Sydbank A/S / 3rd Quarter Results

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Dissemination of a Regulatory Announcement, transmitted by EQS Group AG.

Aabenraa, Denmark, 2016-11-02 08:28 CET (GLOBE NEWSWIRE) -- Decline in costs and high credit quality ensure satisfactory result

Sydbank has delivered a satisfactory performance for the first nine months of 2016 and continues the positive trend. The Bank's loans and advances have risen by DKK 3.8bn whereas the Bank's impairment charges have dropped by 58% compared with one year ago. Moreover the financial statements show a decline in the Bank's costs (core earnings). In 2016 and 2017 Sydbank will allocate extra resources to develop customer-oriented digital solutions.

CEO Karen Froesig comments on Sydbank's Q1-Q3 result:

-- It is highly satisfactory to note an increase of DKK 196m in profit after

tax compared with the same period in 2015. The improvements in costs, impairment charges, investment portfolio earnings and non-recurring items more than make up for the decline in core income and this is what creates the increase in profit. Profit after tax equals a return of 12.0% p.a. on shareholders' equity.

Sydbank's market share of corporate clients has increased. Karen Froesig comments:

-- I am pleased to note that Sydbank is also attracting new strong corporate

clients. As a result the Bank is growing into one of the largest corporate banks in Denmark. Given the historically fierce competition in the market place, this tells us that our advisory services and banking products are among the very best in the sector.

Q1-Q3 2016 - highlights

-- Profit of DKK 1,028m. This is equal to a return on shareholders' equity of 12.0% p.a. after tax.
-- Core income of DKK 3,131m. This is a decline of 5% compared with the same period in 2015 when core income was historically high. -- Total income of DKK 3,319m. This is a drop of 4% compared with the same period in 2015.
-- Impairment charges for loans and advances represent DKK 114m and have declined by 58% compared with the same period in 2015. -- Bank loans and advances have risen by DKK 3.8bn, equal to 5.1%. -- The Common Equity Tier 1 capital ratio has climbed by 0.4 percentage points and constitutes 14.9%.
-- A share buyback of DKK 350m was commenced on 29 February 2016.

Outlook for 2016
Sydbank projects limited positive economic growth in the Danish economy in 2016. Furthermore we expect:

-- a slight decline in core income relative to income for 2015. -- unchanged trading income relative to income for 2015 but dependent on financial market developments.
-- a decrease in costs (core earnings) - in spite of the general pay rises

agreed for the financial sector of 1.80% and a payroll tax increase of 1.40% - as a result of the measures implemented and the discontinuation of payments to the deposit guarantee scheme.

-- lower impairment charges in 2016.

Additional information

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Karen Froesig, CEO, Bjarne Larsen, Deputy Group Chief Executive, and Joern Adam Moeller, CFO, will present the Interim Report today at 10.00 (CET) at a teleconference. The teleconference will be held in Danish and may be attended via www.sydbank.dk/audiocast

Danish attendees are invited to call 70 22 35 00. International attendees are invited to call +44 207 57 21 187. Please quote the following code: 23458423#

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