	0	0	0	0
Additions	156	93	155	82
Disposals	59	54	56	51
Cost at 31 Dec	502	405	485	386
Depreciation and impairment at 1 Jan	289	258	279	248
Exchange rate adjustment	(1)	0	0	0
Depreciation for the year	103	84	100	82
Reversal of depreciation and impairment	47	53	44	51
Depreciation and impairment at 31 Dec	344	289	335	279
Carrying amount at 31 Dec	158	116	150	107

Note 23	Sydbank Group		Sydbank A/S	
	2008	2007	2008	2007
DKK m				
Other assets:				
Positive market value of derivatives etc	10,574	3,699	10,574	3,699
Sundry debtors	265	345	240	316
Interest and commission receivable	957	612	957	612
Other assets	0	0	0	0
Total	11,796	4,656	11,771	4,627

Note 24

Amounts owed to credit institutions and central banks:				
Amounts owed to central banks	17,570	3,856	17,570	3,856
Amounts owed to credit institutions	21,319	22,667	21,389	22,679
Total	38,889	26,523	38,959	26,535

Note 25

Deposits and other debt:				
On demand	37,843	37,192	37,634	36,950
At notice	727	735	727	735
Time deposits	30,784	23,703	30,784	23,703
Special categories of deposits	5,653	4,407	5,653	4,407
Total	75,007	66,037	74,798	65,795

Note 26

Other liabilities:				
Negative market value of derivatives etc	8,833	3,064	8,833	3,064
Sundry creditors	5,286	8,505	5,240	8,468
Interest and commission etc	629	508	629	507
Other liabilities	16	6	0	6
Total	14,764	12,083	14,702	12,045

Note 27

Provisions:				
Provisions for pensions and similar obligations	4	2	4	2
Provisions for deferred tax	24	114	25	114
Provisions for guarantees	66	40	66	40
Other provisions	9	29	9	29
Total provisions	103	185	104	185

Notes – Balance Sheet

Note 27 – continued DKKm	Sydbank Group 2008				
	Provisions for pensions and similar obligations	Provisions for deferred tax	Provisions for guarantees	Other provisions	Total provisions
Carrying amount at 1 Jan	2	114	40	29	185
Additions	2	13	63	5	83
Disposals	0	103	37	25	165
Carrying amount at 31 Dec	4	24	66	9	103

Other provisions mainly concern provisions for onerous contracts and legal actions.

Note 28 DKKm	Sydbank Group		Sydbank A/S	
	2008	2007	2008	2007

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	2,408	7,914	2,408	7,914
Loans and advances at fair value	13,282	8,551	13,282	8,551

Assets bought as part of genuine sale and repurchase transactions

Asset item:

Bonds at fair value	16,039	14,930	16,039	14,930
Shares etc	4	1,237	4	1,237

Of the below liability items genuine sale and repurchase transactions amount to:

Amounts owed to credit institutions and central banks	1,108	577	1,108	577
Deposits and other debt	-	-	-	-

Assets sold as part of genuine sale and repurchase transactions

Asset item:

Bonds at fair value	1,108	571	1,108	571
Shares etc	-	-	-	-

Note 29

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 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, including leasing, 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 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 assets" and represents DKK 20m as at 31 December 2008.

During the year a net loss on hedging transactions of DKK 29m has been recorded. The loss eliminates the equivalent net gain on the hedged items.

DKKm	Sydbank Group		Sydbank A/S	
	2008	2007	2008	2007
Loans and advances:				
Carrying amount	1,741	1,735	1,741	1,735
Deposits:				
Carrying amount	1,800	1,063	1,800	1,063
The following derivatives are used to hedge the above:				
Forward Rate Agreements:				
Notional amount	39	89	39	89
Fair value	1	1	1	1
Swaps:				
Notional amount	323	882	323	882
Fair value	(20)	7	(20)	7

Notes – Balance Sheet

Note 30 DKKm	Sydbank Group		Sydbank A/S	
	2008	2007	2008	2007
Contingent liabilities and other obligating agreements:				
Contingent liabilities:				
Financial guarantees	3,050	3,829	2,962	3,853
Mortgage finance guarantees	979	1,609	979	1,609
Registration and remortgaging guarantees	3,239	3,738	3,239	3,738
Loss guarantee/guarantee, the Danish Contingency Committee	871	-	871	-
Other contingent liabilities	1,436	1,470	1,436	1,470
Total	9,575	10,646	9,487	10,670
Other obligating agreements:				
Irrevocable credit commitments	5	235	5	235
Other liabilities*	74	87	132	148
Total	79	322	137	383
* Including intragroup liabilities in relation to rented premises	-	-	63	67

The Group is party to a number of legal actions. These actions are under continuous review and the necessary provisions made are based on an assessment of the risk of loss. Pending legal actions are not expected to have any significant impact on the financial position of the Group.

Sydbank and the majority of Danish banks participate in the government guarantee scheme which was adopted by the Danish parliament on 10 October 2009. The scheme extends from 5 October 2008 to 30 September 2010 and involves an unconditional government guarantee for the obligations of Danish banks, except for subordinated capital and covered bonds.

The individual bank's share of the guarantee commission and the commitment to cover losses is calculated on the basis of the part of the bank's necessary capital base that can be allocated to activities covered by the guarantee.

Notes – Supplementary Information

Note 31

Sydbank Group

DKKkm	2008 Group			2007 Group		
	Associates	Board of Directors	Executive Management	Associates	Board of Directors	Executive Management
Related parties:						
Loans and advances and loan commitments	0	77	0	7	96	1
Deposits and other debt	178	58	7	52	34	13
Guarantees issued	-	-	4	-	0	8
Collateral received	-	8	-	-	13	-
Interest income	0	2	0	0	2	0
Interest expense	2	2	0	2	2	0
Fee and commission income	0	0	0	18	0	0
Other expenses	417	-	-	298	-	-

Interest rates 2008:

Group Executive Management: 5.75-7.00% p.a.

Board of Directors: 2.00-8.25% p.a.*

* Interest rates concern loans in different currencies.

There are no parties with significant influence in Sydbank A/S (ownership share > 20%). The Group Structure on page 40 shows a list of associates. The Board of Directors and the Group Executive Management columns comprise the Group's business transactions with members of the Board of Directors and the Group Executive Management and their dependants. Note 8 specifies the remuneration of the management. Other expenses include primarily IT costs to Bankdata. Transactions with related parties are settled on market terms and are subject to the terms and conditions in force. No unusual transactions took place with related parties in 2008.

Note 32

Sydbank Group

Sydbank A/S

DKKkm	2008		2007	
	Sydbank Group	Sydbank A/S	Sydbank Group	Sydbank A/S
Amounts owed by and to subsidiaries etc:				
Amounts owed by credit institutions and central banks	-	-	62	411
Loans and advances at amortised cost	-	-	181	156
Total asset items	-	-	243	567
Amounts owed to credit institutions	-	-	70	12
Deposits and other debt	-	-	-	1
Total liability items	-	-	70	13

Notes – Supplementary Information

Note 33

DKKm	Pension plans	Children's savings plans	2008 Total pooled plans	Pension plans	Children's savings plans	2007 Total pooled plans
Pooled plans:						
Income statement:						
Interest income/forward premium of:						
Cash deposits	6	0	6	5	0	5
Indexed bonds	26	1	27	24	1	25
Other bonds	189	9	198	166	8	174
Derivatives	(1)	0	(1)	(3)	0	(3)
Total interest income	220	10	230	192	9	201
Dividend from:						
Shares etc	57	2	59	51	2	53
Units	24	1	25	8	0	8
Total dividend	81	3	84	59	2	61
Market value adjustments of:						
Indexed bonds	2	0	2	(42)	(1)	(43)
Other bonds etc	(95)	(4)	(99)	(93)	(4)	(97)
Shares etc	(1,027)	(31)	(1,058)	92	3	95
Units	(124)	(4)	(128)	0	0	0
Foreign exchange	12	0	12	(57)	(2)	(59)
Derivatives	(10)	0	(10)	(1)	0	(1)
Total market value adjustments	(1,242)	(39)	(1,281)	(101)	(4)	(105)
Fee and commission expense	73	3	76	71	3	74
Net profit/(loss) of pooled plans	(1,014)	(29)	(1,043)	79	4	83
Balance sheet at 31 Dec:						
Assets:						
Cash deposits	300	10	310	263	10	273
Indexed bonds	445	6	451	530	9	539
Other bonds	3,109	156	3,265	3,453	167	3,620
Shares in Sydbank A/S	-	-	-	-	-	-
Other shares etc	1,510	46	1,556	2,113	65	2,178
Units	186	6	192	168	6	174
Other assets	3	0	3	5	0	5
Total assets	5,553	224	5,777	6,532	257	6,789

Note 34

	2008	2007	2006	2005	2004
Key figures and financial ratios – Sydbank A/S					
Income statement highlights (DKKm)					
Net interest and fee income	3,856	3,374	3,039	2,667	2,488
Market value adjustments	109	393	795	501	372
Staff costs and administrative expenses	2,402	2,023	1,889	1,715	1,617
Impairment of loans and advances etc	519	(611)	(171)	65	225
Profit/(Loss) on holdings in associates etc	(42)	21	1	5	27
Profit for the year	606	1,710	1,514	936	750
Balance sheet highlights (DKKbn)					
Loans and advances	95.6	82.4	72.4	60.6	47.6
Shareholders' equity (Tier 1)	7.1	6.7	6.3	5.0	4.4
Total assets	155.8	132.1	114.6	98.9	78.5
Financial ratios per share (DKK per share of DKK 10)					
EPS	9.0	25.6	22.1	13.7	10.7
Book value	105.0	104.6	92.1	72.9	63.6
Dividend	-	3.0	3.0	3.0	3.0
Share price/EPS	7.1	8.6	12.3	11.1	10.1
Share price/book value	0.61	2.10	2.93	2.07	1.69
Other financial ratios					
Solvency (total capital) ratio	14.8	12.1	11.4	10.7	11.4
Core capital (Tier 1) ratio	10.9	9.0	8.7	7.8	9.3
Pre-tax profit as % of avg shareholders' equity	11.6	34.8	36.2	27.9	22.3
Post-tax profit as % of avg shareholders' equity	8.8	26.2	26.7	19.9	17.0
Income/cost ratio (DKK)	1.24	2.46	2.14	1.70	1.51
Interest rate risk	1.4	2.6	2.0	2.4	3.4
Foreign exchange position	11.4	1.6	10.2	2.8	1.5
Foreign exchange risk	0.0	0.0	0.1	0.1	0.0
Loans and advances relative to deposits	1.2	1.1	1.3	1.2	1.1
Loans and advances relative to shareholders' equity	13.5	12.3	11.4	12.1	10.7
Growth in loans and advances for the year	16.0	14.1	19.5	27.3	19.5
Excess cover relative to statutory liquidity requirements	89.8	103.1	74.0	93.7	114.3
Total large exposures	23.7	46.3	34.7	93.9	61.5
Impairment ratio for the year	0.65	(0.7)	(0.2)	0.1	0.4

Financial ratios are determined by the Danish FSA's executive order on financial reporting of credit institutions and brokerage firms etc.

Notes – Supplementary Information

DKKm	Note 35						Sydbank Group		
	Gross investments	Unearned interest	2008 Net investments	Gross investments	Unearned interest	2007 Net investments			
Lease payment receivables – finance leases:									
Maturity:									
1 year or less	1,323	215	1,108	1,067	180	887			
Over 1 year not exceeding 5 years	3,171	367	2,804	2,782	296	2,486			
Over 5 years	363	27	336	285	20	265			
Total	4,857	609	4,248	4,134	496	3,638			

Lease payment receivables comprise receivables on leasing of various operating equipment under non-cancellable leases. The leases are fixed-rate and floating-rate leases in foreign and Danish currencies.

Loans and advances at amortised cost include finance lease payment receivables of DKK 4,248m at year-end 2008 (2007: DKK 3,638m).

Impairment of uncollectible lease payment receivables totals less than DKK 3m (2007: DKK 1m).

Note 36

Fair value of financial instruments:

Financial instruments are included in the balance sheet either at fair value or at amortised cost.

Fair value is the amount for which a financial asset can be traded between willing parties in an arm's length transaction. If there is an active market, the quoted price is applied. However as regards a number of financial assets and liabilities there is no quoted price in an active market. Instead the Group uses an estimated value based on discounted cash flows or other recognised estimation or valuation techniques based on market terms existing at the balance sheet date.

In general measurement techniques are applied to OTC derivatives and unlisted assets. The most frequently applied measurement models and estimation and assessment techniques include the pricing of transactions with future settlement and swap models incorporating present value calculation, credit pricing models as well as option models, for instance Black-Scholes models.

Financial instruments recognised at amortised cost

The vast majority of the Group's amounts owed, loans and advances and deposits cannot be transferred without the prior consent of the clients and there is not an active market for trading in such financial instruments. Consequently fair value disclosures are solely based on circumstances where market conditions have changed after the initial recognition of the instrument, including in particular changes in interest rates. Fair value disclosures on financial instruments recognised at amortised cost are based on the assumptions below:

- As regards financial instruments for which a quoted price exists in the market, such a price is applied. This applies to bonds issued and subordinated capital (Tier 2). In the absence of a quoted price, the value is determined on the basis of estimates of the current return requirements of the market.
- As regards loans and advances impairment is presumed to equal the fair value of the credit risk.
- As regards financial instruments with an interest rate risk of less than six months, amortised cost is presumed to equal fair value.
- As a rule the interest rate risk of fixed-rate deposits and loans and advances exceeding six months is hedged by entering into derivative contracts. The hedge is treated as a fair value hedge for accounting purposes. As a result of the application of these rules this portfolio has been recognised at fair value in the balance sheet. The portfolio comprises loans and advances, deposits, forward rate agreements and swaps, see note 29.

Based on the above the overall assessment is that the fair value of loans and advances and deposits corresponds to the carrying amount at 31 December 2008 in all material respects.

DKKm	2008		2007	
	Carrying amount	Fair value	Carrying amount	Fair value
Bonds issued at amortised cost	10,096	9,665	10,076	10,004
Subordinated capital (Tier 2)	4,219	3,044	3,829	3,580

Note 37

Reporting events occurring after the balance sheet date:

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

Notes – Supplementary Information

Note 38

Acquisition of subsidiaries:

In January 2008 Sydbank concluded an agreement for the purchase of the shares in 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 2008-31 December 2008 cannot be made up separately as costs etc are not recorded separately as regards the activity acquired. In addition the entire treasury area including interest items is fully integrated into Sydbank. The 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 the value of customer relations and the purchase price.

In accordance with IFRS negative goodwill is recognised as income in 2008. Negative goodwill is cancelled out by integration costs etc which amount to DKK 143m for the 2008 financial year. Negative goodwill and integration costs etc are included under "Non-recurring items, net" in financial highlights.

The opening balance sheet includes an adjustment of loans and advances at fair value of DKK 324m compared with the carrying amount before acquisition.

DKKm	Fair value at time of acquisition	Carrying amount before acquisition
Acquired net assets:		
Amounts owed by credit institutions	1,441	1,441
Loans and advances	4,951	5,275
Bonds	465	465
Shares etc	121	124
Tax assets	104	24
Intangible assets, customer relations	16	-
Property, plant and equipment	42	43
Other assets	895	891
Total assets	8,035	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	345	600
Negative goodwill	(119)	
Purchase price	226	

The carrying amounts have been determined immediately preceding the date of acquisition in accordance with the accounting policies (IFRS) of bankTrelleborg.

Stock Exchange Announcements and Financial Calendar

Announcements to Nasdaq OMX Copenhagen 2008 – 2009

Announcement	Date	Contents
01/08	21 January 2008	Sydbank to acquire bankTrelleborg
02/08	24 January 2008	Sydbank's acquisition of af bankTrelleborg
03/08	29 January 2008	Sydbank's preliminary announcement of 2007 annual results
04/08	1 February 2008	bankTrelleborg now subsidiary of the Sydbank Group
05/08	8 February 2008	Notice convening the Annual General Meeting of Sydbank A/S
06/08	19 February 2008	Sydbank's 2007 Annual Report, acquisition of bankTrelleborg as well as change in Sydbank's Board of Directors
07/08	28 February 2008	Annual General Meeting of Sydbank A/S
08/08	6 March 2008	Sydbank to accept Totalkredit/Nykredit offer of an amended collaboration agreement – taxable additional income of DKK 185m for the Sydbank Group
09/08	27 March 2008	The merger between Sydbank and bankTrelleborg a fact
10/08	8 April 2008	Employee shares in Sydbank
11/08	22 April 2008	Sydbank's Quarterly Report – Q1 2008
12/08	16 July 2008	Sydbank's acquisition of bankTrelleborg
13/08	12 August 2008	Sydbank's 2008 Interim Report
14/08	14 August 2008	ATP owns more than 5% of Sydbank's share capital
15/08	3 October 2008	Sydbank's Group Executive Management
16/08	6 October 2008	Sydbank to join new government guarantee scheme
17/08	8 October 2008	Sydbank's exposure to Iceland
18/08	21 October 2008	Sydbank's Q1-Q3 2008 Report
19/08	27 October 2008	Sydbank's 2009 financial calendar
01/09	21 January 2009	Sydbank's acquisition of bankTrelleborg

Financial Calendar/Scheduled Announcements

17 February 2009	Sydbank's 2008 Annual Report
5 March 2009	Annual General Meeting of Sydbank A/S
28 April 2009	Quarterly Report – Q1 2009
18 August 2009	2009 Interim Report
27 October 2009	Quarterly Report – Q1-Q3 2009

Shareholders' Meetings 2009

Region	Date	Time	Venue
Aabenraa	Monday 16 March	6:30 pm	Aabenraa Svømme- og Idrætscenter
Copenhagen	Monday 9 March	6:30 pm	The Royal Library, The Queen's Hall (The Black Diamond)
Esbjerg	Thursday 12 March	6:30 pm	Musikhuset
Gråsten	Wednesday 18 March	6:30 pm	Ahlmannsparken
Horsens	Thursday 19 March	6:30 pm	Forum Horsens
Kolding	Tuesday 17 March	6:30 pm	Kolding Teater
Nordborg	Thursday 19 March	6:30 pm	Nord-Als Idrætscenter
Odense	Wednesday 11 March	6:30 pm	Radisson SAS H.C. Andersen Hotel
Padborg	Tuesday 10 March	6:30 pm	Grænsehal 3, Kruså
Svendborg	Thursday 12 March	6:30 pm	Svendborg Erhvervsskole
Sønderborg	Tuesday 10 March	6:30 pm	Frihedshallen
Tønder	Monday 16 March	6:30 pm	Tønderhal 2
Varde	Wednesday 11 March	6:30 pm	Hotel Arnbjerg
Vejle	Tuesday 17 March	6:30 pm	Torvehallerne
Århus	Monday 9 March	6:30 pm	Scandinavian Congress Center

Notice Convening the Annual General Meeting

Notice convening the Annual General Meeting of Sydbank A/S

On Thursday 5 March 2009 at 3:00pm, Sydbank's Annual General Meeting will be held at Folkehjem, Haderslevvej 7, 6200 Aabenraa.

Agenda according to Article 8 of the Articles of Association:

1. Board of Directors' report on the Bank's activities in 2008.
2. Submission of the audited annual report for adoption.
3. Motion for the allocation of profit according to the adopted annual report.
4. Election of Shareholders' Committee members.
5. Election of auditor.
6. Proposal for the following to be added to Article 2 (2) of the Articles of Association:
"The Bank's share register is maintained by VP Investor Services A/S (VP Services A/S), Weidekampsgade 14, 2300 Copenhagen S."
7. Authority to the Board of Directors to raise hybrid core capital (capital injection) in accordance with the Danish Act on Government Capital Injections in Credit Institutions ("lov om statsligt kapitalindskud i kreditinstitutter") provided that the Bank's total hybrid core capital does not exceed 35% of the Bank's core capital. The authority will remain in force until the next Annual General Meeting.
8. Authority to the Board of Directors to allow the Bank to acquire own shares in the period until the next Annual General Meeting.
9. Proposals submitted by the Board of Directors or shareholders.
10. Any other business.

The agenda, complete proposals and audited annual report will be available at Sydbank's branches for inspection by the shareholders no later than eight days before the Annual General Meeting.

The Bank's share capital totals DKK 675,000,000.

As regards the shareholders' voting rights, reference is made to Article 10 of the Articles of Association.

Admission cards for the Annual General Meeting can be ordered at any of Sydbank's branches no later than Monday 2 March 2009.

Aabenraa, 13 February 2009

The Board of Directors of Sydbank A/S
Kresten Philipsen, Chairman

Organisation

Board of Directors

Internal Audit
Ole Kirkbak

Group Executive Management

Carsten Andersen

Preben Lund Hansen

Karen Frøsig

Allan Nørholm

Central functions

Global Payments &
Cash Management
Niels Skylvad

Legal Department
Karin Sønderbæk

Merchant Bank
Bjarne Larsen

Business Processes
Mogens Kristensen

Operations
Jørgen Møller Madsen

Human Resources/IT
Niels Møllegaard

Communications
Eva Sand

Sydbank Markets
Lars Bolding

Accounting
Mogens Sandbæk

Credits
Per Klitt Jensen

Asset Management
Michael Andersen

Retail & Corporate Clients
Jess Olsen

Markets – Clients
Per Olesen

Line functions

Esbjerg Region
Brian Knudsen

Svendborg Region
Ole Laugesen

Corporate Banking
Jens Lund-Hansen

Copenhagen Region
Henning Juhl Jessen

Sønderborg Region
Oskar Tygesen

Sydbank in Germany
Kim Møller Nielsen

Horsens Region
Henning Barsøe

Tønder Region
Arne Jørgensen

Private Banking International
Allan W. Larsen

Kolding Region
Finn Boel Pedersen

Varde Region
Finn Christensen

Sydbank (Schweiz) AG
Dr. Thomas König

Herning Region
Niels Vestermark

Vejle Region
Tina Kromann Lyngsø

Sydleasing
Jette Clausen

Odense Region
Niels K. Andersen

Aabenraa Region
Jørn Andersen

Padborg Region
Kaj Risom

Aalborg Region
Laurits Brandt Andersen

Slagelse Region
Hans Iversen

Århus Region
Jørn Ibsen

Board of Directors and Group Executive Management

Board of Directors

Immediately following the Bank's AGM on 28 February 2008 Vagn F. Christensen resigned from the Board of Directors due to emigration. No new members were elected to the Board of Directors.

Following the AGM the Board of Directors elected its Chairman, Kresten Philipsen and Vice-Chairman, Anders Thoustrup.

Chairman

Kresten Philipsen

Lundtoftbjerg, Aabenraa

Born 29 June 1945.

Elected to Board of Directors in 1999.

Farmer, former county mayor, Chairman of the Boards of Directors of

Privathospitalet Kollund A/S, Syd Energi Holding A/S and DONG Energy Power

A/S. Member of the Boards of Directors of Dansk-Tysk Landbrugsinvestering A/S,

Gråsten, A/S Planrningselskabet Sønderjylland, Netsam A/S, Dalgas-gruppen A/S and DONG Energy A/S.

Vice-Chairman

Anders Thoustrup

Randers

Born 27 February 1949.

Elected to Board of Directors in 2000.

General manager, member of the Board of Directors/Executive Management of Thoustrup & Overgaard A/S and Danish African Development Company A/S.

Chairman of the Boards of Directors of Randers Investeringselskab A/S and Maskinfabrikken Fornax A/S. Member of the Boards of Directors of Hotel Randers A/S, Aktieselskabet af 1. August 1942, Randers Parkering & Service A/S, N. Graversens Metalvarefabrik A/S and Grameta A/S.

Otto Christensen

Vejle

Born 4 February 1950.

Elected to Board of Directors in 2002.

General manager, managing director and member of the Boards of Directors of Good Food Group A/S, Dan Labels A/S, JAN Import A/S, Cico Invest A/S and OC Danmark Holding A/S. Chairman of the Boards of Directors of Scandic Food A/S and Mammens Emballage A/S. Member of the Boards of Directors of AC Danmark Holding A/S, TC Danmark Holding A/S, Emballage Holding A/S and Generationsskifte & Vækst A/S.

Peder Damgaard

Gråsten

Born 13 December 1956.

Elected to Board of Directors in 2006.

Principal, member of the Boards of Directors of Danish Crown Holding A/S and DAKA Ejendomme og Finans A/S.

Harry Max Friedrichsen,

Stubbæk, Aabenraa

Born 17 April 1951.

Elected to Board of Directors in 1990.

Assistant Manager, elected by the staff.

Peter Gæmelke**Vejen**

Born 7 January 1955.

Elected to Board of Directors in 2007.

President of the Agricultural Council of Denmark, farmer, Chairman of the Board of Directors of Agroinvest A/S. Member of the Boards of Directors of DLR Kredit A/S and Kirkbi A/S.

Hanni Toosbuy Kasprzak**Haderslev**

Born 21 July 1957.

Elected to Board of Directors in 2006.

Board Chairman, Chairman of the Boards of Directors of Ecco Sko A/S, Ecco Holding A/S and Hada Holding A/S.

Per Olesen**Vejle**

Born 21 July 1968.

Elected to Board of Directors in 2006.

Group Executive Vice President, elected by the staff.

Sven Rosenmeyer Paulsen**Copenhagen**

Born 23 January 1947.

Elected to Board of Directors in 2006.

Attorney.

Jan Uldahl-Jensen**Kolding**

Born 11 February 1953.

Elected to Board of Directors in 2002.

Assistant Manager, elected by the staff.

Margrethe Weber**Aabenraa**

Born 8 July 1956.

Elected to Board of Directors in 1993.

Bank Clerk, elected by the staff.

Group Executive Management

Group Chief Executive

Carsten Andersen

Born 15 August 1945.

Group Executive Management member since 1978.

Group Chief Executive since 1981.

Chairman of the Boards of Directors of Ejendomsselskabet af 1. juni 1986 A/S and Bogføringsforeningen Bankdata.

Vice-Chairman of the Board of Directors of Multidata Holding A/S. Member of the Boards of Directors of PBS Holding A/S, PRAS A/S, the Danish Bankers' Association and the Regional Bankers' Association.

Deputy Group Chief Executive

Preben Lund Hansen

Born 21 January 1950.

Group Executive Management member since 1992.

Vice-Chairman of the Board of Directors of DLR Kredit A/S.

Deputy Group Chief Executive

Karen Frøsig

Born 23 September 1958.

Group Executive Management member since 2008.

Chairman of the Board of Directors of Sydbank (Schweiz) AG. Member of the Boards of Directors of Ejendomsselskabet af 1. juni 1986 A/S and Totalkredit A/S.

Deputy Group Chief Executive

Allan Nørholm

Born 9 August 1965.

Group Executive Management member since 2008.

Member of the Board of Directors of Value Invest Asset Management S.A.

Shareholders' Committee

Chairman

Jørgen A. Houmann

Kolding

Vice-Chairman

Dine Nielsen

Holsted

Frank Abrahamsen

Brøns, Skærbæk

Finn Alexandersen

Varde

Torben Bech

Århus

Glenn Bernecker

Guderup, Nordborg

Poul Bjerge

Ølgod

Steen Bjerregaard

Odense

Flemming Boisen

Grindsted

Bjarne Christensen

Høruphav, Sydals

Claus Christensen

Aalborg

Mogens Christensen

Nordborg

Otto Christensen*

Vejle

Otto Popp Clausen

Kolding

Chr. la Cour

Havndal

Peder Damgaard*

Gråsten

Knud K. Damsgaard

Odense

Bent Eegholm

Sønderborg

Kim Galsgaard

Svendborg

Peter Gæmelke*

Vejen

Henrik Halberg

Tåsinge, Svendborg

Henning Hansen

Kolding

Kjeld Hansen

Søgård, Aabenraa

Peter Erik Hansen

Ragebøl, Sønderborg

Bjarne Hessel

Vejle

Lene Hinz

Rødekro

Jørgen Kjær Jacobsen

Vodskov

Carl Aage Jensen

Thurø, Svendborg

Sv. E. Dalsgaard Justesen

Brædstrup

Paul Adler Juul

Sønderskov, Fredericia

Peter Jørgensen

Øster Snogbæk, Sønderborg

Hanni Toosbuy Kasprzak*

Haderslev

Kent Kirk
Esbjerg

Svend Erik Kriby
Rungsted Kyst

Erik Steen Kristensen
Varde

Michael Kvist
Årre

Karin Lanng
Risskov

Kaj Lavrsen
Tinglev

Bo Michelsen
Tønder

Per Nordvig Nielsen
Svendborg

Niels Opstrup
Risskov

Sv. Rosenmeyer Paulsen*
København

Jørgen Pedersen
Hedensted

Lars Gantzel Pedersen
Ikast

Vagn Therkel Pedersen
Bredebro

Jens Iwer Petersen
Sønderborg

Kresten Philipsen*
Lundtoftbjerg, Aabenraa

Gitte Poulsen
Herning

Martin Rahbek
Værløse

Ole W. Rasmussen
Horsens

Søren Vang Rasmussen
Haderslev

Michael Torp Sangild
Rødekro

Peter J. Schmidt
Vojens

Leon Sørensen
Aalborg

Per Sørensen
Horsens

Peter S. Sørensen
Brande

Peter S. Sørensen
Juelsminde

Hanne Thaysen
Sønderborg

Anders Thoustrup*
Randers

Jørgen Witting
Odense

* Board member

Local Shareholders' Committees

Esbjerg

John Bakke
Gørding

Vagn F. Christensen
Cypert

Claus Harbo
Esbjerg

Anna Lund Jepsen
Esbjerg

Kent Kirk
Esbjerg

Peter Kristiansen
Esbjerg

Erik Bank Lauridsen
Esbjerg

Iver Leuenhagen
Hostrup, Esbjerg

Martin Lund Madsen
Bramming

Dine Nielsen
Holsted

Atly Sylvestersen
Ribe

Jørgen Sørensen
Esbjerg

Horsens

Christian Anker Hansen
Juelsminde

Thomas Iversen
Horsens

Christian Jakobsen
Horsens

Peter Bjerremand Jensen
Horsens

Sv. E. Dalsgaard Justesen
Brædstrup

Morten Kjærgaard
Hedensted

Lone Madsen
Hornsyld

Kaj Møller
Skanderborg

Jens Jørgen Nielsen
Horsens

Allan Møller Rasmussen
Horsens

Ole W. Rasmussen
Horsens

Bent Søiberg
Tørring

Per Sørensen
Horsens

Peter S. Sørensen
Juelsminde

Copenhagen

Sven Halberg
Charlottenlund

Torben Stig Hansen
Rødovre

Palle Georg Kretzschmar
Frederiksberg

Svend Erik Kriby
Rungsted Kyst

Sven Rosenmeyer Paulsen
København

Morten Pedersen
Holte

Hardy Petersen
Solrød Strand

Martin Rahbek
Værløse

Anne Kirstine Riemann
Hørsholm

Kolding

Jens Holger Buch
Lejrskov, Lunderskov

Otto Popp Clausen
Kolding

Peter Gæmelke
Vejen

Henning Hansen
Kolding

Jesper Hansson
Kolding

Jørgen A. Houmann
Kolding

Paul V. Johansen
Kolding

Klaus Kjær
Kolding

Cees Kuypers
Sdr. Stenderup

Knud Steen Larsen
Odense

Jørgen Sall
Tved, Kolding

Herning

Torben Bilstrup
Brædstrup

Per B. Christensen
Silkeborg

Jens Hedegaard
Holstebro

Orla Dahl Jepsen
Tvis, Holstebro

Kjeld Jørgensen
Herning

Niels Kofoed
Herning

Tina Smith Madsen
Herning

Søren Vesterager Madsen
Brande

Lars Gantzel Pedersen
Ikast

Gitte Poulsen
Herning

Jens Poulsen
Ikast

Arne Prentow
Holstebro

Peter S. Sørensen
Brande

Poul Sand Thomsen
Herning

Odense

Steen Bjerregaard
Odense

Knud K. Damsgaard
Odense

Heine Delbing
Odense

Anders Juul Eilersen
Odense

Jørgen Fuhrmann
Odense

Hans Chr. Hempler
Odense

Steen E. Jacobsen
Sdr. Nærå, Årslev

Bent S. Jensen
Odense

Bjarne Jørgensen
Odense

Lone Nijenkamp
Odense

John Søgaard
Odense

Jørgen Witting
Odense

Padborg

Erwin Andresen
Tinglev

Thorbjørn Gørsen
Padborg

Kjeld Hansen
Søgård, Aabenraa

Charlotte P. Johansen
Kollund, Kruså

Kaj Lavrsen
Tinglev

Børge Nielsen
Klipleve, Aabenraa

Jens Iwer Petersen
Sønderborg

Ole Skovlund
Kollund, Kruså

Gregers Skovmand
Tinglev

Svend Erik Skødt
Kruså

Bjarne Stokbæk
Tinglev

Svendborg

Michael Ahlefeldt Laurvig Bille
Kværndrup

Bent Bylov
Faaborg

Jan Bøttiger
Svendborg

Mogens Fentz
Faaborg

Kim Galsgaard
Svendborg

Henrik Halberg
Tåsinge, Svendborg

Carl Aage Jensen
Thurø, Svendborg

Frank Brade Jørgensen
Svendborg

Claus Koch
Horne, Faaborg

Henrik G. Madsen
Svendborg

Bent Nielsen
Broby

Per Nordvig Nielsen
Svendborg

Inge-Lise Rasmussen
Faaborg

Jens Bertel Rasmussen
Svendborg

Helle Ålkjær Skifter
Otterup

Local Shareholders' Committees

Sønderborg

Glenn Bernecker
Guderup, Nordborg

Bjarne Christensen
Høruphav, Sydals

Mogens Christensen
Nordborg

Peder Damgaard
Gråsten

Bent Eegholm
Sydals

Vilhelm Hald-Christensen
Sønderborg

Jens Hansen
Nordborg

Peter Erik Hansen
Ragebøl, Sønderborg

Peter Jacobsen
Felsted, Aabenraa

Anette Langgård Jacobsen
Stovgaard, Sønderborg

H. Philip Jensen
Gråsten

Peter Jørgensen
Øster Snogbæk, Sønderborg

Per Kirkegaard
Guderup, Nordborg

Bent Kristensen
Sønderborg

Peter Matzen
Gråsten

Hans Lindum Møller
Egernsund

Orla Blaske Nielsen
Gråsten

Henrik Raunkjær
Ulkebøl, Sønderborg

Hanne Thaysen
Sønderborg

Tønder

Værkfører Frank Abrahamsen
Brøns, Skærbæk

Erik Dreyer
Tønder

Karen Marie Hansen
Tønder

Skorstensfejermester Arne Jørgensen
Døstrup, Skærbæk

Hanni Toosbuy Kasprzak
Haderslev

Bo Michelsen
Tønder

Peter Nørkjær
Tønder

Vagn Therkel Pedersen
Bredebro

Harald Petersen
Rejsby-Østermark, Skærbæk

Per Thyregod Sørensen
Tønder

Varde

Finn Alexandersen
Varde

Poul Winther Andersen
Varde

Poul Bjerge
Ølgod

Flemming Boisen
Grindsted

Erik Steen Kristensen
Varde

Michael Kvist
Årre

Michael Mathiesen
Varde

Ib Møller Nielsen
Grindsted

Bent Poulsen
Nymindegab, Nørre Nebel

Christen Storgaard
Grindsted

Henning Urup
Hodde, Ansager

Vejle

Carlo Weber Andersen
Middelfart

Otto Christensen
Vejle

Knud Fischer
Vejle

Henrik Gundtoft
Vejle

Bjarne Hessel
Vejle

Anders Kirk Johansen
Stouby

Paul Adler Juul
Sønderskov, Fredericia

Anders Lage Jørgensen
Hyrup, Stouby

Preben Kirkeby
Hedensted

Jørgen Pedersen
Hedensted

Peter Thorsen
Vejle

Erhvervschef Mogens Toft
Vejle

Aabenraa

Erling Andersen
Aabenraa

Torben Andersen
Egvad, Rødekro

Erik T. Boysen
Aabenraa

John Danielsen
Aabenraa

Poul Dørflinger
Haderslev

Peter Engel-Andreasen
Haderslev

Ivan Filtenborg
Haderslev

Lene Hinz
Rødekro

William Klinker
Aabenraa

Michael Madsen
Aabenraa

Helle Taulbjerg Martin
Aabenraa

Mogens Olsen
Vojens

Kresten Philipsen
Lundtoftbjerg, Aabenraa

Søren Vang Rasmussen
Haderslev

Michael Torp Sangild
Rødekro

Peter J. Schmidt
Vojens

Ejler Schütt
Løjt Kirkeby, Aabenraa

Arne Frehr Sørensen
Rødekro

Aalborg

Hans Andersen
Aalborg

Lene Bjerre
Nibe

Anders Bundgaard
Ulsted, Hals

Claus Christensen
Aalborg

Preben Bang Henriksen
Aalborg

Jørgen Kjær Jacobsen
Vodskov

Preben Pedersen
Svenstrup

Bo Lynge Rydahl
Aalborg

Niels Saxtoft
Aalborg

Leon Sørensen
Aalborg

Århus

Torben Bech
Århus

Chr. la Cour
Havndal

Samson Evar
Århus

Tommy Frank
Væth, Langå

Jesper Bo Jensen
Højbjerg

Finn Kjærgaard
Tjele

Karin Lanng
Risskov

Bo Madsen
Voldbæk, Brabrand

Niels Nymark
Risskov

Niels Opstrup
Risskov

Palle B. Thomsen
Højbjerg

Anders Thoustrup
Randers

Branches

Esbjerg Region

Head of Region Brian Knudsen

Regional head office

Kongensgade 62, DK-6701 Esbjerg
Tel +45 74 37 65 00

Bramming

Storegade 30, DK-6740 Bramming
Tel +45 74 37 18 00

Brørup

Nørregade 10, DK-6650 Brørup
Tel +45 74 37 18 20

Gjesing

Gl. Vardevej 183, DK-6715 Esbjerg N
Tel +45 74 37 18 30

Gørding

Nørregade 90A, DK-6690 Gørding
Tel +45 74 37 18 60

Hjerting

Hjerting Strandvej 16,
DK-6710 Esbjerg V
Tel +45 74 37 18 80

Jerne

Jagtvej 45, DK-6705 Esbjerg Ø
Tel +45 74 37 19 20

Ribe

Tømmergangen 7, DK-6760 Ribe
Tel +45 74 37 19 00

Sædding

Sædding Centret, Fyrvej 34,
DK-710 Esbjerg V
Tel +45 74 37 91 80

Horsens Region

Head of Region Henning Barsøe

Regional head office

Søndergade 18-20, DK-8700 Horsens
Tel +45 74 37 76 00

Brædstrup

Bredgade 8, DK-8740 Brædstrup
Tel +45 74 37 75 00

Dagnæs

Bjerrevej 95, DK-8700 Horsens
Tel +45 74 37 75 20

Hornsyld

Apotekerbakken 20, DK-8783 Hornsyld
Tel +45 74 37 77 40

Juelsminde

Odelsgade 11A, DK-7130 Juelsminde
Tel +45 74 37 75 70

Løsning

Vestergade 2, DK-8723 Løsning
Tel +45 74 37 75 50

Nørretorv

Nørretorv 27, DK-8700 Horsens
Tel +45 74 37 75 30

Skanderborg

Ole Lund Kirkegaards Stræde 3,
DK-8660 Skanderborg
Tel +45 74 37 74 30

Tørring

Bredgade 29, DK-7160 Tørring
Tel +45 74 37 77 10

Copenhagen Region

Head of Region Henning Juhl Jessen

Regional head office

Kgs. Nytorv 30, DK-1050 Copenhagen K
Tel +45 74 37 78 00

Ballerup

Sct. Jacobsvej 5, DK-2750 Ballerup
Tel +45 74 37 84 80

Boulevard

H.C. Andersens Boulevard 37
DK-1553 Copenhagen V
Tel +45 74 37 77 70

Frederiksberg

Gl. Kongevej 64
DK-1850 Frederiksberg C
Tel +45 74 37 79 00

Glostrup

Hovedvejen 87, DK-2600 Glostrup
Tel +45 74 37 79 20

Greve

Greve Strandvej 32, DK-2670 Greve
Tel +45 74 37 452 30

Hellerup

Strandvejen 82, DK-2900 Hellerup
Tel +45 74 37 79 40

Hillerød

Sdr. Jernbanevej 18C, DK-3400 Hillerød
Tel +45 74 37 80 70

Lyngby

Jernbanevej 1, DK-2800 Kgs. Lyngby
Tel +45 74 37 79 50

Roskilde

Vinkelvej 3, DK-4000 Roskilde
Tel +45 74 37 42 50

Rødovre

Damhustorvet 11, DK-2610 Rødovre
Tel +45 74 37 79 70

Kolding Region

Head of Region Finn Boel Pedersen

Regional head office

Jernbanegade 14, DK-6000 Kolding
Tel +45 74 37 50 00

Kolding Storcenter

Skovvangen 42, DK-6000 Kolding
Tel +45 74 37 52 50

Lunderskov

Storegade 20, DK-6640 Lunderskov
Tel +45 74 37 52 20

Sønderport

Agtrupvej 2, DK-6000 Kolding
Tel +45 74 37 52 70

Vamdrup

Østergade 14, DK-6580 Vamdrup
Tel +45 74 37 52 20

Vejen

Søndergade 5, DK-6600 Vejen
Tel +45 74 37 52 30

Herning Region

Head of Region Niels Vestermark

Regional head office

Dalgasgade 22, DK-7400 Herning
Tel +45 74 37 62 00

Brande

Torvet 1, DK-7330 Brande
Tel +45 74 37 61 80

Holstebro

Nygade 15, DK-7500 Holstebro
Tel +45 74 37 84 00

Silkeborg

Søndergade 25, DK-8600 Silkeborg
Tel +45 74 37 74 00

Odense Region

Head of Region Niels K. Andersen

Regional head office

Vestergade 33, DK-5100 Odense C
Tel +45 74 37 92 00

Dalum

Faaborgvej 106, DK-5250 Odense SV
Tel +45 74 37 83 20

Munkelis

Hjallesevej 143, DK-5230 Odense M
Tel +45 74 37 80 20

Nr. Lyndelse

Kærvej 4, Nr. Lyndelse, DK-5792 Årslev
Tel +45 74 37 83 50

Skibhus

Skibhusvej 65, DK-5000 Odense C
Tel +45 74 37 82 70

Tarup

Rugårdsvej 176, DK-5210 Odense NV
Tel +45 74 37 82 90

Padborg Region

Head of Region Kaj Risom

Regional head office

Møllegade 3, DK-6330 Padborg
Tel +45 74 37 60 90

Klipleve

Skolegade 1, Klipleve, DK-6200 Aabenraa
Tel +45 74 37 61 20

Kruså

Flensborgvej 26, DK-6340 Kruså
Tel +45 74 37 61 00

Tinglev

Hovedgaden 23, DK-6360 Tinglev
Tel +45 74 37 61 30

Slagelse Region

Head of Region Hans Iversen

Regional head office

Nytorv 11 A, DK-4200 Slagelse
Tel +45 74 37 94 00

Korsør

Casper Brands Plads 5, DK-4220 Korsør
Tel +45 74 37 85 40

Køge

Nørregade 54 B, DK-4600 Køge
Tel +45 74 37 48 00

Marievang

Strandvejen 48, DK-4200 Slagelse
Tel +45 74 37 85 20

Næstved

Vinhusgade 2, DK-4700 Næstved
Tel +45 74 37 48 20

Ringsted

Tinggade 8, DK-4100 Ringsted
Tel +45 74 37 85 00

Skælskør

Algade 9, DK-4230 Skælskør
Tel +45 74 37 85 60

Sorø

Storgade 21, DK-4180 Sorø
Tel +45 74 37 48 40

Vemmelev

Stationsvej 1, DK-4241 Vemmelev
Tel +45 74 37 48 70

Østby

Klosterbanken, DK-4200 Slagelse
Tel +45 74 37 48 50

Svendborg Region

Head of Region Ole Laugesen

Regional head office

Klosterplads 2, DK-5700 Svendborg
Tel +45 74 37 64 00

Faaborg

Torvet 1, DK-5600 Faaborg
Tel +45 74 37 62 80

Haarby

Algade 49, DK-5683 Haarby
Tel +45 74 37 62 50

Ollerup

Øster Skerningevej 2,
DK-5762 Vester Skerninge
Tel +45 74 37 91 70

Branches

Tåsinge

Bregningevej 43, Tåsinge
DK-5700 Svendborg
Tel +45 74 37 64 50

Ærø

Kirkestræde 17, DK-5960 Marstal
Tel +45 74 37 91 20

Østre

Ørbækvej 1, DK-5700 Svendborg
Tel +45 74 37 64 70

Sønderborg Region

Head of Region Oskar Tygesen

Regional head office

Jernbanegade 35, DK-6400 Sønderborg
Tel +45 74 37 70 00

Augustenborg

Storegade 49, DK-6440 Augustenborg
Tel +45 74 37 71 50

Broager

Storegade 12, DK-6310 Broager
Tel +45 74 37 71 90

Gråsten

Nygade 17, DK-6300 Gråsten
Tel +45 74 37 73 70

Guderup

Søndergade 1, Guderup,
DK-6430 Nordborg
Tel +45 74 37 71 30

Høruphav

Østerbakken 1A, Høruphav
DK-6470 Sydals
Tel +45 74 37 72 20

Nordborg

Storegade 11, DK-6430 Nordborg
Tel +45 74 37 55 00

Ringgade

Ringgade 177, DK-6400 Sønderborg
Tel +45 74 37 71 00

Tønder Region

Head of Region Arne Jørgensen

Regional head office

Storegade 28, DK-6270 Tønder
Tel +45 74 37 53 00

Bredebro

Storegade 2, DK-6261 Bredebro
Tel +45 74 37 61 60

Bylderup-Bov

Engvej 8, DK-6372 Bylderup-Bov
Tel +45 74 37 52 90

Skærbæk

Storegade 38, DK-6780 Skærbæk
Tel +45 74 37 96 00

Tønder Vest

Plantagevej 40, DK-6270 Tønder
Tel +45 74 37 53 90

Varde Region

Head of Region Finn Christensen

Regional head office

Vestergade 4, DK-6800 Varde
Tel +45 74 37 67 00

Blåvand

Blåvandvej 24, DK-6857 Blåvand
Tel +45 74 37 68 20

Grindsted

Jernbanegade 1, DK-7200 Grindsted
Tel +45 74 37 68 30

Nørre Nebel

Bredgade 32, DK-6830 Nørre Nebel
Tel +45 74 37 68 70

Oksbøl

Vestergade 5, DK-6840 Oksbøl
Tel +45 74 37 68 80

Skjern

Bredgade 48, DK-6900 Skjern
Tel +45 74 37 69 20

Tistrup

Storegade 25, DK-6862 Tistrup
Tel +45 74 37 69 30

Ølgod

Torvegade 11
DK-6870 Ølgod
Tel +45 74 37 91 50

Vejle Region

Head of Region Tina Kroman Lyngsø

Regional head office

Kirketorvet 4, DK-7100 Vejle
Tel +45 74 37 58 00

Billund

Hovedgaden 11, DK-7190 Billund
Tel +45 74 37 91 00

Egtved

Søndergade 2, DK-6040 Egtved
Tel +45 74 37 59 20

Fredericia

Gothersgade 31-33, DK-7000 Fredericia
Tel +45 74 37 59 30

Give

Torvet 5, DK-7323 Give
Tel +45 74 37 59 60

Hedensted

Vesterbrogade 3, DK-8722 Hedensted
Tel +45 74 37 59 70

Jelling

Stationsvej 8, DK-7300 Jelling
Tel +45 74 37 61 70

Vestre

Vestergade 49, DK-7100 Vejle
Tel +45 74 37 59 90

Aabenraa Region

Head of Region Jørn Andersen

Regional head office

Storegade 18, DK-6200 Aabenraa
Tel +45 74 37 30 00

Haderslev

Storegade 5-7, DK-6100 Haderslev
Tel +45 74 37 49 00

Løjt

Løjt Storegade 10, DK-6200 Aabenraa
Tel +45 74 37 49 60

Rødekro

Hærvejen 41, DK-6230 Rødekro
Tel +45 74 37 49 70

Rugkøbel

Rugkøbelcentret, DK-6200 Aabenraa
Tel +45 74 37 48 80

Vojens

Vestergade 25, DK-6500 Vojens
Tel +45 74 37 49 90

Aalborg Region

Head of Region
Laurits Brandt Andersen

Regional head office

Vingårdsgade 21, DK-9000 Aalborg
Tel +45 74 37 72 40

Vejgaard

Hadsundvej 41, DK-9000 Aalborg
Tel +45 74 37 72 90

Århus Region

Head of Region Jørn Ibsen

Regional head office

Store Torv 12, DK-8100 Århus C
Tel +45 74 37 57 00

Banegårdsplads

Banegårdspladsen 9, DK-8000 Århus C
Tel +45 74 37 54 60

Hornslet

Tingvej 15A, DK-8543 Hornslet
Tel +45 74 37 54 00

Højbjerg

Rosenvangs Allé 184, DK-8270 Højbjerg
Tel +45 74 37 54 10

Randers

Kirkegade 1, DK-8900 Randers
Tel +45 74 37 54 30

Vejlby-Risskov

Lystrupvej 4, DK-8240 Risskov
Tel +45 74 37 54 70

Viborg

Jernbanegade 6, DK-8800 Viborg
Tel +45 74 37 80 00

Viby

Skanderborgvej 213, DK-8260 Viby J
Tel +45 74 37 54 80

Åbyhøj

Søren Frichs Vej 68, DK-8230 Åbyhøj
Tel +45 74 37 54 90

Corporate Banking

Jens Lund-Hansen
Group Executive Vice President

Peberlyk 4, DK-6200 Aabenraa
Tel +45 74 36 36 36

Germany

Kim Møller Nielsen
Group Executive Vice President

Regional head office

Norderstraße 9, D-24939 Flensburg
Tel +49 461 86 020

Hamburg

Deichstraße 34, D-20459 Hamburg
Tel +49 40 37 69 000

Kiel

Wall 55, D-24103 Kiel
Tel +49 431 9804 0

PBI

Allan W. Larsen
Group Executive Vice President

Torvet 2, DK-6300 Gråsten
Tel +45 74 37 73 00

Sydbank (Schweiz) AG

Dr. Thomas König, CFO

Poststrasse 17, CH-9000 St. Gallen
Tel +41 71 227 81 00

Sydleasing

Jette Clausen
Group Executive Vice President

Storegade 18, DK-6200 Aabenraa
Tel +45 74 37 45 70

Sydfactoring

Storegade 18, DK-6200 Aabenraa
Tel +45 74 37 45 90

Søfinans

Storegade 18, DK-6200 Aabenraa
Tel +45 74 37 45 50

Sydbank A/S
CVR No DK 12626509

Peberlyk 4
DK-6200 Aabenraa
Denmark

Tel +45 74 36 36 36
Fax +45 74 36 35 36

info@sydbank.dk
www.sydbank.com

Sydbank