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AL Sydbank A/S
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Dear Sirs

AL Sydbank delivers strong first financial statements

AL Sydbank's first financial statements demonstrate that the Bank knows how to maintain momentum through the merger. The Bank has joined the ranks of the very largest financial institutions with a significantly larger customer base, higher credit intermediation and a decent return on equity.

The financial statements for 2025 are the first for the new AL Sydbank. With its 1 million retail clients, 100,000 corporate clients and 20,000 associations, AL Sydbank is one of the banking heavyweights in Denmark, which is clearly reflected in its volume where credit intermediation totals DKK 384bn, lending stands at DKK 140bn and deposits represent DKK 209bn. The Bank has thus managed to grow since the merger plans were launched. Here total credit intermediation represented DKK 375bn and bank loans and advances amounted to DKK 137bn for the then three banks.

"We have a robust financial foundation and the growth strategies of the three merged banks have been successfully carried over to our new bank. This gives us a solid starting point to build a bank where customers experience stability, high quality and actual value creation – regardless of where they live – so that we can be one of Denmark's best-run and most efficient banks to the benefit of customers, employees and shareholders," says Ellen Trane Nørby, Chair of the Board of Directors.

Profit for the year represents DKK 1,893m, equal to a return on tangible equity of 12.1% p.a. after tax. The financial statements thus confirm that the Bank has already started to fulfil the expectations underlying the merger of Sydbank – Denmark's commercial bank; Arbejdernes Landsbank – the bank of choice among Danes; and Vestjysk Bank – Denmark's strongest local bank.

“The Bank’s strong capital position makes it possible to make a significant distribution to shareholders. It is proposed that dividend of DKK 25 per share, totalling DKK 2,145m, be distributed – and that a share buyback programme of DKK 1,100m be initiated. Total distribution represents DKK 3,245m. The Group will continue to be well capitalised after the distribution,” comments Ellen Trane Nørby.

AL Sydbank received positive response

2026 will be the year when AL Sydbank comes into its own. The Bank will continue its path as a bigger, stronger and more competitive bank – for retail clients, corporate clients as well as Private Banking clients. Still in its early beginnings, the Bank is facing an unsettled time when it must start to deliver on the promised cost synergies of DKK 1.2bn. Nevertheless the Bank has received support from customers as well as employees.

“Our new bank is bigger, stronger and more competitive – and I am immensely proud and pleased to see how well the merger has been received by our employees, customers and shareholders. I’m looking forward to building on the bank of the future and achieving the synergies that arise when our strengths are combined. This enables us to create even more value for customers, consolidate our market position and ensure healthy and long-term growth,” says Mark Luscombe, CEO.

Outlook for 2026

AL Sydbank projects moderate growth in the Danish economy in the year ahead and profit after tax in the range of DKK 3,500-4,000m assuming that the Danish central bank holds the certificate of deposit rate steady. The outlook is subject to uncertainty and depends on financial market developments and macroeconomic factors that could affect eg the level of impairment charges.

Facts about the financial statements

AL Sydbank’s profit for 2025 includes the profit of the former Sydbank until the merger with Arbejdernes Landsbank and Vestjysk Bank at the beginning of December as well as the profit of the merged entity AL Sydbank after the merger. The balance sheet has been prepared as a consolidated balance sheet for AL Sydbank at 31 December 2025 and includes all assets, liabilities and equity items of the entire group after completion of the merger.

The profit includes significant non-recurring costs associated with exiting from a data centre.

Financial highlights for 2025

- Profit for the period of DKK 1,893m, equal to a return on tangible equity of 12.1% p.a. after tax

- Core income of DKK 7,174m
- Costs (core earnings) of DKK 3,715m
- Impairment charges for loans and advances etc of DKK 297m (DKK 161m is attributable to day 1 losses on exposures acquired)
- Bank loans and advances of DKK 140bn
- Deposits of DKK 209bn
- Total credit intermediation of DKK 384bn
- CET1 ratio of 15.8% and capital ratio of 19.2%
- Proposed dividend of DKK 25 per share

Additional information:

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Yours sincerely

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