Interim Report – Q1-Q3 2012

Company Announcement No 17/2012
30 October 2012

Contents

Group Financial Highlights

	Q1-Q3 2012	Q1-Q3 2011	Index 12/11	Q3 2012	Q3 2011	Full year 2011
Income statement (DKKm)						
Core income	3,162	3,020	105	1,021	1,032	4,080
Trading income	252	118	214	84	(16)	167
Total income	**3,414**	**3,138**	**109**	**1,105**	**1,016**	**4,247**
Costs, core earnings	1,907	1,890	101	605	587	2,463
Core earnings before impairment	**1,507**	**1,248**	**121**	**500**	**429**	**1,784**
Impairment of loans and advances etc	1,198	735	163	223	245	1,195
Core earnings	**309**	**513**	**60**	**277**	**184**	**589**
Profit/(Loss) on investment portfolios	265	(25)	-	139	(38)	(15)
Profit/(Loss) before non-recurring items and industry solutions	**574**	**488**	**118**	**416**	**146**	**574**
Non-recurring items, net	-	(146)	-	-	(146)	(171)
Contributions to industry solutions	10	136	7	5	(25)	102
Profit before tax	**564**	**206**	**274**	**411**	**25**	**301**
Tax	141	70	201	103	25	113
Profit for the period	**423**	**136**	**311**	**308**	**0**	**188**
Balance sheet highlights (DKKbn)						
Loans and advances at amortised cost	67.2	70.0	96	67.2	70.0	68.8
Loans and advances at fair value	5.9	6.4	92	5.9	6.4	7.7
Deposits and other debt	63.8	65.0	98	63.8	65.0	66.7
Bonds issued at amortised cost	3.8	7.5	51	3.8	7.5	7.5
Subordinated capital	1.4	2.3	61	1.4	2.3	2.1
Shareholders’ equity	10.0	9.5	105	10.0	9.5	9.6
Total assets	154.0	143.9	107	154.0	143.9	153.4
Financial ratios per share (DKK per share of DKK 10)						
EPS Basic **	5.8	1.9		4.2	0.0	2.6
EPS Diluted **	5.8	1.9		4.2	0.0	2.6
Share price at end of period	109.4	99.0		109.4	99.0	90.1
Book value	136.9	130.5		136.9	130.5	131.1
Share price/book value	0.80	0.76		0.80	0.76	0.69
Average number of shares outstanding (millions)	73.1	73.3		73.0	73.1	73.2
Dividend per share	-	-		-	-	-
Other financial ratios and key figures						
Solvency ratio	15.3	15.7		15.3	15.7	16.1
Core capital ratio	15.3	14.7		15.3	14.7	15.2
Pre-tax profit as % of average shareholders’ equity **	5.8	2.2		4.2	0.3	3.1
Post-tax profit as % of average shareholders’ equity **	4.3	1.4		3.1	0.0	2.0
Costs (core earnings) as % of total income	55.9	60.2		54.8	57.8	58.0
Interest rate risk	1.1	0.7		1.1	0.7	0.9
Foreign exchange position	3.2	1.8		3.2	1.8	1.6
Foreign exchange risk	0.1	0.1		0.1	0.1	0.1
Loans and advances relative to deposits *	0.9	1.0		0.9	1.0	0.9
Loans and advances relative to shareholders’ equity *	6.7	7.3		6.7	7.3	7.2
Growth in loans and advances for the period *	(2.4)	(4.1)		0.8	(2.6)	(5.7)
Excess cover relative to statutory liquidity requirements	135.3	115.3		135.3	115.3	148.7
Total large exposures	36.7	24.2		36.7	24.2	26.3
Accumulated impairment ratio	3.2	2.1		3.2	2.1	2.3
Impairment ratio for the period excl PCA **	1.55	0.94		0.27	0.31	1.50
Number of full-time staff at end of period	2,095	2,270	92	2,095	2,270	2,152

Financial ratios are prepared according to “Recommendations & Financial Ratios 2010” published by the Danish Society of Financial Analysts.
* Financial ratios are calculated on the basis of loans and advances at amortised cost.
** Ratios have not been converted to a full-year basis.

Summary

The Sydbank Group has recorded a profit before tax of DKK 564m. The result is considered satisfactory given the new tightened impairment rules and the weak growth in the economy. Profit before tax is in line with the expectations at the beginning of the year. Profit before tax equals a return of 7.7% p.a. on average shareholders' equity.

Q1-Q3 2012
- 5% rise in core income
- Increase in trading income of DKK 134m
- 1% growth in costs (core earnings)
- Increase in impairment charges for loans and advances of DKK 463m to DKK 1,198m
- Investment portfolio earnings of DKK 265m
- 4% reduction in bank loans and advances to DKK 67.2bn
- 2% decline in deposits to DKK 63.8bn
- Core capital ratio of 15.3%.

Q3 2012
- A highly satisfactory profit before tax of DKK 411m
- Rise in bank loans and advances of DKK 531m.

Income statement – Q1-Q3 (DKKm)	**2012**	**2011**
Core income	3,162	3,020
Trading income	252	118
Total income	**3,414**	**3,138**
Costs, core earnings	1,907	1,890
Core earnings before impairment	**1,507**	**1,248**
Impairment of loans and advances etc	1,198	735
Core earnings	**309**	**513**
Profit/(Loss) on investment portfolios	265	(25)
Profit/(Loss) before non-recurring items and industry solutions	**574**	**488**
Non-recurring items, net	0	(146)
Contributions to industry solutions	10	136
Profit before tax	**564**	**206**
Tax	141	70
Profit for the period	**423**	**136**

Total income has increased by 9% compared with Q1-Q3 2011, mainly as a result of improved profit margins.

Since 2008 the Bank's level of costs has been unchanged. This development has been maintained in 2012. Compared with Q1-Q3 2011 the staff has been reduced by 175 (full-time equivalent), equal to 7.7%. Coupled with the positive development in the number of clients, this is a reflection of continued growth in productivity.

Core earnings before impairment charges represent DKK 1,507m against DKK 1,248m for the first nine months of 2011. The increase of DKK 259m consists of a rise in core income of DKK 142m, an increase in trading income of DKK 134m and a rise in costs (core earnings) of DKK 17m.

As a result of the considerable rise in trading income, core earnings before impairment charges exceed previously published expectations.

Impairment charges for loans and advances etc represented DKK 1,198m (Q1-Q3 2011: DKK 735m) – in line with the expectations at the end of Q2 2012. The rise is greatly influenced by the new tightened impairment rules. In the first nine months of 2012 losses of DKK 477m (2011: DKK 954m) were recorded. The level of realised losses is significantly lower compared with one year ago.

Investment portfolio earnings total DKK 265m and a subsequent adjustment of contributions to industry solutions amounts to DKK 10m. Less a calculated tax charge of DKK 141m, profit for the period stands at DKK 423m.

Profit for the period equals a return on average shareholders' equity of 5.8% p.a. against 1.9% p.a. in 2011. Earnings per share stands at DKK 5.8 compared with DKK 1.9 in 2011.

Since year-end 2011, risk-weighted assets have gone up by DKK 1.7bn to DKK 72.4bn.

The Group's core capital ratio and solvency ratio each represent 15.3% compared with 15.2% and 16.1%, respectively, at year-end 2011. The core capital ratio excluding hybrid core capital stands at 13.6% (31 Dec 2011: 13.4%). The reduction in the solvency ratio is ascribable to the prepayment of supplementary capital.

At 30 September 2012 the individual solvency need represented 9.7% compared with 9.4% at year-end 2011.

In Q3 2012 Sydbank and other major banks from EU countries participated in an EU-wide capital test conducted at the request of the European Banking Authority (EBA). Sydbank performed well in the test.

The Group's liquidity measured under the 10% statutory requirement constitutes 23.0% at 30 September 2012.

The Group's expectations for 2012 remain unchanged compared with previous announcements:

- Slightly rising core income
- Slightly rising trading income
- Unchanged level of costs compared with the period 2008-2011
- Impairment charges for loans and advances etc of around DKK 1.4bn.

Financial Review

Core income
Core income has risen by 5% to DKK 3,162m.

Core income – Q1-Q3 (DKKm)	2012	2011
Interest margins etc	2,074	2,063
Mortgage credit	200	131
Payment services	126	115
Remortgaging and loan fees	88	62
Commission and brokerage	231	270
Commission etc investment funds and pooled pension plans	212	170
Asset management	125	116
Custody account fees	53	53
Other income	53	40
Total	**3,162**	**3,020**

Despite a 4% decline in bank loans and advances and a 2% decrease in deposits compared with 30 September 2011, net interest has risen by DKK 11m due to the positive effects of the increases in interest margins since August 2011.

Net income from the cooperation with Totalkredit represents DKK 153m (2011: DKK 105m) after a set-off of loss of DKK 14m (2011: DKK 18m). The cooperation with DLR Kredit has generated an income of DKK 44m (2011: DKK 22m). Total mortgage credit income constitutes DKK 200m (2011: DKK 131m).
Compared with 2011 remortgaging and loan fees have risen by DKK 26m and total DKK 88m.

The rise in mortgage credit income as well as income from remortgaging and loan fees is ascribable to growing remortgaging activity and increased pricing in Q1-Q3 2012.

Trading in currency and securities by retail clients has declined due in part to an increased use of management agreements. This change in customer behaviour has contributed to rising income as regards commission etc concerning investment funds and pooled pension plans.

Consequently commission and brokerage income amounts to DKK 231m and has declined by DKK 39m compared with 2011. Commission etc concerning investment funds and pooled pension plans totals DKK 212m, equal to a rise of DKK 42m compared with 2011.

The remaining income components have increased by a total of DKK 33m compared with 2011.

Trading income
Compared with 2011 trading income has risen by DKK 134m and represents DKK 252m. This favourable trend is primarily caused by increased activity and trading in the institutional market for Danish bonds generated in part by the growing remortgaging activity mentioned above.

Costs and depreciation
The Group's total costs and depreciation recorded DKK 1,912m, equal to a reduction of DKK 194m compared with Q1-Q3 2011. The reduction is ascribable in part to a decline in non-recurring costs and costs relating to industry solutions.

Costs and depreciation – Q1-Q3 (DKKm)	2012	2011
Staff costs	1,049	1,173
Other administrative expenses	728	742
Depreciation and impairment of property, plant and equipment	73	60
Other operating expenses	62	131
Total costs and depreciation	**1,912**	**2,106**
Distributed as follows:		
Costs, core earnings	1,907	1,890
Costs, investment portfolio earnings	5	8
Costs, non-recurring items	(9)	78
Costs, industry solutions	10	130

Costs (core earnings) represent DKK 1,907m (Q1-Q3 2011: DKK 1,890m). The cost to the credit institution department of the Guarantee Fund for Depositors and Investors constitutes DKK 51m net in Q1-Q3 2012 (2011: DKK 0), equal to an annual expense of DKK 68m. For 2012 DKK 25m has been set off, which corresponds to the Group's existing share of the capital of the credit institution department.

At end-Q3 2012 the Group's staff numbered 2,095 (full-time equivalent) compared with 2,270 at 30 September 2011.

Sydbank has closed four small branches in 2012. The number of branches totals 98 in Denmark and five in Germany.

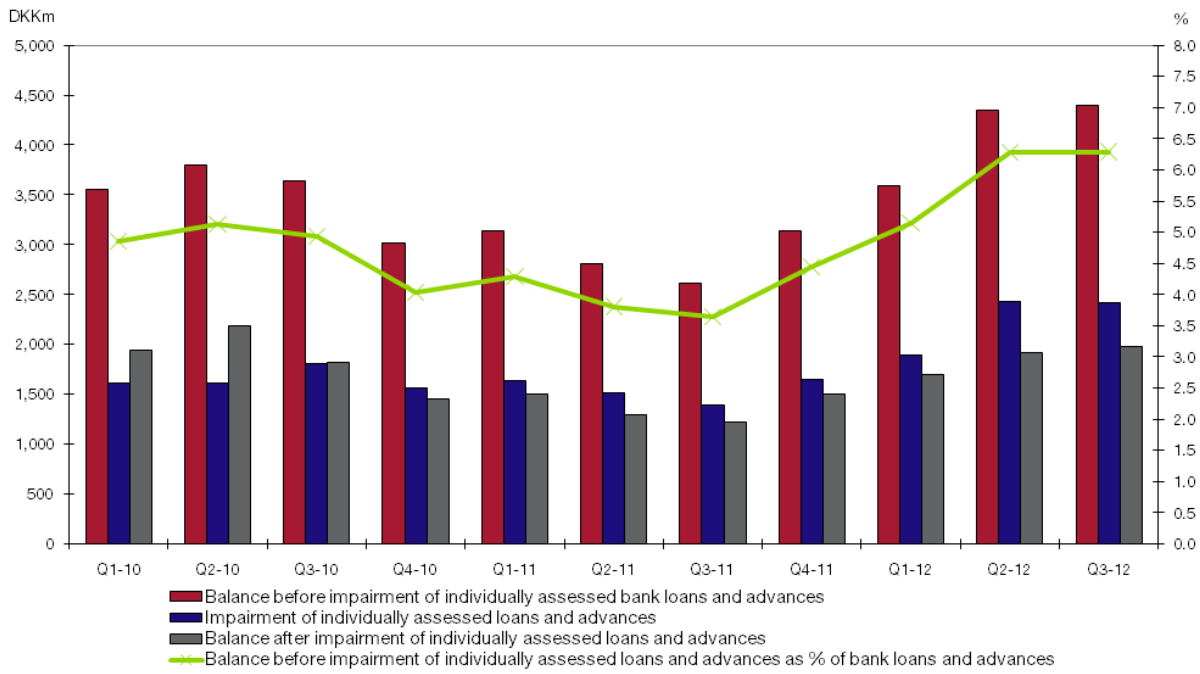
Core earnings before impairment of loans and advances
Core earnings before impairment of loans and advances represent DKK 1,507m – an increase of DKK 259m or 21% compared with one year ago.

Impairment of loans and advances etc
Impairment charges for loans and advances constitute DKK 1,198m (2011: DKK 735m) – equal to the expectations at the end of Q2 2012. The increase is a consequence of the Danish FSA's new tightened impairment rules, especially as regards loans secured on real property, which were implemented in Q2 2012. The rules are more cautious than the previous rules.

Impairment charges for loans and advances etc are still expected to constitute around DKK 1.4bn for the year.

In the first nine months of 2012 losses of DKK 477m (2011: DKK 954m) were recorded. The level of realised losses is significantly lower compared with one year ago.

The impairment ratio for the period represents 1.68% relative to bank loans and advances at 30 September 2012 and 1.54% relative to bank loans and advances and guarantees. Accumulated impairment and provisions amount to DKK 2,653m as of end-September 2012, a rise of DKK 817m compared with the beginning of the year.



Compared with 30 September 2011 impaired bank loans and advances before impairment charges have risen by DKK 1,790m to DKK 4,401m. DKK 1,272m of the increase is attributable to non-defaulted bank loans and advances and DKK 518m is ascribable to defaulted bank loans and advances. Individually impaired bank loans and advances after impairment charges rose by DKK 776m during the same period. Impairment charges for bank loans and advances subject to individual impairment represent 55.0% (end-September 2011: 53.8% and year-end 2011: 52.3%).

Individually impaired bank loans and advances (DKKm)	30 Sep 2012	30 Sep 2011
Non-defaulted bank loans and advances	3,026	1,754
Defaulted bank loans and advances	1,375	857
Impaired bank loans and advances	4,401	2,611
Impairment charges for bank loans and advances subject to individual impairment	2,419	1,405
Impaired bank loans and advances after impairment charges	1,982	1,206
Impaired bank loans and advances as %		
of bank loans and advances before impairment charges	6.3	3.6
Impairment charges as % of bank loans and advances before impairment charges	3.5	2.0
Impaired as % of impaired bank loans and advances	55.0	53.8

Core earnings
Core earnings represent DKK 309m compared with DKK 513m in 2011.

Investment portfolio earnings
Less funding charges and less related costs of DKK 5m, investment portfolio earnings constitute DKK 265m (2011: minus DKK 25m).

Net non-recurring items
Income of DKK 9m regarding the sale of activities as well as costs of DKK 9m regarding the winding-up of the subsidiary bank in Switzerland have been reversed. Net non-recurring items total DKK 0m (2011: minus DKK 146m).

Contributions to industry solutions
In Q1-Q3 2012 a negative readjustment of DKK 10m was made concerning the industry solution in relation to Fjordbank Mors. Contributions totalled DKK 136m during the same period in 2011.

Profit for the period
Profit before tax amounts to DKK 564m. Less a calculated tax charge of DKK 141m, profit for the period stands at DKK 423m compared with DKK 136m in 2011.

Return
Profit for the period equals a return on average shareholders' equity of 5.8% p.a. against 1.9% p.a. in 2011. Earnings per share stands at DKK 5.8 compared with DKK 1.9 in 2011.

Q3 2012
Profit before tax for the quarter represents DKK 411m. Developments compared with Q2 2012 show the following:

- DKK 49m decrease in core income – due in part to a falling market rate
- DKK 25m rise in trading income
- DKK 47m reduction in costs (core earnings) – in line with expectations
- DKK 455m decline in impairment charges for loans and advances
- Investment portfolio earnings of DKK 139m (Q2 2012: DKK 5m)
- Negative adjustment of DKK 5m concerning the industry solution in relation to Fjordbank Mors (Q2 2012: positive adjustment of DKK 9m).

Profit for the period amounts to DKK 308m (Q2 2012: loss of DKK 140m).

Profit for the period (DKKm)	2012			2011			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Core income	1,021	1,070	1,071	1,060	1,032	981	1,007
Trading income	84	59	109	49	(16)	43	91
Total income	**1,105**	**1,129**	**1,180**	**1,109**	**1,016**	**1,024**	**1,098**
Costs, core earnings	605	652	650	573	587	653	650
Core earnings before impairment	**500**	**477**	**530**	**536**	**429**	**371**	**448**
Impairment of loans and advances etc	223	678	297	460	245	240	250
Core earnings	**277**	**(201)**	**233**	**76**	**184**	**131**	**198**
Profit/(Loss) on investment portfolios	139	5	121	10	(38)	(62)	75
Profit/(Loss) before non-recurring items and industry solutions	**416**	**(196)**	**354**	**86**	**146**	**69**	**273**
Non-recurring items, net	-	-	-	(25)	(146)	-	-
Contributions to industry solutions	5	(9)	14	(34)	(25)	63	98
Profit before tax	**411**	**(187)**	**340**	**95**	**25**	**6**	**175**
Tax	103	(47)	85	43	25	1	44
Profit for the period	**308**	**(140)**	**255**	**52**	**0**	**5**	**131**

Bank loans and advances increased by DKK 0.5bn to DKK 67.2bn from end-Q2 2012 to end-Q3 2012.

Subsidiaries
The subsidiary bank, Sydbank (Schweiz) AG in liquidation, posted a loss after tax of DKK 4m (2011: loss of DKK 34m). Ejendomsselskabet recorded a profit after tax of DKK 3m, unchanged compared with 2011.

Balance sheet
The Group's total assets made up DKK 154.0bn at 30 September 2012 against DKK 153.4bn at year-end 2011.

Assets (DKKbn)	30 Sep 2012	31 Dec 2011
Amounts owed by credit institutions etc	9.5	9.5
Loans and advances at fair value (reverse transactions)	5.9	7.7
Loans and advances at amortised cost (bank loans and advances)	67.2	68.8
Securities and holdings etc	41.9	40.0
Assets related to pooled plans	9.5	8.6
Other assets etc	20.0	18.8
Total	**154.0**	**153.4**

The Group's bank loans and advances total DKK 67.2bn – a decline of DKK 1.6bn compared with year-end 2011 and DKK 2.8bn compared with 30 September 2011. Corporate client lending has gone down in a market characterised by low investments and low activity.

Shareholders' equity and liabilities (DKKbn)	30 Sep 2012	31 Dec 2011
Amounts owed to credit institutions etc	41.6	38.8
Deposits and other debt	63.8	66.7
Deposits in pooled plans	9.5	8.6
Bonds issued	3.8	7.5
Other liabilities etc	23.6	19.8
Provisions	0.3	0.3
Subordinated capital	1.4	2.1
Shareholders' equity	10.0	9.6
Total	**154.0**	**153.4**

The Group's deposits make up DKK 63.8bn against DKK 66.7bn at year-end 2011 and DKK 65.0bn at end-September 2011. The development in deposits since the beginning of the year is ascribable to a decline in time deposits.

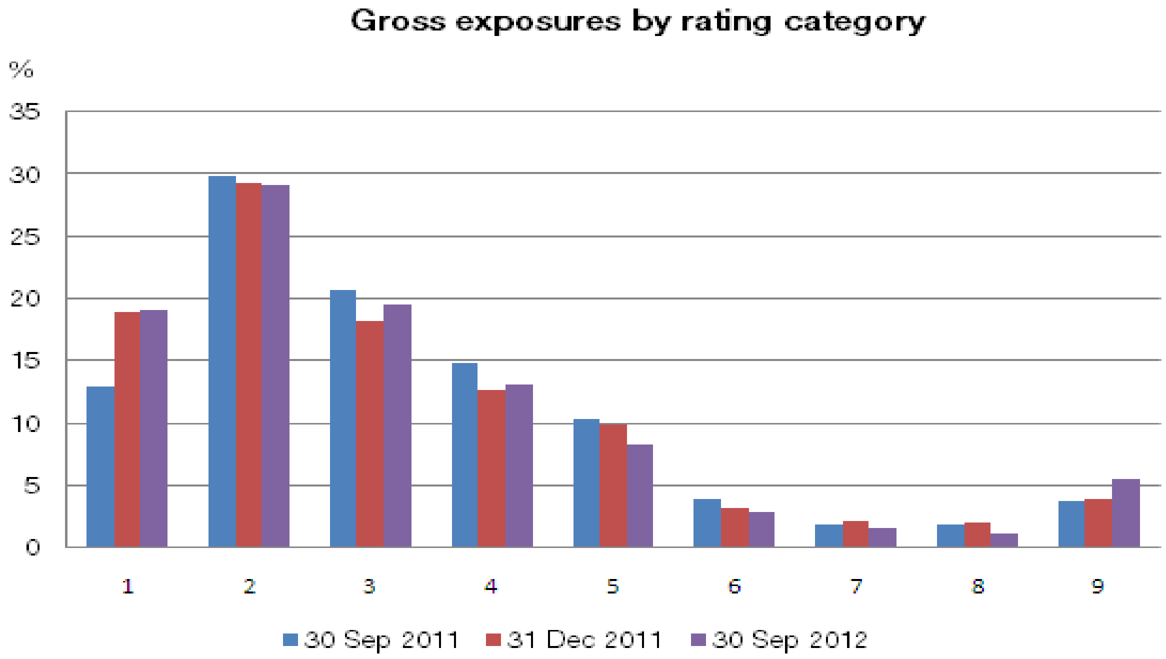
Capital
In April 2012 the Bank prepaid supplementary capital of EUR 100m, after which subordinated capital consists exclusively of hybrid Tier 1 capital of DKK 1,386m.

Shareholders' equity has increased by DKK 391m since year-end 2011 and constitutes DKK 9,986m as of 30 September 2012. The change comprises additions from profit for the period of DKK 423m as well as disposals deriving from distribution of DKK 7m and net purchases of own shares of DKK 25m.

Risk-weighted assets (DKKbn)	30 Sep 2012	31 Dec 2011
Credit risk	51.7	52.3
Market risk	12.3	10.3
Operational risk	8.4	8.1
Total	**72.4**	**70.7**

Since year-end 2011, risk-weighted assets have gone up by DKK 1.7bn to DKK 72.4bn. The increase derives from a rise partly in market risk of DKK 2.0bn and partly in operational risk of DKK 0.3bn. The rise in market risk is primarily ascribable to an increase in the interest rate risk determined by regulatory guidance according to which set-off between the Group's exposures in DKK and hedging in EUR is not allowed. Credit risk has been mitigated by DKK 0.6bn.

The development in gross exposures by rating category at 30 September 2011, 31 December 2011 and 30 September 2012 appears below.



Gross exposures consist of loans and advances, undrawn credit commitments, interest receivable, guarantees and counterparty risk on derivatives. The graph comprises exposures treated according to IRB. Exposures relating to clients in default are not included in the breakdown. Impairment charges for exposures have not been deducted from the exposures.

The development shows an overall unchanged level as regards rating categories 1-4. Furthermore migration from rating categories 5-8 to rating category 9 has taken place as a consequence of the tightened impairment rules.

The Group's core capital ratio and solvency ratio each represent 15.3% compared with 15.2% and 16.1%, respectively, at year-end 2011. The core capital ratio excluding hybrid core capital stands at 13.6% (31 Dec 2011: 13.4%). The reduction in the solvency ratio is ascribable to the prepayment of supplementary capital.

At end-Q3 2012 the adequate capital base, which constitutes the basis for determining the solvency need, represents DKK 7,003m – an increase of DKK 363m since year-end 2011. The adequate capital base can be broken down as follows:

Adequate capital base (DKKbn)	**30 Sep 2012**	**31 Dec 2011**
Credit risk	4,210	4,532
Market risk	807	870
Operational risk	670	646
Other circumstances	1,316	592
Total	**7,003**	**6,640**
Solvency need, % of RWA	**9.7**	**9.4**

At 30 September 2012 the individual solvency need represented 9.7% compared with 9.4% at year-end 2011.

The decline in the adequate capital base to cover credit risk must be viewed in conjunction with the impairment charges in Q1-Q3 2012.

The increase in the adequate capital base to cover other circumstances can mainly be ascribed to an expected future buffer for systemically important financial institutions (SIFIs).

In Q3 2012 Sydbank and other major banks from EU countries participated in the EU-wide capital test conducted at the request of the European Banking Authority (EBA). The purpose of the capital test was to establish the European banking sector's potential need for recapitalisation.

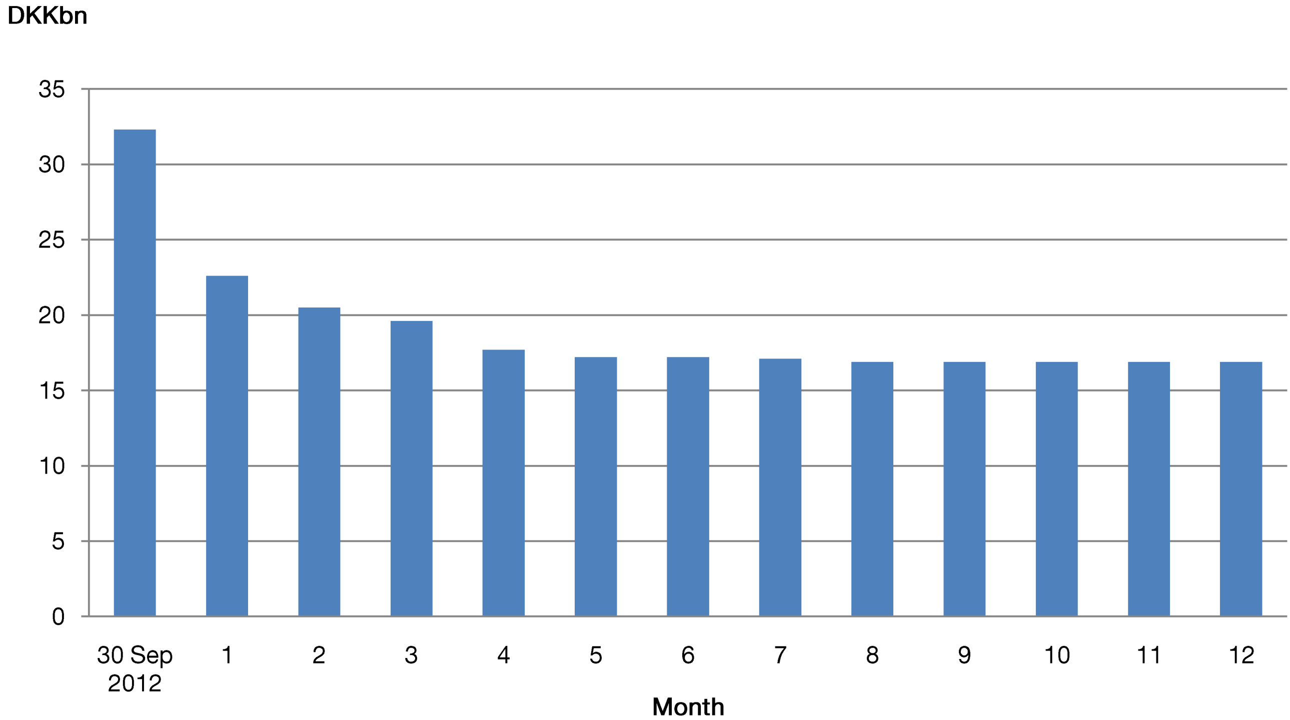
In order to pass the test banks must post a Core Tier 1 capital ratio of a minimum of 9%, which has been fixed by the EBA. According to the test Sydbank's Core Tier 1 capital ratio represents 12.8% at 30 June 2012. Sydbank is therefore 3.8 percentage points above the EBA's minimum requirement and does not need further capital to meet the fixed minimum requirement.

Sydbank has a very solid capital structure and the Bank has no exposure to government bonds with poor credit ratings.

Interest rate risk
At 30 September 2012 the Group's interest rate risk stands at DKK 118m. The Group's exchange rate risk continues to be very low and its equity position modest.

Liquidity
The Group's liquidity measured under the 10% statutory requirement constitutes 23.0% at 30 September 2012.

Moody's 12-month curve shows that the Group is able to withstand a situation in which access to capital markets is cut off for a period exceeding 12 months.



In February 2012 the Group issued a 2-y senior loan of EUR 500m. In September 2012 the Group repaid senior loans of EUR 0.7bn.

Rating
Moody's rating of Sydbank at end-May 2012 is unchanged:

Long-term debt:	Baa1
Short-term debt:	P-2
Bank financial strength:	C-

The Bank's rating outlook is stable.

Outlook for 2012
The Group's expectations for 2012 remain unchanged compared with previous announcements:

- Slightly rising core income
- Slightly rising trading income
- Unchanged level of costs compared with the period 2008-2011
- Impairment charges for loans and advances etc of around DKK 1.4bn.

Income Statement – Sydbank Group

DKKm	Note	Q1-Q3 2012	Q1-Q3 2011	Q3 2012	Q3 2011
Interest income	2	3,022	3,216	948	1,147
Interest expense	3	682	914	175	353
Net interest income		**2,340**	**2,302**	**773**	**794**
Dividends on shares		23	21	3	3
Fee and commission income	4	1,072	986	356	306
Fee and commission expense		159	158	55	51
Net interest and fee income		**3,276**	**3,151**	**1,077**	**1,052**
Market value adjustments	5	388	(39)	161	(78)
Other operating income		5	15	(4)	4
Staff costs and administrative expenses	6	1,777	1,915	553	646
Depreciation and impairment of property, plant and equipment		73	60	26	22
Other operating expenses		62	131	23	(26)
Impairment of loans and advances etc	8	1,198	740	223	245
Profit/(Loss) on holdings in associates and subsidiaries	9	5	(75)	2	(66)
Profit on assets temporarily acquired		0	0	0	0
Profit before tax		**564**	**206**	**411**	**25**
Tax	10	141	70	103	25
Profit for the period		**423**	**136**	**308**	**0**
EPS Basic (DKK) *		5.8	1.9	4.2	0.0
EPS Diluted (DKK) *		5.8	1.9	4.2	0.0
Dividend per share (DKK)		-	-	-	-

* Based on average number of shares outstanding, see page 16.

Statement of Comprehensive Income – Sydbank Group

Profit for the period	**423**	**136**	**308**	**0**
Other comprehensive income				
Translation of foreign entities	2	6	0	(3)
Hedge of net investment in foreign entities	(2)	(6)	0	3
Other comprehensive income after tax	0	0	0	0
Comprehensive income after tax	**423**	**136**	**308**	**0**

Balance Sheet – Sydbank Group

DKKm	Note	30 Sep 2012	31 Dec 2011	30 Sep 2011
Assets				
Cash and balances on demand at central banks		2,247	939	774
Amounts owed by credit institutions and central banks	11	7,248	8,526	5,851
Loans and advances at fair value		5,886	7,658	6,381
Loans and advances at amortised cost		67,225	68,847	70,024
Bonds at fair value		40,408	38,622	33,252
Shares etc		1,291	1,281	1,245
Holdings in associates etc		187	192	194
Assets related to pooled plans		9,451	8,553	7,972
Intangible assets		11	12	12
Total land and buildings		999	1,015	1,038
investment property		-	-	-
owner-occupied property		999	1,015	1,038
Other property, plant and equipment		72	85	87
Current tax assets		9	13	62
Deferred tax assets		5	5	7
Assets in temporary possession		2	1	1
Other assets	12	18,864	17,641	16,908
Prepayments		55	51	58
Total assets		**153,960**	**153,441**	**143,866**
Shareholders' equity and liabilities				
Amounts owed to credit institutions and central banks	13	41,594	38,767	32,021
Deposits and other debt	14	63,806	66,724	64,994
Deposits in pooled plans		9,455	8,557	7,976
Bonds issued at amortised cost		3,788	7,500	7,507
Current tax liabilities		114	-	7
Other liabilities	15	23,550	19,911	19,217
Deferred income		5	6	3
Total liabilities		**142,312**	**141,465**	**131,725**
Provisions	16	276	256	268
Subordinated capital	17	1,386	2,125	2,327
Shareholders' equity:				
Share capital		742	742	742
Revaluation reserves		95	95	110
Other reserves:				
Reserves according to articles of association		425	425	423
Other reserves		26	26	26
Retained earnings		8,698	8,300	8,245
Proposed dividend etc		-	7	-
Total shareholders' equity		9,986	9,595	9,546
Total shareholders' equity and liabilities		**153,960**	**153,441**	**143,866**

Group Financial Highlights – Quarterly

	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011
Income statement (DKKm)							
Core income	1,021	1,070	1,071	1,060	1,032	981	1,007
Trading income	84	59	109	49	(16)	43	91
Total income	**1,105**	**1,129**	**1,180**	**1,109**	**1,016**	**1,024**	**1,098**
Costs, core earnings	605	652	650	573	587	653	650
Core earnings before impairment	**500**	**477**	**530**	**536**	**429**	**371**	**448**
Impairment of loans and advances etc	223	678	297	460	245	240	250
Core earnings	**277**	**(201)**	**233**	**76**	**184**	**131**	**198**
Profit/(Loss) on investment portfolios	139	5	121	10	(38)	(62)	75
Profit/(Loss) before non-recurring items and industry solutions	**416**	**(196)**	**354**	**86**	**146**	**69**	**273**
Non-recurring items, net	-	-	-	(25)	(146)	-	0
Contributions to industry solutions	5	(9)	14	(34)	(25)	63	98
Profit before tax	**411**	**(187)**	**340**	**95**	**25**	**6**	**175**
Tax	103	(47)	85	43	25	1	44
Profit for the period	**308**	**(140)**	**255**	**52**	**0**	**5**	**131**
Balance sheet highlights (DKKbn)							
Loans and advances at amortised cost	67.2	66.7	67.7	68.8	70.0	71.9	71.4
Loans and advances at fair value	5.9	5.9	5.8	7.7	6.4	12.0	9.3
Deposits and other debt	63.8	65.4	64.2	66.7	65.0	67.4	64.6
Bonds issued at amortised cost	3.8	8.8	9.5	7.5	7.5	7.5	11.2
Subordinated capital	1.4	1.4	2.1	2.1	2.3	2.3	2.3
Shareholders' equity	10.0	9.7	9.8	9.6	9.5	9.5	9.6
Total assets	154.0	158.3	147.6	153.4	143.9	145.7	140.6
Financial ratios per share (DKK per share of DKK 10)							
EPS Basic **	4.2	(1.9)	3.5	0.7	0.0	0.1	1.8
EPS Diluted **	4.2	(1.9)	3.5	0.7	0.0	0.1	1.8
Share price at end of period	109.4	95.0	101.5	90.1	99.0	114.8	132.8
Book value	136.9	132.6	134.5	131.1	130.5	128.6	130.5
Share price/book value	0.8	0.72	0.75	0.69	0.76	0.89	1.02
Average number of shares outstanding (millions)	73.0	73.1	73.2	73.2	73.1	73.4	73.4
Dividend per share	-	-	-	-	-	-	-
Other financial ratios and key figures							
Solvency ratio	15.3	14.6	15.4	16.1	15.7	15.1	15.4
Core capital ratio	15.3	14.6	15.2	15.2	14.7	14.1	14.4
Pre-tax profit as % of avg shareholders' equity **	4.2	(1.9)	3.5	1.0	0.3	0.1	1.8
Post-tax profit as % of avg shareholders' equity **	3.1	(1.4)	2.6	0.5	0.0	0.1	1.4
Costs (core earnings) as % of total income	54.8	57.8	55.1	51.7	57.8	63.8	59.2
Interest rate risk	1.1	0.3	1.8	1.0	0.7	0.9	1.1
Foreign exchange position	3.2	4.2	5.7	1.6	1.8	2.7	4.5
Foreign exchange risk	0.1	0.1	0.2	0.1	0.1	0.0	0.0
Loans and advances relative to deposits *	0.9	0.9	0.9	0.9	1.0	1.0	1.0
Loans and advances relative to equity *	6.7	6.9	6.9	7.2	7.3	7.5	7.5
Growth in loans and advances for the period *	0.8	(1.5)	(1.6)	(1.7)	(2.6)	0.6	(2.2)
Excess cover relative to statutory liquidity req.	135.3	151.8	184.7	148.7	115.3	99.5	110.3
Total large exposures	36.7	42.8	28.6	26.3	24.2	34.6	23.9
Accumulated impairment ratio	3.2	3.1	2.5	2.3	2.1	2.0	2.2
Impairment ratio for the period excl PCA **	0.27	0.80	0.35	0.60	0.31	0.28	0.30
Number of full-time staff at end of period	2,095	2,128	2,132	2,152	2,270	2,274	2,285

Financial ratios are prepared according to "Recommendations & Financial Ratios 2010" published by the Danish Society of Financial Analysts.
* Financial ratios are calculated on the basis of loans and advances at amortised cost.
** Quarterly ratios have not been converted to a full-year basis.

Capital – Sydbank Group

DKKm	Share capital	Revaluation reserves	Reserves acc to articles of association*	Reserve for net revaluation acc to equity method	Retained earnings	Proposed dividend etc	Total
Shareholders' equity at 1 Jan 2012	742	95	425	26	8,300	7	9,595
Profit for the period	-	-	-	-	423	-	423
Other comprehensive income							
Translation of foreign entities	-	-	-	-	2	-	2
Hedge of net investment in foreign entities	-	-	-	-	(2)	-	(2)
Total other comprehensive income	-	-	-	-	-	-	-
Comprehensive income for the period	-	-	-	-	423	-	423
Transactions with owners							
Purchase of own shares	-	-	-	-	(1,002)	-	(1,002)
Sale of own shares	-	-	-	-	977	-	977
Adopted dividend etc	-	-	-	-	-	(7)	(7)
Dividend, own shares	-	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	(25)	(7)	(32)
Shareholders' equity at 30 September 2012	**742**	**95**	**425**	**26**	**8,698**	**-**	**9,986**
Shareholders' equity at 1 Jan 2011	742	110	423	26	8,169	84	9,554
Profit for the period	-	-	-	-	136	-	136
Other comprehensive income							
Translation of foreign entities	-	-	-	-	6	-	6
Hedge of net investment in foreign entities	-	-	-	-	(6)	-	(6)
Total other comprehensive income	-	-	-	-	-	-	-
Comprehensive income for the period	-	-	-	-	136	-	136
Transactions with owners							
Purchase of own shares	-	-	-	-	(1,894)	-	(1,894)
Sale of own shares	-	-	-	-	1,830	-	1,830
Adopted dividend etc	-	-	-	-	-	(84)	(84)
Dividend, own shares	-	-	-	-	4	-	4
Total transactions with owners	-	-	-	-	(60)	(84)	(144)
Shareholders' equity at 30 September 2011	**742**	**110**	**423**	**26**	**8,245**	**-**	**9,546**

* Reserves according to articles of association are identical to restricted savings bank reserve in accordance with Article 4 of the Articles of Association.

The Bank has only one class of shares as all shares carry the same rights.

The Sydbank share	30 Sep 2012	Full year 2011	30 Sep 2011
Share capital (DKK)	742,499,990	742,499,990	742,499,990
Shares issued (number)	74,249,999	74,249,999	74,249,999
Shares outstanding at end of period (number)	72,924,262	73,192,644	73,151,190
Average number of shares outstanding (number)	73,109,645	73,246,496	73,334,278

Capital – Sydbank Group

DKKm	30 Sep 2012	31 Dec 2011	30 Sep 2011
Solvency			
Solvency ratio	15.3	16.1	15.7
Core capital ratio	15.3	15.2	14.7
Capital base after deductions			
Shareholders' equity	9,986	9,595	9,546
Revaluation reserves	(95)	(95)	(109)
Proposed dividend	-	(7)	-
Intangible assets and capitalised tax assets	(16)	(17)	(19)
Core capital (excl hybrid core capital)	9,875	9,476	9,418
Hybrid core capital	1,386	1,382	1,382
Difference between expected losses and impairment charges	-	-	-
50% of holdings in associates > 10%	-	(4)	(4)
50% of holdings etc > 10%	(140)	(148)	(156)
Excess deductions	(45)	-	-
Core capital (incl hybrid core capital) after deductions	11,076	10,706	10,640
Subordinated loan capital	-	743	794
Revaluation reserves	95	95	109
Difference between expected losses and impairment charges	-	-	-
Capital base before deductions	11,171	11,544	11,543
50% of holdings in associates > 10%	-	(4)	(4)
50% of holdings etc > 10%	(140)	(148)	(156)
Set-off of excess deductions	45	-	-
Capital base after deductions	**11,076**	**11,392**	**11,383**
Credit risk	51,737	52,303	55,160
Market risk	12,323	10,288	9,108
Operational risk	8,373	8,068	8,071
Risk-weighted assets	**72,433**	**70,659**	**72,339**
Capital requirement under Pillar I	**5,795**	**5,653**	**5,787**

Cash Flow Statement – Sydbank Group

DKKm	Q1-Q3 2012	Full year 2011	Q1-Q3 2011
Operating activities			
Pre-tax profit for the period	564	301	206
Taxes paid	(21)	(60)	(46)
Adjustment for non-cash operating items	1,279	1,380	861
Cash flows from working capital	1,512	5,129	2,699
Cash flows from operating activities	3,334	6,750	3,720
Investing activities			
Purchase and sale of holdings in associates	10	35	42
Purchase and sale of property, plant and equipment	(35)	(83)	(33)
Cash flows from investing activities	(25)	(48)	9
Financing activities			
Purchase and sale of own holdings	(25)	(47)	(56)
Dividend etc	(7)	(84)	(84)
Raising of subordinated capital	(739)	(204)	(3)
Issue of bonds	(3,712)	(3,742)	(3,735)
Cash flows from financing activities	(4,483)	(4,077)	(3,878)
Cash flows for the period	**(1,174)**	**2,625**	**(149)**
Cash equivalent positions at 1 Jan	5,320	2,695	2,695
Cash flows for the period	(1,174)	2,625	(149)
Total cash equivalent positions at end of period	**4,146**	**5,320**	**2,546**

Segment Statements – Sydbank Group

DKKm	Banking	Asset Management	Sydbank Markets	Treasury	Other	Total
Business segments – Q1-Q3 2012						
Core income	2,973	125	64	-	-	**3,162**
Trading income	-	-	252	-	-	**252**
Total income	**2,973**	**125**	**316**	-	-	**3,414**
Costs, core earnings	1,722	41	114	-	30	**1,907**
Impairment of loans and advances etc	1,198	-	0	-	-	**1,198**
Core earnings	**53**	**84**	**202**	-	**(30)**	**309**
Profit/(Loss) on investment portfolios	-	-	-	258	7	**265**
Profit/(Loss) before non-recurring items and industry solutions	**53**	**84**	**202**	**258**	**(23)**	**574**
Non-recurring items, net	-	-	-	-	-	-
Contributions to industry solutions	-	-	-	-	10	**10**
Profit before tax	**53**	**84**	**202**	**258**	**(33)**	**564**

DKKm	Banking	Asset Management	Sydbank Markets	Treasury	Other	Total
Business segments – Q1-Q3 2011						
Core income	2,825	117	78	-	-	**3,020**
Trading income	-	-	118	-	-	**118**
Total income	**2,825**	**117**	**196**	-	-	**3,138**
Costs, core earnings	1,672	45	132	-	41	**1,890**
Impairment of loans and advances etc	736	-	(1)	-	-	**735**
Core earnings	**417**	**72**	**65**	-	**(41)**	**513**
Profit/(Loss) on investment portfolios	-	-	-	(34)	9	**(25)**
Profit/(Loss) before non-recurring items and industry solutions	**417**	**72**	**65**	**(34)**	**(32)**	**488**
Non-recurring items, net	-	-	-	-	(146)	**(146)**
Contributions to industry solutions	-	-	-	-	136	**136**
Profit before tax	**417**	**72**	**65**	**(34)**	**(314)**	**206**

Notes – Sydbank Group

Note 1

Accounting policies

The Interim Report has been prepared in accordance with IAS 34 “Interim Financial Reporting” as adopted by the EU and in compliance with additional Danish disclosure requirements for interim reports. As a result of the use of IAS 34, the presentation is less complete compared with the presentation of an annual report and the measurement principles are in compliance with IFRS.

The Group has changed the components of the performance measures applied in its internal financial management.

Previously income was split into core income excluding trading income and trading income on the basis of products and activities.

The new performance measures, core income and trading income, are mainly based on client affiliation and as a consequence trading income only comprises income from clients affiliated with Sydbank Markets as well as income from flows, market-making and related position-taking.

Core income comprises income from clients serviced by the Group’s broad branch network and investment centres, including commission, investment fund commission, custody account fees and asset management.

The Bank’s segment statements are divided into the following: Banking, Asset Management, Sydbank Markets, Treasury and Other.

Asset Management primarily comprises the Bank’s advisory-related income from clients and investment funds.

Sydbank Markets comprises trading income as well as a share of the income from clients with decentralised affiliation, calculated on the basis of the market price thereof. The share represents the payment by Banking for Sydbank Markets facilities, including advisory services and administration.

Treasury continues to comprise the Group’s return on positions handled by Treasury, including liquidity allocation.

Overall these internal performance measures give a nuanced picture of Group income.

Comparative figures have been restated accordingly.

Apart from the above the accounting policies are consistent with those adopted in the 2011 Annual Report, to which reference is made.

The 2011 Annual Report provides a comprehensive description of the accounting policies applied.

The measurement of certain assets and liabilities requires managerial estimates as to how future events will affect the value of such assets and liabilities. The significant estimates made by the management in the use of the Group’s accounting policies and the inherent considerable uncertainty of such estimates used in the preparation of the condensed interim report are identical to those used in the preparation of the annual report as at 31 December 2011.

The Group’s significant risks and the external elements which may affect the Group are described in greater detail in the 2011 Annual Report.

Notes – Sydbank Group

DKKm	Q1-Q3 2012	Q1-Q3 2011	Q3 2012	Q3 2011

Note 2

Interest income				
Reverse transactions with credit institutions and central banks	4	20	(2)	10
Amounts owed by credit institutions and central banks	42	65	12	23
Reverse loans and advances	18	70	3	28
Loans and advances and other amounts owed	2,409	2,409	782	857
Bonds	575	612	166	214
Derivatives	(29)	37	(13)	14
Other interest income	3	3	0	1
Total	**3,022**	**3,216**	**948**	**1,147**

Note 3

Interest expense				
Repo transactions with credit institutions and central banks	36	103	2	46
Credit institutions and central banks	92	144	27	56
Repo deposits	0	2	0	2
Deposits and other debt	375	466	110	182
Bonds issued	148	151	28	49
Subordinated capital	30	46	8	17
Other interest expense	1	2	0	1
Total	**682**	**914**	**175**	**353**

Note 4

Fee and commission income				
Securities trading and custody accounts	567	558	191	165
Payment services	171	162	58	55
Loan fees	88	61	27	21
Guarantee commission	86	81	28	25
Other fees and commission	160	124	52	40
Total	**1,072**	**986**	**356**	**306**

Note 5

Market value adjustments				
Other loans and advances and amounts owed at fair value	0	2	0	1
Bonds	341	291	132	354
Shares etc	70	(142)	39	(65)
Foreign exchange	135	152	47	61
Total derivatives	(157)	(345)	(55)	(432)
Assets related to pooled plans	424	(385)	230	(209)
Deposits in pooled plans	(425)	388	(231)	212
Other assets/liabilities	0	0	(1)	0
Total	**388**	**(39)**	**161**	**(78)**

Notes – Sydbank Group

DKKm	Q1-Q3 2012	Q1-Q3 2011	Q3 2012	Q3 2011

Note 6

Staff costs and administrative expenses	Q1-Q3 2012	Q1-Q3 2011	Q3 2012	Q3 2011
Salaries and emoluments to:				
Group Executive Management	11	15	3	8
Board of Directors	3	3	1	1
Shareholders' Committee	1	2	0	1
Total	15	20	4	10
Staff costs:				
Wages and salaries	837	936	253	316
Pensions	93	107	31	40
Social security contributions	14	13	8	4
Payroll tax etc	91	97	28	34
Total	1,035	1,153	320	394
Other administrative expenses:				
IT	394	384	131	130
Rent etc	109	118	40	43
Marketing and entertainment expenses	56	61	17	21
Other expenses	168	179	41	48
Total	727	742	229	242
Total	**1,777**	**1,915**	**553**	**646**

Note 7

Staff	Q1-Q3 2012	Q1-Q3 2011	Q3 2012	Q3 2011
Average number of staff (full-time equivalent)	2,167	2,322	2,147	2,321

Notes – Sydbank Group

DKKm	Q1-Q3 2012	Q1-Q3 2011	Q3 2012	Q3 2011
Note 8				
Impairment of loans and advances recognised in the income statement				
Impairment and provisions	968	369	78	14
Write-offs	280	403	155	238
Recovered from debt previously written off	50	32	10	7
Impairment of loans and advances etc	**1,198**	**740**	**223**	**245**
Impairment and provisions at end of period				
Individual impairment and provisions	2,466	1,428	2,466	1,428
Collective impairment and provisions	187	172	187	172
Impairment and provisions at end of period	**2,653**	**1,600**	**2,653**	**1,600**
Individual impairment of loans and advances and provisions for guarantees				
Impairment and provisions at 1 Jan	1,669	1,597	2,475	1,537
Exchange rate adjustment	0	0	0	0
Impairment and provisions during the period	994	382	79	19
Write-offs covered by impairment and provisions	197	551	88	128
Impairment and provisions at end of period	**2,466**	**1,428**	**2,466**	**1,428**
Individual impairment of loans and advances	2,419	1,405	2,419	1,405
Individual provisions for guarantees	47	23	47	23
Impairment and provisions at end of period	**2,466**	**1,428**	**2,466**	**1,428**
Collective impairment of loans and advances and provisions for guarantees				
Impairment and provisions at 1 Jan	167	166	168	166
Impairment and provisions during the period	20	6	19	6
Impairment and provisions at end of period	**187**	**172**	**187**	**172**
Sum of loans and advances and amounts owed subject to collective impairment and provisions	20,253	11,973	20,253	11,973
Collective impairment and provisions	187	172	187	172
Loans and advances and amounts owed after collective impairment and provisions	**20,066**	**12,145**	**20,066**	**12,145**
Individual impairment of loans and advances subject to objective evidence of impairment				
Balance before impairment of individually assessed loans and advances	4,401	2,611	4,401	2,611
Impairment of individually assessed loans and advances	2,419	1,405	2,419	1,405
Balance after impairment of individually assessed loans and advances	**1,982**	**1,206**	**1,982**	**1,206**
Interest added concerning individually and collectively impaired loans and advances represents	962	762	296	271

Notes – Sydbank Group

DKKm	Q1-Q3 2012	Q1-Q3 2011	Q3 2012	Q3 2011
Note 9				
Profit/(Loss) on holdings in associates and subsidiaries				
Profit/(Loss) on holdings in associates etc	5	(75)	2	(66)
Total	**5**	**(75)**	**2**	**(66)**
Note 10				
Effective tax rate				
Current tax rate of Sydbank	25.0	25.0	25.0	25.0
Permanent differences	-	11.2	-	91.9
Adjustment of prior year tax charges	-	(2.2)	-	(17.3)
Effective tax rate	**25.0**	**34.0**	**25.0**	**99.6**

DKKm	30 Sep 2012	31 Dec 2011	30 Sep 2011
Note 11			
Amounts owed by credit institutions and central banks			
Amounts owed at notice by central banks	0	2,992	43
Amounts owed by credit institutions	1,988	1,994	2,650
Reverse transactions	5,260	3,540	3,158
Total	**7,248**	**8,526**	**5,851**
Note 12			
Other assets			
Positive market value of derivatives etc	15,496	13,875	13,698
Sundry debtors	334	272	311
Interest and commission receivable	395	582	532
Cash collateral provided, CSA agreements	2,639	2,912	2,364
Other assets	0	0	3
Total	**18,864**	**17,641**	**16,908**
Note 13			
Amounts owed to credit institutions and central banks			
Amounts owed to central banks	1,289	3,164	674
Amounts owed to credit institutions	17,398	15,212	19,214
Repo transactions	22,907	20,391	12,133
Total	**41,594**	**38,767**	**32,021**

Notes – Sydbank Group

DKKm	30 Sep 2012	31 Dec 2011	30 Sep 2011

Note 14

Deposits and other debt			
On demand	45,078	40,499	39,479
At notice	427	442	534
Time deposits	12,876	20,360	19,844
Special categories of deposits	5,425	5,423	5,137
Repo transactions	-	-	-
Total	**63,806**	**66,724**	**64,994**

Note 15

Other liabilities			
Negative market value of derivatives etc	16,508	14,110	13,980
Sundry creditors	359	1,421	854
Negative portfolio, reverse transactions	5,542	3,847	3,598
Interest and commission etc	219	103	266
Cash collateral received, CSA agreements	922	429	513
Other liabilities	0	1	6
Total	**23,550**	**19,911**	**19,217**

Note 16

Provisions			
Provisions for pensions and similar obligations	3	3	3
Provisions for deferred tax	203	202	224
Provisions for guarantees	47	25	20
Other provisions *	23	26	21
Total	**276**	**256**	**268**

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

Notes – Sydbank Group

					30 Sep 2012	31 Dec 2011	30 Sep 2011

Note 17

Subordinated capital

Interest rate	Note		Nominal (m)	Maturity	30 Sep 2012	31 Dec 2011	30 Sep 2011
Repaid loans					-	743	945
Total supplementary capital					**-**	**743**	**945**
1.54 (floating)	1)	Bond loan	EUR 100	Perpetual	742	739	739
6.36 (fixed)	2)	Bond loan	DKK 85	Perpetual	85	85	85
2.18 (floating)	3)	Bond loan	EUR 75	Perpetual	559	558	558
Total hybrid core capital					**1,386**	**1,382**	**1,382**
Total					**1,386**	**2,125**	**2,327**

1) Optional redemption on 25 April 2017 after which the interest rate will be fixed at 2.10% above 3-month EURIBOR.

2) Optional redemption on 14 May 2017 after which the interest rate will be fixed at 1.75% above 3-month CIBOR.

3) Optional redemption on 24 November 2014 but holds no incentive for redemption in the form of an interest rate step-up or similar.

Note 18

Contingent liabilities and other obligating agreements

	30 Sep 2012	31 Dec 2011	30 Sep 2011
Contingent liabilities			
Financial guarantees	2,800	2,937	2,659
Mortgage finance guarantees	1,501	1,514	1,100
Registration and remortgaging guarantees	2,327	2,639	2,316
Other contingent liabilities	1,313	1,181	1,205
Total	**7,941**	**8,271**	**7,280**
Other obligating agreements			
Irrevocable credit commitments	1,296	490	559
Other liabilities *	80	68	51
Total	**1,376**	**558**	**610**
* Including intra-group liabilities in relation to rented premises	32	42	46

Notes – Sydbank Group

Note 18 – continued

In 2009 the group of minority shareholders ("Foreningen af Minoritetsaktionærer i bankTrelleborg") – by three named shareholders – filed an action against bankTrelleborg, now Sydbank, regarding an inadequate prospectus in connection with the conversion of sparTrelleborg to bankTrelleborg in June 2007. The Eastern High Court ruled in favour of Sydbank on 2 May 2012. The case has been appealed to the Supreme Court where oral proceedings have been scheduled for 4 and 7 January 2013.

On 21 January 2011 two new class action claims were filed with the City Court of Copenhagen against Sydbank A/S concerning the acquisition of bankTrelleborg. Both claims concern a potential prospectus liability regarding bankTrelleborg, now Sydbank A/S, in connection with the conversion of sparTrelleborg to bankTrelleborg in Q2 2007, ie before the bank was acquired by Sydbank. One class action was accepted by the Eastern High Court while the other was dismissed. Both decisions have been appealed.

In addition 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.

Note 19

Repo and reverse transactions
In connection with repo transactions, which involve selling securities to be repurchased at a later date, the securities remain on the balance sheet, and consideration received is recognised as a debt. Repo transaction securities are treated as assets provided as collateral for liabilities. At 30 September 2012 the fair value of such securities stood at DKK 22,794m.

In connection with reverse transactions, which involve purchasing securities to be resold at a later date, the Group is entitled to sell or deposit them as collateral for other loans. The securities are not recognised in the balance sheet and consideration paid is recognised as a receivable. At 30 September 2012 the fair value of such securities stood at DKK 11,060m.

Assets received as collateral in connection with reverse transactions may be sold to a third party. In such cases a negative portfolio may arise as a result of the accounting rules. This is recognised under "Other liabilities".

Note 20

Collateral
As of 30 September 2012 the Group had deposited as collateral securities at a market value of DKK 2,050m with Danish and foreign exchanges and clearing centres etc in connection with margin calls and securities settlements etc.

Note 21

Related parties
Sydbank is the bank of a number of related parties. Transactions with related parties are settled on an arm's length basis.

No unusual transactions took place with related parties in Q1-Q3 2012. Reference is made to the Group's 2011 Annual Report for a detailed description of related party transactions.

Note 22

Reporting events occurring after the balance sheet date
After the expiry of Q3 no matters of significant impact on the financial position of the Sydbank Group have occurred.

Notes – Sydbank Group

DKKm	Q1-Q3 2012	Q1-Q3 2011	Index 12/11	Full year 2011

Note 23

Large shareholders
Silchester International Investors LLP owns more than 10% of Sydbank's share capital.

Note 24

Core income				
Interest margins etc	2,074	2,063	101	2,799
Mortgage credit	200	131	153	188
Payment services	126	115	110	156
Remortgaging and loan fees	88	62	142	86
Commission and brokerage	231	270	86	353
Commission etc investment funds and pooled pension plans	212	170	125	235
Asset management	125	116	108	143
Custody account fees	53	53	100	70
Other income	53	40	133	50
Total	**3,162**	**3,020**	**105**	**4,080**

Management Statement

Today we have considered and approved the Interim Report – Q1-Q3 2012 of Sydbank A/S.

The Interim Report – Q1-Q3 2012 has been prepared in accordance with IAS 34 as adopted by the EU. Furthermore the Interim Report has been prepared in compliance with additional Danish disclosure requirements for interim reports of listed financial companies. The Interim Report has not been audited or reviewed.

In our opinion the accounting policies applied are appropriate and the Interim Report gives a true and fair view of the Group's assets, shareholders' equity and liabilities and financial position at 30 September 2012 and of the results of the Group's operations and consolidated cash flows for the accounting period 1 January-30 September 2012 as well as a description of the most significant risks and elements of uncertainty which may affect the Group.

Aabenraa, 30 October 2012

Group Executive Management

Karen Frøsig (CEO)	Preben L. Hansen

Board of Directors

Anders Thoustrup (Chairman)	Hanni Toosbuy Kasprzak (Vice-Chairman)	Svend Erik Busk
Claus Christensen	Peder Damgaard	Harry Max Friedrichsen
Erik Bank Lauridsen	Steen Tophøj	Jan Uldahl-Jensen
Margrethe Weber		

Supplementary Information

Financial calendar

In 2013 the Group's preliminary announcement of financial statements will be released as follows:

– Preliminary announcement of the 2012 Financial Statements
  20 February 2013
– General Meeting *)
  14 March 2013
– Interim Report – Q1 2013
  1 May 2013
– Interim Report – First Half 2013
  21 August 2013
– Interim Report – Q1-Q3 2013
  29 October 2013

*) Motions submitted by shareholders to be discussed at the General Meeting on 14 March 2013 must be received by the Bank no later than 31 January 2013.

Sydbank contacts

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Relevant links

sydbank.dk
sydbank.com

For further information reference is made to Sydbank's 2011 Annual Report at sydbank.com.