

Annual Report

# 2025

AL Sydbank Group





Return on tangible equity **12.1%**

Core income **DKK 7,174m**

Costs (core) **DKK 3,715m**

Bank loans and advances **DKK 140bn**

Total credit intermediation **DKK 384bn**

Dividend **DKK 25 per share**

# Deep roots – strong future

2025 was a decisive year for us. A year when we delivered solid results and also took a historic step into the future with the merger of Sydbank – Denmark’s commercial bank; Arbejdernes Landsbank – the bank of choice among Danes; and Vestjysk Bank – Denmark’s strongest local bank. Therefore this annual report marks the end of a strong financial year and the beginning of a new shared era: **AL Sydbank**.

## A strong year in times of change

In 2025 financial markets were characterised by geopolitical tension and ongoing inflation uncertainty. In spite of this we succeeded in strengthening our position by means of solid earnings, stable credit quality and efficient cost management.

Core business performed well and is evidence of an organisation that manages to balance risk-aware growth, disciplined capital management and growing demand from retail and corporate customers. This is a strong foundation to bring to our new bank.

## The merger – a strategic and necessary step

On 27 October 2025 Sydbank, Arbejdernes Landsbank and Vestjysk Bank announced that their respective boards of directors had agreed to merge to form **AL Sydbank**.

The background for the merger is clear: we have witnessed a major structural change in the banking market. The number of banks in Denmark has more than halved since 2011 where especially administrative burdens as well as regulatory requirements have challenged medium-sized banks in particular. In addition to this, and not an insignificant factor, size offers better opportunities to increase investments in digital developments, which will benefit customers.

The merger is a forward-looking strategic decision – due diligence in a changing sector – and received strong support from shareholders in all three banks.

## A unified bank with national strength and local presence

With around **1,000,000 retail clients, 100,000 corporate clients and 20,000 associations**, AL Sydbank is one of the largest banks in Denmark. We have the country’s strongest branch network and a geographical reach that enables us to be close to customers – both in the large cities and in the local communities that form the backbone of our business.

## What the merger means for customers

For customers the merger means greater strength and more opportunities:

- **Larger professional environments** bring more specialised advice, and branches with greater critical mass.
- **Greater capacity** supports our position as Denmark’s commercial bank and enables us a greater lending capacity.
- **Greater digital strength** increases quality, stability and pace of development.
- **Local presence** is maintained thanks to one of the country’s widest branch networks.

Our ambition is clear: To create a bank where customers experience stability, high quality and real value creation – regardless of where they live and regardless of how they wish to communicate with the bank.

## What the merger means for employees

The merger creates a larger organisation with greater development opportunities, more professional communities and new career paths. It also makes it possible to gather competences across the organisation and further enhance the quality of our advisory services.

## Greater resilience – stronger synergies

The new bank projects annual synergies of **DKK 1.2 billion**, primarily via a common IT platform that will enhance operational efficiency and via a reduction in the duplication of functions. These synergies will not only boost earnings but also increase our capability to invest in technology, including customer-facing solutions.

A larger bank also offers:

- greater resilience in a market characterised by increasing regulatory complexity
- lower unit costs
- stronger risk-bearing capacity and capital strength
- the opportunity to compete broadly all over Denmark

## Social responsibility and sustainability

As AL Sydbank we support the important societal agendas, including ensuring accountability in our way of doing business as well as contributing to sustainable development. Our engagement in the local communities will not weaken – on the contrary our responsibility grows with our size.



Our bank wants to take social responsibility. We do this by for instance:

- supporting the Danish corporate sector
- being active in clubs, associations and local communities
- contributing to the green transition
- taking care of the weakest in society by offering them the possibility to have a free NemKonto account and payment card
- investing in customers, employees and long-term relationships

#### **A clear compass for the future**

With this merger, we are creating a bank with a common direction, shared values and shared ambitions. 2026 will be the year when AL Sydbank comes into its own. We are entering this new phase with a strong financial foundation, a robust organisation and a clear direction.

AL Sydbank is a nationwide bank with local roots and distinct competitive strengths. A bank that understands both the Danes and Danish businesses. A bank that understands both city and countryside. A stronger bank in the Danish market.

#### **Thank you for your trust**

On behalf of AL Sydbank, we would like to thank all our customers, shareholders and employees for your trust and commitment in 2025.

We look forward to continuing this path – as a bigger, stronger and more competitive bank that continues to be based on presence, decency and customer focus.

**Ellen Trane Nørby**  
*Chair of the  
Board of Directors*

**Mark Luscombe**  
*CEO*



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The 2025 Annual Report is available in Danish at [al-sydbank.dk](http://al-sydbank.dk) and in English at [sydbank.com](http://sydbank.com).  
In case of doubt the Danish version applies.



# Group Financial Highlights

	2025	2024	Index 25/24	2023	2022	2021
<b>Income statement (DKKm)</b>						
Core income	7,174	7,227	99	7,071	5,194	4,436
Trading income	256	268	96	275	284	291
<b>Total income</b>	<b>7,430</b>	<b>7,495</b>	<b>99</b>	<b>7,346</b>	<b>5,478</b>	<b>4,727</b>
Costs, core earnings	3,715	3,312	112	3,136	3,040	3,177
<b>Core earnings before impairment</b>	<b>3,715</b>	<b>4,183</b>	<b>89</b>	<b>4,210</b>	<b>2,438</b>	<b>1,550</b>
Impairment of loans and advances etc	297	595	-	(27)	(99)	(415)
<b>Core earnings</b>	<b>3,418</b>	<b>3,588</b>	<b>95</b>	<b>4,237</b>	<b>2,537</b>	<b>1,965</b>
Investment portfolio earnings	158	73	-	88	(141)	(21)
<b>Profit before non-recurring items</b>	<b>3,576</b>	<b>3,661</b>	<b>98</b>	<b>4,325</b>	<b>2,396</b>	<b>1,944</b>
Non-recurring items, net	(1,102)	(16)	-	(44)	9	(180)
<b>Profit before tax</b>	<b>2,474</b>	<b>3,645</b>	<b>68</b>	<b>4,281</b>	<b>2,405</b>	<b>1,764</b>
Tax	581	883	66	939	504	353
<b>Profit for the year</b>	<b>1,893</b>	<b>2,762</b>	<b>69</b>	<b>3,342</b>	<b>1,901</b>	<b>1,411</b>
<b>Balance sheet highlights (DKKbn)</b>						
Loans and advances at amortised cost	140.3	82.5	170	74.5	73.9	67.0
Loans and advances at fair value	21.6	23.8	91	16.7	10.4	16.9
Deposits and other debt	209.3	116.7	179	111.7	107.5	93.9
Bonds issued at amortised cost	21.5	11.2	192	11.2	13.2	13.3
Subordinated capital	3.5	2.1	167	1.1	1.1	1.9
AT1 capital	1.8	0.8	225	0.8	0.8	0.8
Shareholders' equity	35.8	15.0	239	14.9	13.2	12.4
Total assets	342.0	193.7	177	185.1	179.3	168.2
<b>Financial ratios per share (DKK per share of DKK 10)</b>						
EPS	34.8	50.9		58.8	32.2	23.0
Share price at year-end	570.0	380.0		293.6	292.6	206.8
Book value	416.8	291.4		273.9	233.4	212.6
Book value (tangible equity)	314.3	284.4		268.6	227.8	206.7
Share price/book value	1.37	1.30		1.07	1.25	0.97
Share price/book value (tangible equity)	1.81	1.34		1.09	1.28	1.00
Average number of shares outstanding (in millions)	52.3	53.3		56.0	57.5	59.2
Proposed dividend	25.00	26.88		30.56	16.77	17.70
<b>Other financial ratios and key figures</b>						
CET1 ratio	15.8	17.8		18.9	17.3	17.9
T1 capital ratio	17.1	19.0		20.1	18.6	19.3
Capital ratio	19.2	21.4		21.1	19.6	22.8
Pre-tax profit as % of average tangible equity	15.9	25.2		30.9	19.4	14.5
Post-tax profit as % of average tangible equity	12.1	19.0		24.1	15.2	11.5
Pre-tax profit as % of average equity	14.9	24.6		30.3	18.9	14.1
Post-tax profit as % of average equity	11.3	18.6		23.6	14.8	11.2
Costs (core earnings) as % of total income	50.0	44.2		42.7	55.5	67.2
Return on assets (%)	0.71	1.46		1.83	1.09	0.84
Interest rate risk	1.1	1.2		0.5	1.3	1.6
Foreign exchange position	0.6	1.2		0.7	1.8	1.1
Foreign exchange risk	0.0	0.0		0.0	0.0	0.0
Liquidity, LCR (%)	271	230		223	200	200
Loans and advances relative to deposits	0.6	0.6		0.6	0.6	0.6
Loans and advances relative to equity	3.9	5.5		5.0	5.6	5.4
Growth in loans and advances for the year	70.0	10.7		0.8	10.3	11.3
Total large exposures	72	110		137	147	140
Accumulated impairment ratio	1.5	2.2		2.1	2.1	2.2
Impairment ratio for the year	0.2	0.6		0.0	(0.1)	(0.5)
Number of full-time staff at year-end	4,180	2,094	200	2,029	2,034	2,077

When calculating financial ratios AT1 capital is considered a liability regardless of the fact that it is accounted for as equity. Reference is made to financial ratio definitions on page 139. The correlation between the Group's performance measures and the income statement according to IFRS appears from note 6 and accounting policies (note 1). Comparative figures for previous years have not been restated.

# Summary

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. Comparative figures for previous years have not been restated.

AL Sydbank's financial statements for 2025 show a profit before tax of DKK 2,474m compared to DKK 3,645m in 2024. Profit before tax equals a return of 15.9% p.a. on average tangible equity.

Profit before tax shows a decrease of DKK 1,171m, which is mainly attributable to costs resulting from the merger of Sydbank, Arbejdernes Landsbank and Vestjysk Bank of DKK 1,061m.

Profit for the year represents DKK 1,893m compared to DKK 2,762m in 2024, equal to a return on average tangible equity of 12.1% after tax.

The return on average tangible equity, before tax and after tax, is affected by the fact that, for most of the period, the income statement consists only of the profit of the former Sydbank while the balance sheet, including equity, is fully consolidated at 31 December 2025. As a result of this structural difference between the calculation of profit and the consolidated balance sheet, the calculated return on tangible equity is lower as total capital reflects the entire merged entity whereas profit only does so to a limited extent.

In connection with the release of the 2024 Annual Report, profit after tax for 2025 was expected to be in the range of DKK 2,200-2,600m. In October 2025 the Group further clarified its profit forecast for 2025 – from a range of DKK 2,200-2,600m, which was expected in January 2025 – to a range of DKK 2,400-2,600m.

After the merger of Sydbank, Arbejdernes Landsbank and Vestjysk Bank was approved, in connection with its choice of data centre, the Group lowered its expectations for profit after tax to a range of DKK 1,700-1,900m in December due to payment of an exit fee to BEC Financial Technologies.

## Merger of Sydbank, Arbejdernes Landsbank and Vestjysk Bank

On 27 October 2025 Sydbank, Arbejdernes Landsbank and Vestjysk Bank entered into an agreement to merge under the name AL Sydbank. The merger was finalised on 5 December 2025. The acquisition cost was DKK 21,855m.

The merger comprises Sydbank – Denmark's commercial bank; Arbejdernes Landsbank – the bank of choice among Danes; and Vestjysk Bank – Denmark's strongest local bank. Together they form AL Sydbank.

The merger creates one bank with a common set of values, a strong culture and one unifying goal of being one of Denmark's best-run, most efficient and most profitable banks.

AL Sydbank is a nationwide bank with local roots and distinct competitive strengths. A bank that understands both the Danes and Danish businesses. A bank that understands both city and countryside. A stronger bank in the Danish market.

Sydbank is the continuing legal entity and Arbejdernes Landsbank and Vestjysk Bank are the added entities in the merger.

## Results for 2025

Total core income has fallen by DKK 53m to DKK 7,174m. The decline is primarily a result of lower net interest etc.

Net interest income has gone down by DKK 459m or 10% to DKK 3,932m. Added entities represent DKK 245m.

Trading income represents DKK 256m compared to DKK 268m in 2024. Added entities represent DKK 8m.

Total income has dropped by DKK 65m to DKK 7,430m. Added entities represent DKK 491m.

Costs (core earnings) have gone up by DKK 403m to DKK 3,715m, of which DKK 271m is attributable to the entities added.

Impairment charges for loans and advances represent an expense of DKK 297m. DKK 161m of the impairment charges is attributable to day 1 losses on the exposures acquired. In 2024 impairment charges represented an expense of DKK 595m.

Core earnings for 2025 represent DKK 3,418m – a decline of DKK 170m compared to 2024.

Together the Group's position-taking and liquidity handling generated earnings of DKK 158m in 2025 compared to DKK 73m in 2024.

Profit before tax constitutes DKK 2,474m compared to DKK 3,645m in 2024. Tax has been calculated at DKK 581m. Profit for the year amounts to DKK 1,893m compared to DKK 2,762m in 2024.

Bank loans and advances represented DKK 140.3bn at year-end 2025 and went up by DKK 57.8bn in 2025. DKK 56.5bn of this amount is attributable to the entities added.

Total credit intermediation represented DKK 384.0bn at year-end 2025 and rose by DKK 195.0bn in 2025, equal to 103%. DKK 193.0bn of the increase is attributable to the merger.

Earnings per share stands at DKK 34.8 compared to DKK 50.9 in 2024.

During the year shareholders' equity went up by DKK 20,777m to DKK 35,759m. The change comprises an addition from comprehensive income for the year of DKK 1,995m, net purchases of own shares of DKK 1,081m, dividend paid of DKK 1,395m, an addition as a result of the merger of DKK 21,263m as well as other equity adjustments of DKK 5m.

Less the proposed dividend, the CET1 ratio and the capital ratio stood at 15.8% and 19.2% respectively at year-end 2025 compared to 17.8% and 21.4% respectively at year-end 2024.

At 31 December 2025 the individual solvency need represented 9.3% (2024: 9.8%).

#### **SIFI**

AL Sydbank has been designated as a SIFI (systemically important financial institution) in Denmark and for AL Sydbank there is an additional buffer requirement of 1.5% as regards CET1 capital. The intention is to bring Danish SIFI capital requirements on a par with the requirements in other comparable European countries.

#### **Capital targets**

The Group's capital targets are a CET1 ratio of around 14.5%, a T1 capital ratio of around 16.0% and a capital ratio of around 18.5%.

#### **Proposed dividend for 2025**

The Board of Directors proposes a dividend of DKK 25 per share, totalling DKK 2,145m, and that DKK 18m be donated to the Sydbank Foundation.

No dividend will be distributed as regards the shares acquired in connection with the implemented share buyback programme of DKK 1,000m in 2025.

The Group will continue to be well capitalised after the proposed dividend distribution.

#### **Share buyback in 2026**

Following distribution of the proposed dividend, the capital ratios will remain above the capital targets. As a result the Board of Directors has decided to initiate a buyback of shares representing DKK 1,100m in 2026.

The Group will continue to be well capitalised after the proposed dividend distribution and the share buyback.

#### **Outlook for 2026**

Moderate growth is projected for the Danish economy.

Profit after tax is expected to be in the range of DKK 3,500-4,000m.

The profit forecast assumes that the Danish central bank will hold the certificate of deposit rate steady in 2026.

The outlook is subject to uncertainty and depends on financial market developments and macroeconomic factors which may affect eg the level of impairment charges.



*AL Sydbank's Board of Directors and observers - from the left: Pia Wrang, Karsten Dybvad, Janne Burkard Moltke-Leth, Aksel Bjørn Møller, Caroline Søeborg Ahlefeldt-Laurvig-Bille, Søren Holm, Claus Jensen, Christian Riewe, Ellen Trane Nørby, Jacob Møllgaard, Henning Overgaard, Jesper Petersen, Susanne Schou, Carsten Andersen, Jørn Krogh Sørensen, Jon Stefansson, Brian Østergaard Roed and Jarl Oxlund.*



*AL Sydbank's Group Executive Management - from the left: Stig Westergaard, Gry Bandholm, Svend Randers, Mark Luscombe, Jørn Adam Møller, Frank Mortensen and Peter Hupfeld.*

# Performance in 2025

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. Comparative figures for previous years have not been restated.

The AL Sydbank Group has recorded a profit before tax of DKK 2,474m compared to DKK 3,645m in 2024. Profit before tax equals a return of 15.9% p.a. on average tangible equity.

Profit for the year after tax represents DKK 1,893m compared to DKK 2,762m in 2024, equal to a return of 12.1% p.a. on average tangible equity.

On 26 February 2025 the Group published its expectations for 2025 of a profit after tax in the range of DKK 2,200-2,600m.

On 29 October 2025 the Group raised its expectations for 2025 to a profit after tax in the range of DKK 2,400-2,600m.

On 8 December 2025 the Group adjusted its expectations to a profit after tax in the range of DKK 1,700-1,900m.

Profit for the year of DKK 1,893m lies within the announced profit forecast of DKK 1,700-1,900m.

The financial statements are characterised by the following:

## 2025

- A drop in core income of DKK 53m, equal to 1%, to DKK 7,174m
- A drop in trading income of DKK 12m
- A rise in costs (core earnings) of DKK 403m, equal to 12%, to DKK 3,715m
- Impairment charges for loans and advances represent an expense of DKK 297m
- A decrease in core earnings of DKK 170m to DKK 3,418m
- Investment portfolio earnings of DKK 158m
- Non-recurring items etc represent an expense of DKK 1,102m, primarily merger-related costs
- Bank loans and advances of DKK 140.3bn (2024: DKK 82.5bn)
- Deposits of DKK 209.3bn (2024: DKK 116.7bn)
- A capital ratio of 19.2%, including a CET1 ratio of 15.8%
- An individual solvency need of 9.3%
- A proposed dividend of DKK 25 per share

## Q4

- Core income amounts to DKK 2,188m
- Impairment charges for loans and advances represent an expense of DKK 182m
- Loss for the period after tax constitutes DKK 29m

## Income statement

Group (DKKm)	2025	2024
Core income	7,174	7,227
Trading income	256	268
<b>Total income</b>	<b>7,430</b>	<b>7,495</b>
Costs, core earnings	3,715	3,312
<b>Core earnings before impairment</b>	<b>3,715</b>	<b>4,183</b>
Impairment of loans and advances etc	297	595
<b>Core earnings</b>	<b>3,418</b>	<b>3,588</b>
Investment portfolio earnings	158	73
<b>Profit before non-recurring items</b>	<b>3,576</b>	<b>3,661</b>
Non-recurring items, net	(1,102)	(16)
<b>Profit before tax</b>	<b>2,474</b>	<b>3,645</b>
Tax	581	883
<b>Profit for the year</b>	<b>1,893</b>	<b>2,762</b>

## Core income

Total core income has fallen by DKK 53m or 1% to DKK 7,174m. The decline is primarily a result of lower net interest etc. Added entities represent DKK 483m.

Net interest income has gone down by DKK 459m or 10% to DKK 3,932m. The drop is mainly attributable to the effects of declining interest rates. Added entities represent DKK 245m.

Net income from the cooperation with Totalkredit represents DKK 543m (2024: DKK 442m) after a set-off of loss of DKK 9m (2024: DKK 8m). The cooperation with DLR Kredit has generated an income of DKK 117m (2024: DKK 127m). Total mortgage credit income amounts to DKK 661m – an increase of DKK 91m or 16% compared to 2024. DKK 64m of the increase is attributable to the merger.

Income from remortgaging and loan fees has gone up by DKK 22m to DKK 191m – an increase of 13% compared to 2024. DKK 15m of the increase is attributable to the merger.

Income from asset management has gone up by DKK 69m or 15% to DKK 523m. The increase is attributable to a positive net flow of assets under management and positive market developments. DKK 3m of the increase is attributable to the merger.

Income from commission etc investment funds and pooled pension plans has risen by DKK 95m or 30% to DKK 410m. DKK 63m of the increase is attributable to the merger.

The remaining income components have risen by DKK 129m – an increase of 10% compared to 2024. DKK 94m of the increase is attributable to the merger.

#### Core income

Group (DKKm)	2025	2024
Net interest etc	3,932	4,391
Mortgage credit	661	570
Payment services	308	293
Remortgaging and loan fees	191	169
Commission and brokerage	526	484
Commission etc investment funds and pooled pension plans	410	315
Asset management	523	454
Custody account fees	117	103
Other operating income	506	448
<b>Total</b>	<b>7,174</b>	<b>7,227</b>

#### Trading income

Trading income constitutes DKK 256m compared to DKK 268m in 2024. Added entities represent DKK 8m.

#### Costs and depreciation

The Group's total costs and depreciation have gone up by DKK 1,423m to DKK 4,783m compared to 2024.

#### Costs and depreciation

Group (DKKm)	2025	2024
Staff costs	2,237	1,920
Other administrative expenses	1,446	1,261
Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	151	145
Other operating expenses	949	34
<b>Total</b>	<b>4,783</b>	<b>3,360</b>
Distributed as follows:		
Costs, core earnings	3,715	3,312
Costs, investment portfolio earnings	7	7
Non-recurring costs	1,061	41

Costs (core earnings) represent DKK 3,715m compared to DKK 3,312m in 2024 – an increase of DKK 403m. DKK 271m of the increase is attributable to the merger.

Non-recurring costs of DKK 1,061m are DKK 1,020m higher than in 2024, which is attributable to costs relating to the merger. For additional information on non-recurring costs, reference is made to the paragraph on page 17.

At year-end 2025 the Group's staff numbered 4,180 (full-time equivalent) compared to 2,094 at year-end 2024. The

increase in employees of 2,086 during the year is primarily attributable to the merger.

The number of branches is 140 in Denmark and 3 in Germany at year-end 2025 compared to 54 branches in Denmark and 3 in Germany in 2024. 86 branches are added entities.

#### Core earnings before impairment of loans and advances

Core earnings before impairment charges for loans and advances represent DKK 3,715m – a drop of DKK 468m compared to 2024.

#### Impairment of loans and advances etc

Impairment charges for loans and advances represent an expense of DKK 297m. DKK 161m of the impairment charges is attributable to day 1 losses on the exposures acquired. In 2024 impairment charges represented an expense of DKK 595m.

#### Management reserves

At 31 December 2025 the Group had a management reserve of DKK 500m to hedge macroeconomic uncertainty where DKK 400m relates to corporate clients and DKK 100m relates to retail clients. The management reserve regarding macroeconomic risks covers eg potential losses related to a continued protectionist policy in the US that could trigger an economic slowdown in the US and Europe. Such a development would also impact the Danish economy where exporters in particular would be hit by lower international demand. This would result in mounting unemployment and general restraint in consumer spending, which would feed through to the rest of the economy.

In the calculated fair value of the portfolios acquired in connection with the merger, a management reserve of DKK 485m has been made. This management reserve is included in the net value of portfolios acquired. Management reserves represent a total of DKK 985m.

For further information reference is made to the separate publication "Credit Risk 2025", which is available at [sydbank.com](http://sydbank.com).

#### Impairment charges for the year by industry

Group (DKKm)	2025	2024
Agriculture etc	188	(42)
Trade	(17)	133
Real estate	16	19
Other industries	118	587
<b>Total corporate</b>	<b>305</b>	<b>697</b>
Retail	(8)	(102)
<b>Total</b>	<b>297</b>	<b>595</b>

# Performance in 2025

At 31 December 2025 accumulated impairment and provisions amounted to DKK 2,466m (2024: DKK 2,188m). Furthermore in the fair value regarding the portfolios acquired, impairment charges etc of DKK 2,385m have been deducted.

In 2025 reported losses amounted to DKK 103m (2024: DKK 406m). Of the reported losses DKK 73m has previously been written down (2024: DKK 187m).

Impairment charges are made for expected credit losses as regards all financial assets measured at amortised cost and similar provisions are made for expected credit losses as regards undrawn facilities and financial guarantees.

Impairment charges for expected credit losses depend on whether the credit risk of a financial asset has increased significantly since initial recognition and follow a 3-stage model. The portfolios in stage 3 acquired from Arbejdernes Landsbank, Vestjysk Bank and Alm. Brand Bank are recognised under “credit impaired at initial recognition”:

**Stage 1** – facilities with no significant increase in credit risk. The asset is written down by an amount equal to the expected credit loss as a result of the probability of default over the coming 12 months.

**Stage 2** – facilities with a significant increase in credit risk. The asset is transferred to stage 2 and is written down by an amount equal to the expected credit loss over the life of the asset.

**Stage 3** – facilities where the financial asset is in default or is otherwise credit impaired.

**Credit impaired at initial recognition** – facilities which were credit impaired at the time of the merger with the Arbejdernes Landsbank Group and at the time of acquisition of Alm. Brand Bank. They are recognised on acquisition at the fair value of the debt acquired.

The Group’s bank loans and advances and impairment charges at 31 December 2025 allocated to these stages are shown below.

Credit impaired bank loans and advances – stage 3 – represent 1.1% (2024: 1.9%) of total bank loans and advances before impairment charges and 0.4% (2024: 0.6%) of total bank loans and advances after impairment charges.

Credit impaired bank loans and advances acquired from the Arbejdernes Landsbank Group and Alm. Brand Bank – credit impaired at initial recognition – amount to 1.3% (2024: 0.1%) of total bank loans and advances before impairment charges and 1.3% (2024: 0.1%) of total bank loans and advances after impairment charges.

Impairment charges concerning credit impaired bank loans and advances as a percentage of credit impaired bank loans and advances at 31 December 2025 stand at 65.4% (2024: 66.3%).

## Bank loans and advances and impairment charges

(DKK)m	Stage 1	Stage 2	Stage 3	Credit impaired at initial recognition	Total
<b>2025</b>					
Bank loans/advances before impairment charges	129,999	8,990	1,608	1,793	142,390
Impairment charges	536	535	1,051		2,122
<b>Bank loans/advances after impairment charges</b>	<b>129,463</b>	<b>8,455</b>	<b>557</b>	<b>1,793</b>	<b>140,268</b>
<b>2025 (%)</b>					
Impairment charges as % of bank loans/advances	0.4	6.0	65.4		2.4
Share of bank loans/advances before impairment charges	91.3	6.3	1.1	1.3	100.0
Share of bank loans/advances after impairment charges	92.3	6.0	0.4	1.3	100.0
<b>2024</b>					
Bank loans/advances before impairment charges	74,031	8,855	1,566	99	84,551
Impairment charges	380	599	1,038		2,017
<b>Bank loans/advances after impairment charges</b>	<b>73,651</b>	<b>8,256</b>	<b>528</b>	<b>99</b>	<b>82,534</b>
<b>2024 (%)</b>					
Impairment charges as % of bank loans/advances	0.5	6.8	66.3		2.4
Share of bank loans/advances before impairment charges	87.5	10.5	1.9	0.1	100.0
Share of bank loans/advances after impairment charges	89.3	10.0	0.6	0.1	100.0

### Core earnings

Core earnings for 2025 represent DKK 3,418m – a drop of DKK 170m compared to 2024.

### Investment portfolio earnings

Together the Group's position-taking and liquidity handling generated earnings of DKK 158m in 2025 compared to earnings of DKK 73m in 2024. Added entities represent DKK 45m.

#### Investment portfolio earnings

Group (DKKm)	2025	2024
Position-taking	3	10
Liquidity generation and liquidity reserves	84	84
Strategic positions	78	(14)
Costs	(7)	(7)
<b>Total</b>	<b>158</b>	<b>73</b>

The Group's interest rate risk is positive and the Group would suffer a loss in the event of interest rate increases. In terms of the Group's bond portfolios – including cash resources – the interest rate risk is considered to be modest.

### Non-recurring items, net

Non-recurring items represent an expense of DKK 1,102m compared to an expense of DKK 16m in 2024.

In 2025 the item comprised costs of DKK 41m related to the development of the home loan processes as well as merger-related costs, including the exit fee to BEC Financial Technologies, of DKK 1,020m and negative market value adjustments regarding shares of DKK 41m.

In 2024 the item comprised costs of DKK 35m related to the development of the home loan processes and DKK 6m related to the development of the bank/insurance partnership. In addition a value adjustment of DKK 25m was recognised as income in connection with Fynske Bank becoming an associate at end-Q1 2024. Thus far the shareholding was recognised at the share price. At 31 March 2024 the shares were recognised at book value.

### Profit for the year

Profit before tax amounts to DKK 2,474m (2024: DKK 3,645m). Tax represents DKK 581m (2024: DKK 883m), equivalent to an effective tax rate of 23.5%. Profit for the year amounts to DKK 1,893m (2024: DKK 2,762m).

### Other comprehensive income

In accordance with IFRS 9 certain strategic shares are classified with value adjustment through other comprehensive income in the consolidated financial statements. In 2025 the value adjustment represented DKK 159m (2024: DKK 85m).

### Return

Return on shareholders' tangible equity before and after tax constitutes 15.9% and 12.1% respectively against 25.2% and 19.0% respectively in 2024. Earnings per share stands at DKK 34.8 compared to DKK 50.9 in 2024.

### AL Sydbank – the parent

The Bank's total income before costs and impairment charges for loans and advances represents DKK 7,514m (2024: DKK 7,542m). The income includes the consolidated profit on holdings in associates and subsidiaries of DKK 74m (2024: DKK 86m).

Total costs, including non-recurring costs of DKK 1,061m (2024: DKK 16m), constitute DKK 4,550m (2024: DKK 3,219m).

Impairment charges for loans and advances etc represent DKK 294m (2024: DKK 595m).

Pre-tax profit amounts to DKK 2,670m (2024: DKK 3,728m).

Post-tax profit amounts to DKK 2,042m (2024: DKK 2,838m).

### Subsidiaries

Profit after tax of the subsidiaries represents DKK 29m (2024: DKK 47m).

### Group – Q4 2025

Profit for Q4 2025 is significantly impacted by the merger with Arbejdernes Landsbank and Vestjysk Bank in December 2025.

The Group's loss before tax for the quarter stands at DKK 70m. (Q4 2024: profit of DKK 450m). Tax is a negative DKK 41m and loss for the period represents DKK 29m (Q4 2024: profit of DKK 366m).

Compared to Q3 2025 profit before tax shows:

- A core income of DKK 2,188m (Q3: DKK 1,651m) – added entities represent DKK 483m.
- A trading income of DKK 52m (Q3: DKK 77m) – added entities represent DKK 8m.
- Costs (core earnings) of DKK 1,139m (Q3: DKK 811m) – added entities represent DKK 271m.
- Impairment charges for loans and advances: an expense of DKK 182m (Q3: expense of DKK 18m) – day 1 losses regarding added entities represent DKK 161m.
- Investment portfolio earnings of DKK 81m (Q3: DKK 38m) – added entities represent DKK 45m.

# Performance in 2025

## Quarterly results

Group (DKKm)	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024
Core income	2,188	1,651	1,635	1,700	1,780
Trading income	52	77	63	64	45
<b>Total income</b>	<b>2,240</b>	<b>1,728</b>	<b>1,698</b>	<b>1,764</b>	<b>1,825</b>
Costs, core earnings	1,139	811	884	881	859
<b>Core earnings before impairment</b>	<b>1,101</b>	<b>917</b>	<b>814</b>	<b>883</b>	<b>966</b>
Impairment of loans and advances etc	182	18	62	35	508
<b>Core earnings</b>	<b>919</b>	<b>899</b>	<b>752</b>	<b>848</b>	<b>458</b>
Investment portfolio earnings	81	38	15	24	4
<b>Profit before non-recurring items</b>	<b>1,000</b>	<b>937</b>	<b>767</b>	<b>872</b>	<b>462</b>
Non-recurring items, net	(1,070)	(9)	(10)	(13)	(12)
<b>Profit before tax</b>	<b>(70)</b>	<b>928</b>	<b>757</b>	<b>859</b>	<b>450</b>
Tax	(41)	218	190	214	84
<b>Profit for the period</b>	<b>(29)</b>	<b>710</b>	<b>567</b>	<b>645</b>	<b>366</b>

## Total assets

The Group's total assets made up DKK 342.0bn at 31 December 2025 against DKK 193.7bn at year-end 2024. Added entities represent DKK 98.2bn.

### Assets

Group – year-end (DKKbn)	2025	2024
Amounts owed by credit institutions etc	33.6	17.2
Loans and advances at fair value (reverse transactions)	21.6	23.8
Loans and advances at amortised cost (bank loans and advances)	140.3	82.5
Securities and holdings etc	77.1	35.2
Assets related to pooled plans	48.3	27.0
Other assets etc	21.1	8.0
<b>Total</b>	<b>342.0</b>	<b>193.7</b>

The Group's bank loans and advances totalled DKK 140.3bn at 31 December 2025, which is an increase of DKK 57.8bn compared to 2024.

### Bank loans and advances

Group – year-end (DKKbn)	2025	2024
Corporate clients	91.6	68.3
Retail clients	48.7	14.2
Public authorities	0.0	0.0
<b>Total</b>	<b>140.3</b>	<b>82.5</b>

Bank loans and advances to corporate clients have gone up by DKK 23.3bn, equal to 34.0% compared to 2024. DKK 24.5bn of the increase is attributable to the merger.

Bank loans and advances to retail clients have gone up by DKK 34.5bn, equal to 243.0% compared to 2024. DKK 32.0bn is attributable to the merger.

## Credit facilities to corporate clients

Group – year-end (DKKbn)	2025	2024
Drawn facilities = loans/advances before impairment charges	93.3	70.0
Undrawn facilities	64.0	43.8
<b>Total</b>	<b>157.3</b>	<b>113.8</b>

The Group's total credit facilities to corporate clients have risen by DKK 43.5bn compared to 2024. DKK 44.8bn of the increase is attributable to the merger.

## Equity and liabilities

Group – year-end (DKKbn)	2025	2024
Amounts owed to credit institutions etc	5.8	6.1
Deposits and other debt	209.3	116.7
Deposits in pooled plans	48.3	27.0
Bonds issued	21.5	11.2
Other liabilities etc	14.8	14.4
Provisions	1.2	0.4
Subordinated capital	3.5	2.1
Equity	37.6	15.8
<b>Total</b>	<b>342.0</b>	<b>193.7</b>

The Group's deposits make up DKK 209.3bn. This is an increase of DKK 92.6bn compared to 2024. DKK 88.0bn of the increase is attributable to the merger.

## Credit intermediation

In addition to traditional bank loans and advances the Group distributes mortgage loans from Totalkredit and DLR Kredit. The Group's total credit intermediation comprises bank loans and advances, mortgage-like loans funded by Totalkredit as well as mortgage loans distributed through Totalkredit and DLR Kredit.

#### Total credit intermediation

Group – year-end (DKKbn)	2025	2024
Bank loans and advances	140.3	82.5
Funded mortgage-like loans	2.6	3.5
Distributed mortgage loans – Totalkredit	200.8	87.3
Distributed mortgage loans – DLR	40.3	15.7
<b>Total</b>	<b>384.0</b>	<b>189.0</b>

The Group's total credit intermediation represents DKK 384.0bn – an increase of DKK 195.0bn, equal to 103.2% compared to year-end 2024, of which added entities account for DKK 193.0bn.

#### AL Sydbank share

Number	2025	2024
Average number of shares outstanding	52,301,754	53,288,904
Number of shares outstanding at year-end	85,786,363	51,425,137
Number of shares issued at year-end	87,962,169	54,588,420

#### Share capital

In connection with the merger of Sydbank A/S (continuing legal entity), Arbejdernes Landsbank A/S and Vestjysk Bank A/S, Sydbank's share capital has increased as a result of the issue of new shares to the shareholders of the two acquired companies. The merger has been completed with Sydbank as the continuing entity, and it operates under the name AL Sydbank A/S.

As consideration for the transfer of assets and equity and liabilities to Sydbank, new shares have been issued as follows:

- The shareholders of Arbejdernes Landsbank A/S have received 33,457,482 shares in AL Sydbank at a ratio of 62.47:1 share. As a result the former shareholders of Arbejdernes Landsbank represent 39.00% of the total share capital on completion of the merger.
- The minority shareholders of Vestjysk Bank A/S have received 3,300,227 shares in AL Sydbank at a ratio of 100.52:1 share as well as a cash consideration of DKK 1.78 per share, corresponding to DKK 590m. After the merger this group of shareholders represents 3.85% of AL Sydbank's total share capital.

The share capital represents DKK 879,621,690 at year-end 2025 – an increase of DKK 333,737,490 compared to year-end 2024.

On 28 January 2026 the share capital was reduced by a nominal value of DKK 21,737,530 to a nominal value of DKK 857,884,160 as a result of the share buyback

programme implemented in 2025. The decision to reduce the share capital was taken at an extraordinary general meeting on 4 December 2025.

As a result of the merger the number of shares outstanding rose from 51,425,137 (94.2%) at the end of 2024 to 85,786,363 (97.5%) at the end of 2025. The book value of the AL Sydbank share is 416.8 (2024: 291.4). At year-end 2025 the closing price of the AL Sydbank share was 570.0 and the share price/book value 1.37.

#### Equity

At 31 December 2025 shareholders' equity constituted DKK 35,759m – an increase of DKK 20,777m since the beginning of the year. The change comprises an addition from comprehensive income for the year of DKK 1,995m, net purchases of own shares of DKK 1,081m, dividend paid of DKK 1,395m, an addition as a result of the merger of DKK 21,263m as well as other equity adjustments of DKK 5m.

#### Capital

On 26 February 2025 the Bank announced a new share buyback programme of DKK 1,350m, with a maximum of 8 million shares. The share buyback is made in line with the Bank's aim to adjust and optimise the capital structure in accordance with the Bank's capital targets and capital policy.

The share buyback programme was initiated on 3 March 2025 and was terminated prematurely on 27 October 2025 in connection with the announcement of the merger. During the period 2,172,000 shares were repurchased with a transaction value of DKK 1,000m.

On 21 May 2025 the Group issued AT1 capital of SEK 1,000m and NOK 250m. The issues replace AT1 capital of EUR 100m which was redeemed on 28 August 2025.

On 11 September 2025 the Group issued SNP loans – as Green Bonds – in the amount of EUR 500m. The Group has undertaken to allocate the proceeds from the bonds to finance loans that contribute to mitigating climate change. The issue replaces SNP loans of EUR 500m which were redeemed on 10 November 2025.

In addition the Group redeemed two SNP loans from the portfolio acquired in connection with the merger of SEK 250m and SEK 800m on 9 February 2026. The Group remains well capitalised after the redemptions.

In connection with the merger, capital has increased by DKK 1.0bn regarding AT1 capital, DKK 1.3bn regarding

# Performance in 2025

subordinated capital, DKK 7.9bn regarding SNP loans as well as DKK 2.3bn regarding senior debt.

## Risk exposure amount

The risk exposure amount (REA) constitutes DKK 138.0bn (2024: DKK 65.2bn) – an increase of DKK 72.8bn. Credit risk has gone up by DKK 51.2bn. Operational risk has gone up by DKK 8.1bn. Market risk has risen by DKK 5.5bn. Other exposures have gone up by DKK 8.0bn.

### Risk exposure amount

Group – year-end (DKKbn)	2025	2024
Credit risk	91.9	40.7
Market risk	11.5	6.0
Operational risk	20.0	11.9
Other exposures incl CVA	14.6	6.6
<b>Total</b>	<b>138.0</b>	<b>65.2</b>

The increase in the risk exposure amount is attributable to the merger.

Loans and advances and guarantees from the entities added will be treated according to the standardised approach until the Danish FSA approves that the portfolios can switch to the IRB approach. The application and approval process is expected to take around three years.

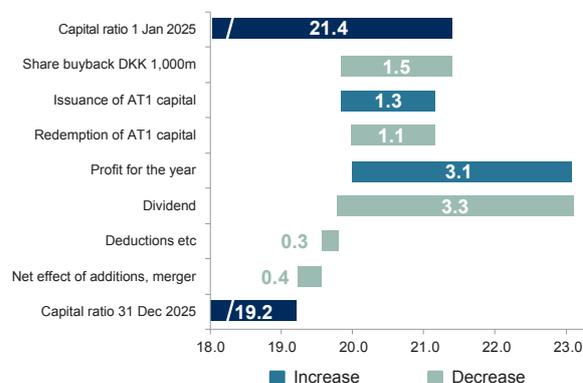
Reference is made to the note on credit risk on page 145 as well as the separate publication “Credit Risk 2025”.

### Solvency

Group – year-end (DKKbn)	2025	2024
REA	138,017	65,214
CET1 capital	21,780	11,635
T1 capital	23,625	12,381
Total capital	26,490	13,936
CET1 ratio	15.8	17.8
T1 capital ratio	17.1	19.0
Capital ratio	19.2	21.4

At year-end 2025 the CET1 ratio and the capital ratio stood at 15.8% and 19.2% respectively compared to 17.8% and 21.4% respectively at year-end 2024.

## Capital ratio in 2025



At 31 December 2025 the individual solvency need represented 9.3% (2024: 9.8%). The solvency need consists of a minimum capital requirement of 8% under Pillar I and a capital add-on under Pillar II. Approximately 56% of the solvency need must be covered by CET1 capital, equal to 5.2% of the risk exposure amount.

The capital ratio has declined by 2.2pp, which is primarily attributable to the implemented share buyback of DKK 1,000m. The overall net effect from the added entities makes a negative contribution of 0.4pp.

## Solvency of the parent

At 31 December 2025 the CET1 ratio and the capital ratio stood at 15.6% and 19.0% respectively (2024: 17.8% and 21.2%).

## Capital policy

The Group’s capital policy consistently supports the Group’s strategy and at the same time takes into account AL Sydbank’s status as a SIFI as well as full implementation of capital regulations. The Group’s capital targets are a CET1 ratio of around 14.5%, a T1 capital ratio of around 16.0% and a capital ratio of around 18.5%. The capital targets have been set to ensure that the Group complies with all capital requirements, including buffer requirements.

Furthermore reference is made to “Capital Management” on pages 24-26.

## Dividend policy

The Group’s dividend policy must contribute to creating long-term shareholder value. The objective is to distribute 50% of profit for the year after tax as dividend while taking into account growth plans and capital policy.

### Subordinated debt and MREL requirements

Once a year the Danish FSA sets requirements as to subordinated debt and own funds and eligible liabilities (MREL) for Danish institutions, including AL Sydbank. At 31 December 2025 the subordinated debt requirement and the MREL represented 26.4% and 24.1% respectively of the risk exposure amount and can be calculated as follows:

#### Requirements and excess cover

31 Dec 2025	Subordinated debt		MREL	
Group	%	DKKm	%	DKKm
REA		138,017		138,017
<b>Capital requirement</b>	<b>26.4</b>	<b>36,436</b>	<b>24.1</b>	<b>33,262</b>
Total capital		26,490		26,490
SNP loans with maturities > 1 year		19,180		19,180
Senior debt				2,295
Cover of combined buffer requirement				(9,246)
<b>Total cover</b>	<b>33.1</b>	<b>45,670</b>	<b>28.1</b>	<b>38,719</b>
Excess cover	6.7	9,234	4.0	5,457

At 31 December 2025 the AL Sydbank Group met the requirements with an excess cover of DKK 9,234m and DKK 5,457m respectively.

As of 1 January 2026 the Danish FSA set the requirements for AL Sydbank at 25.6% and 23.3% respectively of the risk exposure amount compared to 26.4% and 24.1% respectively in 2025. As a result of the requirements the excess cover stands at DKK 10,338m and DKK 6,561m respectively.

### Market risk

At 31 December 2025 the Group's interest rate risk represented DKK 250m (2024: DKK 150m). As a result the Group would suffer a loss if interest rates rose.

The Group's exchange rate risk continues to be very low and its equity exposure modest.

### Funding and liquidity

The guidelines for calculating the Liquidity Coverage Ratio (LCR) specify a run-off of exposures while taking into account counterparties, funding size, hedging and maturity. Consequently the most stable deposits are favoured relative to large deposits, in particular large deposits from corporates and financial counterparties.

The Group's LCR constituted 271% at 31 December 2025 (2024: 230%).

#### LCR

Group – year-end (DKKbn)	2025	2024
Total liquidity buffer	114.1	61.9
Net cash outflows	42.1	27.0
LCR (%)	271	230

The Group has met the LCR requirement of 100% throughout the year and, as can be seen, its excess cover was significant at 31 December 2025.

#### NSFR

The guidelines for calculating the Net Stable Funding Ratio (NSFR) require that the available stable funding exceeds the required stable funding. The required stable funding is calculated on the basis of the balance sheet values and degree of stability of assets where the strictest requirements in terms of degree of stability are imposed on long-term illiquid assets. The available stable funding is calculated on the basis of the balance sheet values and degree of stability of the funding where the highest degrees of stability apply to equity and long-term funding.

The Group's NSFR constituted 141% at 31 December 2025 (2024: 138%).

#### NSFR

Group – year-end (DKKbn)	2025	2024
Required stable funding	190.3	100.1
Available stable funding	268.6	137.6
NSFR (%)	141	138

The Group has met the NSFR requirement of 100% throughout the year and its excess cover was significant at 31 December 2025.

# Performance in 2025

## Funding ratio

Group – year-end (DKKbn)	2025	2024
Equity and subordinated capital	41.1	17.9
SNP loans with maturities > 1 year	19.2	11.2
Senior debt	2.3	0
Stable deposits	201.0	110.8
Total stable funding	263.6	139.9
Bank loans and advances	140.3	82.5
Funding ratio (%)	188	170

The Group's stable funding exceeded the Group's loans and advances by DKK 123.3bn at 31 December 2025 (2024: DKK 57.4bn).

## Accounting estimates

Estimates in relation to uncertainty as regards the recognition and 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 customers or business relations. For further details reference is made to note 2.

## Rating

Moody's most recent rating of AL Sydbank:

Outlook:	Stable
Long-term deposit:	A1
Baseline Credit Assessment:	Baa1
Senior unsecured:	A1
Short-term deposit:	P-1

As a result of the merger Moody's has changed the outlook from positive to stable for AL Sydbank. Other than this there have been no changes in the rating for AL Sydbank since the beginning of 2025.

## Supervisory diamond

The Supervisory Diamond sets up a number of benchmarks to indicate banking activities that initially should be regarded as involving a higher risk.

Any breach of the Supervisory Diamond will result in reactions by the Danish FSA.

At 31 December 2025 the Group as well as the parent complied with all the benchmarks of the Supervisory Diamond.

## Supervisory Diamond benchmarks

Group	2025	2024
Sum of 20 largest exposures < 175%	72	110
Lending growth < 20% annually*	70	11
Commercial property exposure < 25%	11	12
Excess liquidity coverage > 100%	269	228

\* The growth in lending of 70% is attributable to the merger with Arbejdernes Landsbank and Vestjysk Bank.

## Leverage ratio

The CRR2 Regulation includes a leverage ratio requirement of a minimum of 3% – defined as T1 capital as a percentage of total exposures.

The Group's leverage ratio constituted 7.4% at 31 December 2025 (2024: 6.4%).

## SIFI

AL Sydbank has been designated as a SIFI in Denmark and there is an additional buffer requirement of 1.5% as regards CET1 capital. In December 2025 the buffer requirement was raised from 1.0% as a result of the merger. The intention is to bring Danish SIFI capital requirements on a par with the requirements in other comparable European countries.

## Bank Recovery and Resolution Directive

According to legislation each credit institution must meet a minimum requirement for own funds and eligible liabilities (MREL). As of 1 January 2026 the Danish FSA has set the MREL for AL Sydbank at 23.3% of the risk exposure amount. The MREL represented 24.1% in 2025.

The general resolution principle for SIFIs is that it should be possible to restructure them and send them back to the market with adequate capitalisation to ensure market confidence. The Group's MREL is based on the risk exposure amount using a factor which has been set at the sum of twice the solvency need plus the combined capital buffer requirement, excluding the countercyclical buffer.

### **Basel IV**

Since the Basel Committee on Banking Supervision published its recommendations regarding changes to the calculation of capital requirements – Basel IV – in 2017, the EU has worked on implementing these changes into CRR (regulation) or CRD (directive).

Some of the recommended changes have already been implemented and the remainder were adopted at the end of May 2024 to take effect on 1 January 2025. Implementation will take place over a protracted period and with significant transitional rules.

However the part of the FRTB regulation covering market risk has been postponed until 1 January 2027.

In the short term the transition to Basel IV is expected to have a limited impact on the Group's capital requirements due to transitional rules.

### **Sector-specific systemic risk buffer**

The government has activated the sector-specific systemic risk buffer for exposures to real estate companies at a rate of 7% of the exposures' risk-weighted assets.

The buffer applies to exposures to real estate companies, ie under activity code "Development of building projects" as well as "Real estate" whereas exposures to "Social housing associations" and "Cooperative housing societies" under activity code "Real estate" are exempt.

As a result the Group will be subject to a sector-specific systemic risk buffer of 0.3% in addition to the regulatory capital requirements.

### **Shareholders**

In 2025 the AL Sydbank share yielded a return of 57% (2024: 40%) as a result of the increase in the share price during the year as well as dividend distributed for 2024.

The Board of Directors will propose to the general meeting that a dividend of DKK 25 per share, totalling DKK 2,145m, be distributed and that DKK 18m be donated to the Sydbank Foundation.

### **Outlook for 2026**

Moderate growth is projected for the Danish economy.

Profit after tax is expected to be in the range of DKK 3,500-4,000m.

The profit forecast assumes that the Danish central bank will hold the certificate of deposit rate steady in 2026.

The outlook is subject to uncertainty and depends on financial market developments and macroeconomic factors which may affect eg the level of impairment charges.

# Capital Management

The Group's capital management ensures efficient deployment of capital relative to the Group's overall capital targets. The Group's risk profile is determined on the basis of the capital targets, which ensure first and foremost that there is adequate capital to meet the Group's growth expectations and cover fluctuations in the risks assumed by the Group.

The Group uses internal ratings based approaches to manage the credit risk of the Group's corporate and retail client portfolios on exposures registered at Bankdata. The Group uses the advanced IRB approach as regards both retail clients and corporate clients as well as the foundation IRB approach as regards large corporate clients and financial corporate clients to determine the Group's capital requirements.

The Group uses the standardised approach on a permanent basis to calculate credit risk in relation to exposures to governments, credit institutions, clients that have only lease agreements with the Group, DiBa car loans, pure investment clients and Coop Bank A/S.

Credit risk in relation to exposures from Arbejdernes Landsbank and Vestjysk Bank, which are registered at BEC Financial Technologies, continues to be calculated according to the standardised approach.

Further details, also concerning the risk exposure amount (REA), capital information and capital ratios, are found in note 3.

The Group's capital management focuses on 4 capital elements: minimum capital, adequate total capital, capital requirements including buffers and total capital.

Minimum capital represents the necessary capital in compliance with CRR and adequate total capital equals the Group's determination of the capital sufficient to protect depositors against loss under the prevailing economic conditions. The solvency need is defined as adequate total capital in percentage terms of REA.

Capital requirements including buffers are calculated as the solvency need plus the combined buffer requirement, which constituted 6.7% at 31 December 2025.

## Capital and solvency and capital requirements

% of REA	31 Dec 2025
<b>Capital and solvency</b>	
CET1 ratio	15.8
T1 capital ratio	17.1
Capital ratio	19.2
<b>Capital requirements (incl buffers)*</b>	
Total capital requirement	16.0
CET1 capital requirement	11.9
- of which SIFI buffer	1.5
- of which capital conservation buffer	2.5
- of which countercyclical buffer**	2.4
- of which sector-specific systemic risk buffer	0.3
<b>Excess capital</b>	
CET1 capital	3.9
Total capital	3.2

\* The total capital requirement consists of an individual solvency need and a combined buffer requirement. The countercyclical buffer is determined by the Danish Ministry of Industry, Business and Financial Affairs and may not exceed 2.5%. At present the rate has been calculated at 2.4%.

\*\* The countercyclical buffer is calculated as an exposure weighted average of the specific rates in the countries where companies to which exposures have been granted are domiciled. The rate as regards exposures to companies domiciled in Denmark constitutes 2.5%.

The committees in the Group's risk organisation report directly to the Group Executive Management. The committees identify, monitor and assess risks within the individual risk areas and ensure that models and principles are formulated to calculate risks. The committees ensure that the Bank's business units proactively carry out their operations and address identified risks. Each committee reviews a risk assessment for its own area annually. The Group's head of Risk is a member of all committees, see "Risk Management" on page 144.

The adequate total capital is determined on the basis of the Danish FSA approach (8+). A proposal for the determination of the adequate total capital is prepared by Risk and is reviewed by the capital committee. The Board of Directors discusses and determines the adequate total capital on the basis of this proposal.

The proposal is based on the capital adequacy rules (Pillar I) with add-ons for any risks deemed not to be sufficiently covered under Pillar I. At year-end 2025 add-ons were allocated in relation to credit risk, market risk, operational risk and other exposures.

The approaches and methods used to calculate the Pillar I capital requirement are described in more detail in note 3.

The adequate total capital/solvency need can be broken down as follows:

Adequate total capital/solvency need	DKKm	% of REA
Credit risk	7,675	5.5
Market risk	1,750	1.3
Operational risk	2,174	1.6
Other exposures	1,261	0.9
<b>Adequate total capital/solvency need</b>	<b>12,860</b>	<b>9.3</b>

Other exposures include property, plant and equipment and equity investments.

Total capital is the actual capital that the Group has at its disposal.

Based on the adequate total capital the Group's capital structure can be specified as follows at 31 December 2025:

Capital structure	DKKm	% of REA
Adequate total capital/solvency need	12,860	9.3
Combined buffer requirement	9,246	6.7
Capital requirements incl combined buffer requirement	22,106	16.0
Excess capital	4,384	3.2
<b>Total capital</b>	<b>26,490</b>	<b>19.2</b>

The Board of Directors has determined internal capital targets securing adequate total capital, also during adverse macroeconomic conditions. Stress testing is an important element when determining the adequate total capital and the ongoing assessment thereof.

The object of stress testing is to assess the impact of adverse events on capital needed and income. Stress test calculations show the impact for the coming 3 years under given economic scenarios.

At 31 December 2025 the Group has based its stress test calculations on the following macroeconomic scenarios:

**Base case scenario** which reflects the Group's forecast of developments in the economy.

**Global crisis**, which reflects that the Danish economy will be hit by a setback in 2026 that will be even stronger in 2027 when a deep global recession will start. The drop in GDP will be on the same level as the drop during the financial crisis – totalling 6.5% during the period. The decrease in GDP coupled with the high level of interest rates

will prompt steep declines in housing prices and mounting unemployment. The projection is a relatively large drop in household deposits, unchanged lending in 2026, followed by a decline of 5% in 2027 and 2.5% in 2028. Inflation is forecast to be low in the region of 1.1-1.2% in 2026 and 2027 and then to drop to 0.4% in 2028. Interest rates will decline marginally during the period. Share prices will plummet by 50% in 2026.

**Slowing US labour market**, which reflects a significant dip in employment in USA. A combination of lower demand for labour and productivity gains achieved via AI will curb US job growth. In 2026 this trend will intensify and the moderate improvement in employment will shift to a considerable drop in US employment. Since private consumption accounts for 70% of the economy, the decline in employment will cause the US economy to plunge. This will spread to a global recession where the Fed will cut interest rates by 2.5pp within 12 months. This will cause a sharp fall in long-term rates in Denmark but also in short-term rates, as the ECB will be forced to resume rate cuts due to the global recession. GDP will fall by a total of 3.5% during the period. The decline in GDP will cause housing prices to drop and unemployment to rise during the period, which is expected to trigger a drop in household deposits. Lending is projected to go down by 2% in 2026 and by 3% in 2027. Inflation is projected to fall slightly in 2026 and then rise again slightly in 2027 and 2028. Interest rates will go down during the period – the money market rate by 210 bp, the 1-year bond yield by 190bp and the 30-year bond yield by 130bp. Share prices will drop by 20% in 2026.

**European recession** reflecting that European industry has been stuck in reverse gear for more than 3 years. The European car industry in particular is struggling due to stiff global competition from China and high production costs. An improvement in the services sector, driven by increasing purchasing power, lower interest rates and growing tourism, has kept Europe's economy afloat. The industrial recession will feed through to the entire economy and lead to recession in the European economy. This will force the ECB to cut interest rates to 0% in 2026 and keep interest rates steady in 2027. GDP will fall by a total of 1.5% during the period. The decline in GDP will cause housing prices to drop and unemployment to rise during the period, which is expected to trigger a drop in household deposits. The decline in lending is expected to be 2% in 2026 and 2027. Inflation is projected to fall slightly in 2026 and then rise again slightly in 2027 and 2028. Interest rates will go down during the period – the money market rate by 210bp, the 1-year bond yield by 190bp and the 30-year bond yield by 200bp. Share prices will drop by 15% in 2026 and 10% in 2027.

# Capital Management

**AI bubble burst** reflecting that US AI companies will be hit by sharp drops in prices. This will trigger a significant decline in the global equity market in 2026 and in 2027. At the same time we will see a slowdown in US technology companies' investments in data centres, which have been an important source of US growth. Since many investments are already planned, GDP will not be seriously affected until 2027 and 2028. The Fed will slash its interest rates already in 2026, which will put downward pressure on short-term rates as the ECB will also be forced to lower interest rates. US companies' investments in data centres for borrowed money will cause stress in the credit market. Banks will be reluctant to provide credit and substantial financial uncertainty will cause sharp declines in house prices during the period. Investors will take shelter in safe government bonds while mortgage bond prices will fall somewhat on account of credit market stress. This will result in rising long mortgage rates in Denmark, which will have an adverse impact on house prices. GDP will go down by a total of 2.6% during the period. The decline in GDP will result in lower property prices and mounting unemployment during the period, which is expected to prompt a drop in household deposits. The decline in lending is forecast to be 2% in 2026 and 2027. Inflation is projected to fall slightly in 2026 and then rise again slightly in 2027 and 2028. Interest rates will generally go down during the period – the money market rate by 180bp and the 1-year bond yield by 160bp. However the 30-year bond yield will rise by 50bp during the period. Share prices will drop by 40% in 2026 and 10% in 2027.

The scenarios and their relevance are subject to ongoing assessment and they are approved by management as the basis for further stress test calculations.

The stress tests conducted show that the Group is adequately capitalised and that the capital targets determined are conservative.

Throughout 2025 the Group fully complied with external as well as internal capital requirements.

On the basis of the risk reporting at 31 December 2025, including the Group's ICAAP and ILAAP, the Board of Directors reviews an overall risk assessment aiming to make the Group's individual risks and overall risk visible.

The risk assessment contains a description and assessment of the types of risk to which the Group is exposed, including an assessment of the business model's impact on risks and risk level, as well as the activities to which the individual risks are related.

The most important types of risk and risk assessments are:

- Credit risk, which is described in more detail in "Notes – Risk Management" and in "Credit Risk 2025", which is available on the Bank's website – sydbank.com.
- Market risk, liquidity risk and operational risk, which are described in more detail in "Notes – Risk Management".
- Stress tests, including in particular consequences as regards capital and income, see above.
- The Group's risk organisation, which is described in more detail above and in "Notes – Risk Management".
- The Group's overall control environment, including compliance, anti-money laundering, GDPR and IT security, which are described in more detail in "Mission Statement and Business Goals" and "Organisation and Corporate Governance".
- The Group's capital and its composition, see above.
- Employee resources, including an assessment of competences and number.
- Communication, including the Group's ability to communicate internally in a fast, efficient and targeted manner, the Group's ability to communicate externally in a manner that meets legislative expectations and the expectations of external stakeholders, as well as communication via social media.

The risk assessment provides the basis for an assessment of whether policies and guidelines are appropriate in relation to business-related activities, organisation and resources as well as market conditions.

The Board of Directors has approved the risk assessment and finds that risks and risk management are appropriate with respect to the business model, risk appetite and capital.

Reference is made to "Notes – Risk Management" for more information on risks and risk management.

# Risk Management and Internal Controls – Financial Reporting

## Significant internal controls and risk management systems

AL Sydbank's risk management and internal controls relating to financial reporting are designed for the purpose of preparing:

- Management accounts which make it possible to measure and follow up on the Group's performance.
- Financial statements which give a true and fair view without material misstatement and which are in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosure requirements for annual reports of listed financial companies.

The Group's internal controls and risk management systems are updated on an ongoing basis and are designed with a view to discovering and eliminating errors and omissions in the financial statements. Internal controls and risk management systems provide reasonable assurance that all material errors and omissions are detected and corrected.

As regards the financial reporting for 2025, risk management and internal controls are based on systems and processes in the merged entities so that the employees preparing the basis of accounting for Arbejdernes Landsbank and Vestjysk Bank can maintain their controlling and analysis processes. The financial statements are consolidated in Bankdata's accounting system and are also entered into the Bank's management accounts.

## Overall control environment

The Group Executive Management is responsible for maintaining effective internal controls and a risk management system in connection with financial reporting. The Group Executive Management has designed and implemented controls considered necessary and effective to counter identified risks relating to financial reporting.

## Risk assessment

The Board of Directors and the Group Executive Management regularly assess the risks relating to the Group, including those affecting financial reporting. A description of the most significant identified risks is given in the annual report under "Accounting estimates and judgements" (note 2).

The Group Executive Management and the Audit Committee regularly consider whether new internal controls should be implemented to counter identified risks. In addition the Audit Committee reviews particularly risky areas on an ongoing basis.

Procedures have been put into place to ensure that AL Sydbank complies at all times with relevant legislation and other regulations in connection with financial reporting. The Audit Committee is regularly informed of significant changes in legislation.

## Monitoring

Analyses and control activities are conducted in connection with the preparation of the financial statements to ensure that financial reporting is in compliance with IFRS as described under "Accounting policies" (note 1).

# Investor Relations

To support its strategic goals, the Group ensures that stakeholders receive accurate and complete information. This is achieved by targeting investor communication according to best practice and by maintaining a high degree of professionalism.

The Group strengthens and expands relations with investors and analysts by arranging roadshows in connection with the release of its financial statements.

In addition management interacts with analysts, shareholders and potential investors at seminars and conferences where current issues concerning AL Sydbank are presented and discussed.

Contact with analysts, shareholders and potential investors in 2025 was in the form of physical as well as virtual meetings.

## AL Sydbank share

The AL Sydbank share is listed on Nasdaq Copenhagen and is part of the OMX C25 index.

The AL Sydbank share rose from 380.0 at year-end 2024 to 570.0 at year-end 2025, equal to an increase of 50.0%. Adding dividend distributed in 2025 of DKK 26.88 per share, return to shareholders represented 57.1%. By comparison the bank index rose by 52.5%.

AL Sydbank share	2025	2024
Share capital (DKKm)	880	546
Total market capitalisation at year-end (DKKm)	48,898	19,542
Share price at year-end	570.0	380.0
EPS (DKK)	34.8	50.9
Dividend per share (DKK)	25.00	26.88
Book value per share (DKK)	416.8	291.4
Share price/book value per share	1.37	1.30

6 analysts covered the AL Sydbank share at the end of 2025.

The average daily turnover of the AL Sydbank share was DKK 51m in 2025 compared to DKK 48m in 2024. The share was the 22nd most traded share on Nasdaq Copenhagen.



1 January 2025 = index 380.0, ie AL Sydbank's share price

## Dividend policy

AL Sydbank's overall financial goal is to provide its shareholders with a competitive return by way of price increases and dividends.

The dividend policy must contribute to creating long-term shareholder value. The objective is to distribute 50% of profit for the year after tax as dividend while taking into account growth plans and capital policy.

In 2025 AL Sydbank distributed a dividend of 50% of the Bank's dividend policy, equal to DKK 26.88 per share.

Following the dividend distribution in 2025, AL Sydbank has acquired 2,172,000 own shares totalling DKK 1,000m. The share buyback was conducted as part of the adjustment to the Group's capital targets.

The Group's targets are a CET1 ratio of around 14.5%, a T1 capital ratio of around 16.0% and a capital ratio of around 18.5%.

The Board of Directors will propose to the annual general meeting that a dividend of DKK 25 per share, totalling DKK 2,145m, be distributed and that DKK 18m be donated to the Sydbank Foundation.

As a consequence of a strong capital base it will be possible to initiate a new share buyback programme of DKK 1,100m with expected implementation during the period from the beginning of March 2026 to the end of January 2027, thereby lifting the total amount to be distributed to AL Sydbank's shareholders to DKK 3,245m.

# Mission Statement and Business Goals

## Deep roots – strong future

AL Sydbank is built on a unique combination of positions of strength from the three former banks – Sydbank, Arbejdernes Landsbank and Vestjysk Bank – across customers, employees, shareholders and society.

The merger has created a well-established and efficient bank with a strong capital base and a nationwide presence offering a shared set of fundamental values and a clear ambition to be one of Denmark's best-run and most profitable banks by maintaining a high level of cost discipline, scaling operations and offering value-based advisory services close to customers.

AL Sydbank wants to play a part in defining the Danish banking sector at a time when increased regulation, competitive pressure and digitalisation are challenging banks' customer focus and competitiveness. Together we will be more competitive, robust and resilient and can offer customers the country's strongest branch network with a substantial local presence.

The Bank's nationwide presence will support a growing number of retail and corporate clients and civic associations by providing stronger local competences, more advanced solutions and advice at eye level.

The business model is based long-term relationships, a high level of professionalism and responsibility. The objective is to have one of the market's highest returns on tangible equity while maintaining the shareholder friendly policy focusing on stable earnings. The Bank's employees are critical to its future development. This is why high priority is given to fostering a shared culture characterised by respect, job satisfaction, inclusion and the development of key competences.

Our bank makes 4 promises in order to achieve our ambition to be one of Denmark's best-run, most efficient and most profitable banks. A promise to customers, employees, shareholders and society. You will know us for creating value for our customers. You will know us for our belief that talented and committed employees are our most important asset. You will know us for always having a level of profitability that will enable us to remain an independent and resourceful bank. And you will know us for taking social responsibility nationally and locally.



# Mission Statement and Business Goals

## AL Sydbank's business model

AL Sydbank is a nationwide full-service advisory bank that builds on relationships between people and offers attractive solutions to retail clients, corporates and associations. The classic business model for banks is about creating value when short-term deposits are converted to long-term loans while focusing on optimising risk management. This is also the cornerstone of AL Sydbank's business model.

In addition to deposit and loan products produced in-house, AL Sydbank's business model includes activities within payment services, leasing, securities trading and asset management as well as distribution of mortgage credit products, investment products and pension and insurance products via business partners. This enables the Bank to offer customers the best portfolio of financial products and services.

The business model can be illustrated as a number of interconnected layers that together constitute the Bank's value chain.

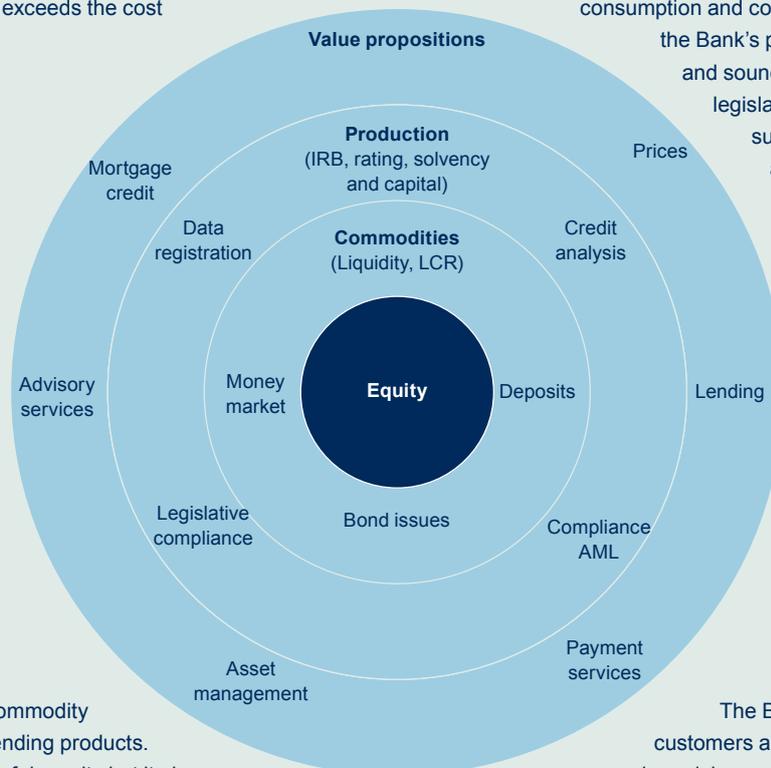
## AL Sydbank – our way of working

### Equity

At AL Sydbank we promise to deliver a competitive return on equity and to ensure attractive profitability to the benefit of shareholders. That's why AL Sydbank strives to have a return on equity that exceeds the cost of capital.

### Production

AL Sydbank's production comprises classic and sound banking, involving credit evaluation of customers based on credit analyses and ratings. Credit evaluation of customers is key to the Bank's capital consumption and consequently also decisive to the Bank's prices. In addition to classic and sound banking, compliance with legislation and regulation forms a substantial part of production activities, including prevention of money laundering. A significant share of the Bank's costs is tied to its production and as a result ongoing efficiency improvements are crucial in order to lower its operating costs.



### Commodities

The Bank's liquidity is the commodity used to produce in-house lending products. Liquidity is mainly made up of deposits but it also comprises funds available via the money market or bond issues. Being able to procure competitively priced liquidity is decisive for the Bank's competitive strength. That's why the Bank strives to be strongly capitalised and have a healthy lending portfolio.

### Value propositions

The Bank's value propositions to customers are generated by value-adding advisory services, creating long-term relationships and offerings of relevant products and services at competitive prices. AL Sydbank seeks to offer its products and services at prices that balance considerations of satisfactory profitability and the wish to be an attractive choice for all customer groups.

### **The Bank's customers**

At AL Sydbank all customers are offered advice that is based on a customer's individual needs and requirements. High priority is placed on long-lasting customer relationships in good times and in bad. Being competitive and offering straightforward value-adding advice is also about focusing on where we are best. AL Sydbank strives to be particularly attractive to these segments:

- Medium-sized or large businesses with growth potential
- Wealthy retail clients
- Retail clients
- Associations

AL Sydbank aspires to be the backbone of the Danish corporate sector for medium-sized and large businesses. The Bank strives to have a diversified corporate client portfolio, including diversification across industries, reflecting the structure of the Danish corporate sector.

The Bank's Private Banking clients and retail clients are divided into special customer concepts, ensuring that the Bank's advisory services and products are tailored to their individual needs and demand for products. AL Sydbank wishes to offer all retail clients an attractive customer relationship with the Bank. This also means that all retail clients with a NemKonto account at our bank have the possibility to deposit and withdraw money free of charge.

At AL Sydbank we strive to support active and strong local communities around the country. This is why it is a priority for the Bank to promote Danish association culture. It is an ambition to continue to develop the Bank's offerings to associations.

### **Local presence**

AL Sydbank is dependent on active local communities offering the potential to do business and generate growth. Our presence in local communities is therefore a key element of the Bank's fundamental values and business model. High priority is placed on being close to our customers in Denmark and Northern Germany and building long-term relationships by offering value-adding advice and by local engagement. The Bank's retail banking activities are grouped in 5 regions while corporate and Private Banking activities are grouped in 15 regions. Our decentralised organisation gives customers access to specialised skills, ensures local and swift decision-making as well as efficient operations and strong earnings.

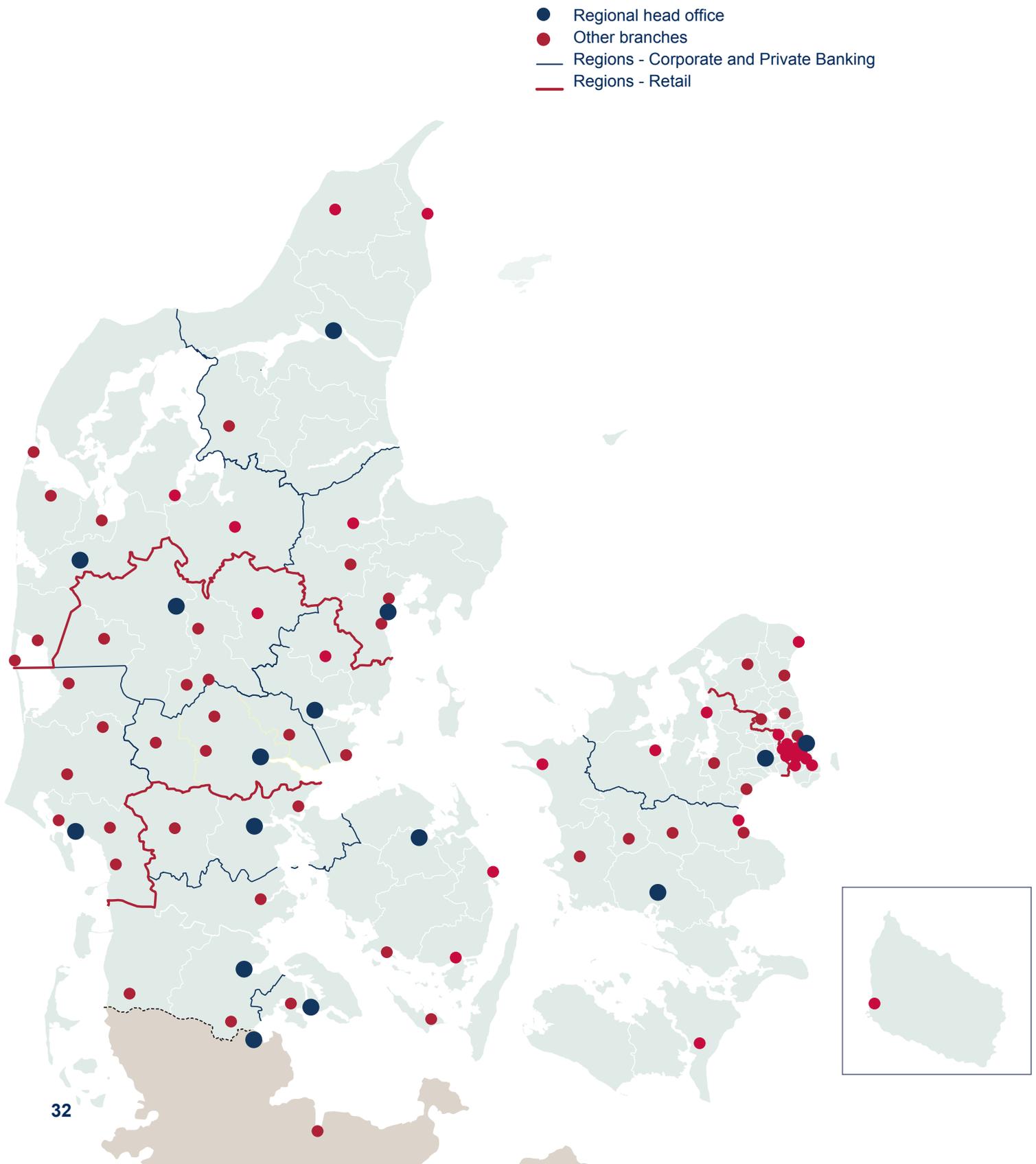
AL Sydbank has the country's strongest branch network, which will maintain its presence in all the towns and cities where the three merged banks have branches today. As a natural consequence of the merger, the Bank will achieve synergy effects in the long term by optimising the branch structure in the towns and cities where the three merged banks have a joint presence today.

### **Local support**

AL Sydbank believes that local communities are important and takes responsibility for boosting local development and a sense of solidarity. This is reflected in our sponsorships and fund donations. AL Sydbank supports via sponsorships small and large clubs and associations, students and unions across the country – primarily within team sports and grassroots sports. AL Sydbank makes donations to charitable cultural, popular and educational purposes via the charitable foundations the Sydbank Foundation, Arbejdernes Landsbanks Fond, Trelleborg Fonden, Den Jyske Sparekasses Støttefonde, Jelling Sparekasses Fond, Fonden for Sparekassen Farsø as well as Fonden for Sparekassen i Skals.

# Mission Statement and Business Goals

## Denmark's strongest branch network



# Organisation and Corporate Governance

AL Sydbank's management actively addresses corporate governance. AL Sydbank's Board of Directors and Group Executive Management consider corporate governance to be a basic prerequisite for meeting the Bank's financial and non-financial objectives and maintaining a good dialogue and relationship with internal and external stakeholders alike.

The Bank takes into consideration the recommendations of the Committee of good Corporate Governance. As a SIFI, AL Sydbank publishes the statutory corporate governance report on its website. The overall position of the Board of Directors as regards the recommendations appears from Sydbank's Corporate Governance Principles. Read more at [sydbank.com/about-sydbank/corporate-governance](https://sydbank.com/about-sydbank/corporate-governance)

AL Sydbank's Board of Directors also considers the management code of conduct of the Danish Bankers Association and follows all 12 recommendations. The overall position of the Bank as regards the management code of conduct of the Danish Bankers Association is available at [sydbank.com/about-sydbank/corporate-governance](https://sydbank.com/about-sydbank/corporate-governance)

AL Sydbank's organisation regarding corporate governance is carried out by:

- the general meeting
- the Shareholders' Committee
- the Board of Directors
- the Group Executive Management

## Shareholders

A positive and ongoing dialogue with shareholders is important for AL Sydbank so that investors gain an insight into the Bank's strategy, business model and performance. AL Sydbank takes part in investor presentations, investor conferences and roadshows where institutional investors can engage in dialogue with management and gain an insight into the Bank's development. All the Bank's shareholders can get a fuller picture of AL Sydbank via the Bank's website [sydbank.com](https://sydbank.com), where also company announcements, interim reports and annual reports are available.

## General meeting

Shareholders' voting rights are exercised at the general meeting. AL Sydbank considers the recommendations of the Committee of good Corporate Governance regarding organising the Bank's general meeting. AL Sydbank's Articles of Association contain provisions on convening the general meeting, the right to submit proposals as well as attendance and voting rights. The Bank's Articles of Association are available at [sydbank.com](https://sydbank.com).

Resolutions to amend the Articles of Association and resolutions to dissolve the Bank and/or to merge the Bank

with other companies will only be adopted if at least 2/3 of the voting share capital is represented at the general meeting and the resolution is carried by at least 2/3 of both the votes cast and the voting share capital represented at the general meeting.

If at least 2/3 of the voting share capital is not represented at the general meeting but the resolution is carried by at least 2/3 of both the votes cast and the voting share capital represented at the general meeting, the resolution can be adopted at a new general meeting by the majority of votes cast as prescribed above irrespective of the proportion of voting share capital represented. Resolutions to amend the Articles of Association submitted by the Shareholders' Committee or the Board of Directors may be finally adopted at a single general meeting by at least 2/3 of both the votes cast and the share capital represented at the general meeting.

AL Sydbank has a voting right limitation, which means that no single shareholder may cast votes representing more than 15% of the total share capital.

The share capital may be increased by up to DKK 59,676,320 in one or more issues as determined by the Board of Directors. The authorisation applies until 1 March 2026. Increases in share capital pursuant to this authorisation may be effected without any pre-emption rights for the Bank's existing shareholders if effected by an unrestricted public subscription at market price or by conversion of debt.

At the annual general meeting on 20 March 2025 the Board of Directors was authorised to acquire shares at a total value of up to 10% of the Bank's share capital. The price paid for shares may not differ by more than 10% from the price quoted on Nasdaq Copenhagen at the time of purchase. The authorisation is effective until the next annual general meeting in March 2026.

## Shareholders' Committee

The Bank's Shareholders' Committee is elected by the general meeting. On the recommendation of the Board of Directors the general meeting determines the total number of Shareholders' Committee members and their distribution by region.

The Shareholders' Committee and the general meeting elect the members of the Board of Directors and determine their remuneration.

The Shareholders' Committee is obliged to work for the prosperity of the Bank as well as to represent the Bank to the best of its ability and assist the Board of Directors and the Group Executive Management.

Shareholders' Committee members are elected for a term of 3 years. Members are eligible for re-election.

# Organisation and Corporate Governance

## Board of Directors

The Board of Directors of AL Sydbank consists of 14 members: 4 members were elected by the employees and 10 members are independent and were elected in connection with the extraordinary general meeting on the merger of Sydbank, Arbejdernes Landsbank and Vestjysk Bank. In addition there are 4 observers on the Board of Directors. After the ordinary Shareholders' Committee meeting in 2026, the Board of Directors will consist of 18 members: 6 members elected by the employees and 12 members elected directly or indirectly by shareholders. Of the 12 board members elected directly or indirectly by shareholders, 4 members will be elected by the annual general meeting and 8 members will be elected by the Shareholders' Committee. Board members elected by the Shareholders' Committee are elected for a term of 1 year. Members are eligible for re-election. If the number of board members elected by the Shareholders' Committee is reduced to less than 6, the Shareholders' Committee will add to the number as soon as possible in order to increase the number to at least 6.

The Bank has no age limit applying to board members in the Articles of Association. The maximum term of office for board members elected by the Shareholders' Committee is 12 years.

The Board of Directors focuses on possessing the necessary qualifications and competences. This applies to both general statutory, sector-specific and other professional competences. In connection with the establishment of the new bank, work is ongoing to determine a more detailed framework for the composition of the qualifications and competences of the Board of Directors, including having basic knowledge of compliance and risk as well as experience in sustainability among board members.

The Board of Directors will carry out an annual self-evaluation where the work and performance of the Board of Directors are assessed. On the basis of the Bank's business model the competences required to perform board duties are determined in connection with the evaluation. Following this an evaluation is made as to which qualifications are present in order to identify any need for further competences.

The evaluation will be carried out by the Nomination Committee and every third year with external assistance. The conclusions of the Nomination Committee's evaluation are presented for discussion by the full Board of Directors.

In 2025 (during the period 4 Dec 2025-31 Dec 2025) the Board of Directors held 3 meetings.

Other directorships held by the Board of Directors can be seen on pp 194-200 and are part of the Financial Review.

## Board of Directors – self-evaluation



## Board committees

AL Sydbank's Board of Directors has set up 6 committees that oversee special areas or prepare matters for subsequent consideration by the full Board of Directors:

- Audit Committee
- Risk Committee
- Remuneration Committee
- Nomination Committee
- Digitization Committee
- ESG Committee

The merger involves a transitional period where not all management documents have been finally formalised. Work has begun on preparing terms of reference for the

board committees but they will not be finally adopted until after the annual report has been published. Until then the duties of the committees will be carried out in accordance with legislation in force and the framework established by the Board of Directors.

### Audit Committee

The Board of Directors has appointed Søren Holm as the board member who possesses special qualifications within accounting and auditing. Søren Holm's special qualifications are in areas such as financial management, accounting, risk and credit management, ESG, auditing and governance.

Before the merger Sydbank's Audit Committee consisted of Søren Holm, former group executive (Chair); Ellen Trane Nørby, independent consultant and professional board member; Gitte Poulsen, executive manager; and Carsten Andersen, Corporate Account Manager.

After the merger AL Sydbank's Audit Committee consists of Søren Holm, former group executive (Chair); Claus Jensen, Trade Union President; Ellen Trane Nørby, independent consultant and professional board member; and Carsten Andersen, Corporate Account Manager.

During the period 1 Jan 2025-4 Dec 2025 Sydbank's Audit Committee held 7 meetings.

During the period 4 Dec 2025-31 Dec 2025 AL Sydbank's Audit Committee held 1 meeting.

The Audit Committee reports to the Board of Directors and convenes as a minimum 4 times a year.

#### **Risk Committee**

Before the merger Sydbank's Risk Committee consisted of Brian Østergaard Roed, Chief Credit Risk Officer (Chair); Janne Moltke-Leth, CEO; Jon Stefansson, Attorney; and Pia Wrang, Executive Vice President.

After the merger AL Sydbank's Risk Committee consists of Brian Østergaard Roed, Chief Credit Risk Officer (Chair); Henning Overgaard, Trade Union President; Janne Moltke-Leth, CEO; and Pia Wrang, Executive Vice President.

During the period 1 Jan 2025-4 Dec 2025 Sydbank's Risk Committee held 4 meetings.

During the period 4 Dec 2025-31 Dec 2025 AL Sydbank's Risk Committee held 0 meetings.

The Risk Committee reports to the Board of Directors and convenes as a minimum 4 times a year.

#### **Remuneration Committee**

Before the merger Sydbank's Remuneration Committee consisted of Jon Stefansson, Attorney (Chair); Søren Holm, former group executive; and Jørn Krogh Sørensen, Head of Credits.

After the merger AL Sydbank's Remuneration Committee consists of Jon Stefansson, Attorney (Chair); Søren Holm, former group executive; Christian Riewe, Attorney; and Jørn Krogh Sørensen, Head of Credits.

During the period 1 Jan 2025-4 Dec 2025 Sydbank's Remuneration Committee held 4 meetings.

During the period 4 Dec 2025-31 Dec 2025 AL Sydbank's Remuneration Committee held 0 meetings.

The Remuneration Committee reports to the Board of Directors and convenes as a minimum once a year.

#### **Nomination Committee**

Before the merger Sydbank's Nomination Committee consisted of Janne Moltke-Leth, CEO (Chair); Susanne Schou, professional board member; and Ellen Trane Nørby, independent consultant and professional board member.

After the merger AL Sydbank's Nomination Committee consists of Janne Moltke-Leth, CEO (Chair); Claus Jensen, Trade Union President; Christian Riewe, Attorney; Ellen Trane Nørby, independent consultant and professional board member; and Susanne Schou, professional board member.

During the period 1 Jan 2025-4 Dec 2025 Sydbank's Nomination Committee held 7 meetings.

During the period 4 Dec 2025-31 Dec 2025 AL Sydbank's Nomination Committee held 0 meetings.

The Nomination Committee reports to the Board of Directors and convenes as a minimum once a year.

#### **Digitization Committee**

Before the merger Sydbank's Digitization Committee consisted of Susanne Schou, professional board member (Chair); Aksel Bjørn Møller, Chief Information Officer; Jarl Oxlund, branch president; and Gitte Poulsen, executive manager.

After the merger AL Sydbank's Digitization Committee consists of Susanne Schou, professional board member (Chair); Caroline Sæborg Ahlefeldt, Investment Director; Brian Østergaard Roed, Chief Credit Risk Officer; and Jarl Oxlund, branch president.

During the period 1 Jan 2025-4 Dec 2025 Sydbank's Digitization Committee held 4 meetings.

During the period 4 Dec 2025-31 Dec 2025 AL Sydbank's Digitization Committee held 0 meetings.

The Digitization Committee reports to the Board of Directors and convenes as a minimum 4 times a year.

#### **ESG Committee**

AL Sydbank's ESG Committee was established in connection with the merger. The ESG Committee consists of Caroline Sæborg Ahlefeldt, Investment Director (Chair); Jon Stefansson, Attorney; Susanne Schou, professional board member; and Henning Overgaard, Trade Union President.

During the period 4 Dec 2025-31 Dec 2025 AL Sydbank's ESG Committee held 0 meetings.

The ESG Committee reports to the Board of Directors and convenes as a minimum 4 times a year.

# Organisation and Corporate Governance

Attendance/number of meetings - board members of the former Sydbank and AL Sydbank

2025	Board of Directors		Audit Committee		Risk Committee	Remuneration Committee	Nomination Committee	Digitization Committee	ESG Committee
	Former Sydbank	AL Sydbank	Former Sydbank	AL Sydbank	Former Sydbank	Former Sydbank	Former Sydbank	Former Sydbank	AL Sydbank
Ellen Trane Nørby	30/30	3/3	7/7	1/1			6/6		
Søren Holm	30/30	3/3	7/7	1/1		4/4			
Janne Moltke-Leth	30/30	3/3			4/4		7/7		
Susanne Schou	30/30	3/3					7/7	4/4	
Jon Stefansson	29/30	3/3			4/4	5/5			
Brian Østergaard Roed - joined in 2025	25/25	3/3			3/3				
Aksel Bjørn Møller - joined/resigned in 2025	24/25							4/4	
Lars Mikkelsen - resigned in 2025	5/5						1/1		
Henrik Hoffmann - resigned in 2025	4/5				1/1				
Gitte Poulsen - resigned in 2025	30/30		7/7			1/1		4/4	
Carsten Andersen	30/30	3/3	7/7	1/1					
Jarl Oxlund	30/30	3/3						4/4	
Jørn Krogh Sørensen	30/30	3/3				5/5			
Pia Wrang	30/30	3/3			4/4				
Claus Jensen - joined in 2025		3/3		1/1					
Caroline Sæborg Ahlefeldt - joined in 2025		3/3							
Henning Overgaard - joined in 2025		3/3							
Christian Riewe - joined in 2025		3/3							

The table includes information on meetings and attendance of the Board of Directors of the former Sydbank during the period 1 Jan 2025-4 Dec 2025 and AL Sydbank during the period 4 Dec 2025-31 Dec 2025.

## Group Executive Management

The Group Executive Management is appointed by the Board of Directors and consists of 7 members: Mark Luscombe, CEO; Frank Mortensen, Deputy CEO; Jørn Adam Møller, CFO; Stig Westergaard, CRO; Gry Bandholm, Svend Randers and Peter Hupfeld.

The Group Executive Management constitutes the top day-to-day management of the Bank working in accordance with the guidelines and instructions issued by the Board of Directors. The distribution of duties between the Board of Directors and the Group Executive Management is laid down in the rules of procedure of the Board of Directors.

The Group Executive Management attends the meetings of the Shareholders' Committee and the Board of Directors without any voting rights.

Further information is available at [sydbank.com](http://sydbank.com).

Other directorships held by the Group Executive Management can be seen on pp 202-205.

## Management's remuneration

The Bank's remuneration policy is determined by the Bank's Board of Directors and describes the Bank's position on remuneration and the use of variable remuneration components. A remuneration policy for AL Sydbank will be adopted at the Bank's first annual general meeting in 2026. Until the general meeting, AL Sydbank is subject to Sydbank's remuneration policy, which was approved at the most recent annual general meeting on 20 March 2025. Remuneration to the Bank's management consists of a fixed salary the size of which must ensure that focus and incentives exist so that the desired results are achieved.

The remuneration policy must ensure an appropriate framework in order to attract, motivate and retain the Bank's management and employees. The Board of Directors is responsible for making any and necessary adjustments to the remuneration policy and for subsequently submitting the revised remuneration policy to the general meeting for adoption in case of any material changes or as a minimum every four years.

Members of the Board of Directors receive a fixed base fee which is assessed once a year. The annual fixed base fee of the Board of Directors of AL Sydbank was adopted at the Bank's extraordinary general meeting on 4 December 2025.

The Board of Directors is not covered by any type of bonus scheme and sustainability considerations are not included as a factor in the remuneration of the Board of Directors.

Within the limits of the remuneration policy the Board of Directors fixes the total remuneration of the Group Executive Management, including any severance terms. The remuneration of the Group Executive Management consists of a fixed gross salary which is reviewed once a year. The annual assessment of the Group Executive Management's remuneration includes the Bank's overall performance, customer satisfaction as well as performance over a long period. The KPIs set are also included. The KPIs may cover financial and non-financial targets, including targets set within the framework of the ESG policy. Climate related considerations did not form part of the assessment of the remuneration of the Group Executive Management in 2025. No fixed bonus scheme has been agreed as regards the Group Executive Management.

The remuneration of the Board of Directors and the Group Executive Management appears from the notes to the annual report and from an annual remuneration report which is presented to the general meeting for an advisory vote.

Further information is available at [sydbank.com](https://sydbank.com).

## **The Bank's risk management and compliance**

Assuming risks is a key element of the Bank's business model and therefore measuring and managing these risks is the most important thing for the Bank. Risk management at AL Sydbank is centralised.

The Bank's business units and business areas are responsible for establishing, complying with and monitoring measures designed to detect and mitigate the risk of the Bank's non-compliance with existing legislation, market standards or internal rules.

Compliance and Risk are independent divisions at the Bank reporting directly to the Group Executive Management which monitor and assess the efficiency of the methods, procedures and measures taken to correct any shortcomings. Using a risk-based approach, controls are carried out by Compliance and Risk to detect and reprimand inappropriate conduct.

## **Risk management**

AL Sydbank has a formal risk organisation comprising a number of risk committees and a head of Risk reporting directly to the Group Executive Management. The head of Risk oversees that risk management within the Group is prudent and complies with internal and external requirements, including the requirements of the Danish executive order on management and control of banks etc. The risk committees are headed by a member of the Group Executive Management and the head of Risk is a permanent member.

The risk committees identify, monitor and assess risks within the individual risk areas and assess on a regular basis the models and principles used to manage risk.

The committees ensure that risk management within the Group is in accordance with the policies and guidelines adopted by the Board of Directors.

For further elaboration reference is made to "Notes – Risk Management" on page 144.

## **Compliance**

Via controls, assessment and advice, Compliance aims to minimise the Bank's compliance risks, which means the risk of financial loss, the loss of good standing or administrative sanctions as a result of non-compliance with rules. For each control and assessment carried out by Compliance the conclusion is reported to the relevant business unit managers who are responsible for correcting any errors or omissions identified, including adjusting inadequate systems and procedures. Compliance follows up on whether appropriate measures have been implemented. Compliance submits quarterly reports of its most significant activities to the Bank's Board of Directors and Group Executive Management.

AL Sydbank has established a compliance committee across the Bank which discusses current compliance risks and measures to implement regulatory requirements. The Bank's CRO (Group Executive Management member) chairs the committee. The committee also consists of key group executive vice presidents (or their representatives) as well as the Bank's Data Protection Officer (DPO).

## **Internal Audit**

The Bank's Internal Audit, working independently of the day-to-day management and reporting directly to the Board of Directors, performs audits focusing on the most significant areas of the Bank's compliance and risk management, including overseeing that there are business procedures and internal controls for the most important areas of activity and that they are set up and function in an appropriate manner. The aim is to obtain an objective and independent review of the adequacy, effectiveness and quality of AL Sydbank's internal controls.

In addition Internal Audit oversees that the Group has good administrative and accounting practices, that management's requirements as to security and controls are incorporated into business procedures and are observed and that there are prudent control and security measures within IT.

# Sustainability reporting

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# General Information

## Three merged banks – one report

AL Sydbank has reviewed and compared materiality assessments from the former Sydbank, Arbejdernes Landsbank and Vestjysk Bank and assessed impacts, risks and opportunities in the context of AL Sydbank. The approach used for the consolidated materiality assessment is described in more detail in the section on the materiality assessment.

Reporting on policies, actions and objectives is based on material from the former Sydbank while quantitative statements for the financial year are based on consolidated data from the merged banks. Also, the accounting policies regarding quantitative statements have been reviewed and aligned where possible. With respect to accounting policies the point of departure is that the former Sydbank is included for the full 12 months of the year while the former Arbejdernes Landsbank Group is included for the month of December. As regards the core business areas lending and investments, data from the three merged banks is included for the full 12 months of the year. Comparative figures are generally included in the statements with historical data from the former Sydbank.

AL Sydbank's sustainability reporting for 2025 is not comparable with previous reports of the three merged banks.

## Preparation of sustainability reporting

AL Sydbank's sustainability reporting comprises the entire AL Sydbank Group unless otherwise stated. The AL Sydbank Group is defined in the same way as in the financial statements and therefore comprises AL Sydbank A/S and consolidated subsidiaries. An overview of Group holdings and enterprises is found in note 44.

In addition to its own operations, the Bank's sustainability reporting includes relevant information on the Bank's most important business partners, such as mortgage credit institutions and investment funds, and suppliers as well as value chain activities. Value chain activities include activities related to lending to the Bank's customers and distribution of pension and insurance products as well as activities related to investments in companies and countries in the Bank's investment universe.

The appendices starting on page 70 contain a table of contents of included disclosure requirements and underlying datapoints, an overview of reporting incorporated in sustainability reporting by reference, central elements of due diligence as well as an overview of reporting on datapoints deriving from other EU legislation.

The Bank's sustainability reporting forms part of the Financial Review.

## Responsibility and control

The responsibility for preparing and coordinating sustainability reporting as well as complying with requirements in this regard lies with Group ESG. The divisions Compliance and Risk monitor and assess on an ongoing basis the effectiveness of the Bank's processes and methods to comply with internal and external requirements, including sustainability reporting requirements.

Compliance's most recent risk assessment of the Bank's sustainability reporting in 2025 showed a low probability of any breach of rules. In the assessment of Compliance, the framework for sustainability reporting and reporting under the Taxonomy Regulation is well established and incorporated in writing in relevant internal guidelines. In cases where the compliance function, in connection with its controls and assessments, identifies errors or omissions relating to adhering to external and internal rules, they are reported to the persons responsible for the relevant areas who must correct errors or omissions within the set time limits. Compliance submits quarterly reports of its most significant activities to the Bank's Board of Directors and Group Executive Management.

The Bank's Internal Audit may perform audit procedures as a basis for the statement on sustainability reporting while the Board of Directors' Audit Committee is tasked with monitoring sustainability reporting in the annual report, including calculation methods, controls and processes, and submitting recommendations to the Board of Directors. The Audit Committee must assess the appropriateness of the calculation methods chosen as regards the most significant areas and assess the most significant estimates.

## International endorsements

To strengthen its ESG efforts, AL Sydbank has endorsed a number of international initiatives and principles, which also involve annual reporting obligations for the Bank. The Bank's reporting is available on the websites of the relevant organisations etc.

AL Sydbank joined the UN Global Compact in 2020, which is the world's largest initiative for corporate responsibility and sets universal standards for companies' progress, reporting and communication as regards sustainability. As a result the Bank has undertaken to adhere to the 10 principles of the UN Global Compact. The principles are based on international conventions and agreements and they are in compliance with the OECD guidelines, the UN Guiding Principles on Business and Human Rights, the UN Univer-



sal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the Rio Declaration and the UN Convention Against Corruption.

In 2020 AL Sydbank signed the UN Principles for Responsible Banking, which provide a framework for sustainable banking. Signatory banks strive to align their business activities and sustainability efforts with the UN Sustainable Development Goals and the goal of the Paris Agreement to limit a rise in global temperatures to less than 2 degrees Celsius and preferably less than 1.5 degrees Celsius.

AL Sydbank signed the UN Principles for Responsible Investment in 2010. As a result the Bank is obliged to comply with the 6 principles for responsible investment and to take into account sustainability factors such as human rights, environmental issues, social conditions, corporate governance and strong institutions in its overall investment process.

## ESG efforts

The four promises behind AL Sydbank emphasise that social responsibility – locally and nationally – is a cornerstone in the new bank.

AL Sydbank's group direction for ESG provides the framework for ESG efforts and contains 35 underlying points giving concrete form to ESG efforts. Furthermore the Bank has set targets within 5 areas where we believe we can make a difference. AL Sydbank wishes to ensure that the level of knowledge among employees within ESG is sufficiently

high. This is why ongoing efforts are made by the Bank to develop and raise the level of knowledge and in 2025 two strategic projects sought to better equip our advisers to address ESG in customer dialogue. In addition constant focus is on improving underlying ESG data and data availability to ensure the quality of data required by increasing regulation, markets, our customers and our own needs.

## Organisation

AL Sydbank's organisational set-up as regards ESG is illustrated in the diagram overleaf. The Board of Directors is responsible for the Bank's ESG strategy and approves the targets in this area. At least once a year the Board of Directors reviews the progress made towards achieving the targets and receives reports in this regard from relevant business units and business areas. Also once a year the Board of Directors examines whether the ESG policy is complied with. The Board of Directors approves relevant policies and plans on the basis of the Bank's business model and its annual risk assessment. To the extent relevant, the policies must include guidelines for the risks arising from ESG issues that the Bank chooses to assume. In connection with the merger an ESG Committee has been established to support ESG work by the Board of Directors. The role of the ESG Committee will be determined during 2026.

The Group Executive Management is responsible for the Bank's ESG efforts and is briefed by the Bank's business units and business areas through participation in various bodies, including the ESG management committee.

# General Information

The ESG management committee consists of at least one Group Executive Management member, relevant group executive vice presidents and selected ESG specialists. Work in AL Sydbank's ESG management committee is based on proposals for activities on the basis of the Bank's group direction regarding ESG, statutory requirements, internal objectives and proposals from stakeholders. The management committee guarantees dialogue and sparring on targets for the 5 focus areas and determines which ESG activities should be launched. In addition the Bank has 2 fora for its core business: ESG in Credits and ESG in Investment, including the Responsible Investment Committee (RI Committee). The aim of these fora is to ensure that ESG is rooted in, communicated to and integrated in the credit area and the Wealth Management areas.

The day-to-day activities concerning ESG are carried out in the Bank's business areas and business units, which have controls and procedures to manage the Bank's impacts, risks and opportunities. These controls and procedures are described in more detail below under environmental information, social information and business conduct. ESG efforts are wide ranging, which is why an ESG working group has been set up to focus on sparring and knowledge sharing across the Bank's areas. The working group includes employees whose daily work involves ESG. The day-to-day activities, including the Bank's compliance with legislation and reporting obligations, are coordinated by Group ESG.

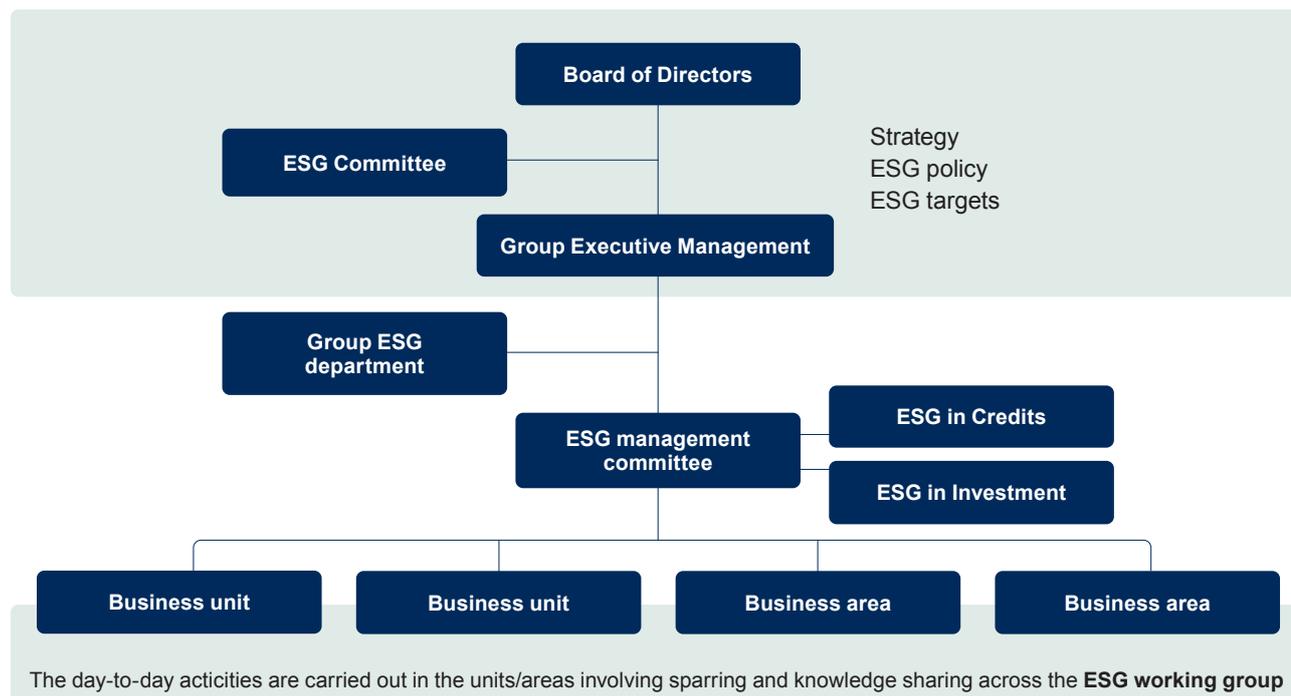
## Management's roles related to business conduct

AL Sydbank's Board of Directors determines the overall direction for the Bank's business conduct by updating and approving the relevant policies at least once a year. The Board of Directors monitors that the policy for healthy corporate culture is complied with and that it works as intended and ensures that this policy is consistent with the Bank's other policies. When updating the policy the Board of Directors also assesses whether the policy is appropriate. The assessment includes the Bank's activities, organisation and resources as well as the market conditions under which the Bank operates its activities. In the report at the Bank's annual general meeting the board chair gives an account of how the policy is implemented and observed by reviewing overall focus areas and measures taken to counter risks that have a negative effect on corporate culture.

The Group Executive Management ensures that reporting on the Bank's corporate culture, including on money laundering, compliance, data protection and risk, to the Board of Directors is carried out at least on a quarterly basis.

Furthermore the results of the annual employee engagement survey are reported to the Board of Directors. AL Sydbank has appointed a CRO (Group Executive Management member), who helps to ensure that the other members of management at the Bank focus on a healthy corporate culture. The CRO has also been appointed as the AML Executive of the Bank's Group Executive Management and therefore chairs the Bank's AML Committee.

## AL Sydbank's ESG organisation



Governance foundation	Scope of application	Accessible
Code of conduct	Management and employees as well as business partners and suppliers	External
Health and safety manual	Employees	Internal
Stakeholder policy	Management and employees	External
IT security policy	Employees	Internal
Credit policy	Customers to whom the Bank has granted loans etc	Internal
Remuneration policy	Management and employees	External
Diversity policy	Board of Directors	External
Staff policy	Employees	Internal
Personal data policy for AL Sydbank	Management and employees	Internal
Responsible investment and active ownership policy	All investment activities carried out by AL Sydbank either as the Bank's investment for its own portfolio or customers' assets under a direct mandate as well as the Bank's investment advice to institutional clients	External
Anti-corruption and bribery policy	Employees	External
Data ethics policy	All data collected, stored and processed by the Bank	External
Policy for the underrepresented gender	Board of Directors and other levels of management	External
ESG policy	Employees of the AL Sydbank Group	External
Policy for prevention of money laundering, terrorist financing and sanctions breaches	Employees	External
Conflicts of interest policy	Customer relationships, including corporate client relationships, and all activities at the Bank in connection with providing products and services to customers	External
Policy for healthy corporate culture	Management and employees	External
Tax policy	Tax matters of the Bank, customers and business associates	External

### Governance foundation

The Bank's policies and business procedures ensure a foundation for good governance regarding sustainable decisions in relation to environmental, social and governance matters. Internal policies and business procedures are available to the Bank's employees on the Bank's intranet while external policies are available to stakeholders on the Bank's website. Examples of the Bank's governance foundation can be seen in the table above.

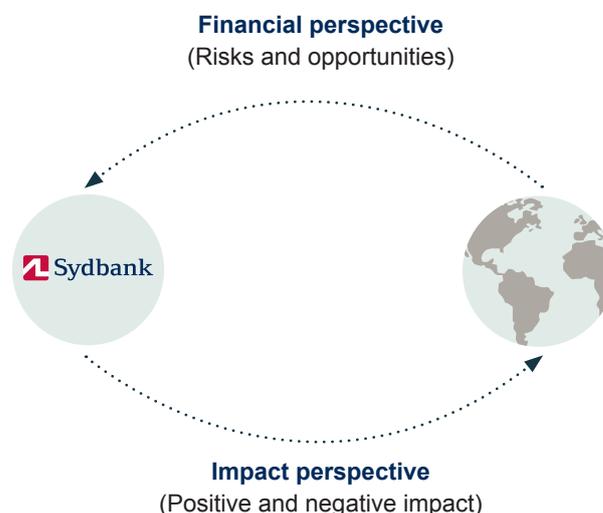
The Board of Directors is responsible for implementing and at least once a year updating and approving the policies on the previous page with the exception of the health and safety manual, which HR is responsible for updating.

### Materiality assessment

As an important precondition for AL Sydbank's sustainability reporting, the Bank has conducted a (double) materiality assessment based on the requirements and methods specified in the European Sustainability Reporting Standards (ESRS). After the merger all material impacts, risks and opportunities from the former banks' individual materiality assessments have been compiled so as to provide a comprehensive overview to ensure completeness and control in terms of the consolidation. Some of the impacts, risks and opportunities are identical and are thus included while a significant proportion of the positive impacts are

omitted as they are characterised as mitigating measures regarding identified adverse impacts.

AL Sydbank's materiality assessment is based on the Bank's business model as regards lending and investment as well as areas such as the climate footprint of internal operations, working conditions and decency. The assessment shows that the issues regarding the standards ESRS E2, E3, E4 and E5 as well as S2 are not essential.



# General Information

The materiality assessment comprises the geographical areas in which the Bank operates. Danish conditions are considered to be identical across the entire country and therefore no distinction is made between geographical areas within Denmark whereas deviations relating to North German conditions are registered.

The Bank's most important value chain actors are included in the assessment. Their inclusion is mainly limited to the first layer of the value chain, with the exception of direct requirements regarding the assessment of the next layer of the value chain.

In connection with the materiality assessment the Bank used material and data in selected focus areas providing a more objective insight into the Bank's impacts, risks and opportunities. In order to assess the Bank's lending we used the latest CO<sub>2</sub>e figures for the Bank's lending compared with an overview of lending by customer segment and industry as well as internal analyses of ESG risks within the Bank's focus industries. For the assessment of the Bank's investments we conducted an impact analysis based on the UNEP FI Portfolio Impact Analysis Tool for Banks enriched with data from the Bank's investment pools. AL Sydbank's efforts to maximise energy efficiency in its own operations have provided the Bank with knowledge of and insight into the Bank's own impact on the environment.

In 2025 the Bank conducted a new climate stress test of the physical risks and transition risks that can impact the Bank via its lending portfolio in the short, medium and long term. The climate stress test, which was also performed in 2024, involved corporate loans and mortgaged properties, which is considered to be a fair presentation of the most significant climate-related credit risks. As for physical risks the stress test was performed on the basis of relevant risks with data from eg DMI (the Danish Meteorological Institute) and therefore it included flooding due to heavy rain and rising water levels. The IPCC scenario RCP8.5 was used here, which represents a "business as usual" emissions scenario. As regards transition risks the stress test was based on a scenario involving higher CO<sub>2</sub> taxes, which is also representative of other types of transition risks. A "Divergent Net Zero scenario" from NGFS was used here, which is compatible with the goals of the Paris Agreement. AL Sydbank works continuously to strengthen and further develop climate stress testing. The findings of the climate stress test help to reinforce the Bank's understanding of climate-related risks and transition risks, and the findings did not give rise to further risk mitigation measures.

The materiality assessment is carried out on the basis of a number of identified impacts, risks and opportunities that can be categorised within ESG topics listed in ESRS 1, AR 16. In connection with updating the materiality assessment in 2025, all identified impacts, risks and opportunities were reassessed from an impact perspective as well as a financial perspective.

The impact perspective was assessed on a gross basis in accordance with paragraphs 162 and 228 of EFRAG IG1 Materiality Assessment Implementation Guidance. The gross approach means that positive impacts cannot be netted against negative impacts and that impacts are assessed before any mitigating actions.

The financial perspective is the assessment of an undertaking's development, financial performance, cash flows, cost of capital or access to finance in the form of risks or opportunities. The financial perspective is assessed on a net basis, which means that identified risks and/or opportunities are assessed after any mitigating actions.

Each impact, risk or opportunity is assigned a score and materiality depends on whether the score exceeds the set threshold. Qualitative thresholds are also included in the assessment. Furthermore the method used to assess risk is the same as that used in the Bank's other risk assessments in overall risk management.

## Approval of materiality assessment

The process and method regarding the materiality assessment are agreed on an ongoing basis with the compliance committee, Internal Audit and the Board of Directors' Audit Committee.

The Group ESG department informs the Group Executive Management, the Audit Committee and the full Board of Directors about the Bank's material impacts, risks and opportunities after the annual materiality assessment has been approved by the Bank's ESG management committee.

The processes and method regarding AL Sydbank's materiality assessment are reviewed and, if necessary, updated annually before the next reporting.

## Stakeholder analysis

In order to validate the outcome of the materiality assessment, AL Sydbank includes expectations of and recommendations from the Bank's principal stakeholders by means of a stakeholder analysis. The stakeholder analysis provides insights into the impacts, risks and opportunities that the Bank is expected to and is recommended to focus on. The material analysed is selected due to its scientific credibility.

The stakeholder analysis shows that stakeholders focus in particular on the Bank's impact on climate change via lending and investments (E), topics relating to the Bank's employees (S) as well as ethics, good governance and decency (G). AL Sydbank has involved employees with relevant professional knowledge in the materiality assessment to ensure a

true and fair assessment. In some instances the employees also acted as proxies for external stakeholders such as customers, suppliers and business partners. AL Sydbank will seek to achieve more direct involvement of external stakeholders.

Principal stakeholders	Description of dialogue and collaboration	Purpose of dialogue and collaboration	Use of outcome
<b>Customers</b>	We monitor industry surveys of customer satisfaction and carry out our own surveys. Surveys of corporate clients' satisfaction are conducted annually by Aalund whereas surveys of Private Banking clients' satisfaction are carried out semi-annually in collaboration with EPSI. Retail clients' satisfaction is polled quarterly via the Bank's own surveys in collaboration with EPSI. In addition the Bank monitors EPSI's annual industry survey of retail clients' satisfaction.	AL Sydbank wishes to build long-term relationships with its customers and to be known for its value-adding advice.	The responsibility for the Bank's own customer satisfaction surveys lies with the business areas relating to Retail and Corporate. The surveys are reported to the Bank's management. The findings enable the Bank to monitor developments and act on the ongoing feedback from customers.
<b>Investors and shareholders</b>	Activities aimed at investors and shareholders are communicated via company announcements, regular written and electronic information and via an active and open dialogue with equity investors, analysts and providers of news about the Bank, including the media and press.	AL Sydbank will at all times make correct and full information about the Bank's circumstances available to equity market stakeholders, also as regards the external ratings of the Bank, including ESG ratings.	Markets are given the possibility on an informed basis to value the AL Sydbank share and its future development. The dialogue enables the Bank to gain an insight into what is expected of us and we can act accordingly.
<b>Employees</b>	The Bank works continuously to be a workplace with a healthy corporate culture and a good and healthy physical and psychosocial work environment. Every year an employee engagement survey is carried out to gauge whether the Bank has a healthy culture and a good work environment.	Talented and committed employees are important in order to ensure continued success and value creation for AL Sydbank and the Bank's customers.	The results of the employee engagement survey are presented to management and employees. On the basis of the findings, the Bank's management will determine whether measures should be implemented and follow-up activities in the individual departments are agreed where justified by the survey.
<b>Interest organisations, policymakers and authorities</b>	AL Sydbank is a member of a number of interest organisations which safeguard the interests of the Bank and the sector in relation to policymakers and authorities. AL Sydbank is open and transparent and cooperates with public authorities.	AL Sydbank seeks to have a professional and ongoing dialogue with relevant interest organisations, policymakers and authorities.	Communications from interest organisations, policymakers and authorities are reviewed in relevant internal fora, including at meetings of the Board of Directors and the Group Executive Management. The collaboration with interest organisations enables the Bank, among other things, to contribute to legislation that can be managed effectively in practice and find solutions that contribute to society.
<b>Local communities and Danish association culture</b>	Dialogue is a natural part of the Bank's wish to be an active player in the surrounding community in which the Bank operates. AL Sydbank obtains knowledge of and discusses ongoing efforts and activities for the surrounding community in collaboration with for instance AL Sydbank's advisory boards, local networks and interest organisations.	AL Sydbank wishes to be an active player in the surrounding community and support local associations with financing options. We are mindful of our role in society's financial infrastructure and we are conscious of the Bank's significance to society and of the importance that the Bank is robust and well-run – during times of prosperity and times of recession.	There is an interdependence between society and AL Sydbank. Society is dependent on banks' infrastructure, including financing and investment opportunities as well as advisory services and payments. AL Sydbank is dependent on active local communities offering the potential to do business and generate growth.

# General Information

## Outcome

The outcome of AL Sydbank's materiality assessment for the 2025 financial year shows that the following reporting standards are significant:

- ESRS E1 Climate change
- ESRS S1 Own workforce
- ESRS S3 Affected communities
- ESRS S4 Consumers & end-users
- ESRS G1 Business conduct

The outcome consists predominantly of material impacts, the majority of which are actual material impacts. The Bank's material potential impacts are expected within a short time horizon. Risks and opportunities have been identified and one risk is considered to be material. Optimal risk management is a part of the Bank's business model and therefore the remaining identified risks are not material. The Bank has identified a material financial ESG risk among our customers manifesting itself over a longer time frame as rising business risks at AL Sydbank. We are positive about the existing business opportunities and those that are expected to emerge as a result of the sustainable transition of society, for instance green finance.

AL Sydbank is well prepared for the future. The Bank is strong and well capitalised. Its lending portfolio is healthy and its compliance level is high.

AL Sydbank will continue to run a decent bank. We will not compromise on our risk profile or business standards. AL Sydbank works continuously to improve the Bank's climate stress testing and application of the results.

ESRS	Outcome Material impacts, risks and opportunities	Impact, risk or opportunity?	Positioning in value chain	Time horizon <sup>1</sup>
<b>E1 Climate change</b>	Actual CO <sub>2</sub> e emissions from own operations. There are however mitigating measures to reduce CO <sub>2</sub> e emissions, eg electric vehicles and reduction targets.	Actual adverse impact	Own operations	Short
	Indirect CO <sub>2</sub> e emissions via companies and countries in our investment universe as well as the Bank's customers.	Actual adverse impact	Downstream	Short
	Indirect CO <sub>2</sub> e emissions via the Bank's customers.	Actual adverse impact	Downstream	Short
	CO <sub>2</sub> e emissions from the Bank's investments of its own holdings.	Actual adverse impact	Downstream	Short
	Increasing ESG risks as regards the Bank's customers over a longer time frame are reflected in mounting business risks for AL Sydbank.	Risk	Downstream	Medium
	Lending to corporate clients who have not fully adapted to the ESG agenda will have an adverse impact on climate adaptation.	Actual adverse impact	Downstream	Short
<b>S1 Own labour force</b>	There is a risk of an adverse impact on privacy, eg via hacking and data breaches of employee data.	Potential adverse impact	Own operations	Short
	As we have employees, there is an inherent risk of an adverse impact in the form of work-related injuries.	Actual adverse impact	Own operations	Short
	Good collective agreement compared to the Danish labour market.	Actual positive impact	Own operations	Short
	As we have employees, there is an inherent risk of an adverse impact in the form of unconscious bias/discrimination.	Potential adverse impact	Own operations	Short
<b>S3 Affected communities</b>	Financing of local clubs and associations.	Actual positive impact	Own operations	Short
	Helps to maintain sanctions, reporting of suspicious transactions and payment infrastructure. (Focus on protecting society against crime)	Actual positive impact	Own operations	Short
<b>S4 Consumers &amp; end-users</b>	Potential adverse impact on privacy, eg via hacking.	Potential adverse impact	Own operations	Short
	Regulation and support to protect privacy.	Actual positive impact	Own operations	Short
	Digitization of services alienates customers with no digital skills.	Potential adverse impact	Own operations	Short
	Users of Netbank and means of payment could potentially be swindled.	Potential adverse impact	Own operations	Short
	Education of customers in IT security and financial literacy via collaborations, website, Money Week and annual information letters.	Actual positive impact	Own operations	Short
<b>G1 Business conduct</b>	The protection of whistleblowers is subject to regulation and is expected of us.	Actual positive impact	Own operations	Short
	Potential adverse impact as regards corruption and bribery, eg significant gifts from customers/business partners.	Potential adverse impact	Own operations	Short
	A healthy corporate culture is a priority.	Actual positive impact	Own operations	Short

<sup>1</sup> Time horizons used in the materiality assessment are in accordance with the Corporate Sustainability Reporting Directive. Definitions of time horizons: "Short" covers the reporting period, "Medium" covers the period from the end of the reporting period and up to 5 years and "Long" is more than 5 years ahead.

# E – Environmental Information

AL Sydbank is an advisory and service undertaking and therefore the CO<sub>2</sub>e emissions from the Bank's own consumption and internal operations are minimal compared to the CO<sub>2</sub>e emissions from the Bank's core business, which consists of lending and investments.

Consequently a key element in relation to the Bank's overall impact is the green transition of customers. As a result business procedures and dialogue with customers are adjusted to create transparency and we make products and advice available to support customers' transition.

Naturally we also optimise processes driving the transition of the Bank's own operations. AL Sydbank's work on the green transition in its core business and own operations is described in this section and in the Bank's transition plan.

As a result of the merger AL Sydbank has not yet set overall environmental targets for the Group but the merged banks have had their own environmental targets. An overview of the former Sydbank's environmental targets, including its reduction targets, are shown in the table below.

Former Sydbank's environmental targets	Target	Base year	Reference value	Unit	Status in 2025
<b>Responsible finance</b>					
Electricity and heat production	Reduction of 50% in 2030	2022	4.5	tCO <sub>2</sub> e/DKKm	Down 16.4%
Agriculture	Reduction of 40-50% in 2030	2022	41.0	tCO <sub>2</sub> e/DKKm	Down 9.0%
Transport by road	Reduction of 30% in 2030	2022	64.9	tCO <sub>2</sub> e/DKKm	Down 24.0%
Owner-occupied dwellings	Reduction of 65% in 2030	2022	1.7	tCO <sub>2</sub> e/DKKm	Down 51.1%
Private cars (EV loans)	EV loans will represent 55% of new car loans in 2030	Current financial year	-	The share of new car loans for EVs	EV loans represent 83.4% of new car loans
Green finance	Loans of DKK 10bn for green purposes in 2027	2020	0	DKKbn	DKK 11.1bn
<b>Responsible investment</b>					
Shares and corporate bonds	Reduction of 25-35% in 2025 and 50-70% in 2030	2020	11.0	tCO <sub>2</sub> e/DKKm	Down 43.7%
<b>Responsible climate and environmental footprint</b>					
Own operations (scope 1 and 2)	Reduction of 75% in 2030	2019	2,712	tCO <sub>2</sub> e	Down 59.3%

## Lending

Through decency and systematic procedures AL Sydbank will continue to be a well-run and solid bank with a responsible approach to providing finance to the Bank's customers. The Bank's sensible approach as regards lending supports a high credit quality. Sound advice and creditworthiness assessments must ensure that customers will be able to repay debt without being placed in an unsustainable financial situation.

### Green finance

AL Sydbank wants to contribute to financing the green transition. Consequently the Bank issues green bonds enabling

us to support customers' greater financing requirements in relation to their green transition. A transition that is instrumental in reducing customers' CO<sub>2</sub>e emissions.

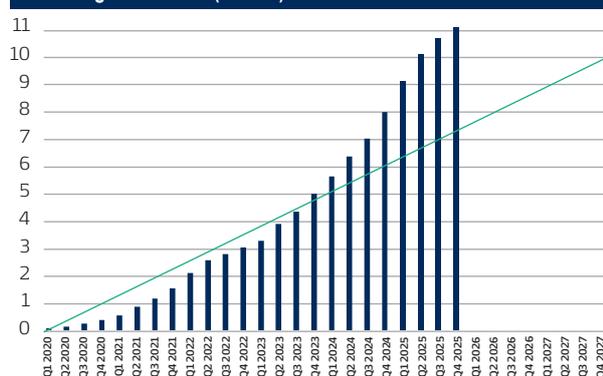
AL Sydbank has issued green bonds for a total of EUR 2.0bn. In connection with the green issuances AL Sydbank made a commitment whereby the proceeds from the individual issuance must be allocated to green finance within 36 months of the issuance. AL Sydbank reports once a year on the allocation of proceeds from the green bond issuances in an Impact and Allocation Report, which is available on the Bank's website.

AL Sydbank's Green Bond Framework was formulated in

2022 and defines what we consider to be green finance. The framework was updated in 2024 and comprises 3 green lending categories: renewable energy, green buildings and clean transportation. AL Sydbank offers 4 loan products to the Bank's corporate and retail clients that can be characterised as green finance in accordance with the framework: green loans and green bridging loans for the Bank's corporate clients as well as energy loans to make homes more energy efficient and EV loans for the Bank's retail clients. Work to develop existing and new loan products for the Bank's customers is ongoing and we also continue to work on ESG training for advisers.

In 2025 AL Sydbank met the target of providing loans of DKK 10bn for green purposes in the period 2020-2027. At the end of 2025 green lending by the former Sydbank totalled DKK 11.1bn. Consequently it is AL Sydbank's ambition to set a new target for green lending in 2026 in its continued efforts to support customers' green transition.

Status – green finance (DKKbn)



Data quality and data availability are crucial elements in connection with responsible finance. Credit assessments must be made on the basis of accurate data, which is why we invest in and are constantly working on improving data collection from the Bank's customers. Identifying green finance requires information about the purpose of a loan and ongoing efforts are therefore made by the Bank to improve IT support in relation to collecting and registering ESG data.

### ESG in credit evaluations

The integration of ESG in credit evaluations of the Bank's customers is anchored in the Bank's credit policy, which applies to the Bank's lending activities. The policy sets out guidelines for the approach regarding customers' environmental, social and governance issues and highlights that AL Sydbank should have a cautious approach to customers whose assets, business model or future earnings are particularly exposed to ESG risks.

ESG risks are an integrated element of the credit evaluation of the Bank's corporate clients – when the exposure is approved as well as at least once a year in connection with the annual business meeting. The Bank gains insight into corporate clients' ESG risks on the basis of a question frame with ESG questions along with the Bank's industry knowledge and analyses. This helps the Bank to learn more about eg customers' CO<sub>2</sub>e emissions as well as social and governance aspects that are important competition parameters for the Bank's corporate clients. As regards the Bank's retail clients the assessment of ESG risks is predominantly included in relation to the valuation of real property by taking into account energy labelling and climate impact risks.

AL Sydbank has decided that some ESG issues are so serious that it will not provide finance to businesses that:

- do not have measures in place to ensure safe handling of hazardous waste
- do not have the necessary licences for activities requiring publicly issued environmental permits
- do not observe human rights in accordance with the UN Universal Declaration of Human Rights
- use child labour in violation of the UN Convention on the Rights of the Child

### Reduction targets for the CO<sub>2</sub>e footprint of the Bank's lending

A significant share of the Bank's CO<sub>2</sub>e emissions originate from the Bank's loans. In order to lower CO<sub>2</sub>e emissions at the Bank as well as in society, the former Sydbank set a number of reduction targets in 2023 for selected industries and areas in the Bank's lending portfolio: the industries electricity and heat production, agriculture and transport by road as well as owner-occupied dwellings and private cars.

Our ambition is for AL Sydbank's reduction targets to reflect the reality experienced by customers, and the targets are based on the line of approach that we will support the green transition of our customers. It is our expectation that overall the Bank's customers will follow the general green transition in Denmark. Consequently AL Sydbank wishes to support this transition by providing finance to customers for a greener way of life or a more sustainable business model. The industries and areas covered by the reduction targets have been selected on the basis of the composition of the Bank's lending portfolio and the credit policy's focus on customers who are particularly exposed to ESG risks. The industries and areas selected have the largest CO<sub>2</sub>e emissions in the lending portfolio and they represent a significant share of the Bank's total loans and have attracted political attention.

# E – Environmental Information

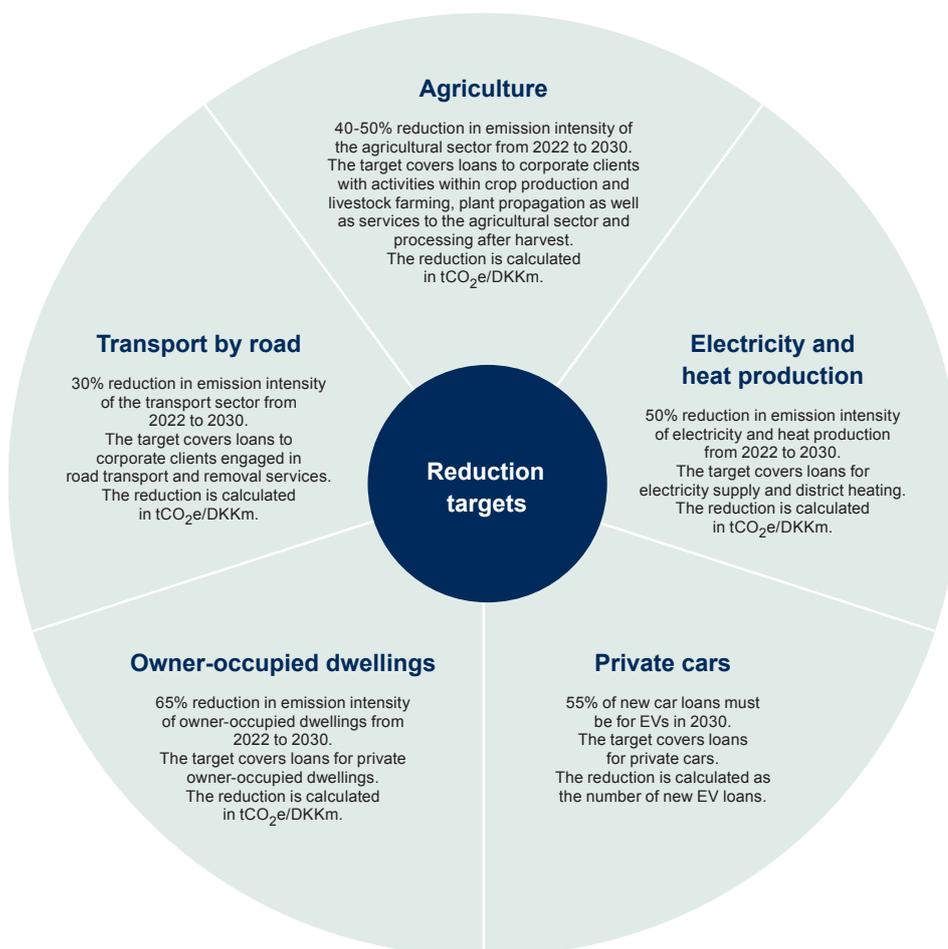
The reduction targets reflect political targets and the Danish Energy Agency’s climate projections and have been determined on the basis of sector expectations and political agreements aiming to ensure that Denmark succeeds in reducing its CO<sub>2</sub>e emissions by 70% in 2030. The targets are based on regulation and new technological measures that are expected to support the green transition among customers but the Bank has no evidence that the targets are science based or are in accordance with the goals of the Paris Agreement, and the reduction targets have not been externally validated. Due to changes in AL Sydbank’s lending book from year to year, the reduction targets are calculated as intensity targets (tCO<sub>2</sub>e/DKKm – lending) and not as absolute target figures. The Bank has chosen this method of calculation to ensure a fair basis of comparison of the development in the reduction targets from year to year.

In 2025 there was a favourable development in the reduction targets concerning the Bank’s retail clients as the emission intensity of owner-occupied dwellings went down and the target for private cars was already reached in 2024. We will not demand more from car owners than

the political targets that have already been determined and therefore the target as regards EV loans will remain the same despite being reached early. The emission intensity of the transport sector as well as agriculture declined and as a result the Bank is on track to reach the targets for these 2 industries. A rise in emission intensity was recorded within electricity and heat production. The emission intensity of the 3 selected industries is determined on the basis of a sector average from Statistics Denmark. The development in the reduction targets is therefore attributable to the overall development in the 3 industries in Denmark based on external factors beyond AL Sydbank’s control. Even though the trend is due to external factors, our efforts are focused on reducing the emission intensity of loans to our customers in the 3 industries. Furthermore ongoing efforts are made to improve data calculations so that sector averages are used to a lesser extent and instead we can gain an insight into the actual trend among customers.

## CO<sub>2</sub>e footprint of the Bank’s lending

AL Sydbank complies with the recommendations of the Forum for Sustainable Finance to calculate the CO<sub>2</sub>e footprint of the Bank’s lending. Corporate loans account for



CO <sub>2</sub> e footprint of loans 2025 (2024)	Loans (DKKm)	CO <sub>2</sub> e emissions (t) of loans	CO <sub>2</sub> e footprint of DKK 1m loan
<b>Retail - loans</b>			
Retail – car	9,021 (2,186)	60,369.6 (21,362.6)	6.7 (9.8)
Retail – residential property	28,806 (5,619)	22,550.7 (5,450.8)	0.8 (1.0)
Total retail	37,827 (7,805)	82,919.3 (26,812.4)	2.2 (3.4)
<b>Corporate - loans</b>			
of which agriculture	4,907 (-)	160,492.6 (-)	32.7 (-)
of which transport	1,107 (-)	49,153.3 (-)	44.4 (-)
of which electricity and heat production	3,606 (-)	9,041.9 (-)	2.5 (-)
Other industries	83,816 (-)	378,085.6 (-)	4.5 (-)
Total corporate	93,436 (68,394)	596,770.3 (481,670.4)	6.4 (7.0)
<b>Loans - CO<sub>2</sub>e footprint can be calculated</b>	131,264 (76,199)	679,689.6 (508,481.8)	5.2 (6.6)
Loans - CO <sub>2</sub> e footprint cannot be calculated	11,126 (6,335)		
<b>Total loans<sup>2</sup></b>	142,390 (84,551)		
Share of loans - CO <sub>2</sub> e footprint can be calculated (%)	92 (92)		

<sup>1</sup> Comparative figures from 2024 are from Sydbank's Annual Report 2024.

<sup>2</sup> Corresponding to bank loans and advances before impairment charges in the financial statements

most of AL Sydbank's loans. Corporate loans are associated with substantially higher CO<sub>2</sub>e emissions per unit loaned compared to loans to retail clients. CO<sub>2</sub>e emissions from AL Sydbank's loans totalled 679,689 tonnes at 31 December 2025 and correspond to an emission intensity of 5.2 tonnes per DKK 1m.

## Investments

At AL Sydbank our ambition is that our investments create value for our customers. We also strive to invest responsibly and contribute to sustainable developments in society. We have therefore established an investment process to ensure that our investment decisions take into account all relevant risks, including sustainability risks.

### Responsible investment and active ownership

Our process regarding responsible investment is anchored in active ownership, which we believe to be the best way to contribute to more sustainable developments in society while ensuring the best risk-adjusted return for our customers.

AL Sydbank's responsible investment and active ownership policy contains the Bank's overall principles for exercising active ownership, including in particular the concrete work with responsible investment and managing sustaina-

bility risks. Sustainability risks, including climate risks, are managed in the same way as financial risks in the investment process. In order to limit the impact of investments on the climate, we will advocate that our customers' funds are gradually invested in companies and activities that comply with the goals of the Paris Agreement, and also the Bank has goals and initiatives to limit the CO<sub>2</sub>e footprint of the Bank's investments.

AL Sydbank wishes to make a targeted effort as regards violations of widely recognised international conventions and norms. The aim is to influence the companies in the investment portfolio to act more responsibly thereby mitigating the sustainability risks of investments. The Bank screens companies in its investment portfolio on a continuing basis for violations of international norms focusing on the UN Global Compact's 10 principles. If we become aware of serious conditions indicating a potential violation of one or more of these principles, we will always engage with the company via our business partner. By joining forces with other investors in the engagement process we increase our chances of getting companies to address the points of criticism that have led them to be in conflict with one or more of the UN Global Compact principles.

Voting at companies' general meetings is an important element of our overall interaction with the companies in which we exercise active ownership because the compa-

# E – Environmental Information

ny managements are often susceptible to the positions and demands of their owners. AL Sydbank's responsible investment and active ownership policy includes principles regarding voting in the active ownership and according to the policy the Bank will generally vote in favour of motions that encourage the management to promote the company's climate transition, including to reduce the company's environmental or social sustainability risks.

We are basically of the opinion that selling off polluting companies in strategically important industries, eg cement and steel, will not contribute effectively to the sustainable transition. However we are conscious that a tool such as active ownership in the form of dialogue and voting at general meetings can encourage companies to develop a more sustainable business model and for instance reduce their CO<sub>2</sub>e emissions. Divestment may however be a possibility if a company does not wish to engage in dialogue or if the engagement process does not lead to the desired changes.

In some instances the exclusion of companies and countries may be a necessary consequence of ensuring a responsible investment process. Exclusion is used as regards companies that are considered to be incompatible with AL Sydbank's principles for responsible investment and active ownership. An exclusion list stating the reasons for exclusion is available on the Bank's website. For instance companies with a turnover exceeding 5% from the production of thermal coal or oil sand, which are industries with a substantial CO<sub>2</sub>e footprint, are excluded from the Bank's investment universe.

## Reduction target for the CO<sub>2</sub>e footprint of the Bank's investments

CO<sub>2</sub>e emissions are the largest single negative impact related to the investment portfolio. As stated in the Bank's responsible investment and active ownership policy, the Bank will take responsibility for our shared future and will work towards customers' assets gradually being invested in companies and activities which comply with the goals of the Paris Agreement. The effect of the Bank's efforts concerning active ownership and responsible investment – both as regards customers' investments and investments of own holdings – can primarily be measured in CO<sub>2</sub>e. AL Sydbank is currently on track with respect to the reduction target set by the former Sydbank. Sydbank's reduction target for the investment portfolio was a 50-70% lower CO<sub>2</sub>e footprint in 2030 compared to 2020, including a sub-target of a 25-35% lower CO<sub>2</sub>e footprint of the investment portfolio in 2025. Calculations of the Sydbank portfolio in 2025 show that the Bank has achieved its subtarget and is on the right track to reach the reduction target for 2030.

To ensure market conformity, AL Sydbank complies with the trade organisation Finance Denmark's original climate targets for investment funds, which are based on national legislation, EU legislation and international standards and support the goals of the Paris Agreement. As a result the base year year-end 2020 is also considered to be representative of the sector as it was determined by Finance Denmark and it was the first year when there was comprehensive data for the industry.

The reduction target covers investments in listed shares and corporate bonds in AL Sydbank's investment pools – asset classes that account for a substantial part of the Bank's total CO<sub>2</sub>e emissions. The reduction target includes a broad and diversified portfolio and consequently we expect that future developments in for instance regulation and technologies within individual countries or industries will not affect our ability to reduce CO<sub>2</sub>e emissions from the overall portfolio.

In addition to the reduction target, AL Sydbank works continuously to include more asset classes in the Bank's calculation of the CO<sub>2</sub>e footprint of investments. Investments in Danish mortgage bonds are therefore included in the calculation of the CO<sub>2</sub>e footprint even though the asset class is not included in the reduction target.

Status of target: Percentage change in emissions per DKK million invested compared to level at year-end 2020



The graph shows the progress of the target compared to data from the former Sydbank. The graph cannot be compared to previous years as emissions have been converted to emissions per DKK million invested. Fluctuations in the development of the CO<sub>2</sub>e footprint emphasise the fact that several internal and external factors may cause the CO<sub>2</sub>e footprint to rise or fall, for instance changes in portfolio composition and trends in financial markets.

Active ownership and screening help on an ongoing basis to promote the continuous reduction of CO<sub>2</sub>e, which is essential in order to meet the Bank's reduction target for investments. The development in the reduction target and in the Bank's CO<sub>2</sub>e emissions from investments are

monitored by the Bank's Responsible Investment Committee quarterly. In addition the Bank monitors developments in measures and methods of calculation in the sector to ensure market conformity.

Data quality and underlying data are crucial elements in our responsible investment efforts. Including ESG in the investment process requires insight into and evaluation of data. As a result the Bank allocates resources to purchase data and systems as well as to process data so that it is used correctly.

### CO<sub>2</sub>e footprint of the Bank's investments

AL Sydbank complies with the recommendations of the Forum for Sustainable Finance to calculate the CO<sub>2</sub>e footprint of the Bank's investments. CO<sub>2</sub>e emissions from investments are included in the Bank's total CO<sub>2</sub>e accounts under scope 3, category 15, and are calculated on the basis of Finance Denmark's CO<sub>2</sub> model for the financial sector and the prioritised list of data quality. In this context investments consist of investments made on behalf of customers that are included in the Bank's balance sheet and own holdings as well as emissions via AL Sydbank's ownership interest in Bankdata.

CO <sub>2</sub> e footprint of investments 2025 (2024) <sup>1</sup>				
Investment element	Business volume (DKKm)	Business volume - CO <sub>2</sub> e can be calculated (%)	CO <sub>2</sub> e emissions (tCO <sub>2</sub> e)	CO <sub>2</sub> e footprint (tCO <sub>2</sub> e/DKKm invested)
Investments - on behalf of customers	44,473 (22,911)	87.9 (85.9)	249,055 (88,893)	5.9 (3.9)
Investments - own holdings	69,944 (-)	89.6 (-)	142,806 (-)	2.6 (-)
Investments - Bankdata			98 (-)	

<sup>1</sup> Comparative figures from 2024 are from Sydbank's Annual Report 2024.

### Environmental footprint of own operations

The environmental impact from AL Sydbank's own operations is extremely limited compared to the impact from the Bank's core business – lending and investments. However, as we see it, work regarding the Bank's own footprint on the environment, including its climate footprint, is part of being a responsible bank – and therefore focus is on transitioning our own operations.

AL Sydbank's efforts regarding its own climate footprint are anchored in the Bank's code of conduct and its ESG policy, stating that the Bank will be respectful of the environment in all aspects of its business and make a positive

difference in order to reach its own, national and global climate goals. We optimise energy efficiency on an ongoing basis to reduce the Bank's energy consumption and high priority is given to ensuring transparent reporting of our consumption. Efforts to reduce the climate footprint of the Bank's own operations are operationalised in internal business procedures.

### Reduction target for CO<sub>2</sub>e emissions from own operations

For the purpose of complying with the Bank's code of conduct and its ESG policy to make a positive difference to the climate and reach national and global climate goals, the Bank has set a reduction target for its own operations. The target is a 75% CO<sub>2</sub>e reduction in emissions from its own operations (scope 1 and scope 2) in 2030 compared to the CO<sub>2</sub>e emissions in 2019. The progress achieved towards reaching the target is calculated according to the former Sydbank's consumption data and covers direct emissions from properties owned or leased and transport in Sydbank's cars as well as indirect CO<sub>2</sub>e emissions from consumption of energy purchased that is used to produce electricity, district heating and district cooling – the Bank's scope 1 and 2 activities. The base year is 2019, which is considered to be a representative and normal year without impacts from large individual events.

The reduction target is determined on the basis of the effect of the Bank's projects to optimise energy efficiency and while considering our expectations of what is achievable. The Bank has no evidence that the reduction target is science based or externally validated but by having the target as regards its own operations the Bank contributes to Denmark reaching its 2030 goal as specified in the Danish Climate Act while working actively on the goals of the Paris Agreement.

AL Sydbank has focused on energy optimisation for a number of years and as a result a long line of measures have been implemented to help reduce the Bank's CO<sub>2</sub>e emissions. However, in order to achieve this goal, the Bank is dependent on factors beyond AL Sydbank's control, eg emission factors defined at national level.

### The Bank's energy consumption

AL Sydbank's reduction targets require insight into the Bank's energy consumption. Since 2004 the Bank has used an automated energy management tool which monitors consumption on an hourly basis. Alarms are linked to the system that sends a warning if readings are constantly high or if there are variations in data. The tool enables the Bank to calculate its CO<sub>2</sub>e emissions according to the Greenhouse Gas Protocol.

# E – Environmental Information

## The Bank's total CO<sub>2</sub>e emissions

High priority is given to transparent reporting of AL Sydbank's CO<sub>2</sub>e emissions and consequently its CO<sub>2</sub>e accounts are based on the Greenhouse Gas Protocol.

In terms of the Bank's own operations, AL Sydbank's CO<sub>2</sub>e accounts for 2025 show total emissions of 1,204 tonnes CO<sub>2</sub>e based on a location-based calculation.

AL Sydbank's own scope 1 and scope 2 emissions constitute less than 0.1% of total CO<sub>2</sub>e emissions. Consequently the core business activities, including leasing, lending and investments, are significant in terms of ESG efforts.

The Bank's total CO<sub>2</sub>e emissions are equivalent to an emission intensity of 158.54 tCO<sub>2</sub>e/DKKm (location-based) and 158.47 tCO<sub>2</sub>e/DKKm (market-based). The high intensity is due to the fact that emissions are calculated on the basis of calculations from the Group's balance sheet, where the Arbejdernes Landbank Group is included for the full year, as well as calculations from the income statement where the Arbejdernes Landsbank Group is only included for the month of December.

Energy consumption and energy mix (MWh)	2025	2024 <sup>1</sup>
<b>Fossil energy consumption</b>		
Fuel consumption from crude oil and petroleum products	903	1,220
Fuel consumption from natural gas	296	62
Consumption of purchased or acquired electricity, heat, steam and cooling from fossil sources	2,180	1,866
<b>Total fossil energy consumption</b>	<b>3,379</b>	<b>3,148</b>
<b>Share of fossil sources of total energy consumption (%)</b>	<b>26</b>	<b>25</b>
<b>Renewable energy consumption</b>		
Fuel consumption from renewable energy sources, including biomass	211	181
Consumption of purchased or acquired electricity, heat, steam and cooling from renewable energy sources	9,060	9,057
Consumption of self-generated non-fuel renewable energy	438	378
<b>Total renewable energy consumption</b>	<b>9,709</b>	<b>9,616</b>
<b>Share of renewable sources of total energy consumption (%)</b>	<b>74</b>	<b>75</b>
<b>Total energy consumption</b>	<b>13,088</b>	<b>12,764</b>

<sup>1</sup> Comparative figures from 2024 are from Sydbank's Annual Report 2024.

CO <sub>2</sub> e accounts (tonnes)	2025	2024 <sup>1</sup>
<b>Scope 1 CO<sub>2</sub>e emissions</b>		
Gross scope 1 CO <sub>2</sub> e emissions	303	322
<b>Scope 2 CO<sub>2</sub>e emissions</b>		
Gross scope 2 CO <sub>2</sub> e emissions – location-based	901	850
Gross scope 2 CO <sub>2</sub> e emissions – market-based	447	371
<b>Significant scope 3 CO<sub>2</sub>e emissions</b>		
15 Investments – Bankdata	98	115
15 Investments – loans	679,689	401,433
15 Investments – investments on behalf of customers	249,055	88,893
15 Investments – own holdings	142,806	
<b>Total CO<sub>2</sub>e emissions</b>		
Total CO <sub>2</sub> e emissions – location-based	1,072,851	598,662
Total CO <sub>2</sub> e emissions – market-based	1,072,397	598,183

<sup>1</sup> Comparative figures from 2024 are from Sydbank's Annual Report 2024.

## Accounting policies – environmental information

### Accounting policies and data quality in core business

With regard to the core business areas lending and investments, data from the three merged banks is included for the full 12 months of the year.

Third party data is used when AL Sydbank calculates its CO<sub>2</sub>e footprint of the Bank's core business and consequently it is especially relevant for the Bank to evaluate the quality of this data. The situation is different as regards calculations of the CO<sub>2</sub>e emissions from AL Sydbank's own operations where the Bank uses its own data.

It is AL Sydbank's wish that the financing of and investment in a sustainable transition occur on an informed basis. Constant efforts are therefore made to strengthen data quality. AL Sydbank's reporting of the CO<sub>2</sub>e footprint of the Bank's lending and investments is based on the latest version of Finance Denmark's CO<sub>2</sub> model for the financial sector. Finance Denmark's CO<sub>2</sub> model uses a prioritised list of data quality based on the Partnership for Carbon Accounting Financials (PCAF). AL Sydbank always uses the best available data based on the prioritised list in the CO<sub>2</sub> model.

The data quality scores of data on which the CO<sub>2</sub>e footprint is based are shown in the table below. 1 is the highest score (actual emissions are known, eg data is reported directly from the third party) and 5 is the lowest score (emissions are based exclusively on estimates).

Data quality score of loans and investments (%)	Score 1	Score 2	Score 3	Score 4	Score 5	Weighted data quality score
Retail – residential property	-	-	61.2	38.2	18.8	3.6
Retail – car	-	53.3	-	46.7	-	2.9
Corporate - loans	0.2	-	-	58.8	41.0	4.4
<b>Total loans</b>	<b>0.2</b>	<b>3.7</b>	<b>13.4</b>	<b>49.4</b>	<b>33.3</b>	<b>4.1</b>
<b>Investments</b>						<b>3.1</b>

### Accounting policies – lending

The Bank's CO<sub>2</sub>e emissions from lending are included in the Bank's total CO<sub>2</sub>e accounts under scope 3 and are calculated on the basis of Finance Denmark's CO<sub>2</sub> model for the financial sector and the prioritised list of data quality. The categories in Finance Denmark's CO<sub>2</sub> model do not cover all the Bank's loans and therefore, combined with data limitations, the CO<sub>2</sub>e footprint of some of the loans cannot be calculated. As a result the share of AL Sydbank's loans for which it is not possible to calculate the CO<sub>2</sub>e footprint is calculated separately.

The CO<sub>2</sub>e footprint is calculated as regards loans to the Bank's corporate clients, car loans to retail clients, and home loans. As regards the former Arbejdernes Landsbank Group, CO<sub>2</sub>e is calculated on the basis of gross loans whereas CO<sub>2</sub>e is calculated on the basis of net loans as regards the former Sydbank. This will be aligned in 2026.

#### Corporate

The CO<sub>2</sub>e footprint of corporate loans is calculated according to the prioritised list in Finance Denmark's CO<sub>2</sub> model and is calculated for each corporate client with a registered industry code. The calculations are based on available data.

The calculation of the CO<sub>2</sub>e footprint of corporate loans primarily depends on the composition of loans and the industry averages prepared by Statistics Denmark.

#### Private cars

The CO<sub>2</sub>e footprint of cars is calculated on the basis of the car's engine/motor in cases where AL Sydbank holds a charge on the car. If AL Sydbank does not hold a charge on the car, an average of Denmark's motor vehicles from the Danish Center for Environment and Energy (DCE) is used. Emissions from car finance include loans and leasing.

The CO<sub>2</sub>e footprint is calculated on the basis of the size of the loan at loan origination and the car's market value. In cases where AL Sydbank does not hold a charge on the car the market value of the car cannot be calculated. In such cases the market value is conservatively calculated as 125% of the size of the loan at loan origination as retail clients must pay at least 20% of the car's market value.

### Residential properties

The CO<sub>2</sub>e footprint of residential properties is calculated according to the latest version of the prioritised list in Finance Denmark's CO<sub>2</sub> model. The CO<sub>2</sub>e footprint is calculated on the basis of AL Sydbank's own data and estimates used as regards residential properties' emissions provided by e-nettet. The Bank includes the share of emissions of each bank loan corresponding to loan-to-value (LTV). In 2025 cooperative housing loans were not included by the former Sydbank while loans used for cooperative housing were included under residential properties by the former Arbejdernes Landsbank Group.

#### Share of loans for which the CO<sub>2</sub>e footprint cannot be calculated

The CO<sub>2</sub>e footprint is calculated as regards all corporate loans with a registered industry code. AL Sydbank is unable to calculate the CO<sub>2</sub>e footprint of the former Sydbank's share of retail client loans used for cooperative housing. Furthermore AL Sydbank is unable to calculate the CO<sub>2</sub>e footprint of residential properties outside Denmark, cars not registered in Denmark and retail client loans that are not for cars, residential properties or that are secured on real estate. Loans for which the CO<sub>2</sub>e footprint is not calculated represent DKK 13,511m. Not calculating the CO<sub>2</sub>e footprint of the Bank's total lending is in keeping with Finance Denmark's CO<sub>2</sub> model as it is not possible to calculate the CO<sub>2</sub>e footprint of all asset classes. In accordance with the recommendations of Finance Denmark, the Bank discloses for which asset classes calculations have been made.

### Accounting policies – investments

The CO<sub>2</sub>e footprint of the Bank's investment portfolio is calculated on the basis of the latest version of Finance Denmark's CO<sub>2</sub> model for the financial sector and with available data at the top of the prioritised list of data quality prepared by Finance Denmark on the basis of the Partnership for Carbon Accounting Financials. Finance Denmark's CO<sub>2</sub> model was chosen to support comparability across the sector.

# E – Environmental Information

Our investments in shares, corporate bonds and Danish mortgage bonds that are part of AL Sydbank's total pooled plans and own holdings are included in the calculation of CO<sub>2</sub>e emissions from investments. The calculations include our direct investments and investments made via index funds and ETFs. Our investments in ship finance, government bonds and alternatives are not included in the calculations. The CO<sub>2</sub>e footprint of the investment portfolio is a snapshot at the end of the accounting period. The basis of calculation has been aligned with the financial statement of assets related to the pooled plans and own holdings for which a CO<sub>2</sub>e footprint can be calculated.

According to Finance Denmark's CO<sub>2</sub> model, CO<sub>2</sub>e emissions from shares and corporate bonds must be calculated according to our ownership interests in individual companies on the basis of Enterprise Value Including Cash (EVIC). This ensures that total CO<sub>2</sub>e emissions are distributed proportionally between equity investors and debt investors in the individual company. Danish mortgage bonds must be calculated according to our ownership interests in individual issuances on the basis of the total CO<sub>2</sub>e emissions of the issuance.

CO<sub>2</sub>e data from our data providers MSCI Solutions, Scanrate and CMP is used to calculate the CO<sub>2</sub>e footprint of investments. In the calculation of the CO<sub>2</sub>e emissions for 2025, CO<sub>2</sub>e data is available for 97.2% of the 88.9% of the investment portfolio for which CO<sub>2</sub>e emissions can be calculated. Data coverage is set at 100% by scaling the known CO<sub>2</sub>e emissions in the individual asset classes.

## Accounting policies – environmental footprint of own operations

The Bank's energy consumption and total CO<sub>2</sub>e emissions (except for loans and investments) concern the Bank's own operations.

Consumption comprises AL Sydbank's head office as well as branches owned or leased by the Bank. As regards properties or sites sold or no longer leased by the Bank, consumption is included until the properties are sold or no longer leased. Consumption relating to Coop Bank A/S is included using an allocation key. Electricity consumption at sites with ATMs that are not associated with a branch is not included since consumption is less than 1% of total electricity consumption. Holiday homes and apartments are not included as consumption is not considered to be business-related.

## Energy consumption

Energy consumption consists of fuel for cars, natural gas, biogas, electricity, district cooling and district heating. AL Sydbank collects data on the electricity, petrol and diesel used by the company cars from the Bank's fuel suppliers.

The share of biogas in the Danish natural gas network from Evida is included in renewable energy consumption. We have entered into an agreement to purchase biogas for the former Sydbank's branches in Ballerup, Juelsminde and Køge.

Renewable energy relating to electricity is calculated on the basis of purchased wind turbine electricity and electricity produced by the Bank's solar cells. We receive certificates showing that the electricity purchased is based on renewable energy and that they cover the total energy consumption from owned and leased locations of the former Sydbank and the former Arbejdernes Landsbank. Consumption not covered by climate certificates is distributed between fossil fuels and renewable energy sources according to Energinet's market-based environmental declaration.

The renewable energy share relating to district heating consumption of the former Sydbank is based on calculations in accordance with the energy statistics of the Danish Energy Agency. Høfor's environmental declaration is used by the former Arbejdernes Landsbank as regards the distribution between fossil fuels and renewable energy sources whereas environmental declarations from the four primary district heating providers are used as regards the former Vestjysk Bank.

## Method of calculation

AL Sydbank prepares its CO<sub>2</sub>e accounts regarding scope 1 and scope 2 in accordance with the guidelines of the Greenhouse Gas Protocol. The CO<sub>2</sub>e accounts are made up according to a location-based method. In addition scope 2 is calculated according to a market-based method.

CO<sub>2</sub>e emissions are calculated by multiplying energy consumption by an emission factor.

Scope 1 emissions comprise direct emissions from sources owned or controlled by AL Sydbank, eg emissions from heating, gas as well as transport in the Bank's cars. In its calculations the Bank uses emission factors from national authorities and the Department for Environment, Foods & Rural Affairs (DEFRA).

Scope 2 emissions consist of indirect emissions from energy purchased by AL Sydbank from a third party for its own consumption, ie electricity, district heating and district cooling. Emission factors from national authorities are used in connection with the location-based method. The market-based method takes into account the Bank's suppliers and agreements, and therefore in terms of district heating, environmental declarations from the specific district heating plants are used. With regard to electricity, climate certificates covering part of the Bank's consumption are taken into account. The market-based environmental declaration from Energinet is used for the part that is not covered by climate certificates.

Consumption meters in properties are used to read the usage of electricity and heating. A small percentage of the consumption is estimated.

Scope 3 emissions comprise indirect emissions not deriving from sources owned directly by AL Sydbank but deriving from the Bank's activities. Scope 3 emissions are divided into 15 categories. In the Bank's CO<sub>2</sub>e accounts category 15 is included in relation to the Bank's lending and investments as well as indirect energy consumption from its ownership interest in Bankdata.

Indirect energy consumption from Bankdata is included according to AL Sydbank's ownership interest and is estimated on the basis of information from Bankdata about electricity and heat consumption.

CO<sub>2</sub>e emissions from lending and investments account for the majority of AL Sydbank's scope 3 emissions. The method of calculation for lending and investments is described in the paragraphs on accounting policies regarding lending and investments.

Scope 3 categories 1-14 are not included in the Bank's CO<sub>2</sub>e accounts as, taken as a whole, the categories are not of significance to AL Sydbank. The Bank's emission intensity of total CO<sub>2</sub>e emissions is calculated by dividing the Bank's total CO<sub>2</sub>e footprint (location-based and market-based) by the Bank's net interest and fee income stated in the financial statements.

#### **Reporting under EU Taxonomy**

AL Sydbank's reporting under Article 8 of the EU Taxonomy Regulation is found on page 154 and is part of the sustainability reporting and the Financial Review.

# S – Social Information

AL Sydbank focuses on social issues with respect to employees, customers and society at large. The Bank's impact on social issues concerning customers and society is managed as an ongoing process in several of the Bank's areas where the effectiveness of policies and goals are constantly monitored and tested and as a result the Bank has not set specific targets for the impact. AL Sydbank is a merger of three banks, where employee engagement is very important to employees, customers and the Bank. Consequently the Bank has set a target for a high level of employee engagement that we will follow up on annually.

## Dialogue with customers and society

AL Sydbank bases its decisions on dialogue with key stakeholders, including the Bank's customers. The Bank's stakeholder policy sets out the general guidelines for how we aim to maintain and develop value-creating relationships with the Bank's stakeholders, including customers and society at large. Financing of associations is a focus area of the Bank, which has a close link to local clubs and associations via its association customers.

Dialogue is a natural part of the Bank's wish to be an active player in society at large – in the local communities in which the Bank operates, in the public debate as well as in our role as a critical infrastructure provider. AL Sydbank obtains knowledge of and discusses ongoing efforts and activities in the surrounding community in collaboration with for instance the interest organisation Finance Denmark as well as AL Sydbank's advisory boards, where members are required to have a connection to the local area and act as sparring partners for the regional management. Finance Denmark publishes analyses and reports regularly focusing on documenting and raising awareness of how the financial sector interacts with the rest of society. AL Sydbank's CEO sits on the board of directors of Finance Denmark.

At AL Sydbank we make a great effort to listen and offer advice based on customers' wishes, plans and requirements. Nevertheless situations may occur where a customer is not satisfied with the Bank. The Bank's customers are therefore always welcome to contact their adviser or their local branch management if they are not happy with the service they have received. The Bank's customers can also submit a complaint to the complaints officer, the head of Legal Department. The Bank processes complaints from current and former customers promptly and properly. Retail clients can also complain to the Danish Financial Complaint Board and via the EU Commission's online complaints portal. Complaints are included in the quar-

terly reporting of the Bank's operational risks, which are reviewed by the Group Executive Management, the Risk Committee and the Board of Directors.

If customers or society have general concerns or needs, they may be communicated to the Bank directly via telephone or email. We have set up mandatory grievance mechanisms for the Bank's stakeholders, including a whistleblower scheme. In addition we expect from our business partners that they comply with current legislation, including the mandatory grievance mechanisms. The Bank receives communications via the mandatory grievance mechanisms, which indicates that society knows about and trusts these mechanisms.

### Trust-building communication as a strategic project

In Kolding and South Jutland a strategic project has been launched focusing on trust-building communication. Advisers receive additional training in customer contact in order to strengthen their relationship with customers and ensure that advice is based on trust, understanding and being present.

## Human rights

All persons must be treated with respect and decency regardless of whether we do business with or decline business with customers or business associates. This applies to employees, customers, suppliers, business partners and other relationships. AL Sydbank respects and complies with human rights. The Bank does not accept discrimination on the grounds of for instance gender, ethnic background, sexual orientation, religion or age, and harassment and bullying are not tolerated. This is stated in the Bank's code of conduct and its ESG policy.

As regards the 2025 financial year the Bank is not aware of having contributed to serious violations of human rights and events in relation to employees, customers or society in general.

## Data processing and information security

Digitization and IT represent a significant part of AL Sydbank's business model. We work continuously to ensure compliance with applicable rules on information security and data protection. Our customers and employees must be able to trust that data and information are processed in a confidential, secure and safe manner. The Bank invests in technology and infrastructure to facilitate the implementation of effective solutions, for instance to protect

privacy. Data processing and storage of personal data are a prerequisite for AL Sydbank's banking operations and processing of employee data. Data processing poses a risk of violation of privacy and therefore the Bank has several measures in place to ensure correct data processing and IT protection so that the Bank's business adapts dynamically to customers and an increasingly digitized everyday life. Given the underlying actions and obligations, AL Sydbank's policies concerning personal data and IT security will ensure correct data processing and information security.

### **Data protection**

AL Sydbank's GDPR department analyses the Bank's processing activities to continuously improve and optimise processes and thereby avoid errors. The department is responsible for day-to-day operations, including to protect and respect the rights of our customers. Information on how AL Sydbank processes personal data is available on the Bank's website.

AL Sydbank has appointed a Data Protection Officer (DPO), who is part of the division Compliance. The tasks of the DPO are to monitor and assess whether the Bank complies with the rules governing personal data, including to be at the Bank's disposal to offer advice on matters concerning personal data. In addition the DPO serves as the point of contact for the Danish Data Protection Agency as well as the persons about whom AL Sydbank has registered information. AL Sydbank's DPO reports to the Board of Directors and Group Executive Management quarterly. The reports and the current risk scenario in relation to the General Data Protection Regulation are discussed by the compliance committee so that the Bank's measures can be improved. The Danish Data Protection Agency oversees AL Sydbank's measures to reduce the number of personal data breaches. Most recently in 2023 the Danish Data Protection Agency found that the Bank's procedures and processes in relation to data breaches are appropriate and in accordance with the General Data Protection Regulation.

### **IT security**

IT security is a key strategic priority for AL Sydbank and the Bank devotes considerable resources in this area. We support the Nordic Financial Computer Emergency Response Team (NFCERT), which combats cybercrime in the Nordic countries, specifically in the financial sector. Several important positions at NFCERT are held by AL Sydbank specialists in IT security.

Sydbank Group and is therefore responsible for complying with the data protection rules.

AL Sydbank's approach to cyber security and information security ensures that we comply with legislation and implement recommended measures. AL Sydbank's internal security policy regarding information and communication technology (ICT security policy) sets out the framework for work on the risks to be managed to ensure a high and appropriate level of security as well as a high level of operational stability. The policy supports AL Sydbank's efforts to protect data, ensure optimal operation of AL Sydbank's ICT systems, minimise the risk of ICT incidents and ensure that AL Sydbank's customers can trust that information is processed and stored safely.

AL Sydbank takes part in the Danish central bank's Threat Intelligence Based Ethical Red Teaming (TIBER-DK), which is a programme to test the critical parts of the financial infrastructure, including threat-based testing. The work aims to increase the cyber resilience of the financial sector and promote financial stability. Furthermore operational cyber security is strengthened on a continuing basis where focus is on preventing hostile persons from accessing our systems. The most important risks concerning IT breakdowns and cybercrime are minimised via compliance with AL Sydbank's internal policies in this area and AL Sydbank's IT security policy set outs the responsibility of the Bank and its employees as regards IT security.

In order to be well prepared in case of violations of customers' privacy, AL Sydbank has operational contingency plans in place to ensure that any breaches of IT security or personal data security are handled promptly, effectively and correctly. Via its participation in the Danish central bank's initiative the Financial Sector forum for Operational Resilience (FSOR), the Bank has a crisis management plan for cyberattacks at sector level which supplements the Bank's own contingency plans.

Any breaches of IT security are reported to the Bank's IT risk committee and subsequently to the Board of Directors. Lessons learned from the incident together with regular testing are used to improve the technical and organisational security measures.

### **Data ethics policy**

AL Sydbank's data ethics policy describes AL Sydbank's approach to sound data ethics and the principles applying to how AL Sydbank processes data in an ethically responsible and transparent manner and reduces discrimination in relation to customers and employees. The day-to-day activities concerning data ethics are carried out in the

Coop Bank A/S is an independent entity under the AL

# S – Social Information

Bank's business units and business areas, and activities concerning data ethics are operationalised through internal policies and business procedures. We make sure that our data processing is improved on an ongoing basis and we also collaborate with the relevant authorities within this area.

AL Sydbank is subject to the General Data Protection Regulation and consequently the Bank may not without a legal basis collect information on racial or ethnic origin, colour, sexual orientation, gender identity, disability, religion, political opinion, national extraction or social origin.

## Strengthening of digital infrastructure

AL Sydbank is one of Denmark's largest banks and is a systemically important financial institution (SIFI), which is indicative of the Bank's importance to the financial infrastructure of Danish society. AL Sydbank has allocated considerable resources to its efforts to ensure financial stability and maintain a secure and robust payment infrastructure but the Bank cannot succeed alone. As a result we depend on the collaboration with the financial sector and the authorities. As a member of Finance Denmark, AL Sydbank contributes along with the country's other banks to promoting and strengthening the digital infrastructure in Denmark. AL Sydbank is a member of the steering committee under the supervision of Finance Denmark's board of directors on the sector programme for the payment infrastructure of the future, which aims to ensure the continued modernisation of the Danish financial payment infrastructure and clearing.

## Fighting crime

Banks help to secure and maintain a safe and robust payment infrastructure in Denmark, which is why AL Sydbank has a fraud department that monitors and stops suspicious transactions, processes cases involving online banking and card misuse and provides information in connection with cases regarding fraud and other criminal activity.

### Money laundering and terrorist financing

AL Sydbank monitors transactions in its efforts to identify transactions related to money laundering and terrorist financing that may pose a threat to financial stability in society. In addition foreign transactions are screened against existing EU, UN, OFSI and OFAC sanctions lists. The Bank's policy on money laundering and terrorist financing as well as its other activities in this area are described in more detail in section G – Business Conduct.

AL Sydbank's compliance officer must oversee and assess whether the Bank's measures in relation to money laundering are efficient and the Bank's Internal Audit department must oversee whether the measures are organised and function satisfactorily.

AL Sydbank participates in a Danish information and intelligence network ODIN, which is a collaboration between several public authorities and private actors covered by the Danish Money Laundering Act. ODIN seeks to prevent and combat serious and complex money laundering, terrorist financing and remote abuse. The collaboration enhances the efforts by authorities and the Bank to combat financial crime and organised crime.

### Efforts to combat IT fraud

IT fraudsters exploit every opportunity to trick money out of AL Sydbank's customers and this is why considerable efforts are made to protect customers and society from IT fraudsters. In the media as well as on our own digital channels and platforms, information on the risk of fraud is provided on an ongoing basis and advice is offered on how to avoid fraud. In 2023 AL Sydbank designed the tool 'sikkerklikker.dk' to better equip customers and the general public against IT fraud. AL Sydbank organises "Stop svindlerne" (Stop the fraudsters) events regularly where participants can learn how to protect themselves against financial fraud.

In addition AL Sydbank is a member of Finance Denmark's Fraud Task Force, which aims to find solutions to get a step ahead in the fight against the widespread crime and to better prepare society to resist it. The task force's activities took place throughout 2025 and the initiatives will continue in 2026.

### Digitalisation

As the world is becoming increasingly digitized and digitalised, the digitalisation of services can seem alienating to some groups of customers. AL Sydbank is mindful of the negative impact digitalisation may have on these customers. We want to be a bank that is accessible to everyone and therefore the Bank has implemented measures for various customer needs. For instance, in 2025 we set up a special Sunflower line where customers are assisted by employees who are mindful that these customers have special needs. We have also developed our digital platforms so that greater consideration is given to the visually impaired and the hearing impaired. The Bank's work with respect to future digital solutions is in accordance with the Danish Accessibility Act to support inclusion and service – also as regards digitally challenged customers.

## Consumer protection and product management

AL Sydbank strives to ensure that its customers make decisions on an informed basis and are afforded the protection they are entitled to as consumers. Based on the Bank's knowledge of a customer's finances, proactive efforts are made to communicate relevant and beneficial products to customers. AL Sydbank has a number of policies to ensure that all the Bank's customers are treated properly in terms of the products and services offered by the Bank. Consumer protection elements are incorporated in the Bank's policies and procedures. AL Sydbank builds on relationships between people and in this context trust plays a major role. This is why the Bank has product approval procedures and product governance measures so that we do not recommend problematic products to our customers. Continuous training and tests in product knowledge help to support the measures in this area.

### Focus on personal finances during Money Week

Learning about money is important at any age. This is why we participate in Money Week organised by the interest organisation Finance Denmark. During this week employees from AL Sydbank visit schools throughout the country to teach classes in financial literacy. In 2025 the classes also focused on personal finances under the theme "How to manage your money".

The Group Executive Management approves all new products and significant changes to existing products in compliance with legislation. The basis for the approval is a description of the product and its characteristics accompanied by a risk assessment prepared by the business units Compliance and Risk as well as other relevant parties. If the risk assessment so requires, any necessary adjustments are made before the product is launched. The Bank's retail products, including deposit and loan products,

are subject to continuous monitoring to ensure follow-up on developments in product characteristics and distribution to customers.

AL Sydbank is subject to MiFID II's product governance rules. This means that the investment products offered by the Bank must have a defined and specific target group. Ongoing internal controls and monitoring are carried out by the Bank's product management committee and aim to ensure that the Bank offers the right products to the right target groups and that the products continue to meet customers' requirements. If a product no longer meets customers' wishes or requirements, necessary measures are implemented.

## AL Sydbank's employees

AL Sydbank seeks to offer its employees a healthy and attractive work environment as well as working conditions that allow for professional skills development and further training.

### Talent development

In 2025 determined efforts were made at AL Sydbank to identify employees' competences and build the foundations for talent development. The purpose is to create a strong basis for individual development and career advancement for employees who are interested while giving the Bank a more complete picture of the total resources and competences available. The identification of competences will support a more strategic approach to competence development, ensure the optimal use of internal resources and help to retain and attract talent. The initiative is one element of the Bank's overall efforts to improve employee satisfaction, engagement and ensure the Bank's succession planning.

### Dialogue with employees

Talented and committed employees are the Bank's most important asset. Therefore employees are asked about

Employees 2025 <sup>1</sup> (2024 <sup>2</sup> )	Male		Female		Other		N/A		Total	
	Number of persons	FTE	Number of persons	FTE	Number of persons	FTE	Number of persons	FTE	Number of persons	FTE
Number of employees	1,298 (1,084)	1,182.3 (1,077)	1,233 (1,060)	1,084.3 (1,010)					2,531 (2,144)	2,267 (2,087)
Number of permanent staff	1,286 (1,074)	1,171.6 (1,068)	1,212 (1,041)	1,064.8 (994)					2,498 (2,115)	2,236 (2,062)
Number of temporary staff	11 (9)	10.8 (9)	22 (19)	19.7 (16)					33 (28)	31 (25)
Number of non-guaranteed hours staff	108 (96)		102 (89)						209 (185)	

<sup>1</sup> Employees from the Arbejdernes Landsbank Group are only included for one month in the average number of staff (FTE)

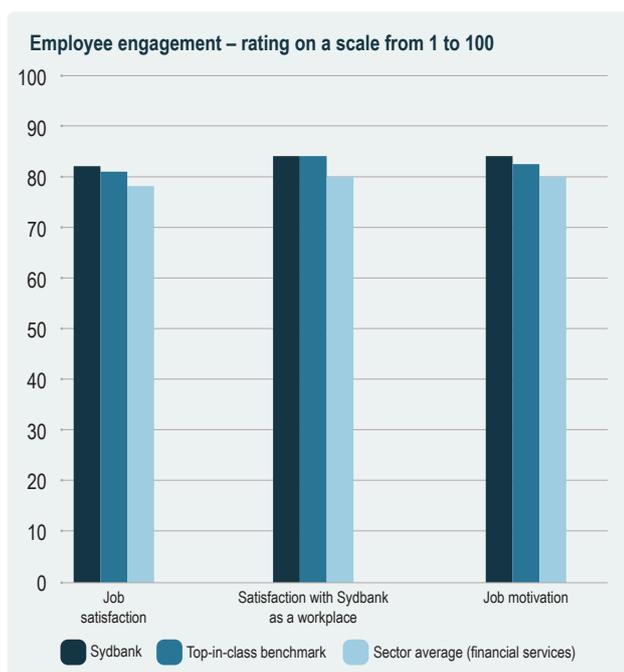
<sup>2</sup> Comparative figures from 2024 are from Sydbank's Annual Report 2024.

Employee turnover rate	2025	2024 <sup>1</sup>
Number of staff who have resigned	378 persons	273 FTEs
Employee turnover rate (%)	14.94	13.1

<sup>1</sup> Comparative figures from 2024 are from Sydbank's Annual Report 2024.

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their engagement and job satisfaction in an engagement survey every year. A comprehensive survey is conducted every other year and smaller surveys are carried out in the years when the comprehensive survey is not carried out. The surveys help us to evolve as a workplace. AL Sydbank is a merger of three banks where employee engagement is a central issue. We will continue to work on maintaining the high level of employee engagement and therefore the table below shows the status of the former Sydbank's target for its employee engagement to be in the top quartile compared with the financial sector in Denmark in the year in question. Since the target has been approved by the Board of Directors employees have been indirectly involved in setting the target via the board members who are elected by the employees. If the employee engagement survey shows that there is scope for improvement actions will be formulated to address the elements of improvement, which managers and HR will follow up on.



*The table shows the results of the employee engagement survey conducted by the former Sydbank. The target was for employee engagement to be in the top quartile compared to the financial sector in Denmark.*

AL Sydbank engages in dialogue with employees via the board members elected by the employees and the Bank's works council. The works council consists of representatives from management as well as employee representatives. The Bank's CEO chairs the works council and the employee representatives are appointed by Financial Services Union in Denmark, AL Sydbank branch. The works council holds 6 ordinary meetings annually as well as extraordinary meetings as and when needed. The chair

of the Board of Directors and the chair of the works council ensure the involvement of employees in relevant decision-making processes.

AL Sydbank examines and assesses on an ongoing basis the effectiveness of measures and initiatives to guarantee good conditions for employees. Therefore HR gathers feedback from employees at regular intervals via evaluations from immediate superiors as well as the annual employee engagement survey. In addition key indicators can help to measure the effectiveness of measures and initiatives, for instance absence due to sickness, employee engagement scores and productivity. Key indicators are compared to industry standards to identify areas with potential for improvement and to understand the Bank's performance relative to comparable banks. Costs associated with measures and initiatives are reviewed to ensure that they deliver value to employees as well as the Bank as a whole. The works council considers on an ongoing basis whether measures etc should be initiated in light of the feedback collected and the key indicators.

AL Sydbank trains managers and partners from HR to deal with concerns and issues voiced by employees proactively and at an early stage, which results in a very low number of reported complaints and concerns. The Bank received no complaints regarding discrimination in 2025.

### Well-being and security for employees

AL Sydbank believes that a proactive approach is crucial to ensure that employees can carry out their work safely and securely every day. The Bank allocates considerable staff resources to identify, monitor and address significant impacts in order to ensure a safe and secure work environment.

The Bank's intranet has information establishing guidelines, procedures and best practice for workplace health and safety with minimal risks of physical accidents. The information serves as a valuable tool to ensure that the work environment complies with regulatory requirements and internal standards. The Bank's health and safety organisation comprises all employees and contains procedures to identify, assess and manage risks related to work accidents, and the Bank has clear lines of responsibility and reporting mechanisms to ensure effective and efficient management of safety conditions and ongoing improvement of the work environment. Furthermore priority is given to preventing accidents at work by the Bank's health and safety committee by means of continuous training, risk awareness and ongoing evaluation of the Bank's health and safety practice.

AL Sydbank's employees are primarily office workers and consequently there is minimal risk of physical work-related injuries.

AL Sydbank is under an obligation to conduct workplace risk assessments and has an internal process for this to ensure the best possible conditions to avoid work-related injuries. In addition the health and safety manual contains a description of various aids for employees with special needs. Aids include system support for people with dyslexia, special chairs/stools, screen protection glasses, special lighting, special mice and special screens.

Work-related injuries	2025	2024 <sup>1</sup>
Work-related injuries	21	10

<sup>1</sup> Comparative figures from 2024 are from Sydbank's Annual Report 2024.

Grievance mechanisms as well as ongoing updating and follow-up of the Bank's policies and business procedures seek to ensure the prevention of discrimination and mitigating measures in this regard. However the possibility remains that unacceptable behaviour can occur. Unfortunately conflicts and unpleasant confrontations occur occasionally between employees and customers whose expectations have not been met. These confrontations can affect employees' physical and emotional well-being – in some instances so severely that the consequences are considered a work-related injury. Unpleasant customer experiences may occur physically and digitally and are typically individual concrete cases. From the reports received the Bank has learnt that customer-facing functions are at greater risk of being exposed to unpleasant customer experiences. Special counselling and support are therefore offered to employees exposed to psychological pressure

in customer-facing functions. In 2025 an occupational psychologist was engaged by the Bank's fraud department to give employees training in peer supervision.

The health and safety organisation encourages all employees to report unpleasant customer experiences and work-related injuries and the head of health and safety monitors and follows up on reports received. Employees can also report concerns and needs via the Bank's whistleblower scheme, the works council, trade union representatives, partners from HR, group executive vice presidents or their own manager. The whistleblower scheme is described in section G – Business Conduct. AL Sydbank's comprehensive employee engagement survey asks employees whether they feel safe using the various reporting options and employees gave this question a score of 88 out of 100, which indicates that there is an overall sense of safety as regards the reporting possibilities. This question is not included in the smaller engagement survey that is conducted every other year, which is why we do not have an updated score for 2025. Furthermore workers' representatives who voice concerns and needs on behalf of employees are afforded special protection against employment law sanctions under the collective agreement between the Financial Services Union in Denmark and the Employers' Association for the Financial Sector.

#### Life phases and hidden disabilities

In 2025 special focus was on supporting employees' well-being through different phases of life and their individual needs. Targeted training courses are offered to menopausal women. AL Sydbank has also joined the Sunflower programme – an international initiative to make it easier for persons with invisible disabilities to discreetly signal that they might need extra assistance or time.

Gender diversity in the supreme governing body and other management levels	2025	2024 <sup>1</sup>
<b>Supreme governing body</b>		
Number of board members (women/men)	10 (4/6)	8 (4/4)
Underrepresented gender on the Board of Directors (%)	40	50
Target figure (%)	40	40
Target must be achieved by year	2025	2024
<b>Other management levels</b>		
Number of Group Executive Management members (women/men)	7 (1/6)	3 (0/3)
Number of group executive vice presidents (women/men)	48 (12/36)	38 (6/32)
Underrepresented gender in the Group Executive Management and among group executive vice presidents (%)	23.6	15.8
Target figure (%)	35	30
Target must be achieved by year	2027	2027

<sup>1</sup> Comparative figures from 2024 are from Sydbank's Annual Report 2024.

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AL Sydbank's policy for healthy corporate culture seeks to create a supportive and inclusive work environment that places high priority on employees' well-being and job satisfaction. Furthermore AL Sydbank has a staff policy designed to ensure that employees feel happy and confident in their roles.

## Diversity

At AL Sydbank we believe that diversity among managers and employees creates the best results. A diversity policy has been formulated for the Board of Directors which, in addition to describing the qualifications and competences that the Board of Directors must have collectively, aims to promote sufficient diversity among the members of the Board of Directors as regards age, gender, educational and professional background as well as experience.

In order to increase the percentage of the underrepresented gender on the Board of Directors, in the Group Executive Management and among group executive vice presidents, the three merged banks have policies with target figures for the underrepresented gender. AL Sydbank's overall objective is to achieve an equal gender balance among all managers and in 2025 we achieved the subtarget that the underrepresented gender will account for at least 35% of all employees in management positions in 2025. Reaching the subtarget is in line with the Bank's overall diversity and inclusion policy and the achievement also reflects targeted efforts to promote equal opportunities and create a more balanced management structure. Furthermore the Bank has set a target that the underrepresented gender will account for at least 40%. In addition to the overall objective there is a collective target for the Group Executive Management and for group executive vice presidents that the underrepresented gender will account for at least 35% in 2027. The Bank is working on moving closer to these targets.

The Bank seeks to achieve the objectives of a more equal gender balance among managers in connection with the recruitment of new managers as well as by supporting more broadly the development of existing employees. An increase in the percentage of the underrepresented gender in the Bank's other management levels must be supported by clear and transparent goals and initiatives stipulated by the Bank regarding gender equality in the layers of management and inspiring employees to become part of the Bank's management and offering them the opportunity to develop professional and personal skills by taking part in courses and personal development programmes. All genders must participate equally in these offers and there must be clear and transparent processes when recruiting managers which include goals to increase

the percentage of the underrepresented gender. In addition an unbiased culture at the Bank must help to ensure that the individual employee can make the most of his/her qualifications regardless of gender.

AL Sydbank complies with the recommendation of the Committee of good Corporate Governance that once a year the Board of Directors discusses activities to ensure diversity. The ongoing aim is that the underrepresented gender accounts for a minimum of 40% of board members elected by the Shareholders' Committee. There is an equal gender balance on the Board of Directors.

In terms of age the Bank's employees are as follows: 761 employees are under 30, 2,129 employees are between 30-50 and 1,647 employees are over 50.

## Remuneration and staff benefits

Employees' pay and working conditions are determined in accordance with collective agreements in force. All the Bank's Danish employees except for the Group Executive Management are covered by collective agreements concluded by Finance Denmark/Employer and the Financial Services Union in Denmark whereas all the Bank's German employees with fixed working hours are covered by the German collective agreement for the private banking sector.

Pay and remuneration	2025	2024 <sup>1</sup>
Pay gap between men and women (%)	18.3	20.2
Remuneration ratio between the highest paid and the median salary (times)	15.5	15.7

<sup>1</sup> The comparative figures for 2024 relate only to Sydbank and have been recalculated on the basis of the data used for Sydbank's Annual Report 2024 due to identified errors in previous calculations.

AL Sydbank has implemented a number of initiatives with the primary purpose of creating staff benefits in addition to the traditional working conditions. In addition to health insurance, dental insurance, holiday allowance, 5 special days of holiday and 5 childcare leave days, AL Sydbank offers employees the option to take leave to care for a sick child for up to 5 consecutive days. Furthermore AL Sydbank offers favourable terms regarding employees' banking transactions and insurance.

AL Sydbank does not wish to discriminate on pay. We are committed to determining pay according to job content and employees' skills and qualifications, which is the case in Denmark as well as in Germany. AL Sydbank's employees are paid in accordance with the collective agreement in force, which is believed to set a fair and appropriate salary. There are several professional groups at AL Sydbank

where one gender is overrepresented. The gender overrepresentation as regards various professional groups and positions affects the pay gap at AL Sydbank.

## Accounting policies – social information

### Accounting policies – AL Sydbank's employees

Employees in the Bank's own workforce include employees in the AL Sydbank Group, including AL Sydbank Finans, Syd Fund Management, Syd Administration and Coop Bank.

The Bank's own workforce consists of staff who receive an agreed salary/wage from the Bank and have a valid employee access card to the Bank. This includes permanent staff, temporary staff (for instance temporary replacement) and non-guaranteed hours staff (for instance student assistants and young workers).

#### Overview of the Bank's employees

The number of employees, including the number of permanent staff and temporary staff, is calculated as the number of persons and full-time equivalent (FTE). FTE is the average number of staff translated to full-time staff during the accounting period and is calculated on the basis of the number of staff at the end of each of the 12 months of the financial year. The number of FTE staff is also stated in the financial statements, see page 102.

The number of persons is calculated as an average for the accounting period and is calculated as the number of persons per month/number of months. The calculation of the number of persons includes all employees, including employees paid on an hourly basis. The division of the number of employees by gender is based on an employee's civil registration number. The total number of staff does not include employees released from the duty to work, employees on leave without pay, pension commitments of former employees, employees on standby duty and parliamentary committees.

Non-guaranteed hours employees are referred to at the Bank as employees paid on an hourly basis. As the number of employees paid on an hourly basis varies greatly over the year, non-guaranteed hours employees are calculated as an average of the number of employees paid on an hourly basis for each of the 12 months of the financial year.

The employee turnover rate is calculated as follows: number of employees who have resigned / average number of employees \* 100 during the accounting period.

#### Work-related injuries

All kinds of physical injuries at the workplace or during the performance of work must be reported as work-related injuries. Similarly assaults, threats and robberies where an employee receives psychological support must be reported as work-related injuries. The head of security decides whether a reported incident constitutes a work-related injury to be registered. Registered work-related injuries are included in the calculation.

#### Diversity

Only board members elected by the Shareholders' Committee are included in the calculation of AL Sydbank's supreme governing body (the Board of Directors). Gender diversity in AL Sydbank's supreme governing body and other management levels (the Group Executive Management and group executive vice presidents) is calculated at the end of the accounting period. Gender is defined on the basis of a person's civil registration number.

The number of employees by age is calculated as the Group's total number of employees at the end of December by age interval and is defined on the basis of an employee's civil registration number. The breakdown by age of the Bank's employees does not include employees released from the duty to work, employees on leave without pay, pension commitments of former employees, employees on standby duty and parliamentary committees.

#### Pay and remuneration

The pay gap between men and women is calculated as the difference between the average salary for men and women expressed as a percentage of the average salary for men. The calculation is based on an employee's gross salary, which is calculated as a monthly average and an overall average is calculated for the reporting period. All salaries are translated to a gross hourly wage for full time.

The total annual remuneration ratio is calculated as the remuneration to the highest paid person divided by the median of the total annual remuneration for all employees except for the highest paid person. The remuneration is calculated as the sum of salaries paid, compensation paid and company cars. Data is extracted from the payroll system where all gross salaries and pension payments are found. Only employees as of 31 December 2025 are included in the calculation.

# G – Business Conduct

AL Sydbank plays a key role in society as a nationwide, full-service, corporate and advisory bank. We will fulfil this role in the best possible way.

## A decent bank

AL Sydbank strives to be perceived as a competent and decent bank that complies with legislation and takes into consideration principles concerning responsible business activities.

### Healthy corporate culture and code of conduct

AL Sydbank's business conduct and corporate culture are multi-faceted and are defined by a number of policies at the Bank.

AL Sydbank's policy for healthy corporate culture has been formulated to ensure and preserve a healthy corporate culture. The policy sets the overall framework for ensuring a healthy corporate culture by means of risk awareness, appropriate conduct and open communication. Furthermore AL Sydbank's intranet has guidelines for employees on how to act if they learn of any illegal acts or irregularities at the workplace.

A healthy corporate culture requires constant attention and efforts across the entire organisation. The Group Executive Management ensures that the policy for healthy corporate culture is a part of AL Sydbank's day-to-day operations and is followed by the employees, and that there is quarterly reporting to the Board of Directors. The Board of Directors supervises that the policy is complied with and works as intended. Conditions supporting the healthy corporate culture at the Bank are measured as part of the annual employee engagement survey.

Digital learning modules concerning relevant topical subjects and legislation are completed on an ongoing basis and HR follows up on completion rates. In addition in-house campaigns based on the Bank's policies, including its policy for healthy corporate culture, are carried out at regular intervals to ensure that focus remains on AL Sydbank's policies and the healthy culture at the Bank. Before their employment starts, new employees receive the policy for healthy corporate culture and by signing, they confirm that they have read the policy. In addition new employees take part in an introduction programme where they are introduced to AL Sydbank as a place of work, legislation, other policies, business procedures, job descriptions and a healthy corporate culture.

AL Sydbank's code of conduct sets out the general guidelines for the Bank's business conduct. The code of conduct explains to the Bank's stakeholders what they can expect of AL Sydbank and what AL Sydbank expects from its business partners and suppliers. The code of conduct emphasises that the Bank's conduct must be characterised by responsibility, decency and respect for others. Non-compliance with the Bank's policies and business procedures may have consequences relating to employment law and liability for the Bank, the Bank's management or employees.

### Corporate culture focus: What can we do for you?

AL Sydbank is a service and advisory undertaking, and culture and conduct are important because this is what sets us apart from our competitors offering the same products as us. Consequently in 2025 we continued our work from 2024 where AL Sydbank's culture and core story were brought into focus within the Bank under the heading "What can we do for you?". The initiative consists of workshops and regular presentations of dilemmas on the Bank's intranet to encourage employees to reflect on and engage in dialogue about how we act in terms of the Bank's values. The dialogue about culture aims to make employees more aware of their conduct.

In 2025 the initiative "Lunch with the Group Executive Management" was launched where the members of the Group Executive Management meet for an informal lunch with all employees under 30. The purpose is to establish a direct dialogue and provide the Group Executive Management with insights into younger employees' perspectives, needs and ideas.

### Whistleblower scheme and suspicion of wrongdoing

AL Sydbank seeks to promote an environment with open communication. The management expects that employees have a constructive critical approach to their work and that they will contact their immediate superior straight away if they obtain knowledge of or suspect wrongdoing. If an employee does not wish to discuss a problem with his or her immediate superior the employee is always welcome to contact a superior in another area. With regard to money laundering and market abuse any suspicion of wrongdoing by employees is managed promptly and reviewed by several persons to ensure a correct and objective assessment of the employee. If the employee is notified about suspected wrongdoing, the Bank's head of HR is notified and will consider whether it will have consequences relating to employment law for the employee.

In compliance with EU whistleblower rules the Bank has established a scheme that can be used by employees and the Bank's stakeholders to report a suspicion of serious or repeated violations of applicable law or the Bank's internal guidelines. The scheme aims to bring matters to light that would not otherwise have been brought to the Bank's

knowledge and should be seen as a supplement to the usual reporting channels, such as direct and daily communication at the workplace about errors and unsatisfactory conditions. All reports are treated in the strictest confidence and in accordance with applicable personal data legislation. The whistleblower scheme is initially managed by a third party – law firm Poul Schmith – which screens reports after which they are sent to the Bank’s head of Compliance. The chair of the Board of Directors’ Audit Committee is informed about the reports and how they are dealt with. Reports received via AL Sydbank’s whistleblower scheme may be anonymous or may include a name and contact details. AL Sydbank protects reporting persons in accordance with the Danish act on the protection of whistleblowers. Retaliation against employees who report knowledge of or suspicion of wrongdoing or who make use of the Bank’s whistleblower scheme is not tolerated.

New employees are made aware of the Bank’s whistleblower scheme in the policy for healthy corporate culture,

which is sent to employees beforehand, as well as in the digital learning module on compliance, which is a part of employees’ introduction programme.

#### Training courses supporting a decent bank

The Bank’s employees participate regularly in a number of different training courses supporting a decent bank including a course on business conduct. The former Sydbank had a target that at least 95% of employees have completed the 5 internal learning modules supporting a decent bank. The completion rate of each learning module as regards the former Sydbank is shown in the table.

The Group Executive Management is also required to complete the learning modules. The Board of Directors is only required to attend the course on prevention of money laundering and terrorist financing and in addition to this board members have 2 annual training days in relevant topics concerning AL Sydbank.

Learning module	Background and purpose	Employee group	Completion rate
<b>Prevention of money laundering and terrorist financing</b>	The Bank’s employees are required to complete training at appropriate intervals in applicable rules on the prevention of money laundering and terrorist financing. The course is adjusted according to job function and aims to ensure that the Bank’s employees understand risks and are aware of their individual obligations in connection with carrying out their jobs.	All relevant employees	97.6
<b>Processing of personal data</b>	The Bank’s employees are required to complete mandatory training at appropriate intervals in the rules governing processing of personal data as well as related internal guidelines. The course aims to ensure that the Bank’s employees understand the rules and are aware of the Bank’s obligations and their individual obligations in connection with carrying out their jobs.	All relevant employees	99.1
<b>Cyber security and information security</b>	In order to strengthen the Bank’s cyber resilience the Bank’s employees are required to complete mandatory awareness training on an annual basis to gain an understanding of and be equipped to identify threats and vulnerabilities in relation to using information technology. In addition employees with special areas of responsibility and rights receive more targeted training.	All employees	99.4
<b>Compliance at AL Sydbank</b>	The Bank’s employees are required to complete mandatory training at appropriate intervals in compliance issues and legislation. The course on compliance covers topics such as duty of confidentiality, healthy corporate culture, competition law, management of conflicts of interest, including guidelines on receiving gifts, as well as management of data and documents.	All employees	99.6
<b>ESG</b>	The Bank’s employees are required to complete mandatory training at appropriate intervals in ESG. The course provides a basic knowledge of ESG and offers employees insight into why and how AL Sydbank is active in the field of ESG. In addition to this the Bank provides targeted training to selected groups of employees where specific knowledge is relevant.	All employees	98.0

The completion rate is calculated as the number of employees who have completed the course compared to the number of employees who have been given the possibility to and who are required to complete the training. This means that employees with long-term absence, employees who have resigned/employees who are released from the duty to work, employees who have not yet commenced employment as well as employees who are not part of the target group regarding the specific training course are not included in the calculation of completion rates.

HR has a follow-up procedure for the training courses which is described in an internal business procedure. Data for the follow-up is extracted twice a year – in mid-May and mid-November – from the Bank’s system Videnbarometer®.

# G – Business Conduct

## Anti-corruption and bribery

AL Sydbank's anti-corruption and bribery policy underlines AL Sydbank's position and disapproval of corruption and bribery and establishes the general guidelines for AL Sydbank's measures to prevent corruption and bribery.

AL Sydbank disapproves of any form of corruption or bribery and does not tolerate its existence neither in relation to public authorities, business associates, business partners nor otherwise.

Danish society is characterised by a very low rate of corruption and bribery. AL Sydbank's primary business area is Denmark and consequently the occurrence of corruption and bribery is assumed to be low in relation to the Bank. However the risk of corruption and bribery can never be ruled out and therefore the Bank has implemented a series of measures aimed at ensuring that employees are not exposed to or involved in corruption or bribery. Similarly a number of measures have been established to ensure that AL Sydbank's customers do not use the Bank to receive and/or launder money derived from corruption or bribery.

Since all the Bank's employees may be at risk of exposing themselves or others to corruption and bribery, all employees complete mandatory training at appropriate intervals in selected subjects related to corruption and bribery. The same applies to external consultants when considered necessary. The course consists of 2 digital learning modules concerning the prevention of money laundering and terrorist financing as well as compliance as described above.

In addition to the usual reporting channels and the Bank's whistleblower scheme, AL Sydbank has an effective organisation regarding risk management and internal control functions in place to prevent and detect non-compliance with legislation and internal rules. The organisational set-up with regard to risk management is described in more detail in "Organisation and Corporate Governance" under "The Bank's risk management and compliance" and "Internal Audit".

## Conflicts of interest and gifts

We are strongly committed to providing value-creating advice to our customers and therefore we have introduced a number of measures to ensure that focus is on safeguarding the interests of our customers in the best possible way. In some cases there may be a conflict of interest. AL Sydbank's conflicts of interest policy describes the general measures taken to prevent and manage conflicts of interest.

The Bank encourages employees to exercise great care when offered gifts and to contact their immediate superior or Compliance if they are uncertain how to respond in connection with gifts or conflicts of interest.

## Money laundering and terrorist financing

To ensure targeted and effective efforts to prevent money laundering and terrorist financing, AL Sydbank has established a strong governance structure, robust risk management and a constructive collaboration with stakeholders and authorities to combat money laundering and terrorist financing. The Bank takes part in relevant collaboration forums within the financial sector, for instance Finance Denmark, in order to gain knowledge about suspicious transactions and financial crime. AL Sydbank's policy for prevention of money laundering, terrorist financing and sanctions breaches establishes the overall framework for the reporting as well as the procedures, business procedures, job descriptions and controls aimed at minimising the Bank's risk of being used for money laundering and terrorist financing. Furthermore the policy is accompanied by an internal appendix of the Bank's risk tolerance in this area.

The Bank's AML committee discusses the Bank's efforts to combat money laundering and terrorist financing and consists of group executive vice presidents (or their appointed representatives) of the divisions with tasks within this area as well as the AML Executive (Group Executive Management member). The AML Risk Management department, which is headed by the risk officer as regards AML, reports on a regular basis to the AML Executive, the AML committee and the Board of Directors including when new risks are identified. The overall progress at the Bank as well as in society is also reported. Furthermore AML Risk Management, the individual business areas as well as central control units carry out a number of controls to ensure the Bank's compliance with applicable legislation and business procedures. The KYC Support department ensures that appropriate measures are implemented to address risks identified and assessed by AML Risk Management.

At least once a year AL Sydbank prepares a risk assessment in which risks relating to money laundering and terrorist financing are identified and assessed so that the Bank has a complete overview of the areas in which the Bank could be used for money laundering and terrorist financing. The policy for prevention of money laundering, terrorist financing and sanctions breaches has been approved and is updated on the basis of the conclusions of the risk assessment.



# Appendices – Sustainability Reporting

## Sustainability reporting – contents

Sustainability reporting - contents	Compliance with legal requirements
<b>General information</b>	
<b>Preparation of sustainability reporting</b>	ESRS 2 BP-1 paras 5a, 5b, 5c
Responsibility and control	ESRS 2 GOV-5 paras 6a, 36b, 36c, 36d, 36e ESRS 2 IRO-1 para 53e
International endorsements	ESRS 2 BP-2 para 15 ESRS S1-1 paras 20, 20a, 21 ESRS S3-1 paras 16, 16a, 17 ESRS S4-1 paras 16, 16a, 17
<b>ESG efforts</b>	ESRS 2 SBM-1 paras 40e, 40f, 40g ESRS 2 SBM-3 para 48b
Organisation	ESRS 2 GOV-1 paras 22a, 22cii, 22ciii, 22d, 23b ESRS 2 GOV-2 paras 26a, 26b ESRS 2 SBM-3 para 48f
Management's roles related to business conduct	ESRS G1.GOV-1 para 5a ESRS G1-3 para 18c
Governance foundation	MDR-P para 65c G1-GOV-1 para 5a
<b>Materiality assessment</b>	ESRS 2 IRO-1 paras 53a, 53b, 53bi, 53bii, 53biv, 53c, 53ci, 53cii, 53g ESRS E1.IRO-1 paras 20a, 20b, 20c, 21, AR9, AR11a, AR11b, AR11d, AR12a, AR 12c ESRS E2.IRO-1 ESRS E3.IRO-1 ESRS E4.IRO-1 ESRS E5.IRO-1 para 11a ESRS G1.IRO-1 ESRS 2 IRO-2 para 59
Approval of materiality assessment	ESRS 2 GOV-2 paras 26a, 26c ESRS 2 IRO-1 paras 53d, 53h
Stakeholder analysis	ESRS 2 SBM-2 paras 45ai, 45aii, 45aiii, 45aiv, 45av, 45b, 45d ESRS S1.SBM-2 para 12 ESRS S1.SBM-3 para 13a ESRS S3.SBM-2 para 7 ESRS S3.SBM-3 paras 8a, 9, 9a ESRS S4.SBM-2 para 8 ESRS S4.SBM-3 para 10 ESRS 2 IRO-1 para 53biii ESRS S1-2 para 27 ESRS S3-2 para 21a ESRS S4-2 paras 20a, 20b, 20c
Outcome	ESRS 2 SBM-3 paras 48a, 48ci, 48cii, 48ciii, 48civ, 48d, 48f, 48h ESRS E1.SBM-3 para 19
<b>E – Environmental information</b>	
<b>Lending</b>	ESRS E1-6 paras 47, AR39b
Green finance	ESRS E1-2 para 24 ESRS E1-3 paras 28, AR21
ESG in credit evaluations	ESRS E1-2 paras 24, 25a, 25b, 25c, 25d, 25e
Reduction targets for the CO <sub>2</sub> e footprint of the Bank's lending	ESRS E1-4 paras 33, 34b, 34e, 34f, AR25a
CO <sub>2</sub> e footprint of the Bank's lending	ESRS E1-6 paras 51, AR46d

Sustainability reporting – contents – continued

Sustainability reporting - contents	Compliance with legal requirements
<b>General information</b>	
<b>Investment</b>	
Responsible investment and active ownership	ESRS E1-2 paras 24, 25a, 25e E SRS E1-3 para 29a
Reduction target for the CO <sub>2</sub> e footprint of the Bank's investments	ESRS E1-3 para AR21 ESRS E1-4 paras 33, 34a, 34b, 34e, 34f, AR25a
CO <sub>2</sub> e footprint of the Bank's investments	ESRS E1-6 paras 51, AR46d
<b>Environmental footprint of own operations</b>	
Reduction target for CO <sub>2</sub> e emissions from own operations	ESRS E1-2 paras 24, 25, 25a ESRS E1-4 para 33
The Bank's energy consumption	ESRS E1-3 para 29b ESRS E1-4 paras 34a, 34b, 34e, 34f, AR25a, AR30c
The Bank's total CO <sub>2</sub> e emissions	ESRS E1-5 paras 37, 37a, 37ci, 37cii, 37ciii, AR34
	ESRS E1-6 paras 44, 48a, 49a, 49b, 51, 52, 52a, 52b, 53, 54, AR46d
<b>Accounting policies – environmental information</b>	
Accounting policies and data quality in core business	ESRS 2 BP-2 paras 10-14
Accounting policies – lending	ESRS E1-6 para AR46g
Accounting policies – investment	ESRS E1-6 pkt. 47, AR39b, 51, AR46d
Accounting policies – environmental footprint of own operations	ESRS E1-6 para AR39b
Reporting under Article 8 of the Taxonomy Regulation	ESRS E1-6 paras 39b, AR45d, AR46i, AR46h, 55, AR55
	Article 8 of the Taxonomy Regulation
<b>S – Social information</b>	
<b>Dialogue with customers and society</b>	
	ESRS S3-1 paras 14, 16b and 16c ESRS S3-2 paras 21a, 21b, ESRS S3-3 paras 27b, 27c, 27d, 28 ESRS S4-1 para 16b ESRS S4-2 para 20 ESRS S4-3 paras 25b, 25c, 25d, 26
<b>Human rights</b>	
	ESRS S1-1 paras 20, 20a, 24a, 24b ESRS S3-1 paras 14, 16, 16a ESRS S3-4 para 36 ESRS S4-1 paras 16, 16a
<b>Data processing and information security</b>	
	ESRS S3.SBM-3 para 9c ESRS S4.SBM-3 paras 9a, 10a(i)-(iv), 10c ESRS S1-1 para 20c ESRS S1-4 paras 41, 43 ESRS S4-1 para 6 ESRS S4-4 para 31
Data protection	ESRS S4-3 para 25a
IT security	ESRS S1-1 para 19 ESRS S3-1 para 16c ESRS S4-1 para 16c ESRS S4-3 para 25a ESRS S4-4 paras 31a, 31b, 31c, 31d, 32a, 35

# Appendices – Sustainability Reporting

## Sustainability reporting – contents – continued

Sustainability reporting - contents	Compliance with legal requirements
<b>General information</b>	
Data ethics policy	ESRS S1-1 para 24a ESRS S1-4 para 41 ESRS S4-1 paras 14, 16 ESRS S4-4 para 31c Section 154 of the Danish executive order on financial reporting of credit institutions and brokerage firms etc (data ethics policy)
<b>Strengthening of digital infrastructure</b>	ESRS S3.SBM-3 para 8a(i) ESRS S3-4 paras 32c, 38
<b>Fighting crime</b>	ESRS S3.SBM-3 paras 8a(i), 9c ESRS S4-4 paras 31a, 32b, 34
Money laundering and terrorist financing	ESRS S3-1 para 14 ESRS S3-4 paras 30, 32c, 32d ESRS G1-1 para 7 ESRS G1-3 para 18a
Efforts to combat IT fraud	ESRS S3-4 paras 30, 32c ESRS S4-4 para 31a
<b>Consumer protection and product management</b>	ESRS S3-4 para 32c ESRS S4.SBM-3 paras 10a(i)-(iv), 10b, 10c ESRS S4-1 para 15 ESRS S4-4 paras 31, 31a, 34
<b>AL Sydbank's employees</b>	
Dialogue with employees	ESRS S1-1 para 20b ESRS S1-2 paras 27a, 27b, 27c ESRS S1-4 paras 38a, 38b, 38d, 39 ESRS S1-5 paras 47c, 46, 47a, 47b ESRS S1-6 paras 50a, 50c ESRS S1-17 paras 103a, 103b
Well-being and security for employees	ESRS S1.SBM-3 paras 14a, 14b, 14c, 15 ESRS S1-1 paras 19, 23, 24c, 24d ESRS S1-3 paras 32a, 32b, 32c, 32d, 33 ESRS S1-4 paras 37, 38a, 43 ESRS S1-14 paras 88a, 88c
Diversity	ESRS GOV-1 para 21d ESRS S1-1 para 19 ESRS S1-9 paras 66a and 66b Section 150(1)8 of the Danish executive order on financial reporting of credit institutions and brokerage firms etc (diversity policy) and section 152 of the Danish executive order on financial reporting of credit institutions and brokerage firms etc (the underrepresented gender)
Remuneration and staff benefits	ESRS S1.SBM-3 para 14c ESRS S1-4 para 38c ESRS S1-8 paras 60a, 60b ESRS S1-10 para 69 ESRS S1-16 paras 97a, 97b
<b>Accounting policies – social information</b>	
Accounting policies – AL Sydbank's employees	ESRS 2 BP-2 paras 10-14 ESRS S1-6 paras 50b, 50d, 50di, 50dii, 50e, 50f ESRS S1-8 paras 60a, 60b ESRS S1-9 para AR71 ESRS S1-16 paras. 97a, 97b, 97c ESRS S1 SBM-3 paras 14, 14a

## Sustainability reporting – contents – continued

Sustainability reporting - contents	Compliance with legal requirements
<b>General information</b>	
<b>G – Business conduct</b>	
<b>A decent bank</b>	
Healthy corporate culture	ESRS G1-1 paras 7, 9 ESRS G1-3 para 20
Whistleblower scheme and suspicion of wrongdoing	ESRS S1-3 paras 32c, 32e ESRS S3-3 para 28 ESRS G1-1 paras 10a, 10c, 10e
Training courses supporting a decent bank	ESRS G1-1 para 10g ESRS G1-3 para 21c
<b>Anti-corruption and bribery</b>	
Conflicts of interest and gifts	ESRS G1-1 para 7 ESRS G1-3 para 18a
Money laundering and terrorist financing	ESRS S3-1 para 14 ESRS S3-4 paras 30, 32c, 32d ESRS G1-1 para 7 ESRS G1-3 para 18a
<b>Appendices – sustainability reporting</b>	
	ESRS 2 IRO-2 para 56 ESRS 2 BP-2 paras 15, 16 ESRS 2 GOV-4

The table below shows the sections in the remainder of the financial review that are incorporated in the Bank's sustainability reporting by reference.

### Incorporated in sustainability reporting by reference

Incorporated in sustainability reporting by reference	Compliance with legal requirements
<b>Mission statement and business goals</b>	
<b>AL Sydbank's business model</b>	ESRS 2 SBM-1 paras 40ai, 42a and 42b
AL Sydbank's value chain	ESRS 2SBM-1 para 42c
The Bank's customers	ESRS 2 SBM-1 para 40aii ESRS S4.SBM-3 para 10a
<b>Local presence</b>	ESRS 2 SBM-1 paras 40aii and 40aiii ESRS S3-4 para 30
<b>The Bank's value propositions</b>	
<b>Organisation and corporate governance</b>	
<b>Board of Directors</b>	ESRS 2 GOV-1 paras 21a, 21b, 21c, 21e, 23 and 23a ESRS G1.GOV-1 para 5b
<b>Board committees</b>	ESRS 2 GOV-1 para 22b
<b>Group Executive Management</b>	ESRS 2 GOV-1 para 21a
<b>Management remuneration</b>	ESRS 2 GOV-3 ESRS E1.GOV-3
<b>The Bank's risk management and compliance</b>	ESRS G1-3 para 18b
<b>Internal Audit</b>	ESRS G1-3 para 18b

# Appendices – Sustainability Reporting

## Central elements of due diligence

Central elements of due diligence	Location in sustainability reporting
Embedding due diligence in governance, strategy and business model	General information, "Organisation", page 45 and "Approval of materiality assessment", page 44 Organisation and corporate governance, "Management remuneration", page 36 General information, "ESG efforts", pages 41-43 and "Materiality assessment", pages 43-46, including "Outcome", page 46
Engaging with affected stakeholders	General information, "Organisation", page 41 General information, "Approval of materiality assessment", page 43 General information, "Materiality assessment", page 47, including "Stakeholder analysis", page 45 S, "Dialogue with customers and society", page 58 S, "Dialogue with employees", page 61
Identifying and assessing negative impacts on people and the environment	General information, "Materiality assessment", page 43, including underlying paragraphs
Actions to remediate negative impacts on people and the environment	E, "Green finance", pages 52-53, and "ESG in credit evaluations", page 49 E, "Responsible investment and active ownership", pages 51-52 S, "Data processing and information security", page 58, including the underlying paragraphs S, "Fighting crime", page 60, including the underlying paragraphs S, "Consumer protection and product management", page 60, including the underlying paragraphs S, "Paragraph "AL Sydbank's employees", page 61, including the underlying
Measuring the effectiveness of actions	E, table "Former Sydbank's environmental targets", page 48 S, "Dialogue with employees", page 61 G, "Training courses supporting a decent bank", page 67

## Reporting on datapoints deriving from other EU legislation

Reporting on datapoints from other EU legislation	SFDR	Pillar III	Benchmark Regulation	EU climate act	Location in sustainability reporting
ESRS 2 GOV-1 para 21d	X		X		"Diversity", page 65
ESRS 2 GOV-1 para 21e			X		"Board of Directors", page 38
ESRS 2 GOV-4 para 30	X				Table "Central elements of due diligence", page 74
ESRS 2 SBM-1 para 40di	X	X	X		Non-essential
ESRS 2 SBM-1 para 40dii	X		X		Non-essential
ESRS 2 SBM-1 para 40diii	X		X		Non-essential
ESRS 2 SBM-1 para 40div			X		Non-essential
ESRS E1-1 para 14				X	"E - Environmental information", page 48
ESRS E1-1 para 16g		X	X		Non-essential
ESRS E1-4 para 34	X	X	X		"E - Environmental information", page 48
ESRS E1-5 para 38	X				Non-essential
ESRS E1-5 para 37	X				"The Bank's energy consumption", page 54
ESRS E1-5 paras 40-43	X				Non-essential
ESRS E1-6 para 44	X	X	X		"The Bank's total CO <sub>2</sub> e emissions", page 54
ESRS E1-6 paras 53-55	X	X	X		"The Bank's total CO <sub>2</sub> e emissions", page 54
ESRS E1-7 para 56				X	Non-essential
ESRS E1-9 para 66			X		Non-essential
ESRS E1-9 para 66c		X			Non-essential
ESRS E1-9 para 67c		X			Non-essential
ESRS E1-9 para 69			X		Non-essential
ESRS E2-4 para 28	X				Non-essential
ESRS E3-1 para 9	X				Non-essential

Reporting on datapoints deriving from other EU legislation – continued

Reporting on datapoints from other EU legislation	SFDR	Pillar III	Benchmark Regulation	EU climate act	Location in sustainability reporting
ESRS E3-1 para 13	X				Non-essential
ESRS E3-1 para 14	X				Non-essential
ESRS E3-4 para 28c	X				Non-essential
ESRS E3-4 para 29	X				Non-essential
ESRS 2 IRO-1.E4 para 16ai	X				Non-essential
ESRS 2 IRO-1.E4 para 16b	X				Non-essential
ESRS 2 IRO-1.E4 para 16c	X				Non-essential
ESRS E4-2 para 24b	X				Non-essential
ESRS E4-2 para 24c	X				Non-essential
ESRS E4-2 para 24d	X				Non-essential
ESRS E5-5 para 37d	X				Non-essential
ESRS E5-5 para 39	X				Non-essential
ESRS 2 SBM-3.S1 para 14f	X				Non-essential
ESRS 2 SBM-3.S1 para 14g	X				Non-essential
ESRS S1-1 para 20	X				"Human rights", page 58
ESRS S1-1 para 21			X		"International endorsements", page 40
ESRS S1-1 para 22	X				Non-essential
ESRS S1-1 para 23	X				"Well-being and security for employees", page 62"
ESRS S1-3 para 32c	X				"Well-being and security for employees", page 62
ESRS S1-14 para 88b	X		X		Non-essential
ESRS S1-14 para 88c	X		X		"Well-being and security for employees", page 62
ESRS S1-14 para 88e	X				Non-essential
ESRS S1-16 para 97a	X		X		"Remuneration and staff benefits", page 64"
ESRS S1-16 para 97b	X				"Remuneration and staff benefits", page 64
ESRS S1-17 para 103a	X				Non-essential
ESRS S1-17 para 104a	X		X		Non-essential
ESRS 2 SBM-3.S2 para 11b	X				Non-essential
ESRS S2-1 para 17	X				Non-essential
ESRS S2-1 para 18	X				Non-essential
ESRS S2-1 para 19	X		X		Non-essential
ESRS S2-1 para 19			X		Non-essential
ESRS S2-4 para 36	X				Non-essential
ESRS S3-1 para 16	X				"Human rights", page 58"
ESRS S3-1 para 17	X		X		"International endorsements", page 40
ESRS S3-4 para 36	X				"Human rights", page 58"
ESRS S4-1 para 16	X				"Human rights", page 58"
ESRS S4-1 para 17	X		X		"International endorsements", page 40
ESRS S4-4 para 35	X				Non-essential
ESRS G1-1 para 10b	X				Non-essential
ESRS G1-1 para 10d	X				Non-essential
ESRS G1-4 para 24a	X		X		Non-essential
ESRS G1-4 para 24b	X				Non-essential



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# Income Statement

DKKm	Note	AL Sydbank Group		AL Sydbank A/S	
		2025	2024	2025	2024
Interest income calculated using the effective interest method		4,308	5,228	4,159	5,156
Other interest income		1,201	1,663	1,201	1,656
<b>Interest income</b>	7	<b>5,509</b>	<b>6,891</b>	<b>5,360</b>	<b>6,812</b>
Interest expense	8	1,621	2,583	1,599	2,578
<b>Net interest income</b>		<b>3,888</b>	<b>4,308</b>	<b>3,761</b>	<b>4,234</b>
Dividends on shares	9	166	105	182	128
Fee and commission income	10	3,120	2,731	2,887	2,541
Fee and commission expense	10	407	341	331	280
<b>Net interest and fee income</b>		<b>6,767</b>	<b>6,803</b>	<b>6,499</b>	<b>6,623</b>
Market value adjustments	11	709	714	909	798
Other operating income	12	35	31	32	35
Staff costs and administrative expenses	13	3,683	3,181	3,466	3,055
Amortisation, depreciation and impairment of intangible assets and property, plant and equipment		151	145	136	130
Other operating expenses	12	949	34	948	34
Impairment of loans and advances etc	14	311	595	294	595
Profit/(Loss) on holdings in associates and subsidiaries	15	57	52	74	86
<b>Profit before tax</b>		<b>2,474</b>	<b>3,645</b>	<b>2,670</b>	<b>3,728</b>
Tax	16	581	883	628	890
<b>Profit for the year</b>		<b>1,893</b>	<b>2,762</b>	<b>2,042</b>	<b>2,838</b>
<b>Distribution of profit for the year</b>					
Shareholders of AL Sydbank A/S				1,981	2,799
Holders of AT1 capital				61	39
<b>Total amount to be allocated</b>				<b>2,042</b>	<b>2,838</b>
Proposed dividend to shareholders of AL Sydbank A/S				2,145	1,377
Interest paid to holders of AT1 capital				61	39
Proposal for allocation for other purposes				18	18
Transfer to equity				(182)	1,404
<b>Total amount allocated</b>				<b>2,042</b>	<b>2,838</b>
EPS Basic (DKK)*		34.8	50.9	28.9	52.8
EPS Diluted (DKK)*		34.8	50.9	28.9	52.8
Proposed dividend per share (DKK)		25.00	26.88	25.00	26.88

\* Calculated on the basis of average number of shares outstanding, see page 19.

## Statement of Comprehensive Income

<b>Profit for the year</b>	<b>1,893</b>	<b>2,762</b>	<b>2,042</b>	<b>2,838</b>
<b>Other comprehensive income</b>				
Items that may not be reclassified to the income statement:				
Property revaluations	14	29	14	29
Value adjustment of certain strategic shares	159	85	-	-
<b>Other comprehensive income after tax</b>	<b>173</b>	<b>114</b>	<b>14</b>	<b>29</b>
<b>Comprehensive income for the year</b>	<b>2,066</b>	<b>2,876</b>	<b>2,056</b>	<b>2,867</b>

# Balance Sheet

DKKm	Note	AL Sydbank Group		AL Sydbank A/S	
		2025	2024	2025	2024
<b>Assets</b>					
Cash and balances on demand at central banks		19,468	3,349	17,117	1,249
Amounts owed by credit institutions and central banks	17	14,119	13,873	14,077	13,725
Loans and advances at fair value	18	21,648	23,842	21,648	23,842
Loans and advances at amortised cost	18	140,268	82,534	139,361	81,827
Bonds at fair value	19	70,447	31,780	70,447	31,780
Shares etc	20	5,037	3,004	5,037	3,004
Holdings in associates etc	21	1,613	433	1,613	433
Holdings in subsidiaries etc	22	-	-	1,760	535
Assets related to pooled plans	23	48,297	27,005	48,297	27,005
Intangible assets	24	9,127	421	9,022	305
Investment property	25	620	-	12	-
Owner-occupied property	25	2,457	1,122	1,475	896
Owner-occupied property (leasing)		287	104	285	102
Total land and buildings		3,364	1,226	1,772	998
Other property, plant and equipment	26	271	79	204	78
Current tax assets		792	309	766	335
Deferred tax assets	16	10	13	10	13
Other assets	27	6,522	5,725	5,858	5,222
Prepayments		967	76	951	71
<b>Total assets</b>		<b>341,950</b>	<b>193,669</b>	<b>337,940</b>	<b>190,422</b>
<b>Equity and liabilities</b>					
Amounts owed to credit institutions and central banks	28	5,768	6,113	5,608	6,039
Deposits and other debt	29	209,345	116,672	206,349	113,780
Deposits in pooled plans		48,297	27,005	48,297	27,005
Bonds issued at amortised cost	30	21,474	11,175	21,474	11,175
Current tax liabilities		-	10	-	10
Other liabilities	31	14,669	14,394	14,052	14,257
Deferred income		86	16	29	16
<b>Total liabilities</b>		<b>299,639</b>	<b>175,385</b>	<b>295,809</b>	<b>172,282</b>
Provisions	32	1,199	358	1,137	331
Subordinated capital	33	3,465	2,142	3,390	2,067
<b>Equity</b>					
Share capital		880	546	880	546
Revaluation reserves		177	163	177	163
Other reserves:					
Reserves according to articles of association		1,172	435	1,172	435
Reserve for net revaluation according to equity method		125	56	0	56
Retained earnings		31,242	12,387	31,367	12,387
Proposed dividend etc		2,163	1,395	2,163	1,395
Shareholders of AL Sydbank A/S		35,759	14,982	35,759	14,982
Holders of AT1 capital		1,845	760	1,845	760
Minority shareholders		43	42	-	-
Total equity		37,647	15,784	37,604	15,742
<b>Total equity and liabilities</b>		<b>341,950</b>	<b>193,669</b>	<b>337,940</b>	<b>190,422</b>

# Statement of Changes in Equity

AL 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	Shareholders of AL Sydbank A/S	AT1 capital**	Minority shareholders	Total equity
Equity at 1 Jan 2025	546	163	435	56	12,387	1,395	14,982	760	42	15,784
Profit for the period			13	69	(423)	2,163	1,822	61	10	1,893
Other comprehensive income		14			159		173			173
<b>Comprehensive income for the year</b>	<b>-</b>	<b>14</b>	<b>13</b>	<b>69</b>	<b>(264)</b>	<b>2,163</b>	<b>1,995</b>	<b>61</b>	<b>10</b>	<b>2,066</b>
<b>Transactions with owners</b>										
Purchase of own shares					(2,353)		(2,353)			(2,353)
Sale of own shares					1,272		1,272			1,272
Issue of AT1 capital							-	850		850
Transaction costs					(8)		(8)			(8)
Redemption of AT1 capital							-	(747)		(747)
Reduction in share capital	(34)				34		-			-
Interest paid on AT1 capital							-	(64)		(64)
Exchange rate adjustment					(1)		(1)	(2)		(3)
Additions, merger	368		724		20,171		21,263	987		22,250
Dividend etc paid						(1,395)	(1,395)		(9)	(1,404)
Dividend, own shares					4		4			4
Total transactions with owners	334	-	724	-	19,119	(1,395)	18,782	1,024	(9)	19,797
<b>Equity at 31 Dec 2025</b>	<b>880</b>	<b>177</b>	<b>1,172</b>	<b>125</b>	<b>31,242</b>	<b>2,163</b>	<b>35,759</b>	<b>1,845</b>	<b>43</b>	<b>37,647</b>
Equity at 1 Jan 2024	565	134	429	3	12,133	1,686	14,950	759	39	15,748
Profit for the period			6	53	1,260	1,395	2,714	39	9	2,762
Other comprehensive income		29			85		114			114
<b>Comprehensive income for the year</b>	<b>-</b>	<b>29</b>	<b>6</b>	<b>53</b>	<b>1,345</b>	<b>1,395</b>	<b>2,828</b>	<b>39</b>	<b>9</b>	<b>2,876</b>
<b>Transactions with owners</b>										
Purchase of own shares					(2,195)		(2,195)			(2,195)
Sale of own shares					1,080		1,080			1,080
Reduction in share capital	(19)				19		-			-
Interest paid on AT1 capital							-	(39)		(39)
Exchange rate adjustment					(1)		(1)	1		-
Dividend etc paid						(1,686)	(1,686)		(6)	(1,692)
Dividend, own shares					6		6			6
Total transactions with owners	(19)	-	-	-	(1,091)	(1,686)	(2,796)	(38)	(6)	(2,840)
<b>Equity at 31 Dec 2024</b>	<b>546</b>	<b>163</b>	<b>435</b>	<b>56</b>	<b>12,387</b>	<b>1,395</b>	<b>14,982</b>	<b>760</b>	<b>42</b>	<b>15,784</b>

\* At 1 Jan reserves according to the articles of association consist of an undistributable savings bank reserve in accordance with Article 4 of the Articles of Association. Reserves according to the articles of association from added entities consist of an undistributable savings bank reserve of DKK 724m resulting from Vestjysk Bank's merger with Den Jyske Sparekasse.

\*\* AT1 capital has no maturity date. Payment of interest and repayment of principal are voluntary. Therefore AT1 capital is accounted for as equity.

On 28 August 2025 AL Sydbank prepaid AT1 capital of EUR 100m. On 21 May 2025 AL Sydbank issued AT1 capital of:

- SEK 1,000m with optional redemption from 21 May 2030. The issue carries interest at 3M STIBOR + a margin of 3.30% until maturity

- NOK 250m with optional redemption from 21 May 2030. The issue carries interest at 3M NIBOR + a margin of 3.35% until maturity.

The increase in AT1 capital from added entities consists of 5 issues totalling DKK 850m.

\*\*\* On 28 January 2026 the share capital was reduced by a nominal value of DKK 21,737,530 to a nominal value of DKK 857,884,160 as a result of the share buyback programme implemented in 2025. The decision to reduce the share capital was taken at an extraordinary general meeting on 4 December 2025.

DKKm	Share capital <sup>1</sup> **	Revaluation reserves	Reserves acc to articles of association*	Reserve for net revaluation acc to equity method	Retained earnings	Proposed dividend etc	Shareholders of AL Sydbank A/S	AT1 capital <sup>2</sup>	Total equity
Equity at 1 Jan 2025	546	163	435	56	12,387	1,395	14,982	760	15,742
Profit for the period			13	(56)	(139)	2,163	1,981	61	2,042
Other comprehensive income		14					14		14
<b>Comprehensive income for the year</b>	<b>-</b>	<b>14</b>	<b>13</b>	<b>(56)</b>	<b>(139)</b>	<b>2,163</b>	<b>1,995</b>	<b>61</b>	<b>2,056</b>
<b>Transactions with owners</b>									
Purchase of own shares					(2,353)		(2,353)		(2,353)
Sale of own shares					1,272		1,272		1,272
Issue of AT1 capital							-	850	850
Transaction costs					(8)		(8)		(8)
Redemption of AT1 capital							-	(747)	(747)
Reduction in share capital	(34)				34		-		-
Interest paid on AT1 capital							-	(64)	(64)
Exchange rate adjustment					(1)		(1)	(2)	(3)
Additions, merger	368		724		20,171		21,263	987	22,250
Dividend etc paid						(1,395)	(1,395)		(1,395)
Dividend, own shares					4		4		4
Total transactions with owners	334	-	724	-	19,119	(1,395)	18,782	1,024	19,806
<b>Equity at 31 Dec 2025</b>	<b>880</b>	<b>177</b>	<b>1,172</b>	<b>0</b>	<b>31,367</b>	<b>2,163</b>	<b>35,759</b>	<b>1,845</b>	<b>37,604</b>
Equity at 1 Jan 2024	565	134	429	3	12,133	1,686	14,950	759	15,709
Profit for the period			6	53	1,345	1,395	2,799	39	2,838
Other comprehensive income		29					29		29
<b>Comprehensive income for the year</b>	<b>-</b>	<b>29</b>	<b>6</b>	<b>53</b>	<b>1,345</b>	<b>1,395</b>	<b>2,828</b>	<b>39</b>	<b>2,867</b>
<b>Transactions with owners</b>									
Purchase of own shares					(2,195)		(2,195)		(2,195)
Sale of own shares					1,080		1,080		1,080
Reduction in share capital	(19)				19		-		-
Interest paid on AT1 capital							-	(39)	(39)
Exchange rate adjustment					(1)		(1)	1	-
Dividend etc paid						(1,686)	(1,686)		(1,686)
Dividend, own shares					6		6		6
Total transactions with owners	(19)	-	-	-	(1,091)	(1,686)	(2,796)	(38)	(2,834)
<b>Equity at 31 Dec 2024</b>	<b>546</b>	<b>163</b>	<b>435</b>	<b>56</b>	<b>12,387</b>	<b>1,395</b>	<b>14,982</b>	<b>760</b>	<b>15,742</b>

At year-end 2025 the share capital comprises of 879,621,690 shares at a nominal value of DKK 10 or a total of DKK 879.6m. The Bank has only one class of shares as all shares carry the same rights.

# Cash Flow Statement

AL Sydbank Group

DKKm	Note	2025	2024
<b>Operating activities</b>			
Pre-tax profit for the year		2,474	3,645
Taxes paid		(527)	(887)
<u>Adjustment for non-cash operating items:</u>			
Profit/(Loss) on holdings in associates		57	47
Amortisation and depreciation of intangible assets and property, plant and equipment		122	111
Impairment of loans and advances/guarantees	14	311	595
Other non-cash operating items		843	273
<u>Changes in working capital:</u>			
Credit institutions and central banks		134	5,868
Trading portfolio		1,410	2,975
Other financial instruments at fair value		(173)	77
Loans and advances		(996)	(14,449)
Deposits		4,656	1,916
Other assets/liabilities		(1,795)	(1,081)
Cash flows from operating activities		6,516	(910)
<b>Investing activities</b>			
Purchase of holdings in associates		0	(7)
Sale of holdings in associates		4	14
Purchase of equity investments		-	(6)
Sale of equity investments		43	28
Acquisition of Coop Bank A/S		-	(347)
Additions, merger	47	12,485	-
Purchase/sale of holdings in subsidiaries		0	-
Purchase of property, plant and equipment		(84)	(94)
Sale of property, plant and equipment		42	3
Cash flows from investing activities		12,490	(409)
<b>Financing activities</b>			
Purchase and sale of own holdings		(1,083)	(1,115)
Dividend etc		(1,390)	(1,680)
Raising of subordinated capital	33	842	1,529
Redemption of subordinated capital	33	(746)	(560)
Issue of bonds		3,732	3,731
Redemption of bonds		(3,730)	(3,728)
Cash flows from financing activities		(2,375)	(1,823)
<b>Cash flows for the year</b>		<b>16,631</b>	<b>(3,142)</b>
Cash and cash equivalents at 1 Jan		3,762	6,904
Cash flows for the year (changes during the year)		16,631	(3,142)
<b>Cash and cash equivalents at 31 Dec</b>		<b>20,393</b>	<b>3,762</b>
<b>Cash and cash equivalents at 31 Dec</b>			
Cash and balances on demand at central banks		19,468	3,349
Fully secured cash and cash equivalent balances on demand with credit institutions and insurance companies		925	413
<b>Cash and cash equivalents at 31 Dec</b>		<b>20,393</b>	<b>3,762</b>

# Notes

## Note 1 Accounting policies

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### Basis of preparation

The consolidated financial statements of AL Sydbank are prepared in compliance with International Financial Reporting Standards (IFRS) as adopted by the EU. The financial statements of the parent, AL Sydbank A/S, are prepared in compliance with the Danish Financial Business Act, including the Danish executive order on financial reporting of credit institutions and brokerage firms etc.

Furthermore the consolidated financial statements are prepared in compliance with additional Danish disclosure requirements for annual reports of listed financial companies.

### New accounting policies

The following amended IFRS standards have been implemented effective from 1 January 2025:

- Amendment to IAS 21 regarding the conversion of currencies that are not freely exchangeable.

The changes have not had any effect on recognition and measurement in the consolidated financial statements and the financial statements and consequently they have had no impact on EPS Basic.

Apart from the above, the accounting policies applied are consistent with those adopted in the previous year.

### Recognition and measurement

Income is recognised in the income statement as earned. Costs 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 derivatives used to provide foreign currency hedging of net investments in foreign subsidiaries and associates. The latter value adjustments are recognised in other comprehensive income.

Purchase and sale of financial instruments are recognised on the settlement date.

### Significant recognition and measurement principles

#### Consolidated financial statements

The consolidated financial statements include the parent, AL Sydbank A/S, as well as subsidiaries in which AL Sydbank A/S exercises control over financial and operating policies. "Group holdings and enterprises" (note 44) lists the consolidated entities.

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

### Acquisitions

Entities acquired are recognised in the consolidated financial statements from the acquisition date. Comparative figures are not restated for entities acquired.

The acquisition date is the date on which the Group obtains control over the entity acquired.

Identifiable assets acquired and liabilities and contingent liabilities assumed of entities acquired are measured at the acquisition date at fair value in accordance with the acquisition method. Identifiable intangible assets are recognised if they are separable or arise from a contractual right. Deferred tax on revaluations is recognised.

Where the acquisition cost exceeds the fair value of the net assets of the entity acquired, the difference is recognised as goodwill. Goodwill is not amortised but is tested for impairment at least once a year. On acquisition goodwill is allocated to the cash-generating units which subsequently form the basis of impairment tests.

Costs not directly attributable to the issue of shares in connection with the acquisition are recognised in the income statement when incurred or are accrued over the term.

Where at the acquisition date there is uncertainty as regards the identification or measurement of assets acquired, liabilities or contingent liabilities assumed or the determination of the acquisition cost, initial recognition is based on provisional values. Where the identification or measurement of the acquisition cost or of assets acquired, liabilities or contingent liabilities assumed subsequently proves to have been incorrect on initial recognition, the determination will be adjusted retroactively, including goodwill, until 12 months after the acquisition and comparative figures are restated. After such time the pre-acquisition balance sheet will not be adjusted. Changes in estimates of contingent acquisition costs are recognised in profit for the year.

Entities disposed of are consolidated until the transfer date.

# Notes

## Note 1 Accounting policies - continued

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### 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 intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

### Income criteria

Income and expenses, including interest income and interest expense, are accrued over the periods to which they relate and are recognised in profit or loss at the amounts relevant to the accounting period. Guarantee commission is recognised as income over the life of the guarantees. Income for implementing a given transaction, including securities fees and payment service fees, is recognised as income when the transaction has been implemented.

The Group's fees are divided into the following categories:

1. Fees that are an integral part of the effective interest rate
2. Fees obtained when a service has been supplied
3. Fees obtained on performance of a specific act

Fees that are an integral part of the effective interest rate are recognised as income over the expected life of the loans and are included under interest income, see note 7.

Fees covered by 2 and 3 above are recognised as income when the service has been supplied and when the transaction has taken place respectively. The fees are specified in note 10.

Loan fees, which appear from note 10, primarily concern distributed mortgage loans.

### Financial assets and liabilities

#### Fair value measurement

The Group uses the concept of fair value in connection with certain disclosure requirements as well as recognition of financial instruments.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Fair value is a

market-based measurement, not an entity-specific measurement. The entity uses the assumptions that market participants would use when pricing the asset or liability under current market conditions, including assumptions about risk. As a result the entity's intention to hold an asset or to settle a liability is not considered when measuring fair value.

Fair value measurement is based on the principal market. If there is no principal market the most advantageous market is used as a basis, ie the market achieving the highest price for the asset or liability less transaction costs.

Fair value measurement is based to the widest extent possible on market values in active markets or alternatively on values derived from observable market data.

In so far as such observations are not available or cannot be used without significant modifications, acknowledged valuation techniques and reasonable estimates are used as the basis of fair values.

#### *General provisions concerning recognition and measurement*

Financial assets are classified on the basis of the Group's business model and the contractual cash flow characteristics of the individual financial assets. With this as a basis, measurement is according to one of the following principles:

- Amortised cost
- Fair value through other comprehensive income (FVOCI)
- Fair value through profit or loss (FVPL)

The Group's financial assets are measured at amortised cost if they are held for a commercial purpose in order to collect the contractual cash flows of the assets ("hold to collect") and if such contractual cash flows of the financial assets consist solely of payments of principal and interest on the amount outstanding.

With the exception of certain strategic shareholdings the Group's other financial assets are measured at FVPL, including financial assets which are held for a different commercial purpose, eg financial assets which are managed on a fair value basis or which form part of the trading portfolio, and financial assets for which the contractual cash flows of the financial assets do not solely consist of payments of principal and interest on the amount outstanding.

## Note 1 Accounting policies - continued

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Some of the Group's strategic shareholdings are measured at FVOCI. Dividends on such shareholdings are recognised in the income statement whereas unrealised and realised market value adjustments are recognised in other comprehensive income and therefore do not have an impact on the income statement.

### *Assessment of business model*

The Group's operating segments include Banking, which has a "hold to collect" business model. Financial assets consist primarily of loans and advances. AL Sydbank Markets' business model is neither based on "hold to collect" or "hold to collect and sell" and consequently financial assets must be measured at FVPL. Assets comprise bonds, shares, repo transactions and loans and advances at fair value (reverse transactions). Certain of these financial assets form part of portfolios with a trading pattern meeting the definition of "held for trading" whereas other portfolios are managed on a fair value basis.

### *Assessment of contractual cash flow characteristics (solely payments of principal and interest on amount outstanding)*

The classification of financial assets which form part of portfolios that are either "hold to collect" or "hold to collect and sell" is assessed based on whether the contractual cash flows of the financial asset consist solely of payments of principal and interest on the amount outstanding. The principal reflects the fair value at initial recognition and subsequent changes, eg as a result of repayment. Interest payments should only reflect consideration for the time value of money, for the credit risk and for other basic lending risks as well as a margin consistent with the basic lending arrangement.

### **Repo and reverse transactions**

Securities sold under agreements to repurchase the same remain on the balance sheet. Consideration received is recognised as a debt and the difference between selling and buying prices is recognised over the life as interest in the income statement. Gains or losses on securities are recognised in the income statement.

Securities bought under agreements to resell the same are not recognised in the balance sheet and gains or losses on securities are not recognised in the income statement. Consideration paid is recognised as a receivable and the difference between buying and selling prices is recognised over the life as interest in the income statement.

Repo and reverse transactions are recognised and measured at fair value as they are regarded as an integral

part of the trading portfolio and form part of ongoing risk management and determination of gains thereon.

### **Transfer of loans**

The Group transfers certain loans secured on real estate to a mortgage credit institution under the joint funding provisions of the Danish Financial Business Act. As of the transfer date the loans are no longer recognised in the Group's balance sheet because the Group has transferred control and a certain share of the risks and benefits associated with the loans to the mortgage credit institution.

The Group provides a guarantee for part of the risk associated with the loans for which it receives guarantee commission. Moreover the Group receives fee income from the mortgage credit institution for ongoing servicing of the loans transferred.

### **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 transactions is at amortised cost less impairment charges for expected losses.

Amounts owed by credit institutions etc and loans and advances at amortised cost are all assessed to determine whether evidence of credit impairment exists.

### **ECL impairment model**

Impairment charges are recorded for expected credit losses as regards all financial assets measured at amortised cost and similar provisions are made for expected credit losses as regards loan commitments and financial guarantees. As regards financial assets recognised at amortised cost, impairment charges for expected credit losses are recognised in the income statement and deducted from the value of the asset in the balance sheet. Provisions for loan commitments and financial guarantees are recognised as a liability.

According to the impairment model impairment charges are recorded for all exposures on the basis of an expected loss model. At the date of initial recognition an exposure is written down by an amount equal to the expected credit loss within 12 months (stage 1). Impairment charges for expected credit losses subsequently depend on whether

# Notes

## Note 1 Accounting policies - continued

the credit risk of a financial asset (facility) has increased significantly since initial recognition and follow a 3-stage model:

**Stage 1** – facilities with no significant increase in credit risk. The asset is written down by an amount equal to the expected credit loss as a result of the probability of default over the coming 12 months.

**Stage 2** – facilities with a significant increase in credit risk. The asset is transferred to stage 2 and written down by an amount equal to the expected credit loss over the life of the asset.

**Stage 3** – facilities where the financial asset is in default or otherwise credit impaired. As opposed to stages 1 and 2 interest income is recognised solely on the basis of the impaired value of the asset.

**Credit impaired at initial recognition** – facilities which are credit impaired at the time of acquisition. They are recognised on acquisition at the fair value (net) of the debt acquired. Subsequent measurement is on repayment in full or in part and recognition is through profit or loss under market value adjustments.

The staging assessment and the calculation of expected credit loss are based on the Group's rating models and credit management. Expected losses regarding exposures in stages 1 and 2 are calculated on the basis of models while the calculation for exposures in stage 3 and weak stage 2 exposures is based on an individual assessment.

Model calculation is based on the Group's rating model, which has been instrumental in connection with credit management for many years, and is supplemented by macroeconomic factors adjusting the calculated PD values (probability of default).

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

In addition to account behaviour, the corporate client model is based on accounting data, financial conduct as well as appraisals by the credit officer and/or the account manager of the client's current strength profile and an industry analysis.

The assessment of whether credit risk has increased significantly since initial recognition is made by assessing changes in the risk of default over the remaining life of the financial asset rather than assessing the increase in the

expected credit loss. A facility is transferred from stage 1 to stage 2 when the following increase in PD is observed:

- Facilities with a PD below 1% on establishment: an increase in the 12-month PD of the facility of at least 0.5pp and a doubling of the lifetime PD of the facility since its establishment.
- Facilities with a PD above 1% on establishment: an increase in the 12-month PD of the facility of at least 2pp or a doubling of the lifetime PD of the facility.

Moreover facilities are transferred to stage 2 as a result of the conditions below:

- They are more than 30 days past due.
- They are forborne and losses are not expected in the most likely scenario.
- A 2-year waiting period for facilities on special terms is observed without overdrafts.

Exposures relating to customers whose ability to pay shows significant signs of weakness are classified as weak stage 2.

By means of analyses and random sampling, Risk Follow-up monitors the credit quality, registrations, impairment calculations of the exposures as well as the compliance with policies and business procedures in general. Risk Follow-up evaluates on the basis of a credit expert assessment whether the Group's rating models rank exposures correctly.

In connection with renegotiation the Group does not transfer exposures back to stage 1 regardless of whether the contractual cash flows are renegotiated to a level reflecting customer risk. In this connection an exposure is regarded as a new exposure and consequently renegotiation will not result in recognition of gains or losses.

The expected credit loss is calculated for each individual facility on the basis of EAD (exposure at default) multiplied by PD (probability of default) and LGD (loss given default).

Exposures in default, see the definition below, or as regards which the exposure has been transferred to the central department for non-performing exposures or whose probability of loss is higher than 50% are credit impaired and are classified as stage 3.

The expected credit loss over the life of the financial asset covers the expected remaining life of the facility. For most facilities the expected life is limited to the remaining contractual term. For facilities consisting of a loan as well as

## Note 1 Accounting policies - continued

an undrawn loan commitment and for which a contractual right to demand early repayment and cancellation of the undrawn loan commitment exists, the Group's exposure to credit losses is not limited to the contractual notice period. In this case the expected life is assumed to equal the period during which the Group expects to be exposed to credit losses. The expected life is determined on the basis of the historical life of the instruments in question. Facilities for which the expected life is longer than the remaining contractual term comprise for instance credit cards, overdraft facilities and certain revolving credit facilities. The calculation of the expected loss reflects management's current expectations. Scenarios are prepared: baseline, upturn and downturn, including an assessment of the likelihood of each scenario. Management's review of the scenarios may imply that changes are made to the scenarios or the probability weighting.

In addition to the calculated impairment charges to cover expected credit losses at exposure level, management makes a number of estimates of factors which are expected to affect future losses on the exposures existing on the balance sheet date, including for instance expectations of macroeconomic trends, industry developments or particularly risky portfolios. On the basis of this, adjustments of calculated impairment charges are recognised.

Moreover the Group has recognised management reserves which are described in note 2 on page 94.

### Default

The definition of default used to measure expected credit losses and to assess whether an asset must be transferred to another stage corresponds to the definition applied for internal risk management purposes and is adapted to the Capital Requirements Regulation (CRR). Consequently exposures which for regulatory purposes are considered to be in default are always classified as stage 3 except for exposures which are in default as a result of a waiting period. This is the case both as regards the number of days for which material amounts are past due (90 days) and as regards the assessment of factors that in all likelihood will result in a failure to pay and consequently default for regulatory purposes.

According to the Group's rating system, a customer is in default if at least one of the following events has occurred:

- A write-off has been recorded as regards the customer
- The customer has at least one non-accrual credit facility
- An impairment charge/provision has been registered in connection with the customer and a loss must be regard-

ed as the most likely

- The exposure is being treated as non-performing
- The exposure has been significantly overdrawn for more than 90 consecutive days
- Distressed restructuring has been granted
- Exposures in default are classified as stage 3

### Collateral

Collateral is measured on the basis of a cautiously estimated fair value in connection with the calculation of impairment charges.

### Write-off policy

The Group's practice is that a debt is written off for accounting purposes if the legal claim is forfeited or the likelihood of collection is very remote. The fundamental principles as regards write-offs are as follows:

- For retail clients a debt is written off in part or in full if the management of the customer relationship is transferred to the Group's collection department.
- For corporate clients a debt is written off in part or in full in connection with a forthcoming bankruptcy, restructuring or initiated realisation of collateral.

Debt which has been written off for accounting purposes but where a legal claim has been upheld is specified in the notes.

### Leases (lessor)

Lease 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 lease 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 from lease assets are recognised under "Other operating income".

### Leases (lessee)

Lease assets and lease liabilities are recognised in the balance sheet when the Group, under the terms of a lease agreement concerning an explicitly identified asset, is given possession of the lease asset during the lease term and when the Group obtains the right to substantially all of the economic benefits from the use of the identified asset and the right to direct the use of the identified asset during the lease term.

Lease liabilities are measured initially at the present value

# Notes

## Note 1 Accounting policies - continued

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of future lease payments discounted using an alternative borrowing rate. The following lease payments are recognised as part of the lease liability:

- Fixed payments.
- Variable payments depending on changes in an index or an interest rate.
- Payments due under residual value guarantees.
- The exercise price of a purchase option if the Group is reasonably certain to exercise the option.
- Payments comprised by an option to extend a lease if the Group is reasonably certain to exercise the option.
- Penalties relating to an option to terminate a lease unless the Group is reasonably certain not to exercise the option.

A lease liability is measured at amortised cost using the effective interest method. The lease liability is reassessed if there are changes in the underlying contractual cash flows as a result of changes in an index or an interest rate, if there are changes in the Group's estimate of a residual value guarantee or if the Group changes its assessment of whether it is reasonably certain to exercise a purchase option or an option to extend or terminate a lease.

A lease asset is initially measured at cost, which corresponds to the value of the lease liability less any prepayments of lease payments plus any directly related costs and estimated costs for dismantling, restoration or similar and less any discounts or other types of incentive payments from the lessor.

The lease asset is subsequently measured at cost less accumulated depreciation and impairment charges. The lease asset is depreciated over the shorter of the lease term and the useful life of the lease asset. Depreciation is recognised in profit or loss on a straight-line basis.

The lease asset is adjusted for changes in the lease liability as a result of changes in the terms and conditions of the lease or changes in the contractual cash flows depending on changes in an index or an interest rate.

Lease assets are depreciated on a straight-line basis over the expected lease term of 4-13 years.

The Group presents lease assets and lease liabilities separately in the balance sheet.

The Group has elected not to recognise lease assets of a low value and short-term leases in the balance sheet. Instead lease payments concerning these leases are recognised in profit or loss on a straight-line basis.

### **Bonds and shares etc**

Bonds and shares etc are recognised and measured at fair value. Similarly for shares outside the trading portfolio the fair value option is used and changes are recognised in profit or loss apart from certain strategic shareholdings which are measured at FVOCI.

Fair value is the amount for which a financial asset can be exchanged between market participants. In an active market, fair value is expressed by quoted prices. Alternatively it is expressed by a model value, based on recognised models and observable market data, which corresponds to fair value. The fair value of unlisted shares and other holdings is calculated on the basis of available information on trades and taking into account any shareholders' agreements etc. Alternatively it is calculated on the basis of a discounted value of expected cash flows.

### **Holdings in associates**

Associates are entities in which the Group has holdings and significant influence but not control. Holdings in associates are recognised and measured according to the equity method.

The proportionate share of the profit or loss after tax of the entities is recognised under "Profit/(Loss) on holdings in associates and subsidiaries".

### **Derivatives and hedge accounting**

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

Market value adjustment of derivatives 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. This asymmetry is eliminated by using the macro hedging rules of IAS 39 (fair value hedging) as dynamic hedging with daily updating. 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 the income statement 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

## Note 1 Accounting policies - continued

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“Market value adjustments”. The assets in which holders’ savings are placed are measured at fair value.

The portfolio of shares and bonds issued by the Group is reduced in equity and bonds issued respectively. Consequently “Deposits in pooled plans” may exceed “Assets related to pooled plans”.

### Intangible assets

Intangible assets concern the value of customer relationships acquired in connection with acquisitions as well as goodwill.

The value of customer relationships acquired is measured at cost less accumulated amortisation and impairment charges. The value of customer relationships acquired is amortised over the expected useful life of 5-15 years.

Initial recognition of goodwill is at cost in the balance sheet. Subsequent measurement of goodwill is at cost less accumulated impairment charges. Goodwill is not amortised. Goodwill is tested for impairment once a year and is written down to its recoverable amount through profit or loss if the carrying amount is higher. The recoverable amount is determined as the present value of the future net cash flows expected to be derived from the activity to which goodwill is related. The determination of cash-generating units follows the management structure and the management control. Management assesses the lowest level of cash-generating units to which the carrying amount of goodwill may be allocated. The final allocation of goodwill to relevant entities is expected to be completed in 2026.

Impairment charges for goodwill are not reversed.

### Owner-occupied property

Owner-occupied property is property mainly used by the Group to operate 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 revaluation less depreciation and impairment charges. 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.

Any decrease in the carrying amount as a result of the revaluation of owner-occupied property is charged to the

income statement except where the decrease reverses previously recognised increases. Any increase as a result of the revaluation of owner-occupied property is recognised in other comprehensive income and transferred to revaluation reserves under equity except where an increase reverses previously recognised impairment charges as regards the property in question. 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 rate of return are assessed by external valuers.

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 consists primarily of IT equipment, furniture and fixtures and leasehold improvements and is measured at cost less depreciation and impairment charges. Depreciation is provided on a straight-line basis over the expected 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, cash collateral provided in connection with CSA agreements as well as interest receivable.

### Dividend

Proposed dividend is recognised as a liability at the date of adoption at the annual general meeting. Proposed dividend for the year is recognised as a separate item in equity until adoption.

### AT1 capital

AT1 capital which has no maturity and with voluntary payment of interest and voluntary repayment of principal is recognised in equity. Similarly the interest expense related to the issue is recognised as dividend. Interest is deducted from equity at the time of payment (date of decision).

# Notes

## Note 1 Accounting policies - continued

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### Own shares

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

### Other liabilities

This item includes negative market values of spot transactions and derivatives, cash collateral received in connection with CSA agreements, negative portfolios in connection with reverse transactions, interest payable as well as provisions for employee benefits.

Negative portfolios in connection with reverse transactions arise when the Group resells assets received as collateral in connection with reverse transactions. The assets received are not recognised in the balance sheet and any resale will therefore result in a negative portfolio.

Wages and salaries, payroll tax, social security contributions as well as paid absences are recognised in the financial year in which the related 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.

### Employee shares

When the Group's employees are given an option to subscribe for shares at a price below the market price, the bonus element is recognised from the grant date as a cost under staff costs. The set-off is recognised directly in equity as an owner's transaction. The bonus element is expensed successively during the vesting period as the difference between the fair value and the subscription price of the shares subscribed or the subscription rights.

### Provisions

Provisions include provisions for guarantees, provisions for onerous contracts as well as legal actions etc. Initial recognition of financial guarantees is at fair value, which is often equal to the guarantee premium received.

Subsequent measurement of guarantees is at the higher of the guarantee premium received amortised over the guarantee period and any provision for expected losses.

A provision for a non-financial guarantee or an onerous contract is recognised if claims for payment under the guarantee or contract are probable and the size of the

liability can be measured reliably. Provisions are based on 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 fair value less 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 whereby 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 net realisable value.

### Assets in temporary possession

Assets in temporary possession include property, plant and equipment and disposal groups held for sale, including assets or entities taken over in connection with non-performing exposures.

Assets are classified as being in temporary possession when their carrying amount will be recovered principally through a sale transaction within 12 months in accordance with a formal plan. Assets or disposal groups in temporary possession are measured at the lower of the carrying amount and fair value less costs to sell. Assets are not depreciated or amortised from the time when they are classified as being in temporary possession.

Impairment losses arising at initial classification as assets being in temporary possession and gains or losses at subsequent measurement at the lower of the carrying amount and fair value less costs to sell are recognised in the income statement under the items they concern.

### Guarantee scheme

Contributions to the Guarantee Fund and the Resolution Fund, for instance to cover losses related to the resolution or bankruptcy of banks, are recognised under "Other operating expenses".

### Tax

The Bank is jointly taxed with its Danish consolidated entities.

## Note 1 Accounting policies - continued

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AL 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 income for the year, adjustment of deferred tax and adjustment of prior year tax charges. Tax for the year is recognised in the income statement as regards the elements attributable to profit for the year, in other comprehensive income as regards the elements attributable thereto and directly in equity as regards the elements attributable to items recognised directly in equity.

Current tax liabilities and current tax assets are recognised in the balance sheet as calculated tax on taxable income for the year adjusted for tax on prior year taxable income as well as for tax paid on account.

Deferred tax is recognised on the basis of all temporary differences between the carrying amounts and the tax base of the balance sheets of each consolidated entity as well as tax loss carry forwards that are expected to be used. Deferred tax is measured on the basis of the tax rules and tax rates that, according to the rules in force at the balance sheet date, are applicable at the time the deferred tax is expected to crystallise as current tax.

### Cash flow statement

The cash flow statement presents 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 entities is reported separately under cash flows from investing activities. The cash flow statement recognises cash flows concerning entities acquired from the acquisition date and cash flows concerning entities disposed of until the transfer date.

Cash flows from operating activities are determined as 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, intangible assets as well as holdings in associates.

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 at central banks, fully secured cash and cash equivalent balances on demand with credit institutions and insurance companies as well as unencumbered certificates of deposit.

### Segment reporting

The Group consists of a number of business units and central functions. The segments are based on product and service characteristics and comprise Banking, Asset Management, AL Sydbank Markets, Treasury and Other. Further details of the business units are provided in note 5.

The correlation between the income statement according to IFRS and the Group's performance measures is shown in note 6.

Segment reporting as regards the business units complies with the Group's accounting policies as regards recognition and measurement. Inter-segment transactions are settled on an arm's length basis. Centrally incurred costs are allocated to the business units in accordance with their estimated proportionate share of overall activities.

The following performance measures are used in connection with the Group's management control, see segment information stated in note 5.

### Core income

Core income comprises income from customers served by the Group's branch network, including interest, commission, investment fund commission, custody account fees and asset management fees.

### Trading income

Trading income only comprises income from customers affiliated with AL Sydbank Markets as well as income from flows and market-making as regards securities and other financial instruments as well as related position-taking.

### Core earnings before impairment

Core earnings before impairment charges for loans and advances etc represent core income and trading income less costs relating to these activities.

### Impairment of loans and advances etc

Impairment of loans and advances etc represents impairment charges for bank loans and advances, provisions for guarantees as well as credit valuation adjustment of derivatives.

# Notes

## Note 1 Accounting policies – continued

### Core earnings

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

### Investment portfolio earnings

Investment portfolio earnings represent the return on the portfolios of shares, bonds, derivatives and holdings managed by Treasury, which is part of the business unit AL Sydbank Markets.

Investment portfolio earnings are less funding charges and administrative costs.

### Non-recurring items, net

Non-recurring items, net consist of income and costs not relating to the Bank's ongoing core business and that are not expected to be repeated. For instance they could be special development projects, costs or gains of a one-off nature, integration and restructuring costs as well as other items not directly related to the normal course of banking operations. Net signifies the difference between such one-off items on the income side and on the expenditure side.

### Forthcoming standards and interpretations

The International Accounting Standards Board (IASB) has issued the following new International Financial Reporting Standards (IFRS) and Interpretations (IFRIC), which are not mandatory for the Group in connection with the preparation of the 2025 financial statements. These include:

- Amendments to IFRS 9 and IFRS 7 regarding the classification and measurement of financial assets
- IFRS 18 – Presentation and Disclosure in Financial Statements (replaces IAS 1)

The Group does not plan to implement the new standards and interpretations until they become mandatory. New/amended standards and interpretations are not expected to have any significant impact on the Group's financial reporting.

### Accounting policies of the parent

The financial statements of the parent are prepared in accordance with the Danish Financial Business Act and the Danish FSA's executive order on financial reporting of credit institutions. The financial statements of the parent are prepared according to the same accounting policies as the consolidated financial statements except for:

- Strategic shareholdings where value adjustment is through profit or loss in the financial statements of the parent and through other comprehensive income in the

consolidated financial statements. This difference is due to incompatibility between the Danish FSA's executive order on financial reporting of credit institutions and IFRS in this regard. The balance sheet and equity are not affected. For the impact on profit for the year, reference is made to note 46.

- The leasing of property from subsidiaries by the parent, which in accordance with the Danish FSA's executive order on financial reporting of credit institutions is not treated according to the principles of IFRS 16 but continues to be treated according to the principles of IAS 17. This is due to the fact that the properties are fully financed by the parent and therefore the application of IFRS 16 would result in double recognition of the properties in the balance sheet of the parent.

Subsidiaries are entities in which the parent has control. Holdings in subsidiaries are recognised and measured according to the equity method. The proportionate share of profit or loss after tax of the entities is recognised under "Profit/(Loss) on holdings in associates and subsidiaries".

### Reporting under the ESEF Regulation

The annual report of AL Sydbank is prepared in accordance with the ESEF Regulation (Commission Delegated Regulation (EU) 2019/815 on a European single electronic format (ESEF)).

The annual report is reported in XHTML format with an iXBRL tagging as regards the consolidated financial statements including notes. The ESEF Regulation requires the use of the special electronic reporting format as regards annual reports of listed companies and stipulates general rules for the format of the annual report and more specific rules as regards the tagging of the consolidated financial statements including notes.

By combining the XHTML format and iXBRL tagging the consolidated financial statements are machine-readable and the comparability of accounting data is improved. The consolidated financial statements including notes are tagged in iXBRL using the ESEF taxonomy, which is part of the ESEF Regulation.

The annual report consists of the XHTML document and the technical files that are all included in the ZIP file "AL-Sydbank-2025-12-31-da.zip".

## Note 1 Accounting policies – continued

### Key definitions

XHTML (eXtensible HyperText Markup Language) is used to structure and markup contents in documents to be shown in standard browsers.

iXBRL tagging is hidden information contained in the source code in the XHTML document allowing for conversion of information into machine-readable XBRL data.

### ESEF data

Domicile of entity	Denmark
Name of ultimate parent of Group	AL Sydbank A/S (listed on Nasdaq Copenhagen)
Description of nature of entity's operations and principal activities	Financial business, banking
Country of incorporation	Denmark
Principal place of business	Denmark
Explanation of change in name of reporting entity	Change of name from Sydbank A/S to AL Sydbank A/S in connection with merger
Legal form of entity	A/S (public limited company)
Name of reporting entity	AL Sydbank A/S
Name of parent entity	AL Sydbank A/S (listed on Nasdaq Copenhagen)
Address of entity's registered office	Peberlyk 4 6200 Aabenraa

## Note 2 Accounting estimates and judgements

Management's estimates and judgements are based on assumptions considered reasonable by management but which by their nature are uncertain and unpredictable. These assumptions may be incomplete or inaccurate and unexpected future events or circumstances may occur. Consequently it is by nature difficult to make estimates and judgements and since they also involve customer relationships and other counterparties they will be subject to uncertainty. It may be necessary to change previous estimates as a result of changes in the basis of previous estimates or because of new knowledge or subsequent events.

The areas where critical estimates and judgements have the most significant effect on the financial statements are:

- Measurement of loans and advances and guarantees etc, including in particular the management reserve as regards macroeconomic risks.
- Fair value of unlisted financial instruments.
- Acquisitions

### Measurement of loans and advances and guarantees etc

Impairment of loans and advances and provisions for guarantees and undrawn credit commitments are made to take into account the expected losses on conclusion as well as any credit impairment after initial recognition. The determination of impairment charges for expected losses is subject to a number of estimates, including which loans and advances or portfolios of loans and advances are subject to credit impairment as well as calculation of expected losses.

Assessing the degree of credit impairment of exposures involves a number of estimates and is therefore subject to uncertainty.

To a large extent the determination of expected losses at exposure level is based on risk registrations, models and past experience but it also involves a number of estimates of risks and expected developments in the individual exposure, including the future ability to pay and the value of collateral which in particular comprises mortgages on property. During periods of uncertain economic trends or significant demographic or structural changes uncertainty is greater. This is reflected in the need for management adjustments that by their nature are subject to uncertainty. The Group's models to calculate impairment of exposures in stages 1 and 2 include expectations as to economic developments. The outlook is based on estimates of the probability of different outcomes of economic growth. The outlook results in a determination of the probability of the scenarios baseline, upturn and downturn.

At 31 December 2025 the probability of the downturn scenario was fixed at 95%, which is unchanged compared with 31 December 2024.

Impairment of exposures in stage 3 and the weak part of stage 2 is based on individual assessments which include expectations of future changes in collateral value etc.

In addition to the calculated impairment charges, management assesses whether there is a need for additional impairment charges as regards exposed industries, customer segments or other elements that are estimated as having not yet been reflected in the Bank's registrations.

At 31 December 2024 the management reserve to hedge macroeconomic uncertainty represented DKK 500m. The

# Notes

## Note 2 Accounting estimates and judgements – continued

management reserve represented DKK 400m as regards corporate clients and DKK 100m as regards retail clients.

At 31 December 2024 the management reserve to hedge macroeconomic uncertainty still represented DKK 500m where DKK 400m relates to corporate clients and DKK 100m relates to retail clients.

The management reserve to hedge macroeconomic risks covers eg potential losses related to a continued protectionist policy in the US, which could lead to an economic downturn in USA as well as Europe. Such a development would also impact the Danish economy where export companies in particular would be hit by lower international demand. This would result in mounting unemployment and restraint in consumer spending in general, which would spread to the rest of the economy.

In the calculated fair value of the portfolios acquired in connection with the merger, a management reserve of DKK 485m has been made. This management reserve is included in the net value of portfolios acquired. Management reserves represent a total of DKK 985m.

For a more detailed description of impairment charges for loans and advances, reference is made to the notes on risk management. Loans and advances account for 47% of the Group's assets at year-end 2025.

Provisions for financial guarantees and undrawn credit commitments issued in connection with customer exposures are made according to the same principles as those applying to the impairment of loans and advances and involve the same elements of uncertainty.

### Fair value of financial instruments

The Group measures a number of financial instruments at fair value, including all derivatives as well as shares and bonds.

Judgements are made in connection with the determination of the fair value of financial instruments in the following areas:

- Choice of valuation technique.
- Determination of when available quoted prices do not represent fair value.
- Calculation of fair value adjustments to take into account relevant risk factors such as credit risk, model risk and liquidity risk.
- Assessment of which market parameters must be observed.

- Estimate of future cash flows and required rates of return as regards unlisted shares.

Management estimates are based on an assessment in accordance with the Group's accounting policies and generally accepted valuation techniques.

As part of its operations the Group has acquired strategic holdings. Strategic holdings are measured at fair value on the basis of available information on trades in the relevant entity's holdings or alternatively a valuation model based on recognised methods and current market data, including a judgement of projected future earnings and cash flows. Valuation will also be influenced by co-ownership, trade and shareholders' agreements etc.

As regards financial instruments where measurement is only to a limited extent based on observable market data, measurement is affected by estimates. This is the case with for instance unlisted shares and certain bonds for which there is no active market. Measurement of illiquid bonds is affected by the assumption of the relevant credit spread.

Reference is made to "Accounting policies" (note 1) and to "Fair value disclosure" (note 39) for a more detailed description. Financial instruments measured on the basis of unobservable inputs represented DKK 3,714m, equivalent to 1.1% of the Group's assets at the end of 2025.

### Acquisition

In connection with the merger with the Arbejdernes Landsbank Group the fair value of assets acquired and liabilities assumed has been assessed in accordance with the rules.

Costs related to the acquisition but not considered to be directly attributable to the issue of shares are charged to the income statement.

The value of customer relationships acquired (intangible asset) as well as loans and advances, loan commitments and guarantees are substantially based on estimates and calculations as there are no market prices for these assets.

As a result of the determination of fair values, the value of customer relationships has been recognised.

Reference is made to note 47 for a list of the assets acquired and liabilities assumed as well as additional information about the acquisition. Apart from usual uncertainty of such estimates the determination of fair values at the acquisition date has not been subject to difficulties.

### Note 3 Solvency

The Group uses the following methods and approaches to calculate solvency:

Credit risk outside trading portfolio, retail clients	A-IRB
Credit risk outside trading portfolio, corporate clients	A-IRB
Credit risk outside trading portfolio, major corporate clients and financial corporate clients	F-IRB and standardised approach
Credit risk outside trading portfolio, financial counterparties	Standardised approach
Counterparty risk	SA-CCR approach
Valuation of collateral	Financial collateral comprehensive method
Market risk	Standardised approach
Operational risk	Standardised approach
Credit valuation adjustment	BA-CVA (basic method)

The Group's portfolio of equity investments primarily comprises strategic sector shares etc and in the Group's solvency calculation it is included under other exposures incl credit valuation adjustment.

Various types of collateral are used to mitigate the risk of the Group's lending portfolio. The most significant types of collateral comprise charges and guarantees.

Charges relate to deposit accounts and financial assets in the form of bonds and shares. The Group ensures that the items charged are separate from customers' right of disposal and that the charge is of legal validity. Valuation is ensured via the requirements of the financial collateral comprehensive method according to EU Regulation 575/2013 and Directive 2013/36/EU on requirements for credit institutions and investment firms (CRR/CRD IV) which reduces the value of collateral on the basis of issuer, maturity and liquidity.

The Group has concluded netting agreements with all significant counterparties.

DKKm	AL Sydbank Group	
	2025	2024
CET1 ratio	15.8	17.8
T1 capital ratio	17.1	19.0
Capital ratio	19.2	21.4
<b>Total capital</b>		
Equity, shareholders of AL Sydbank A/S	35,759	14,982
Capital deduction – prudent valuation	(109)	(78)
Actual or contingent obligations to purchase own shares	(35)	(114)
Proposed dividend	(2,163)	(1,395)
Intangible assets and capitalised deferred tax assets	(8,761)	(329)
Significant investments in the financial sector	(2,306)	(1,356)
Insufficient coverage for non-performing exposures	(605)	(75)
<b>CET1 capital</b>	<b>21,780</b>	<b>11,635</b>
AT1 capital – equity	1,845	746
<b>T1 capital</b>	<b>23,625</b>	<b>12,381</b>
T2 capital	2,905	1,582
Instruments in entities in the financial sector in which the institution has significant investments	(40)	(28)
<b>Total capital</b>	<b>26,490</b>	<b>13,936</b>

# Notes

## Note 3 Solvency – continued

DKKm	AL Sydbank Group	
	2025	2024
Credit risk	91,853	40,721
Market risk	11,539	6,023
Operational risk	19,975	11,934
Other exposures, incl CVA	14,650	6,536
<b>REA</b>	<b>138,017</b>	<b>65,214</b>
<b>Pillar I capital requirement (8%)</b>	<b>11,041</b>	<b>5,217</b>

## Note 4 Leverage ratio

	AL Sydbank Group		AL Sydbank A/S	
	2025	2024	2025	2024
<b>Leverage ratio exposures</b>				
Total assets	341,950	193,669	337,940	190,422
Of which pooled assets	(48,297)	(27,005)	(48,297)	(27,005)
Correction derivatives etc	5,674	3,072	7,404	3,072
Guarantees etc	26,139	16,154	26,100	16,096
Undrawn credit commitments etc	5,092	11,154	4,482	11,122
Other adjustments	(9,594)	(2,286)	(11,345)	(2,702)
<b>Total</b>	<b>320,964</b>	<b>194,758</b>	<b>316,284</b>	<b>191,005</b>
T1 capital – fully loaded	23,625	12,381	23,368	12,124
Leverage ratio (%) – fully loaded	7.4	6.4	7.4	6.3

## Note 5 Segment reporting

### Operating segments

The Group's segment statements are divided into the following business units: Banking, Asset Management, AL Sydbank Markets, Treasury and Other.

**Banking serves** all types of retail and corporate clients.

**Asset Management** primarily comprises the Bank's advisory-related income from customers and investment funds.

**AL Sydbank Markets** comprises trading income as well as a share of the income from customers with decentral affiliation calculated on the basis of its market price. The share represents the payment by Banking for AL Sydbank Markets' facilities, including advisory services and administration.

**Treasury** comprises the Group's return on positions handled by Treasury, including liquidity allocation.

**Other** includes non-recurring items, costs to the Group Executive Management etc as well as return on strategic shareholdings that are not allocated to Banking or AL Sydbank Markets.

Inter-segment transactions are settled on an arm's length basis. Centrally incurred costs are allocated to the business units in accordance with their estimated proportionate share of overall activities.

Excess liquidity is settled primarily at short-term money market rates whereas other balances are settled on an arm's length basis.

**Note 5 Segment reporting – continued**
**AL Sydbank Group**

DKKm	AL Sydbank Group					
	Banking	Asset Management	AL Sydbank Markets	Treasury	Other	Total
<b>Operating segments 2025</b>						
Core income*	6,521	525	128	-	-	7,174
Trading income	-	-	256	-	-	256
<b>Total income</b>	<b>6,521</b>	<b>525</b>	<b>384</b>	<b>-</b>	<b>-</b>	<b>7,430</b>
Costs, core earnings	3,269	157	202	-	87	3,715
Impairment of loans and advances etc	297	-	-	-	-	297
<b>Core earnings</b>	<b>2,955</b>	<b>368</b>	<b>182</b>	<b>-</b>	<b>(87)</b>	<b>3,418</b>
Investment portfolio earnings	77	-	-	81	-	158
<b>Profit before non-recurring items</b>	<b>3,032</b>	<b>368</b>	<b>182</b>	<b>81</b>	<b>(87)</b>	<b>3,576</b>
Non-recurring items, net	(1,102)	-	-	-	-	(1,102)
<b>Profit before tax</b>	<b>1,930</b>	<b>368</b>	<b>182</b>	<b>81</b>	<b>(87)</b>	<b>2,474</b>
Depreciation and impairment of property, plant and equipment	145	1	4	-	1	151
Full-time staff at 31 Dec	4,009	41	103	4	23	4,180
<b>Operating segments 2024</b>						
Core income*	6,654	457	116	-	-	7,227
Trading income	-	-	268	-	-	268
<b>Total income</b>	<b>6,654</b>	<b>457</b>	<b>384</b>	<b>-</b>	<b>-</b>	<b>7,495</b>
Costs, core earnings	2,917	139	181	-	75	3,312
Impairment of loans and advances etc	595	-	-	-	-	595
<b>Core earnings</b>	<b>3,142</b>	<b>318</b>	<b>203</b>	<b>-</b>	<b>(75)</b>	<b>3,588</b>
Investment portfolio earnings	(14)	-	-	87	-	73
<b>Profit before non-recurring items</b>	<b>3,128</b>	<b>318</b>	<b>203</b>	<b>87</b>	<b>(75)</b>	<b>3,661</b>
Non-recurring items, net	(16)	-	-	-	-	(16)
<b>Profit before tax</b>	<b>3,112</b>	<b>318</b>	<b>203</b>	<b>87</b>	<b>(75)</b>	<b>3,645</b>
Depreciation and impairment of property, plant and equipment	134	3	7	-	1	145
Full-time staff at 31 Dec	1,928	41	101	4	20	2,094

\* See specification on page 15.

The AL Sydbank Group's internal reporting is not based on products and services. Reference is made to notes 7, 8 and 10 for the distribution of interest income as well as fee and commission income.

**Note 5 Segment reporting – continued**
**AL Sydbank Group**

DKKm	AL Sydbank Group			
	2025		2024	
	Total income	Assets	Total income	Assets
<b>Geographical segments</b>				
Denmark	7,072	14,333	7,109	2,112
Abroad	358	42	386	47
<b>Total</b>	<b>7,430</b>	<b>14,375</b>	<b>7,495</b>	<b>2,159</b>

Income from external customers is broken down by organisational affiliation within the AL Sydbank Group. Assets, comprising only intangible assets, land and buildings, other property, plant and equipment as well as holdings in associates, are broken down by location.

The geographical breakdown of the Group's income and assets is disclosed in compliance with IFRS and does not reflect the Group's management structure. Management is of the opinion that operating segmentation provides a more informative description of the Group's activities.

# Notes

## Note 6 Correlation between the Group's performance measures and the income statement according to IFRS AL Sydbank Group

DKKm	Core income	Trading income	Costs, core earnings	Impairment of loans/ advances etc	Core earnings	Investment portfolio earnings	Non-recurring items, net	Profit before tax
<b>2025</b>								
Net interest and fee income	6,702	57			6,759	8		6,767
Market value adjustments	380	199	-	14	593	157	(41)	709
Other operating income	35				35			35
<b>Income</b>	<b>7,117</b>	<b>256</b>	<b>-</b>	<b>14</b>	<b>7,387</b>	<b>165</b>	<b>(41)</b>	<b>7,511</b>
Staff costs and administrative expenses			(3,557)		(3,557)	(7)	(119)	(3,683)
Amortisation, depreciation and impairment of intangible assets and property, plant and equipment			(151)		(151)			(151)
Other operating expenses			(7)		(7)		(942)	(949)
Impairment of loans and advances etc				(311)	(311)			(311)
Profit/(Loss) on holdings in associates and subsidiaries	57				57			57
<b>Profit before tax</b>	<b>7,174</b>	<b>256</b>	<b>(3,715)</b>	<b>(297)</b>	<b>3,418</b>	<b>158</b>	<b>(1,102)</b>	<b>2,474</b>
<b>2024</b>								
Net interest and fee income	6,711	100			6,811	(8)		6,803
Market value adjustments	433	168			601	88	25	714
Other operating income	31				31			31
<b>Income</b>	<b>7,175</b>	<b>268</b>	<b>-</b>	<b>-</b>	<b>7,443</b>	<b>80</b>	<b>25</b>	<b>7,548</b>
Staff costs and administrative expenses			(3,133)		(3,133)	(7)	(41)	(3,181)
Amortisation, depreciation and impairment of intangible assets and property, plant and equipment			(145)		(145)			(145)
Other operating expenses			(34)		(34)			(34)
Impairment of loans and advances etc				(595)	(595)			(595)
Profit/(Loss) on holdings in associates and subsidiaries	52				52			52
<b>Profit before tax</b>	<b>7,227</b>	<b>268</b>	<b>(3,312)</b>	<b>(595)</b>	<b>3,588</b>	<b>73</b>	<b>(16)</b>	<b>3,645</b>

**Note 7 Interest income**

DKKm	AL Sydbank Group		AL Sydbank A/S	
	2025	2024	2025	2024
<b>Interest income calculated using the effective interest method</b>				
Amounts owed by credit institutions and central banks	527	886	493	862
Loans and advances and other amounts owed	3,754	4,338	3,639	4,290
Other interest income	27	4	27	4
<b>Total</b>	<b>4,308</b>	<b>5,228</b>	<b>4,159</b>	<b>5,156</b>
<b>Other interest income</b>				
Reverse transactions with credit institutions and central banks	36	95	36	95
Reverse loans and advances	456	680	456	680
Bonds	536	827	536	820
Total derivatives	173	61	173	61
comprising:				
Foreign exchange contracts	82	74	82	74
Interest rate contracts	91	(13)	91	(13)
<b>Total</b>	<b>1,201</b>	<b>1,663</b>	<b>1,201</b>	<b>1,656</b>
<b>Total interest income</b>	<b>5,509</b>	<b>6,891</b>	<b>5,360</b>	<b>6,812</b>
Fair value, designated at initial recognition	492	775	492	775
Fair value, held for trading	709	888	709	881
Assets recognised at amortised cost	4,308	5,228	4,159	5,156
<b>Total</b>	<b>5,509</b>	<b>6,891</b>	<b>5,360</b>	<b>6,812</b>

The Group's cash resources primarily comprise Danish mortgage bonds. The interest rate risk concerning these positions is reduced via derivatives. As a result the Group's external income statement is affected in terms of interest income and the market value adjustment of bonds and derivatives. The same applies to the Group's position-taking as regards bonds as well as shares. The breakdown by income statement item does not disclose income independently and consequently these items must be regarded as one as they are in "Segment reporting" (note 5) as well as in the Group's financial review, which also takes funding of the positions into account.

# Notes

DKKm	AL Sydbank Group		AL Sydbank A/S	
	2025	2024	2025	2024
<b>Note 8 Interest expense</b>				
Repo transactions with credit institutions and central banks	37	94	37	94
Amounts owed to credit institutions and central banks	66	76	66	76
Repo deposits	28	67	28	67
Deposits and other debt	926	1,785	910	1,783
Bonds issued	439	445	439	445
Subordinated capital	112	109	107	106
Other interest expense	13	7	12	7
<b>Total</b>	<b>1,621</b>	<b>2,583</b>	<b>1,599</b>	<b>2,578</b>
Fair value, designated at initial recognition	65	161	65	161
Liabilities recognised at amortised cost	1,556	2,422	1,534	2,417
<b>Total</b>	<b>1,621</b>	<b>2,583</b>	<b>1,599</b>	<b>2,578</b>

## Note 9 Dividends on shares

Fair value, designated at initial recognition (FVPL)	166	105	166	105
Fair value, held for trading	-	-	16	23
<b>Total</b>	<b>166</b>	<b>105</b>	<b>182</b>	<b>128</b>

## Note 10 Fee and commission income

Securities trading and custody accounts	942	834	733	655
Advisory fee, asset management	533	469	533	469
Payment services	505	417	486	408
Loan fees	259	194	255	194
Guarantee commission	171	164	171	164
Income concerning funded mortgage-like loans	78	51	78	51
Other fees and commission	632	602	631	600
<b>Total fee and commission income</b>	<b>3,120</b>	<b>2,731</b>	<b>2,887</b>	<b>2,541</b>
Fee expense, asset management	9	12	9	12
Other fee and commission expense	398	329	322	268
<b>Total fee and commission expense</b>	<b>407</b>	<b>341</b>	<b>331</b>	<b>280</b>
<b>Net fee and commission income</b>	<b>2,713</b>	<b>2,390</b>	<b>2,556</b>	<b>2,261</b>

Except for guarantee commission recognised according to IFRS 9, fee and commission income is recognised according to IFRS 15. The set-off of loss concerning distributed mortgage loans represents DKK 9m (2024: DKK 8m) and has been deducted from commission received which is included under other fees and commission.

<b>Note 11 Market value adjustments</b>	<b>AL Sydbank Group</b>		<b>AL Sydbank A/S</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
<b>DKKm</b>				
Other loans and advances and amounts owed at fair value	35	34	35	34
Bonds	142	261	142	259
Shares etc	171	184	371	270
Foreign exchange	304	287	304	287
Derivatives	51	(52)	51	(52)
Assets related to pooled plans	1,566	2,790	1,566	2,790
Deposits in pooled plans	(1,566)	(2,790)	(1,566)	(2,790)
Other assets/liabilities	6	0	6	0
<b>Total</b>	<b>709</b>	<b>714</b>	<b>909</b>	<b>798</b>
Fair value, held for trading, trading portfolio	580	560	709	558
Fair value, designated at initial recognition, equity investments (FVPL)	129	154	200	240
<b>Total</b>	<b>709</b>	<b>714</b>	<b>909</b>	<b>798</b>

The Group's cash resources primarily comprise Danish mortgage bonds. The interest rate risk concerning these positions is reduced via derivatives. As a result the Group's external income statement is affected in terms of interest income and the market value adjustment of bonds and derivatives. The same applies to the Group's position-taking as regards bonds as well as shares. The breakdown by income statement item does not disclose income independently and consequently these items must be regarded as one as they are in "Segment reporting" (note 5) as well as in the Group's financial review, which also takes funding of the positions into account.

#### **Note 12 Other operating income and other operating expenses**

<b>Other operating income</b>				
Rental income – real estate	16	14	15	15
Other operating income	19	17	17	20
<b>Total</b>	<b>35</b>	<b>31</b>	<b>32</b>	<b>35</b>
<b>Other operating expenses</b>				
Integration costs in connection with merger*	942	-	942	-
Loss on sale of machinery and furniture and fixtures	8	-	7	-
Deposit guarantee scheme etc	(1)	34	(1)	34
<b>Total</b>	<b>949</b>	<b>34</b>	<b>948</b>	<b>34</b>

\* Consists primarily of exit fee to BEC Financial Technologies.

# Notes

Note 13 Staff costs and administrative expenses DKKm	AL Sydbank Group		AL Sydbank A/S	
	2025	2024	2025	2024
<b>Salaries and remuneration</b>				
Group Executive Management	24	23	24	23
Board of Directors	8	8	8	8
Shareholders' Committee	4	4	4	4
<b>Total</b>	<b>36</b>	<b>35</b>	<b>36</b>	<b>35</b>
<b>Staff costs</b>				
Wages and salaries	1,762	1,506	1,657	1,433
Pensions	192	164	180	157
Social security contributions	12	8	12	8
Payroll tax	235	207	217	196
<b>Total</b>	<b>2,201</b>	<b>1,885</b>	<b>2,066</b>	<b>1,794</b>
<b>Other administrative expenses</b>				
IT	996	866	933	839
Rent etc	101	116	119	124
Marketing and entertainment expenses	125	120	93	100
Other costs	224	159	219	163
<b>Total</b>	<b>1,446</b>	<b>1,261</b>	<b>1,364</b>	<b>1,226</b>
<b>Total</b>	<b>3,683</b>	<b>3,181</b>	<b>3,466</b>	<b>3,055</b>
<b>Audit fees</b>				
Statutory audit	4.8	2.9	4.3	2.4
Other assurance engagements	2.5	1.5	2.0	1.3
Tax consultancy	0.7	0.3	0.5	0.3
Fees for other services	0.7	0.5	0.6	0.5
<b>Total</b>	<b>8.7</b>	<b>5.2</b>	<b>7.4</b>	<b>4.5</b>

In addition to the statutory audit, services provided by the Bank's independent auditor have comprised statutory reports relating to sustainability reporting, the merger etc as well as other required reports. Tax consultancy services consisted of general advice on tax, VAT and duties. Other services concerned primarily consulting on IT issues and comfort letters in connection with bond issues.

In addition to fees paid to the independent auditor, operating expenses have been incurred as regards the Group's Internal Audit.

## Staff

Average number of staff (full-time equivalent)*	2,267	2,087	2,116	1,985
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\* In the average number of staff (full-time equivalent) employees from the Arbejdernes Landsbank Group are only included for one month.

**Note 13 Staff costs and administrative expenses – continued**

DKK thousand	AL Sydbank Group		AL Sydbank A/S	
	2025	2024	2025	2024
<b>Directors' remuneration</b>				
Directors' remuneration	6,018	5,938	6,018	5,948
Committee fees*	2,098	1,890	2,098	1,890
<b>Total</b>	<b>8,116</b>	<b>7,828</b>	<b>8,116</b>	<b>7,838</b>

**\* Of which:**

Audit Committee	517	502	517	502
Risk Committee	517	502	517	502
Remuneration Committee	199	192	199	192
Nomination Committee	375	298	375	298
Digitization Committee	490	396	490	396

AL Sydbank's Board of Directors receive fixed remuneration. In addition board committee members receive a fixed committee fee.

Directors' remuneration is adjusted in accordance with the adjustment of the collective agreement concluded between the Employers' Association for the Financial Sector and the Financial Services Union in Denmark.

DKKm	AL Sydbank Group		AL Sydbank A/S	
	2025	2024	2025	2024
<b>Remuneration of the Group Executive Management</b>				
Fixed remuneration	24.6	23.2	24.6	23.2
Variable remuneration	0.0	0.0	0.0	0.0
Benefits in the form of company car etc	0.6	1.0	0.6	1.0
Of which fees received in connection with directorships	(0.7)	(0.5)	(0.7)	(0.5)
<b>Group costs</b>	<b>24.5</b>	<b>23.7</b>	<b>24.5</b>	<b>23.7</b>

Severance pay etc regarding former AL executive management members is not included as they were not members of the Group Executive Management of AL Sydbank. Reference is made to the remuneration report.

Details about remuneration for members of the Board of Directors and the Group Executive Management for 2025 are available at the Bank's website [sydbank.com/about-sydbank/corporate-governance](https://sydbank.com/about-sydbank/corporate-governance).

In connection with the annual review of the remuneration of the Group Executive Management an assessment of the market level is made. Moreover the remuneration of the Group Executive Management is adjusted in accordance with the adjustment of the collective agreement concluded between the Employers' Association for the Financial Sector and the Financial Services Union in Denmark.

Group costs include a privately paid pension.

**Group Executive Management – severance terms**

The notice of termination is 6 and 12 months for the Group Executive Management member and the Bank respectively.

In respect of dismissal by the Bank, the Group Executive Management member is entitled to receive severance pay equal to 12 months' salary.

The Bank's remuneration policy is available at the Bank's website [sydbank.com/about-sydbank/corporate-governance](https://sydbank.com/about-sydbank/corporate-governance).

# Notes

DKKm	AL Sydbank Group		AL Sydbank A/S	
	2025	2024	2025	2024
<b>Note 13 Staff costs and administrative expenses – continued</b>				
<b>Remuneration to material risk takers</b>				
Fixed remuneration	49.1	47.6	43.8	44.2
Variable remuneration	0.0	0.2	0.0	0.2
<b>Total</b>	<b>49.1</b>	<b>47.8</b>	<b>43.8</b>	<b>44.4</b>
Number of full-time staff (average)	26.6	27.3	24.6	25.8
<b>Remuneration to material control functions</b>				
Fixed remuneration	18.0	16.9	18.0	16.9
Variable remuneration	0.1	0.1	0.1	0.1
<b>Total</b>	<b>18.1</b>	<b>17.0</b>	<b>18.1</b>	<b>17.0</b>
Number of full-time staff (average)	12.5	12.3	12.5	12.3

Material risk takers and control functions only receive variable remuneration below the minimum threshold, of the Danish executive order on remuneration. In addition to the above, material risk takers and control functions receive benefits in the form of a company car, telephone etc, of the Group's remuneration policy.

## Note 14 Impairment of loans and advances etc

<b>Impairment of loans and advances recognised in the income statement</b>				
Impairment and provisions	337	441	322	443
Write-offs	30	219	28	217
Recovered from debt previously written off	56	65	56	65
<b>Impairment of loans and advances etc</b>	<b>311</b>	<b>595</b>	<b>294</b>	<b>595</b>
<b>Impairment and provisions at 31 Dec (allowance account)</b>				
Stage 1	356	136	333	130
Stage 2	427	511	424	507
Stage 3	1,175	1,039	1,702	1,361
Management reserves	508	502	500	500
<b>Impairment and provisions at 31 Dec</b>	<b>2,466</b>	<b>2,188</b>	<b>2,959</b>	<b>2,498</b>
<b>Impairment and provisions</b>				
Impairment and provisions at 1 Jan	2,188	1,899	2,498	2,195
New impairment charges and provisions during the period, net	351	439	528	484
Additions, portfolio acquired	-	37	-	-
Impairment charges previously recorded, now finally written off	73	187	67	181
<b>Impairment and provisions at 31 Dec</b>	<b>2,466</b>	<b>2,188</b>	<b>2,959</b>	<b>2,498</b>
Impairment charges for loans and advances	2,122	2,017	2,619	2,327
Provisions for undrawn credit commitments	150	57	146	57
Provisions for guarantees	194	114	194	114
<b>Impairment and provisions at 31 Dec</b>	<b>2,466</b>	<b>2,188</b>	<b>2,959</b>	<b>2,498</b>

Loans and advances recognised as a loss for the year where a legal claim has been upheld represented DKK 62m at year-end 2025 (2024: DKK 263m). Of the impairment charges for loans and advances etc of DKK 311m, day 1 losses in connection with the portfolios acquired under the merger represent DKK 161m.

Note 15 Profit/(Loss) on holdings in associates and subsidiaries DKKm	AL Sydbank Group		AL Sydbank A/S	
	2025	2024	2025	2024
Profit/(Loss) on holdings in associates etc	57	52	57	52
Profit/(Loss) on holdings in subsidiaries	-	-	17	34
<b>Total</b>	<b>57</b>	<b>52</b>	<b>74</b>	<b>86</b>

#### Note 16 Tax

Tax calculated on income for the year	163	644	220	649
Deferred tax	427	234	417	236
Adjustment of prior year tax charges	(9)	5	(9)	5
<b>Total</b>	<b>581</b>	<b>883</b>	<b>628</b>	<b>890</b>
Of which tax in Germany	70	75	70	75

#### Effective tax rate

Current tax rate of AL Sydbank	22.0	22.0	22.0	22.0
Special tax applying to financial undertakings	4.0	4.0	4.0	4.0
Permanent differences	(2.1)	(1.9)	(2.1)	(2.2)
Adjustment of prior year tax charges and deferred taxes	(0.4)	0.1	(0.4)	0.1
<b>Effective tax rate</b>	<b>23.5</b>	<b>24.2</b>	<b>23.5</b>	<b>23.9</b>
Of which effective tax rate in Germany	30.9	30.9	30.9	30.9

#### Deferred tax

Deferred tax at 1 Jan	168	(94)	142	(94)
Additions, merger	131	-	109	-
Additions, acquisition of Coop Bank A/S	-	28	-	-
Deferred tax for the year recognised in profit for the year	427	234	417	236
<b>Deferred tax at 31 Dec, net</b>	<b>726</b>	<b>168</b>	<b>668</b>	<b>142</b>
Deferred tax assets	10	13	10	13
Deferred tax liabilities	736	181	678	155
<b>Deferred tax at 31 Dec, net</b>	<b>726</b>	<b>168</b>	<b>668</b>	<b>142</b>

# Notes

DKKm	AL Sydbank Group				AL Sydbank A/S			
	1 Jan	Additions, merger	Recognised in profit for the year	2025 31 Dec	1 Jan	Additions, acquisition of Coop Bank	Recognised in profit for the year	2024 31 Dec
<b>Breakdown of deferred tax</b>								
Loans and advances at amortised cost (incl IFRS 9 adjustment)	126	46	163	335	(75)	(3)	204	126
Shares	(3)	0	0	(3)	0		(3)	(3)
Land and buildings	5	(3)	5	7	4		1	5
Property, plant and equipment	(28)	3	1	(24)	(25)		(3)	(28)
Intangible assets	93	(11)	237	319	61	31	1	93
Other assets	29	(5)	22	46	(8)		37	29
Bonds issued and subordinated capital	(3)	(64)	(2)	(69)	(3)		0	(3)
Provisions	(2)	(8)	(7)	(17)	(2)		0	(2)
Other liabilities	(49)	173	8	132	(46)		(3)	(49)
<b>Deferred tax at 31 Dec, net</b>	<b>168</b>	<b>131</b>	<b>427</b>	<b>726</b>	<b>(94)</b>	<b>28</b>	<b>234</b>	<b>168</b>

In compliance with the Bank's tax policy AL Sydbank uses tax incentives where the Bank's conduct is in line with the wishes of the Danish Parliament. In 2024 the following tax incentives were used: - Depreciation of operating equipment based on a higher depreciable amount in accordance with sections 5 D and 5 E of the Danish Act on Amortisation and Depreciation.

The Group is subject to the rules on global minimum taxation (Pillar II) which were introduced in Denmark with effect from 1 January 2024. According to the Pillar II rules, the Group will be obliged to pay Pillar II tax if the effective tax rate calculated in accordance with Pillar II rules in every jurisdiction is less than 15%. During a transitional period 2024-2026 simplified rules can be used where the Pillar II tax for the year can be set at zero if one of the 3 simplified tests can be passed.

The Group has prepared an analysis for FY 2025, which shows that the Group expects to be able to pass at least 1 of the simplified tests and therefore Pillar II tax may be set at zero. As a result no Pillar II tax has been recognised in the financial statements for FY 2025.

The Group has not recognised deferred tax in relation to Pillar II in accordance with the mandatory exemption of IAS 12.

## Decency in taxation

We take our responsibility as regards tax reporting and payments seriously as tax payments represent the foundation of our welfare society and this area is of great significance to the Bank's stakeholders and its business. It is important for AL Sydbank that it can explain and defend its tax-related transactions in terms of its stakeholders. This is one of the reasons why AL Sydbank has no activities in countries included on the EU's list or the OECD's list of tax havens.

AL Sydbank collaborates and has an ongoing dialogue with the Danish Tax Agency via for instance Tax Governance to ensure that the Bank's work related to taxation is carried out in an orderly manner.

AL Sydbank's tax policy determines the framework for the Bank's conduct in the area of taxation in relation to its own tax affairs as well as those of its customers and business connections. The Board of Directors is responsible for the tax policy.

DKKm	AL Sydbank Group		AL Sydbank A/S	
	2025	2024	2025	2024
Amounts owed at notice by central banks	11,023	10,747	11,023	10,747
Amounts owed by credit institutions	3,096	3,126	3,054	2,978
<b>Total</b>	<b>14,119</b>	<b>13,873</b>	<b>14,077</b>	<b>13,725</b>
On demand	793	560	751	412
3 months or less	12,946	13,313	12,946	13,313
Over 3 months not exceeding 1 year	-	-	-	-
Over 1 year not exceeding 5 years	25	-	25	-
Over 5 years	355	-	355	-
<b>Total</b>	<b>14,119</b>	<b>13,873</b>	<b>14,077</b>	<b>13,725</b>
Of which reverse transactions	1,282	2,363	1,282	2,363

**Note 18 Loan and advances**

DKKm	AL Sydbank Group		AL Sydbank A/S	
	2025	2024	2025	2024
On demand	34,557	25,422	41,246	25,662
3 months or less	29,888	25,113	25,192	25,007
Over 3 months not exceeding 1 year	33,447	30,042	32,946	30,111
Over 1 year not exceeding 5 years	30,350	16,647	28,232	15,956
Over 5 years	33,674	9,152	33,393	8,933
<b>Total</b>	<b>161,916</b>	<b>106,376</b>	<b>161,009</b>	<b>105,669</b>
Loans and advances at fair value – reverse transactions	21,648	23,842	21,648	23,842
Loans and advances at amortised cost – bank loans and advances	140,268	82,534	139,361	81,827
<b>Total</b>	<b>161,916</b>	<b>106,376</b>	<b>161,009</b>	<b>105,669</b>

**Loans and advances and guarantee debtors by sector and industry (%)**

Building and construction	2.4	2.8	2.0	2.8
Energy supply etc	3.3	4.1	3.3	4.1
Real estate	9.5	9.2	9.8	9.3
Finance and insurance	19.0	28.5	23.4	28.3
Trade	10.1	14.0	9.6	14.4
Hotels and restaurants	0.4	0.3	0.4	0.3
Manufacturing and extraction of raw materials	6.0	7.4	5.9	7.3
Information and communication	0.3	0.3	0.3	0.3
Agriculture, hunting, forestry and fisheries	3.5	3.0	3.6	3.1
Transportation	1.7	2.2	1.7	2.2
Other industries	9.0	9.3	8.5	9.2
Total corporate	65.2	81.1	68.5	81.3
Public authorities	0.0	0.0	0.0	0.0
Retail	34.8	18.9	31.5	18.7
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

**Collateral received and types of collateral**

Loans and advances at fair value	21,648	23,842	21,648	23,842
Loans and advances at amortised cost	140,268	82,534	139,362	81,596
Guarantees	26,139	16,154	26,100	16,096
Credit exposure for accounting purposes	188,055	122,530	187,110	121,534
Collateral value	118,725	71,342	108,410	71,176
<b>Total unsecured</b>	<b>69,330</b>	<b>51,188</b>	<b>78,700</b>	<b>50,358</b>

**Types of collateral**

Real estate	44,687	12,773	44,552	12,689
Financial collateral	29,907	31,121	29,907	31,121
Lease assets, mortgages etc	7,587	7,109	7,590	7,113
Floating charges, operating equipment etc	24,004	11,595	17,076	11,509
Guarantees	1,649	1,424	1,649	1,424
Other items of collateral	5,175	649	1,920	649
Total collateral used	113,009	64,671	102,694	64,505
Particularly secured transactions (mortgage guarantees)	5,716	6,671	5,716	6,671
<b>Total</b>	<b>118,725</b>	<b>71,342</b>	<b>108,410</b>	<b>71,176</b>

In the event that the Group uses collateral that is not immediately convertible into cash, the Group's policy is to dispose of such assets as quickly as possible.

In 2025 repossessed equipment in connection with non-performing exposures amounted to DKK 29m (2024: DKK 34m).

Lease assets are assessed and depreciated on an ongoing basis. As a result the calculated collateral as regards the Group's leasing activities will decline during periods of lower lease asset prices.

# Notes

## Note 18 Loan and advances – continued

AL Sydbank Group

DKKm	2025				2024			
	Loans/ advances	Guaran- tees	Collateral value	Un- secured	Loans/ advances	Guaran- tees	Collateral value	Un- secured
<b>Collateral by rating category</b>								
<b>Rating category</b>								
1	23,800	5,431	21,015	8,216	22,193	5,728	20,487	7,434
2	23,949	5,187	12,359	16,777	25,086	5,325	12,180	18,231
3	26,069	2,001	21,679	6,391	27,264	1,999	22,544	6,719
4	16,255	1,032	6,802	10,485	16,869	1,190	7,267	10,792
5	7,793	660	4,396	4,057	6,832	570	3,135	4,267
6	2,703	138	1,640	1,201	2,501	121	1,510	1,112
7	2,122	182	1,015	1,289	2,163	177	1,278	1,062
8	322	86	138	270	418	39	264	193
9	943	121	713	351	1,313	164	948	529
Default	1,608	141	771	978	1,566	169	706	1,029
NR/STD*	58,474	11,160	48,197	21,437	2,188	672	1,023	1,837
<b>Total</b>	<b>164,038</b>	<b>26,139</b>	<b>118,725</b>	<b>71,452</b>	<b>108,393</b>	<b>16,154</b>	<b>71,342</b>	<b>53,205</b>
Impairment of loans and advances	2,122			2,122	2,017			2,017
<b>Total</b>	<b>161,916</b>	<b>26,139</b>	<b>118,725</b>	<b>69,330</b>	<b>106,376</b>	<b>16,154</b>	<b>71,342</b>	<b>51,188</b>
Stage 1	151,111	25,250	111,432	64,833	97,493	15,303	65,753	47,043
Stage 2	8,455	557	4,616	4,396	8,256	668	4,799	4,125
Stage 3	557	147	603	101	528	183	691	20
Credit impaired at initial recognition	1,793	185	2,074	0	99	-	99	-
<b>Total</b>	<b>161,916</b>	<b>26,139</b>	<b>118,725</b>	<b>69,330</b>	<b>106,376</b>	<b>16,154</b>	<b>71,342</b>	<b>51,188</b>

\* Credit quality categories concerning portfolios from added entities appear from note 47.

In addition to loans and advances and guarantees the Group's credit risks comprise credit commitments. For further details of guarantees and irrevocable credit commitments, see note 35.

AL Sydbank Group

DKKm	2025			2024			
	Retail	Corporate	Total	Retail	Corporate	Total	
<b>Past due amounts but not impaired*</b>							
0-30 days		110	118	228	43	131	174
31-60 days		6	3	9	-	-	0
61-90 days		1	-	1	-	-	0
<b>Total</b>		<b>117</b>	<b>121</b>	<b>238</b>	<b>43</b>	<b>131</b>	<b>174</b>
<b>Rating category</b>							
1		17	-	17	16	11	27
2		7	11	18	5	25	30
3		6	10	16	8	17	25
4		4	12	16	3	22	25
5		1	12	13	2	35	37
6		0	4	4	0	5	5
7		1	4	5	0	10	10
8		2	0	2	2	1	3
9		1	3	4	1	5	6
NR/STD		78	65	143	6	0	6
<b>Total</b>		<b>117</b>	<b>121</b>	<b>238</b>	<b>43</b>	<b>131</b>	<b>174</b>

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

Note 18 Loan and advances – continued

AL Sydbank Group

DKKm					2025	2024
	Stage 1	Stage 2	Stage 3	Credit impaired at initial recognition*	Total	Total
<b>Loans and advances, guarantees and allowance account by stage</b>						
Loans and advances before impairment charges	129,999	8,990	1,608	1,793	142,390	84,551
Guarantees	25,250	557	332		26,139	16,154
<b>Total loans and advances and guarantees</b>	<b>155,249</b>	<b>9,547</b>	<b>1,940</b>	<b>1,793</b>	<b>168,529</b>	<b>100,705</b>
%	92.1	5.7	1.1	1.1	100.0	100.0
Impairment charges for loans and advances	536	535	1,051		2,122	2,017
Provisions for undrawn credit commitments	75	30	45		150	57
Provisions for guarantees*	15	19	160		194	114
<b>Total allowance account</b>	<b>626</b>	<b>584</b>	<b>1,256</b>	<b>-</b>	<b>2,466</b>	<b>2,188</b>
Allowance account at 1 Jan	405	656	1,127		2,188	1,899
New impairment charges and provisions during the period, net	221	(72)	202		351	439
Impairment charges previously recorded, now finally written off	-	-	73		73	187
Allowance account, acquisition of Coop Bank	-	-	-		-	37
<b>Total allowance account at 31 Dec</b>	<b>626</b>	<b>584</b>	<b>1,256</b>	<b>-</b>	<b>2,466</b>	<b>2,188</b>
Impairment charges as % of loans and advances	0.4	6.0	65.4		1.5	2.4
Provisions as % of guarantees	0.1	3.4	48.2		0.7	0.7
Allowance account as % of loans and advances and guarantees	0.4	6.1	64.7		1.5	2.2
Loans and advances before impairment charges	129,999	8,990	1,608	1,793	142,390	84,551
Impairment charges for loans and advances	536	535	1,051		2,122	2,017
<b>Loans and advances after impairment charges</b>	<b>129,463</b>	<b>8,455</b>	<b>557</b>	<b>1,793</b>	<b>140,268</b>	<b>82,534</b>
%	92.3	6.0	0.4	1.3	100.0	100.0

\* Loans and advances before impairment charges recognised as credit impaired at initial recognition total DKK 2,997m.

The Group's models to calculate impairment charges as regards exposures in stages 1 and 2 include expectations as to business trends which are based on estimates of the probability of different outcomes of economic growth. See note 2 "Accounting estimates and judgements" on page 93 for a more detailed description.

In addition to individually calculated impairment charges, a management reserve of DKK 500m was recognised at year-end 2025 (2024: DKK 500m) to hedge macroeconomic uncertainty.

In the calculated fair value of the portfolios acquired in connection with the merger, a management reserve of DKK 485m has been recognised. This management reserve is included in the net value of portfolios acquired.

# Notes

## Note 18 Loan and advances – continued

AL Sydbank Group

DKKm	Loans/advances and guarantees		Impairment and provisions		Impairment charges for loans/advances etc for the period		Losses for the period	
	2025	2024	2025	2024	2025	2024	2025	2024
Building and construction	4,558	3,075	140	106	44	(11)	14	25
Energy supply etc	6,393	5,284	282	262	16	451	0	200
Real estate	18,024	11,792	121	101	16	41	1	3
Finance and insurance	14,196	11,255	172	155	11	26	2	4
Trade	19,525	17,662	478	501	(17)	133	9	128
Hotels and restaurants	729	373	35	31	0	(4)	0	2
Manufacturing and extraction of raw materials	11,662	9,345	411	301	25	58	12	7
Information and communication	533	410	10	31	4	2	27	1
Agriculture, hunting, forestry and fisheries	6,674	3,819	166	161	188	(42)	9	7
Transportation	3,302	2,709	43	39	3	13	2	1
Other industries	17,167	11,538	239	180	29	30	5	4
<b>Total corporate</b>	<b>102,763</b>	<b>77,262</b>	<b>2,097</b>	<b>1,868</b>	<b>319</b>	<b>697</b>	<b>81</b>	<b>382</b>
Public authorities	54	26	1					
Retail	65,712	23,417	368	320	(8)	(102)	22	24
<b>Total</b>	<b>168,529</b>	<b>100,705</b>	<b>2,466</b>	<b>2,188</b>	<b>311</b>	<b>595</b>	<b>103</b>	<b>406</b>
<b>Building and construction</b>								
Building and construction activities, specialised	1,820	1,869	124	87	48	0	14	25
Construction of buildings	1,123	603	7	15	(7)	(13)	0	0
Other building and construction	1,615	603	9	4	3	2	0	0
<b>Total</b>	<b>4,558</b>	<b>3,075</b>	<b>140</b>	<b>106</b>	<b>44</b>	<b>(11)</b>	<b>14</b>	<b>25</b>
<b>Real estate</b>								
Non-profit housing associations	7,194	6,795	2	3	0	1	0	0
Leasing of commercial real estate	8,877	2,887	72	47	14	11	0	0
Leasing of residential real estate	333	715	2	9	(2)	3	0	0
Development of building projects	439	448	31	25	7	22	1	2
Other related to real estate	1,181	947	14	17	(3)	4	0	1
<b>Total</b>	<b>18,024</b>	<b>11,792</b>	<b>121</b>	<b>101</b>	<b>16</b>	<b>41</b>	<b>1</b>	<b>3</b>
<b>Finance and insurance</b>								
Holding companies	8,592	6,472	118	100	14	14	2	0
Financing companies	5,604	4,783	54	55	(3)	12	0	4
<b>Total</b>	<b>14,196</b>	<b>11,255</b>	<b>172</b>	<b>155</b>	<b>11</b>	<b>26</b>	<b>2</b>	<b>4</b>

**Note 18 Loan and advances – continued**
**AL Sydbank Group**

DKKm	Loans/advances and guarantees		Impairment and provisions		Impairment charges for loans/advances etc for the period		Losses for the period	
	2025	2024	2025	2024	2025	2024	2025	2024
<b>Trade</b>								
Retail	2,122	1,803	91	68	26	17	5	1
Trade, passenger cars and motorcycles	3,807	3,085	44	63	(17)	(7)	0	5
Wholesale, other machinery	1,598	1,769	88	93	(3)	64	0	2
Wholesale, food, beverages and tobacco	2,564	2,171	53	73	(22)	0	0	0
Wholesale, household durables	4,358	3,990	124	118	8	17	4	118
Wholesale, agricultural raw materials and live animals	1,491	1,608	14	34	(18)	(1)	0	0
Other specialised wholesale	2,167	2,220	43	28	15	40	0	0
Other trade	1,418	1,016	21	24	(6)	3	0	2
<b>Total</b>	<b>19,525</b>	<b>17,662</b>	<b>478</b>	<b>501</b>	<b>(17)</b>	<b>133</b>	<b>9</b>	<b>128</b>
<b>Manufacturing and extraction of raw materials</b>								
Extraction of raw materials	571	279	4	1	6	(1)	4	0
Manufacture of textiles and clothing	1,486	661	12	8	4	1	0	0
Manufacture and repair of machinery and equipment	1,475	1,728	25	36	1	6	1	0
Manufacture of food products	2,796	2,468	32	64	(37)	5	0	2
Manufacture of fabricated metal products, excl machinery and equipment	1,050	1,172	126	79	42	9	2	0
Other manufacturing	4,284	3,037	212	113	9	38	5	5
<b>Total</b>	<b>11,662</b>	<b>9,345</b>	<b>411</b>	<b>301</b>	<b>25</b>	<b>58</b>	<b>12</b>	<b>7</b>
<b>Agriculture, hunting, forestry and fisheries</b>								
Pig farming	1,149	510	18	14	(1)	(22)	0	0
Cattle farming	1,673	998	77	77	8	18	9	1
Crop production	1,587	1,321	19	22	(11)	(34)	0	5
Other agriculture	2,265	990	52	48	192	(4)	0	1
<b>Total</b>	<b>6,674</b>	<b>3,819</b>	<b>166</b>	<b>161</b>	<b>188</b>	<b>(42)</b>	<b>9</b>	<b>7</b>
<b>Transportation</b>								
Land transport	939	1,000	9	22	(12)	6	2	1
Water transport	358	394	0	0	0	0	0	0
Air transport	157	188	3	2	1	(1)	0	0
Other transportation	1,848	1,127	31	15	14	8	0	0
<b>Total</b>	<b>3,302</b>	<b>2,709</b>	<b>43</b>	<b>39</b>	<b>3</b>	<b>13</b>	<b>2</b>	<b>1</b>
<b>Other industries</b>								
Rental and leasing activities	7,274	4,773	74	32	16	10	0	0
Activities of head offices	2,690	2,472	13	14	(1)	0	0	0
Liberal professions	1,975	1,563	55	45	12	9	2	3
Other industries	5,228	2,730	97	89	2	11	3	1
<b>Total</b>	<b>17,167</b>	<b>11,538</b>	<b>239</b>	<b>180</b>	<b>29</b>	<b>30</b>	<b>5</b>	<b>4</b>

# Notes

## Note 18 Loan and advances – continued

AL Sydbank Group

DKKm				Credit impaired at initial recognition	2025	2024
	Stage 1	Stage 2	Stage 3		Total	Total
<b>Loans and advances before impairment charges</b>						
<b>Rating category</b>						
1	17,931				17,931	15,442
2	22,468				22,468	23,481
3	11,771				11,771	11,778
4	14,552	1,703			16,255	16,869
5	5,524	2,269			7,793	6,832
6	1,090	1,613			2,703	2,501
7	88	2,034			2,122	2,163
8	4	318			322	418
9		943			943	1,313
Default			1,608		1,608	1,566
NR/STD	56,571	110		1,793	58,474	2,188
<b>Total</b>	<b>129,999</b>	<b>8,990</b>	<b>1,608</b>	<b>1,793</b>	<b>142,390</b>	<b>84,551</b>

### Impairment of loans and advances

<b>Rating category</b>						
1	3				3	5
2	16				16	17
3	81				81	81
4	92	20			112	108
5	83	34			117	117
6	65	45			110	108
7	17	84			101	99
8		36			36	42
9		286			286	365
Default			1,051		1,051	1,038
NR/STD	179	30			209	37
<b>Total</b>	<b>536</b>	<b>535</b>	<b>1,051</b>	<b>-</b>	<b>2,122</b>	<b>2,017</b>

### Loans and advances after impairment charges

<b>Rating category</b>						
1	17,928				17,928	15,437
2	22,452				22,452	23,464
3	11,690				11,690	11,697
4	14,460	1,683			16,143	16,761
5	5,441	2,235			7,676	6,715
6	1,025	1,568			2,593	2,393
7	71	1,950			2,021	2,064
8	4	282			286	376
9		657			657	948
Default			557		557	528
NR/STD	56,392	80		1,793	58,265	2,151
<b>Total</b>	<b>129,463</b>	<b>8,455</b>	<b>557</b>	<b>1,793</b>	<b>140,268</b>	<b>82,534</b>

**Note 18 Loan and advances – continued**
**AL Sydbank Group**

DKKm					2025	2024
	Stage 1	Stage 2	Stage 3	Credit impaired at initial recognition	Total	Total
<b>Loans and advances before impairment charges</b>						
<b>1 Jan</b>	<b>74,031</b>	<b>8,855</b>	<b>1,566</b>	<b>99</b>	<b>84,551</b>	<b>76,273</b>
<b>Transfers between stages</b>						
Additions, portfolio acquired	54,784			1,677	56,461	1,289
Transfers to stage 1	1,983	(1,970)	(13)		-	-
Transfers to stage 2	(4,299)	4,413	(114)		-	-
Transfers to stage 3	(64)	(434)	498		-	-
New exposures	18,614	742	115		19,471	19,234
Final repayments	(13,344)	(1,813)	(196)		(15,353)	(14,044)
Changes in balances	(1,706)	(803)	(147)	17	(2,639)	2,205
Write-offs			(101)		(101)	(406)
<b>31 Dec</b>	<b>129,999</b>	<b>8,990</b>	<b>1,608</b>	<b>1,793</b>	<b>142,390</b>	<b>84,551</b>
<b>Impairment of loans and advances</b>						
<b>1 Jan</b>	<b>380</b>	<b>599</b>	<b>1,038</b>	<b>-</b>	<b>2,017</b>	<b>1,738</b>
<b>Transfers between stages</b>						
Additions, portfolio acquired	161				161	44
Transfers to stage 1	71	(66)	(5)		-	-
Transfers to stage 2	(53)	114	(61)		-	-
Transfers to stage 3	(2)	(86)	88		-	-
New exposures	100	51	58		209	252
Final repayments	(57)	(125)	(174)		(356)	(252)
Changes in balances	(64)	48	180		164	422
Write-offs			(73)		(73)	(187)
<b>31 Dec</b>	<b>536</b>	<b>535</b>	<b>1,051</b>	<b>-</b>	<b>2,122</b>	<b>2,017</b>
<b>Loans and advances after impairment charges</b>						
<b>1 Jan</b>	<b>73,651</b>	<b>8,256</b>	<b>528</b>	<b>99</b>	<b>82,534</b>	<b>74,535</b>
<b>Transfers between stages</b>						
Additions, portfolio acquired	54,623			1,677	56,300	1,245
Transfers to stage 1	1,912	(1,904)	(8)		-	-
Transfers to stage 2	(4,246)	4,299	(53)		-	-
Transfers to stage 3	(62)	(348)	410		-	-
New exposures	18,514	691	57		19,262	18,982
Final repayments	(13,287)	(1,688)	(22)		(14,997)	(13,792)
Changes in balances	(1,642)	(851)	(327)	17	(2,803)	1,783
Write-offs			(28)		(28)	(219)
<b>31 Dec</b>	<b>129,463</b>	<b>8,455</b>	<b>557</b>	<b>1,793</b>	<b>140,268</b>	<b>82,534</b>

# Notes

## Note 18 Loan and advances – continued

## AL Sydbank Group

DKKm	2025				2024			
	Loans/advances neither credit impaired nor past due	Loans/advances with evidence of credit impairment	Past due loans/advances	Loans/advances	Loans/advances neither credit impaired nor past due	Loans/advances with evidence of credit impairment	Past due loans/advances	Loans/advances
<b>Rating category</b>								
1	23,783		17	23,800	22,166		27	22,193
2	23,931		18	23,949	25,056		30	25,086
3	26,053		16	26,069	27,239		25	27,264
4	16,239		16	16,255	16,844		25	16,869
5	7,780		13	7,793	6,795		37	6,832
6	2,699		4	2,703	2,496		5	2,501
7	2,117		5	2,122	2,153		10	2,163
8	320		2	322	415		3	418
9	308	631	4	943	410	897	6	1,313
Default		1,608		1,608		1,566		1,566
NR/STD	56,531	1,800	143	58,474	2,072	110	6	2,188
<b>Total</b>	<b>159,761</b>	<b>4,039</b>	<b>238</b>	<b>164,038</b>	<b>105,646</b>	<b>2,573</b>	<b>174</b>	<b>108,393</b>
Impairment charges	823	1,299		2,122	829	1,188		2,017
<b>Total</b>	<b>158,938</b>	<b>2,740</b>	<b>238</b>	<b>161,916</b>	<b>104,817</b>	<b>1,385</b>	<b>174</b>	<b>106,376</b>

## AL Sydbank Group

DKKm	2025			2024		
	Gross investment	Unearned interest	Net investment	Gross investment	Unearned interest	Net investment
<b>Lease payment receivables – finance leases</b>						
1 year or less	3,789	621	3,168	2,751	255	2,496
Over 1 year not exceeding 5 years	9,637	1,021	8,616	6,561	697	5,864
Over 5 years	1,654	84	1,570	931	23	908
<b>Total</b>	<b>15,080</b>	<b>1,726</b>	<b>13,354</b>	<b>10,243</b>	<b>975</b>	<b>9,268</b>

Lease payment receivables mainly 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 included finance lease payment receivables of DKK 15,080m at year-end 2025 (2024: DKK 10,243m).

Impairment charges for uncollectible lease payment receivables represented DKK 0m in 2025 (2024: DKK 0m).

Note 18 Loan and advances – continued

AL Sydbank Group

DKKm	2025			2024		
	Loans/advances and guarantees before impairment charges	Impairment charges	Book value	Loans/advances and guarantees before impairment charges	Impairment charges	Book value
<b>Forborne loans and advances and guarantees</b>						
Stage 1	49	1	48	14	0	14
Stage 2	25	8	17	16	3	13
Stage 3	679	217	462	668	472	196
<b>Total</b>	<b>753</b>	<b>226</b>	<b>527</b>	<b>698</b>	<b>475</b>	<b>223</b>
Credit impaired non-defaulted loans and advances and guarantees						
	53	2	51	27	2	25
Credit impaired defaulted loans and advances and guarantees						
	700	224	476	671	473	198
<b>Total</b>	<b>753</b>	<b>226</b>	<b>527</b>	<b>698</b>	<b>475</b>	<b>223</b>
Due to financial difficulties:						
- Interest rates have been reduced	221	80	141	389	308	81
- Interest-only terms have been granted	237	57	180	104	56	48
- Other special terms have been granted	295	89	206	205	111	94
<b>Total</b>	<b>753</b>	<b>226</b>	<b>527</b>	<b>698</b>	<b>475</b>	<b>223</b>

Forborne loans and advances and guarantees are defined as loans and advances and guarantees where there has been a change in loan terms that would not have been granted if the borrower had not been experiencing financial difficulties, see EBA guidance (ANNEX V).

AL Sydbank Group

DKKm	Credit impaired loans/advances	Impairment charges	Carrying amount	Value of collateral	Unsecured part of carrying amount
<b>2025</b>					
<b>Credit impaired loans and advances</b>					
Corporate	2,686	882	1,804	1,734	70
Retail	715	72	643	643	-
<b>Total</b>	<b>3,401</b>	<b>954</b>	<b>2,447</b>	<b>2,377</b>	<b>70</b>
<b>2024</b>					
<b>Credit impaired loans and advances</b>					
Corporate	1,482	867	615	530	85
Retail	183	90	93	76	17
<b>Total</b>	<b>1,665</b>	<b>957</b>	<b>708</b>	<b>606</b>	<b>102</b>

# Notes

Note 19 Bonds at fair value DKKm	AL Sydbank Group		AL Sydbank A/S	
	2025	2024	2025	2024
Government bonds	2,764	912	2,764	912
Mortgage bonds	65,141	29,830	65,141	29,830
Other bonds	2,542	1,038	2,542	1,038
<b>Total</b>	<b>70,447</b>	<b>31,780</b>	<b>70,447</b>	<b>31,780</b>

Government bonds – by country				
Denmark	800	904	800	904
Faroe Islands	416	-	416	-
Sweden	1,473	-	1,473	-
Germany	-	8	-	8
<b>Total</b>	<b>2,689</b>	<b>912</b>	<b>2,689</b>	<b>912</b>

## Note 20 Shares etc

Listed on Nasdaq Copenhagen A/S	1,328	523	1,328	523
Listed on other exchanges	31	2	31	2
Unlisted shares recognised at fair value	3,541	2,479	3,541	2,479
Other shares	137	-	137	-
<b>Total</b>	<b>5,037</b>	<b>3,004</b>	<b>5,037</b>	<b>3,004</b>
Trading portfolio	721	92	721	92
Portfolio of equity investments, FVPL	3,714	2,509	3,714	2,509
Portfolio of equity investments, FVOCI*	602	403	602	403
<b>Total</b>	<b>5,037</b>	<b>3,004</b>	<b>5,037</b>	<b>3,004</b>

\* The shareholding in Sparekassen Sjælland-Fyn A/S is measured at FVOCI as the purpose of the holding is of a long-term strategic nature and it is not held for trading. The fair value of the holding represented DKK 602m at year-end 2025 (2024: DKK 403m). During the financial year dividends of DKK 16m (2024: DKK 13m) were recognised under other comprehensive income.

## Note 21 Holdings in associates etc

Carrying amount at 1 Jan	433	164	433	164
Of which credit institutions	-	-	-	-
Cost at 1 Jan	380	163	380	163
Additions, merger	147	-	147	-
Additions*	1,113	230	1,113	230
Disposals	149	13	149	13
<b>Cost at 31 Dec</b>	<b>1,491</b>	<b>380</b>	<b>1,491</b>	<b>380</b>
Revaluations and impairment charges at 1 Jan	53	1	53	1
Dividend	(8)	(15)	(8)	(15)
Share of profit	77	67	77	67
Reversal of revaluations and impairment charges	-	-	-	-
Revaluations and impairment charges at 31 Dec	122	53	122	53
<b>Carrying amount at 31 Dec</b>	<b>1,613</b>	<b>433</b>	<b>1,613</b>	<b>433</b>

\* The addition in 2025 is mainly attributable to holdings in PRAS A/S, where the Group's ownership share is 32% after the merger.

**Note 22 Holdings in subsidiaries etc****AL Sydbank A/S**

<b>DKKm</b>	<b>2025</b>	<b>2024</b>
Carrying amount at 1 Jan	535	2,295
Cost at 1 Jan	2,693	2,346
Exchange rate adjustment	-	-
Additions, merger	1,240	-
Additions	-	347
Disposals	-	-
<b>Cost at 31 Dec</b>	<b>3,933</b>	<b>2,693</b>
Revaluations and impairment charges at 1 Jan	(2,158)	(51)
Exchange rate adjustment	-	-
Profit/(Loss)	25	39
Dividend	(31)	(2,142)
Amortisation of customer relationships	(9)	(4)
Reversal of revaluations and impairment charges	-	-
Revaluations and impairment charges at 31 Dec	(2,173)	(2,158)
<b>Carrying amount at 31 Dec</b>	<b>1,760</b>	<b>535</b>

**Note 23 Assets related to pooled plans****AL Sydbank Group****AL Sydbank A/S**

<b>DKKm</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Cash deposits	69	43	69	43
Other bonds	7,043	7,475	7,043	7,475
Other shares etc	5,331	8,045	5,331	8,045
Units	35,853	11,441	35,853	11,441
Other items	1	1	1	1
<b>Total</b>	<b>48,297</b>	<b>27,005</b>	<b>48,297</b>	<b>27,005</b>

# Notes

## Note 24 Intangible assets

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### Intangible assets

The Group's intangible assets comprise the value of customer relationships as well as goodwill acquired in connection with acquisitions. Activities acquired are allocated to the operating segments Banking, Asset Management and AL Sydbank Markets.

Goodwill represented DKK 7,859m at year-end 2025 (2024: DKK 170m) and primarily concerned Banking. The increase of DKK 7,689m is attributable to the merger of Sydbank, Arbejdernes Landsbank and Vestjysk Bank, which was completed on 5 December 2025. In connection with the allocation of the acquisition cost there is a goodwill amount of DKK 7,689m, reflecting among other elements expected cost and capital synergies as well as other future economic benefits that cannot be identified as separate assets. Since the internal structure after the merger is not finally determined, this goodwill is temporarily classified as not allocated.

The value of customer relationships represented DKK 1,265m at year-end 2025 (2024: DKK 270m). DKK 1,050m of the increase is attributable to the merger of Sydbank, Arbejdernes Landsbank and Vestjysk Bank. Goodwill is tested for impairment once a year.

Customer relationships are amortised on a straight-line basis over the expected economic life of 5-15 years.

### Impairment test

The Group's goodwill is tested for impairment once a year and where there is any indication of impairment.

The impairment test compares the carrying amount and the estimated present value of expected future cash flows. As a consequence of the special capital structure of financial groups, the calculation of the present value of future cash flows is based on an equity model/dividend discount model.

The key assumptions are based on a forward projection of the Group's most recent results for 2025 as follows:

- Profit for the year in 2025 represents DKK 1.9bn
- Earnings for the budget period are based on a budget for 2026-2030 as approved by management
- Equity for 2025 is affected by dividend paid for 2025 of DKK 1,985m as well as a share buyback of DKK 1,000m
- The risk exposure amount is based on the 2025 estimate
- The discount rate (cost of equity) has been calculated at 7.4%
- Annualised growth of 1.5% is expected in the terminal period

Expected future cash flows are discounted at the Group's risk-adjusted required rate of return and discount factor which constituted 10.0% before tax and 7.4% after tax at year-end 2025 (2024: 12.7% before tax and 9.4% after tax). The required rate of return and the discount factor are based on current market data and external benchmarks.

The impairment test conducted does not indicate any impairment at 31 December 2025.

An increase in the Group's risk-adjusted required rate of return from 7.4% to for instance 15.0% would not result in goodwill impairment. Correspondingly a decline in estimated growth in the terminal period of 1.0pp would not result in impairment. In addition a decrease in earnings of 15% during the terminal period would not result in impairment.

### Goodwill in connection with merger

In order to assess the value of the goodwill recorded until it can be allocated, the Group has conducted an indicative impairment test. This indicative test shows a substantial excess compared to the carrying amount of goodwill. The result of the test is supported by the market value of AL Sydbank as of 31 December 2025 of DKK 48.9bn. Overall this supports that goodwill continues to represent as a minimum the total carrying amount of DKK 7,859m. The final allocation of goodwill to relevant entities is expected to be completed during 2026.

**Note 24 Intangible assets – continued**

DKKm	AL Sydbank Group		AL Sydbank A/S	
	2025	2024	2025	2024
Carrying amount at 1 Jan	421	329	305	328
Cost at 1 Jan*	736	615	609	609
Additions, merger*	8,745	-	8,745	-
Additions	3	121	3	0
Disposals	0	0	0	0
<b>Cost at 31 Dec</b>	<b>9,484</b>	<b>736</b>	<b>9,354</b>	<b>609</b>
Amortisation and impairment charges at 1 Jan	315	286	304	281
Amortisation and impairment charges for the year	42	29	28	23
Amortisation and impairment charges at 31 Dec	357	315	332	304
<b>Carrying amount at 31 Dec</b>	<b>9,127</b>	<b>421</b>	<b>9,022</b>	<b>305</b>

The value of customer relationships is amortised over 5-15 years.

\* Goodwill represents DKK 170m of cost at 1 Jan. Goodwill represents DKK 7,689m of additions concerning the merger. Goodwill is not amortised.

**Note 25 Owner-occupied property and investment property****Owner-occupied property**

Carrying amount at 1 Jan	1,122	1,095	896	870
Exchange rate adjustment	0	0	0	0
Additions, merger	1,317	-	558	-
Additions, including improvements	20	17	17	9
Disposals	2	0	2	0
Depreciation for the year	8	7	6	6
Value adjustment recognised directly in equity	14	29	14	28
Value adjustment recognised in the income statement	(6)	(12)	(2)	(5)
<b>Carrying amount at 31 Dec</b>	<b>2,457</b>	<b>1,122</b>	<b>1,475</b>	<b>896</b>
Required rate of return for calculation of fair value (%)*	4.00-11.00	4.25-11.00	4.00-11.00	4.25-11.00

\* The required rate of return reflects eg the geographical location.

**Sensitivity analysis:**

Other things being equal an increase in the required rate of return of 0.50pp will reduce fair value by DKK 198m (2024: DKK 81m).

**Investment property**

Carrying amount at 1 Jan	0	-	0	-
Additions, merger	600	-	12	-
Additions, including improvements	20	-	0	-
Value adjustment recognised directly in equity	0	-	0	-
Value adjustment recognised in the income statement	0	-	0	-
<b>Carrying amount at 31 Dec</b>	<b>620</b>	<b>-</b>	<b>12</b>	<b>-</b>
Required rate of return for calculation of fair value (%)*	4.50-10.50	-	8.50-10.50	-

\* The required rate of return reflects eg the geographical location.

**Sensitivity analysis:**

Other things being equal an increase in the required rate of return of 0.50pp will reduce fair value by DKK 65m (2024: DKK -m).

# Notes

Note 26 Other property, plant and equipment DKKm	AL Sydbank Group		AL Sydbank A/S	
	2025	2024	2025	2024
Carrying amount at 1 Jan	79	60	78	59
Cost at 1 Jan	704	655	702	654
Exchange rate adjustment	0	0	0	0
Additions, merger	209	-	148	-
Additions	65	95	54	94
Disposals	40	46	32	46
Cost at 31 Dec	938	704	872	702
Depreciation and impairment charges at 1 Jan	625	595	624	595
Exchange rate adjustment	0	0	0	0
Depreciation for the year	74	73	71	73
Reversal of depreciation and impairment charges	32	43	27	44
Depreciation and impairment charges at 31 Dec	667	625	668	624
<b>Carrying amount at 31 Dec</b>	<b>271</b>	<b>79</b>	<b>204</b>	<b>78</b>

## Note 27 Other assets

Positive market value of derivatives etc	3,159	3,689	3,159	3,689
Sundry debtors	1,403	1,058	839	558
Interest and commission receivable	605	373	605	370
Cash collateral provided, CSA agreements etc	630	605	630	605
Other assets	725	0	625	0
<b>Total</b>	<b>6,522</b>	<b>5,725</b>	<b>5,858</b>	<b>5,222</b>

## Note 28 Amounts owed to credit institutions and central banks

Amounts owed to central banks	166	4	166	4
Amounts owed to credit institutions	5,602	6,109	5,442	6,035
<b>Total</b>	<b>5,768</b>	<b>6,113</b>	<b>5,608</b>	<b>6,039</b>
On demand	3,439	2,869	3,279	2,795
3 months or less	2,313	3,154	2,313	3,154
Over 3 months not exceeding 1 year	16	90	16	90
<b>Total</b>	<b>5,768</b>	<b>6,113</b>	<b>5,608</b>	<b>6,039</b>
Of which repo transactions	1,789	2,612	1,789	2,612

**Note 29 Deposits and other debt**

DKKm	AL Sydbank Group		AL Sydbank A/S	
	2025	2024	2025	2024
On demand	178,813	89,128	175,987	86,236
At notice	867	57	867	57
Time deposits	22,523	23,705	22,523	23,705
Special categories of deposits	7,142	3,782	6,972	3,782
<b>Total</b>	<b>209,345</b>	<b>116,672</b>	<b>206,349</b>	<b>113,780</b>
On demand	181,151	89,321	178,155	86,429
3 months or less	20,518	22,352	20,518	22,352
Over 3 months not exceeding 1 year	2,862	1,894	2,862	1,894
Over 1 year not exceeding 5 years	970	393	970	393
Over 5 years	3,844	2,712	3,844	2,712
<b>Total</b>	<b>209,345</b>	<b>116,672</b>	<b>206,349</b>	<b>113,780</b>
Of which repo transactions	1,152	1,504	1,152	1,504
Of which secured lending	-	-	-	-

**Note 30 Bonds issued at amortised cost**

Over 1 year not exceeding 5 years	21,474	11,175	21,474	11,175
<b>Total</b>	<b>21,474</b>	<b>11,175</b>	<b>21,474</b>	<b>11,175</b>

**Note 31 Other liabilities**

Negative market value of derivatives etc	2,686	3,636	2,686	3,636
Sundry creditors	9,377	6,533	8,761	6,398
Negative portfolio, reverse transactions	1,599	3,649	1,599	3,649
Interest and commission etc	403	226	402	224
Cash collateral received, CSA agreements etc	604	350	604	350
<b>Total</b>	<b>14,669</b>	<b>14,394</b>	<b>14,052</b>	<b>14,257</b>

**Note 32 Provisions**

Provisions for pensions and similar obligations	16	2	15	2
Provisions for deferred tax	736	181	678	154
Provisions for guarantees	194	114	194	114
Other provisions	253	61	250	61
<b>Total</b>	<b>1,199</b>	<b>358</b>	<b>1,137</b>	<b>331</b>

# Notes

## Note 32 Provisions – continued

AL Sydbank Group

DKKm					2025
	Provisions for pen- sions and similar obligations	Provisions for deferred tax	Provisions for guarantees	Other provisions	Total provisions
Carrying amount at 1 Jan	2	181	114	61	358
Additions, merger	14	131	54	197	396
Additions	0	424	72	36	532
Disposals	0	0	46	41	87
<b>Carrying amount at 31 Dec</b>	<b>16</b>	<b>736</b>	<b>194</b>	<b>253</b>	<b>1,199</b>

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

## Note 33 Subordinated capital

AL Sydbank Group

AL Sydbank A/S

DKKm	Interest rate	Note	Nominal (m)	Maturity	AL Sydbank Group		AL Sydbank A/S	
					2025	2024	2025	2024
2.977 (floating)	1	Bond loan	EUR 75	Perpetual	560	559	560	559
7.24 (floating)	2	Bond loan	NOK 650	25 Apr 2034	409	408	409	408
4.942 (floating)	3	Bond loan	SEK 550	25 Apr 2034	379	357	379	357
4.15 (floating)	4	Bond loan	EUR 100	6 Sep 2035	745	743	745	743
6.1767 (floating)	5	Bond loan	DKK 25	23 Sep 2031	25	25	-	-
6.4733 (floating)	6	Bond loan	DKK 50	22 Jun 2032	50	50	-	-
5.703 (floating)	7	Bond loan	DKK 900	21 May 2031	907	-	907	-
7.018 (fixed)	8	Bond loan	DKK 250	26 Jun 2033	262	-	262	-
4.446 (floating)	9	Bond loan	DKK 125	28 Aug 2034	128	-	128	-
<b>Total subordinated capital</b>					<b>3,465</b>	<b>2,142</b>	<b>3,390</b>	<b>2,067</b>

- 1) The interest rate follows the 10Y Mid-Swap plus a margin of 0.2%. Not included in total capital.
- 2) Optional redemption from 25 April 2029. The interest rate will be fixed at 3.05% above 3M NIBOR.
- 3) Optional redemption from 25 April 2029. The interest rate will be fixed at 3.00% above 3M STIBOR.
- 4) Optional redemption from 6 September 2030. The interest rate will be fixed at 2.10% above 3M EURIBOR.
- 5) Optional redemption from 23 September 2026. The interest rate will be fixed at 4.00% above 6M CIBOR.
- 6) Optional redemption from 22 June 2027. The interest rate will be fixed at 4.25% above 6M CIBOR.
- 7) Optional redemption from 21 May 2026. The interest rate will be fixed at 6M CIBOR + 3.50%.
- 8) Optional redemption from 26 June 2028. The interest rate is fixed until 26 June 2028, after which it will be changed to 6M CIBOR + 3.60%.
- 9) Optional redemption from 28 August 2029. The interest rate will be fixed at 6M CIBOR + 2.30%.

Over 5 years	3,465	2,142	3,390	2,067
<b>Total</b>	<b>3,465</b>	<b>2,142</b>	<b>3,390</b>	<b>2,067</b>
Costs relating to raising and redeeming subordinated capital	0	0	0	0

## Correlation between subordinated capital and financing activities in cash flow statement

AL Sydbank Group

DKKm	1 Jan	Cash flows		Non-cash changes		31 Dec
		Raising	Redemption	Exchange rate	Other*	
Subordinated capital – 2025	2,142	-	-	25	1,298	3,465
Subordinated capital – 2024	1,118	1,529	559	(16)	70	2,142

\* Of which DKK 1,297m from the former Arbejdernes Landsbank and former Vestjysk Bank in connection with the merger in 2025 as well as DKK 75m concerning issues in Coop Bank in 2024. Fair value changes comprise the impact of market value adjustments and transaction costs. Cash flows from raised and redeemed debt are based on the exchange rate on the date of transaction. The note shows changes in the nominal value of subordinated capital. Raising and redemption amounts are based on the exchange rate at the balance sheet date.

<b>Note 34 Own holdings</b>	<b>AL Sydbank Group</b>		<b>AL Sydbank A/S</b>		
	<b>DKKm</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Nominal portfolio of own holdings		22	32	22	32
Nominal portfolio of own holdings as % of share capital		2.5	5.8	2.5	5.8
Shares outstanding (number)		85,786,363	51,425,137	85,786,363	51,425,137
Holding of own shares (number)		2,175,806	3,163,283	2,175,806	3,163,283
<b>Total share capital (number)</b>		<b>87,962,169</b>	<b>54,588,420</b>	<b>87,962,169</b>	<b>54,588,420</b>

#### **Own holdings purchased during the year**

Number of shares	5,105,049	6,233,735	5,105,049	6,233,735
Nominal value	51	62	51	62
Consideration paid	2,354	2,195	2,354	2,195
Number of shares as % of share capital	5.8	11.4	5.8	11.4

#### **Own holdings sold during the year**

Number of shares	6,092,526	4,988,121	6,092,526	4,988,121
Nominal value	61	50	61	50
Consideration received	2,493	1,597	2,493	1,597
Number of shares as % of share capital	6.9	9.1	6.9	9.1

During the period from 28 February 2024 to 23 January 2025, 3,383,960 shares totalling DKK 1,200m were purchased within the share buyback programme of DKK 1,200m. Within the share buyback programme of DKK 1,350m, 2,172,000 shares totalling DKK 1,000m were purchased during the period from 26 February to 27 October 2025. The share buyback was terminated as a result of the announced merger of Sydbank, Arbejdernes Landsbank and Vestjysk Bank. In addition the Bank has purchased and sold own holdings as part of the ordinary banking transactions of AL Sydbank A/S.

# Notes

DKKm	AL Sydbank Group		AL Sydbank A/S	
	2025	2024	2025	2024
<b>Note 35 Contingent liabilities and other obligating agreements</b>				
<b>Contingent liabilities</b>				
Financial guarantees	14,434	7,568	14,397	7,529
Mortgage finance guarantees*	3,381	2,310	3,381	2,309
Funded mortgage-like loan guarantees*	397	574	397	574
Registration and remortgaging guarantees*	5,385	3,787	5,341	3,779
Other contingent liabilities	2,542	1,915	2,584	1,905
<b>Total</b>	<b>26,139</b>	<b>16,154</b>	<b>26,100</b>	<b>16,096</b>

\* Subject to IFRS 9.

<b>Other obligating agreements</b>				
Irrevocable credit commitments	3,414	1,948	2,720	1,948
Other liabilities*	128	5	158	43
<b>Total</b>	<b>3,542</b>	<b>1,953</b>	<b>2,878</b>	<b>1,991</b>
* Of which intra-group liabilities in relation to rented premises	-	-	30	38

DKKm	AL Sydbank Group					2025	2024
	Stage 1	Stage 2	Stage 3	Credit impaired at initial recognition	Total	Total	
<b>Guarantees</b>							
<b>1 Jan</b>	<b>15,303</b>	<b>668</b>	<b>183</b>	<b>-</b>	<b>16,154</b>	<b>15,521</b>	
<b>Transfers between stages</b>							
Additions, portfolio acquired	10,155		185		10,340	46	
Transfers to stage 1	125	(125)			-	-	
Transfers to stage 2	(179)	182	(3)		-	-	
Transfers to stage 3	(13)	(53)	66		-	-	
New exposures	(1,419)	193	9		(1,217)	8,902	
Final repayments	(8,315)	(210)	(94)		(8,619)	(7,411)	
Changes in balances	9,593	(98)	(14)		9,481	(904)	
<b>31 Dec</b>	<b>25,250</b>	<b>557</b>	<b>332</b>	<b>-</b>	<b>26,139</b>	<b>16,154</b>	

<b>Provisions for guarantees</b>							
<b>1 Jan</b>	<b>8</b>	<b>30</b>	<b>76</b>	<b>-</b>	<b>114</b>	<b>94</b>	
<b>Transfers between stages</b>							
Additions, portfolio acquired	7	0	62		69	-	
Transfers to stage 1	3	(3)	0		-	-	
Transfers to stage 2	0	1	(1)		-	-	
Transfers to stage 3	0	(4)	4		-	-	
New exposures	5	5	29		39	47	
Final repayments	(5)	(14)	(6)		(25)	(20)	
Changes in balances	(3)	4	(4)		(3)	(7)	
<b>31 Dec</b>	<b>15</b>	<b>19</b>	<b>160</b>	<b>-</b>	<b>194</b>	<b>114</b>	

Rating category/DKKm	1	2	3	4	5	6	7	8	9	Default	STD/No	Total
<b>Irrevocable credit commitments</b>												
2025	224	1,341	338	295	19	20					1,177	3,414
2024	269	897	116	519	131					16		1,948

### **Note 35 Contingent liabilities and other obligating agreements – continued**

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Totalkredit loans distributed by AL Sydbank are comprised by an agreed right of set-off against future current commission which Totalkredit may invoke in the event of losses on the loans distributed. AL Sydbank does not expect that this set-off will have any significant effect on AL Sydbank's financial position.

As a result of the Bank's membership of Bankdata, the Bank is obligated to pay an exit charge in the event of exit.

The Group is party to legal actions. These legal 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.

AL Sydbank is jointly taxed with its Danish consolidated entities. The AL Sydbank Group has not opted for international joint taxation. AL Sydbank A/S has been appointed the management company of the joint taxation entity. Being the management company AL Sydbank has unlimited and joint and several liability with its subsidiaries as regards the joint taxation concerning Danish corporation tax.

### **Note 36 Fair value hedging of interest rate risks (macro hedge)**

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The overall risk of fixed-rate loans and advances consists of credit risk, foreign exchange risk and interest rate risk. Similarly the overall risk of hedging transactions – primarily interest rate swaps – consists of counterparty risk, foreign exchange risk and interest rate risk. Credit risk is managed separately in line with the credit risk of floating-rate loans and advances whereas the foreign exchange risk of loans and advances and the hedging transactions is subject to ongoing hedging. The counterparty risk of the hedging transactions is subject to ongoing hedging via CSA agreements requiring exchange of collateral to hedge positive market values, see note "Derivatives".

The remaining part of risk is attributable to the risk-free interest rate which the Bank manages by means of a cash flow model which delivers a synthetic cash flow divided into maturity zones expressing the Bank's risk positions. The model is updated daily with all the Group's positions. These are allocated to portfolios according to responsibility and product.

One of these portfolios consists of the Group's positions in fixed-rate loans and advances, including leases, fixed-rate deposits and related hedging transactions.

The Group's basis for concluding hedging transactions (rebalancing) is thus a synthetic net cash flow which is updated daily based on the actual cash flow of loans and advances, deposits and previously concluded hedging transactions in the relevant portfolio.

The synthetic cash flows are placed in maturity zones (under 1 year, 1-3 years, 3-7 years and over 7 years) for each currency. Each zone is subject to an interest rate limit (typically DKK 1m) and a requirement that the interest rate risk of the hedging transaction must not exceed the hedged item.

This ensures that the interest rate risk in the portfolio is kept at a minimum as the Group wishes to place its interest rate risk in other portfolios containing bonds and other cash positions.

The Group applies the rules on macro hedge which aim to ensure symmetry between income and expense in the financial statements. Symmetry is achieved by making a hedge adjustment of the hedged loans and advances and deposits corresponding to the part of the market value adjustment of derivatives which concerns future periods. This hedge adjustment is recorded under "Other liabilities" and represented DKK 112m at 31 December 2025 (2024: DKK 125m under "Other assets").

During the year a net loss on hedging transactions of DKK 120m was recorded (2024: net loss of DKK 164m).

The loss eliminates a corresponding net gain on hedged items.

The Group's interest rate risk management is described in more detail in "Notes – Risk Management" on page 148.

# Notes

<b>Note 36 Fair value hedging of interest rate risks (macro hedge) – continued</b>		<b>AL Sydbank Group</b>		<b>AL Sydbank A/S</b>	
<b>DKKm</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>	<b>2024</b>
<b>Fixed-rate loans and advances</b>					
Carrying amount	10,020	6,957	10,020	6,957	
<b>Fixed-rate deposits</b>					
Carrying amount	3,794	4,987	3,794	4,987	
<b>Swaps</b>					
Principal – purchase	4,223	3,159	4,223	3,159	
Principal – sale	13,145	7,475	13,145	7,475	
Fair value	47	70	47	70	
<b>Fixed-rate subordinated capital/bonds issued/AT1 capital</b>					
Carrying amount	16,295	13,389	16,295	13,389	
<b>Swaps</b>					
Principal	16,288	13,254	16,288	13,254	
Fair value	231	111	231	111	

The Group's fair value hedging of interest rate risks (macro hedge) is described in more detail in note 39 on page 129.

## Note 37 Collateral

At the end of 2025 the Group had deposited as collateral securities and cash at a total value of DKK 116m with Danish and foreign exchanges and clearing centres etc in connection with margin calls and securities settlements etc. In addition the Group has provided cash collateral in connection with CSA agreements of DKK 630m and deposited securities at a value of DKK 0m. The correlation to market values of derivatives appears from "Notes – Derivatives".

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. Counterparties are entitled to sell the securities or deposit them as collateral for other loans. For the breakdown by amounts owed to credit institutions and deposits, see notes 28 and 29.

In connection with reverse transactions, which involve purchasing securities to be resold at a later date, the Group is entitled to sell the securities 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.

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".

		<b>AL Sydbank Group</b>		<b>AL Sydbank A/S</b>	
<b>DKKm</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>	<b>2024</b>
<b>Assets sold as part of repo transactions</b>					
Bonds at fair value	2,923	4,080	2,923	4,080	
<b>Assets purchased as part of reverse transactions</b>					
Bonds at fair value	23,260	26,327	23,260	26,327	

**Note 38 Related parties****AL Sydbank Group**

DKKm	2025			2024		
	Associates	Board of Directors	Group Executive Management	Associates	Board of Directors	Group Executive Management
Loans and advances and loan commitments	409	13	11	143	16	1
Deposits and other debt	17	24	12	13	16	11
Guarantees issued	0	0	0	0	0	0
Collateral received	0	24	7	0	13	0
Interest income	5	0	0	2	0	0
Interest expense	0	0	0	0	0	0
Fee and commission income	0	0	0	0	0	0
Other expenses	709	0	0	647	0	0

**Interest rates 2025**

Group Executive Management: 1.60-4.03% p.a.

Board of Directors: 1.60-7.70% p.a.\*

\* Interest rates concern loans in different currencies.

There are no parties with significant influence over AL Sydbank A/S (ownership share of at least 20%).

The Board of Directors and the Group Executive Management columns comprise the Group's exposures to and transactions with members of the Board of Directors and the Group Executive Management as well as their dependants. Further information on the remuneration of management appears from note 13.

Other expenses include primarily IT costs to Bankdata.

Transactions with related parties are settled on an arm's length basis and are subject to the terms and conditions in force. No unusual transactions took place with related parties in 2025.

**Amounts owed by and to subsidiaries etc****AL Sydbank Group****AL Sydbank A/S**

DKKm	AL Sydbank Group		AL Sydbank A/S	
	2025	2024	2025	2024
Loans and advances at amortised cost	-	-	8,967	527
Total asset items	-	-	8,967	527
Deposits and other debt	-	-	296	193
Total liability items	-	-	296	193

# Notes

## Note 38 Related parties – continued

AL Sydbank Group

Number		1 Jan 2025	On appointment/ resignation	Additions	Disposals	31 Dec 2025
<b>AL Sydbank A/S shares held by</b>						
<b>Board of Directors (personal holdings)</b>						
Ellen Trane Nørby (Chair)		458		588		1,046
Claus Jensen (Vice Chair)	Joined **		1,040			1,040
Lars Mikkjelgaard-Jensen (former chair)	Resigned *	6,000	(6,000)			0
Carsten Andersen		1,147		131		1,278
Henrik Hoffmann	Resigned *	750	(750)			0
Søren Holm		4,000		500		4,500
Janne Moltke-Leth		311		134		445
Jarl Oxlund		1,944		88		2,032
Gitte Poulsen	Resigned **	5,330	(5,330)			0
Susanne Schou		110		542		652
Jon Stefansson		389				389
Jørn Krogh Sørensen		3,043		131	400	2,774
Pia Wrang		679		286	211	754
Aksel Bjørn Møller	Joined */Resigned **		(500)	500		0
Caroline Søbørg Ahlefeldt-Laurvig-Bille	Joined **		0			0
Christian Riewe	Joined **		200			200
Henning Egon Josefsen Overgaard	Joined **		112			112
Brian Østergaard Roed	Joined *		25	270		295
<b>Total</b>		<b>24,161</b>	<b>(11,203)</b>	<b>3,170</b>	<b>611</b>	<b>15,517</b>
<b>Board of Directors (own holdings and holdings of dependants)</b>						
Ellen Trane Nørby (Chair)		496		597		1,093
Claus Jensen (Vice Chair)	Joined **		1,040	0		1,040
Lars Mikkjelgaard-Jensen (former chair)	Resigned *	6,000	(6,000)			0
Carsten Andersen		1,147		131		1,278
Henrik Hoffmann	Resigned *	750	(750)			0
Søren Holm		4,000		500		4,500
Janne Moltke-Leth		311		134		445
Jarl Oxlund		1,944		88		2,032
Gitte Poulsen	Resigned **	5,330	(5,330)			0
Susanne Schou		420		542		962
Jon Stefansson		389				389
Jørn Krogh Sørensen		3,048		131	400	2,779
Pia Wrang		689		286	211	764
Aksel Bjørn Møller	Joined */Resigned **		(550)	550		0
Caroline Søbørg Ahlefeldt-Laurvig-Bille	Joined **		0			0
Christian Riewe	Joined **		200			200
Henning Egon Josefsen Overgaard	Joined **		128	0		128
Brian Østergaard Roed	Joined *		25	270		295
<b>Total</b>		<b>24,524</b>	<b>(11,237)</b>	<b>3,229</b>	<b>611</b>	<b>15,905</b>

**Note 38 Related parties – continued**
**AL Sydbank Group**

Number					
	1 Jan 2025	On appointment/ resignation	Additions	Disposals	31 Dec 2025
<b>Group Executive Management (own holdings and holdings of dependants)</b>					
Mark Alexander Luscombe	4,065		1,179		5,244
Frank Finne Mortensen		Joined **	16		16
Jørn Adam Møller	8,571		799		9,370
Stig Westergaard	6,303		414		6,717
Gry Bandholm Hansen		Joined **	0	16	16
Peter Hupfeld		Joined **	0		0
Svend Randers		Joined **	0	736	736
<b>Total</b>	<b>18,939</b>	<b>0</b>	<b>3,160</b>	<b>0</b>	<b>22,099</b>
<b>Total - Board of Directors and Group Executive Management</b>	<b>46,265</b>	<b>(11,237)</b>	<b>6,189</b>	<b>611</b>	<b>38,004</b>

\* General meeting 20 March 2025. \*\* Merger 5 December 2025

Aksel Bjørn Møller joined the Board of Directors at the annual general meeting on 20 March 2025. He resigned in connection with the general meeting on 4 December 2025 and became an observer on the Board of Directors. The intention is that he will join the Board of Directors again as a full member at the annual general meeting this year on 19 March 2026 but until then he is an observer.

**Note 39 Fair value disclosure**

Financial instruments are included in the balance sheet either at fair value or at amortised cost. The table below breaks down financial instruments by valuation technique.

DKKm	AL Sydbank Group				
				2025	
	FVPL	Fair value option	FVOCI	Total fair value	Amortised cost
<b>Financial assets</b>					
Cash and balances on demand at central banks				-	19,468
Amounts owed by credit institutions and central banks	1,282			1,282	12,837
Loans and advances at fair value	21,648			21,648	-
Loans and advances at amortised cost				-	140,268
Bonds at fair value	15,968	54,479		70,447	-
Shares etc	721	3,714	602	5,037	-
Assets related to pooled plans		48,297		48,297	-
Land and buildings			3,364	3,364	-
Other assets	3,272	371		3,643	2,879
<b>Total</b>	<b>42,891</b>	<b>106,861</b>	<b>3,966</b>	<b>153,718</b>	<b>175,452</b>
Undrawn credit commitments				-	89,415
<b>Maximum credit risk, collateral not considered</b>	<b>42,891</b>	<b>106,861</b>	<b>3,966</b>	<b>153,718</b>	<b>264,867</b>
<b>Financial liabilities</b>					
Amounts owed to credit institutions and central banks	1,789			1,789	3,979
Deposits and other debt	1,152			1,152	208,193
Deposits in pooled plans		48,297		48,297	-
Bonds issued at amortised cost				-	21,474
Other liabilities	4,420			4,420	10,249
Subordinated capital				-	3,465
<b>Total</b>	<b>7,361</b>	<b>48,297</b>		<b>55,658</b>	<b>247,360</b>

# Notes

## Note 39 Fair value disclosure – continued

AL Sydbank Group

DKKm				2024	
	FVPL	Fair value option	FVOCI	Total fair value	Amortised cost
<b>Financial assets</b>					
Cash and balances on demand at central banks				-	3,349
Amounts owed by credit institutions and central banks	2,363			2,363	11,510
Loans and advances at fair value	23,842			23,842	-
Loans and advances at amortised cost				-	82,534
Bonds at fair value	16,778	15,002		31,780	-
Shares etc	92	2,509	403	3,004	-
Assets related to pooled plans		27,005		27,005	-
Land and buildings			1,226	1,226	-
Other assets	3,826	124		3,950	1,775
<b>Total</b>	<b>46,901</b>	<b>44,640</b>	<b>1,629</b>	<b>93,170</b>	<b>99,168</b>
Undrawn credit commitments				-	56,283
<b>Maximum credit risk, collateral not considered</b>	<b>46,901</b>	<b>44,640</b>	<b>1,629</b>	<b>93,170</b>	<b>155,451</b>
<b>Financial liabilities</b>					
Amounts owed to credit institutions and central banks	2,612			2,612	3,501
Deposits and other debt	1,504			1,504	115,168
Deposits in pooled plans		27,005		27,005	-
Bonds issued at amortised cost				-	11,175
Other liabilities	7,288			7,288	7,106
Subordinated capital					2,142
<b>Total</b>	<b>11,404</b>	<b>27,005</b>		<b>38,409</b>	<b>139,092</b>

### Financial instruments recognised at fair value

Measurement of financial instruments is based on quoted prices from an active market, on generally accepted valuation models with observable market data or on available data that only to a limited extent is observable market data.

Measurement of financial instruments for which prices are quoted in an active market or which is based on generally accepted valuation models with observable market data is not subject to significant estimates.

As regards financial instruments where measurement is based on available data that only to a limited extent is observable market data, measurement is subject to estimates. Such financial instruments appear from the column unobservable inputs below and include primarily unlisted shares, including shares in DLR Kredit A/S.

The fair value of unlisted shares and other holdings is calculated on the basis of available information on trades etc – including to a very significant extent on shareholders' agreements based on book value. To an insignificant extent fair value is calculated on the basis of expected cash flows.

A 10% change in the calculated market value of financial assets measured on the basis of unobservable inputs will affect profit before tax by DKK 371m (2024: DKK 246m) of the calculated price.

Note 39 Fair value disclosure – continued

AL Sydbank Group

DKKm	Quoted prices	Observable inputs	Unobservable inputs	Total fair value
<b>2025</b>				
<b>Financial assets</b>				
Amounts owed by credit institutions and central banks		1,282		1,282
Loans and advances at fair value		21,648		21,648
Bonds at fair value		70,447		70,447
Shares etc	1,287	36	3,714	5,037
Assets related to pooled plans	41,211	7,086		48,297
Land and buildings			3,364	3,364
Other assets	237	3,406		3,643
<b>Total</b>	<b>42,735</b>	<b>103,905</b>	<b>7,078</b>	<b>153,718</b>
<b>Financial liabilities</b>				
Amounts owed to credit institutions and central banks		1,789		1,789
Deposits and other debt		1,152		1,152
Deposits in pooled plans		48,297		48,297
Other liabilities	198	4,222		4,420
<b>Total</b>	<b>198</b>	<b>55,460</b>	<b>-</b>	<b>55,658</b>
<b>2024</b>				
<b>Financial assets</b>				
Amounts owed by credit institutions and central banks		2,363		2,363
Loans and advances at fair value		23,842		23,842
Bonds at fair value		31,780		31,780
Shares etc	523	22	2,459	3,004
Assets related to pooled plans	19,488	7,517		27,005
Land and buildings			1,226	1,226
Other assets	220	3,730		3,950
<b>Total</b>	<b>20,231</b>	<b>69,254</b>	<b>3,685</b>	<b>93,170</b>
<b>Financial liabilities</b>				
Amounts owed to credit institutions and central banks		2,612		2,612
Deposits and other debt		1,504		1,504
Deposits in pooled plans		27,005		27,005
Other liabilities	219	7,069		7,288
<b>Total</b>	<b>219</b>	<b>38,190</b>	<b>-</b>	<b>38,409</b>

# Notes

## Note 39 Fair value disclosure – continued

AL Sydbank Group

DKKm	2025	2024
<b>Assets measured on the basis of unobservable inputs</b>		
Carrying amount at 1 Jan	2,459	2,338
Additions, merger	1,840	-
Additions	2	6
Disposals	665	27
Market value adjustment	78	142
<b>Value at 31 Dec</b>	<b>3,714</b>	<b>2,459</b>
<b>Recognised in profit for the year</b>		
Interest income	-	-
Dividend	124	101
Market value adjustment	78	142
<b>Total</b>	<b>202</b>	<b>243</b>

To take into account changes in credit risk concerning derivatives with positive fair value, an adjustment is made – CVA. CVA is a function of the risk of counterparty default (PD), the expected positive exposure and the loss ratio in the event of default. PD is determined on the basis of the Group's credit models – default probability in 12 months. PD beyond 12 months is adjusted on the basis of market data of exposures with a similar PD level. At year-end 2025 CVA constituted DKK 1m compared to DKK 16m at year-end 2024.

Customer margins recognised in connection with derivatives are amortised over the life of the transaction. At year-end 2025 customer margins not yet recognised as income totalled DKK 14m compared to DKK 15m at year-end 2024.

### 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 customers and no active market exists for trading in such financial instruments. Consequently fair value disclosures are solely based on circumstances where market conditions have changed after 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. In the absence of a market price, the value is determined on the basis of estimates of the market's existing required rate of return – level 2.
- As regards loans and advances, impairment charges are presumed to equal the fair value of the credit risk.
- As regards financial instruments with a maturity of less than 6 months, amortised cost is presumed to equal fair value.
- As a rule the interest rate risk of fixed-rate deposits and loans and advances with a maturity exceeding 6 months is hedged by derivatives, primarily interest rate swaps. The hedge is treated as a fair value hedge for accounting purposes. The portfolio comprises loans and advances, deposits and swaps, see note 36.

Based on the above it is the overall assessment that the fair value of loans and advances and deposits corresponds to the carrying amount at 31 December 2025 in all material respects.

AL Sydbank Group

DKKm	2025		2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Bonds issued at amortised cost	21,474	21,575	11,175	11,195
Subordinated capital	3,465	3,420	2,142	1,980

**Note 40 Financial liabilities – contractual maturities**
**AL Sydbank Group**

DKKm	AL Sydbank Group				
	On demand	3 months or less	Over 3 months not exceeding 1 year	Over 1 year not exceeding 5 years	Over 5 years
<b>2025</b>					
Amounts owed to credit institutions and central banks	3,439	2,313	16	-	-
Deposits and other debt	181,151	20,518	2,862	970	3,844
Bonds issued at amortised cost	-	-	-	21,474	-
Subordinated capital	-	-	-	-	3,465
<b>Total</b>	<b>184,590</b>	<b>22,831</b>	<b>2,878</b>	<b>22,444</b>	<b>7,309</b>
Contingent liabilities (guarantees)	7,508	8,046	5,248	2,645	2,692
<b>2024</b>					
Amounts owed to credit institutions and central banks	2,869	3,154	90	-	-
Deposits and other debt	89,321	22,352	1,894	393	2,712
Bonds issued at amortised cost	-	-	-	11,175	-
Subordinated capital	-	-	-	-	2,142
<b>Total</b>	<b>92,190</b>	<b>25,506</b>	<b>1,984</b>	<b>11,568</b>	<b>4,854</b>
Contingent liabilities (guarantees)	6,827	4,910	1,805	1,290	1,322

Amounts are exclusive of expected cash flows.

<b>2025</b>					
Amounts owed to credit institutions and central banks	3,439	2,313	17	-	-
Deposits and other debt	181,151	20,535	2,882	975	3,962
Bonds issued at amortised cost	-	-	-	23,873	-
Subordinated capital	-	-	-	-	4,746
<b>Total</b>	<b>184,590</b>	<b>22,848</b>	<b>2,899</b>	<b>24,848</b>	<b>8,708</b>
Contingent liabilities (guarantees)	7,508	8,046	5,248	2,645	2,692
<b>2024</b>					
Amounts owed to credit institutions and central banks	2,869	3,156	93	-	-
Deposits and other debt	89,321	22,388	1,914	408	3,304
Bonds issued at amortised cost	-	-	-	11,973	-
Subordinated capital	-	-	-	-	3,223
<b>Total</b>	<b>92,190</b>	<b>25,544</b>	<b>2,007</b>	<b>12,381</b>	<b>6,527</b>
Contingent liabilities (guarantees)	6,827	4,910	1,805	1,290	1,322

Amounts include undiscounted expected cash flows in the contractual maturities of the financial liabilities.

**Note 41 Activity per country**
**AL Sydbank Group**

DKKm	AL Sydbank Group				
	Turnover	Number of employees	Profit before tax	Tax	Public subsidies received
<b>2025</b>					
Denmark, banking and leasing	7,153	4,104	2,258	511	0
Germany, banking	358	76	216	70	0
<b>Total</b>	<b>7,511</b>	<b>4,180</b>	<b>2,474</b>	<b>581</b>	<b>0</b>
<b>2024</b>					
Denmark, banking and leasing	7,162	2,023	3,421	808	0
Germany, banking	386	71	224	75	0
<b>Total</b>	<b>7,548</b>	<b>2,094</b>	<b>3,645</b>	<b>883</b>	<b>0</b>

Turnover is defined as net interest and fee income, market value adjustments and other operating income.

# Notes

## Note 42 Financial highlights

## AL Sydbank Group

	2025	2024	2023	2022	2021
<b>Income statement highlights (DKKm)</b>					
Net interest and fee income	6,767	6,803	6,672	4,981	4,252
Market value adjustments	709	714	737	386	474
Staff costs and administrative expenses	3,683	3,181	3,024	2,931	3,237
Impairment of loans and advances etc	311	595	(27)	(96)	(415)
Profit/(Loss) on holdings in associates etc	57	52	7	8	7
Profit for the year*	1,893	2,762	3,342	1,901	1,411
<b>Balance sheet highlights (DKKbn)</b>					
Loans and advances	161.9	106.4	91.3	84.4	84.0
Total equity	37.6	15.8	15.7	14.0	13.2
Total assets	342.0	193.7	185.1	179.3	168.2
<b>Financial ratios per share (DKK per share of DKK 10)</b>					
EPS	34.8	50.9	58.8	32.3	23.2
Book value	416.8	291.4	273.9	233.4	212.6
Dividend	25.00	26.88	30.56	16.77	12.00
Share price/EPS	16.4	7.5	5.0	9.1	8.9
Share price/book value	1.37	1.30	1.07	1.25	0.97
<b>Other financial ratios and key figures</b>					
Capital ratio	19.2	21.4	21.1	19.6	22.8
T1 capital ratio	17.1	19.0	20.1	18.6	19.3
Pre-tax profit as % of average equity	14.9	24.6	30.3	18.9	14.2
Post-tax profit as % of average equity	11.3	18.6	23.6	14.8	11.3
Income/cost ratio (DKK)	1.49	1.92	2.36	1.82	1.59
Interest rate risk	1.1	1.2	0.5	1.3	1.6
Foreign exchange position	0.6	1.2	0.7	1.8	1.1
Foreign exchange risk	0.0	0.0	0.0	0.0	0.0
Loans and advances relative to deposits	0.6	0.6	0.6	0.7	0.7
Loans and advances relative to equity	3.9	5.5	6.1	6.4	6.7
Growth in loans and advances for the year	70.0	10.7	0.8	10.3	11.3
Liquidity, LCR (%)	271	230	223	200	200
Total large exposures	72	110	137	147	140
Impairment ratio for the year	0.2	0.6	0.0	(0.1)	(0.4)
Return on assets (%)	0.71	1.46	1.83	1.09	0.84

\* Determined according to IFRS.

Financial highlights and financial ratios are specified in the Danish FSA's executive order on financial reporting of credit institutions etc.

**Note 42 Financial highlights – continued****AL Sydbank A/S**

	2025	2024	2023	2022	2021
<b>Income statement highlights (DKK m)</b>					
Net interest and fee income	6,499	6,623	6,429	4,897	4,149
Market value adjustments	909	798	778	427	593
Staff costs and administrative expenses	3,466	3,055	2,964	2,871	3,179
Impairment of loans and advances etc	294	595	(27)	(96)	(415)
Profit/(Loss) on holdings in associates etc	74	86	185	31	7
Profit for the year	2,042	2,838	3,375	1,937	1,494
<b>Balance sheet highlights (DKK bn)</b>					
Loans and advances	161.0	105.7	91.8	84.9	84.5
Total equity	37.6	15.7	15.7	13.9	13.2
Total assets	337.9	190.4	187.2	181.3	170.3
<b>Financial ratios per share (DKK per share of DKK 10)</b>					
EPS	28.9	52.8	60.0	33.0	24.7
Book value	416.8	291.4	273.9	233.4	212.6
Dividend	25.00	26.88	30.56	16.77	12.00
Share price/EPS	19.7	7.2	4.9	8.9	8.4
Share price/book value	1.37	1.30	1.07	1.25	1.00
<b>Other financial ratios and key figures</b>					
Capital ratio	19.0	21.2	20.4	19.0	22.0
T1 capital ratio	17.0	18.9	19.4	18.0	18.6
Pre-tax profit as % of average equity	10.3	24.6	30.4	18.8	15.0
Post-tax profit as % of average equity	7.8	18.7	23.7	14.8	12.1
Income/cost ratio (DKK)	1.55	1.98	2.39	1.84	1.63
Interest rate risk	1.1	1.2	0.5	1.3	1.6
Foreign exchange position	0.6	1.2	0.7	1.8	1.1
Foreign exchange risk	0.0	0.0	0.0	0.0	0.0
Loans and advances relative to deposits	0.6	0.8	0.7	0.7	0.7
Loans and advances relative to equity	4.5	7.1	6.1	6.4	6.8
Growth in loans and advances for the year	70.3	9.1	0.8	10.2	9.9
Liquidity, LCR (%)	271	230	223	200	200
Total large exposures	70	113	137	147	140
Impairment ratio for the year	0.2	0.5	0.0	(0.1)	(0.4)
Return on assets (%)	0.71	1.46	1.81	1.08	0.88

Financial highlights and financial ratios are specified in the Danish FSA's executive order on financial reporting of credit institutions etc.

**Note 43 Reporting events occurring after the balance sheet date**

No matters of significant impact on the financial position of the Group have occurred after the expiry of the financial year.

# Notes

## Note 44 Group holdings and enterprises

## AL Sydbank Group

31 December 2025	Activity	Share capital (DKKm)	Equity (DKKm)	Profit/(Loss) (DKKm)	Ownership-share (%)
AL Sydbank A/S		880			
<b>Consolidated subsidiaries</b>					
Coop Bank A/S, Albertslund	Banking	128	281	8	100
Coop Betalinger A/S, Albertslund	Payment services	2	2	0	100
Ejendomsselskabet af 1. juni 1986 A/S, Aabenraa	Real estate	11	31	1	100
Syd Administration A/S, Aabenraa	Invnt & admin.	50	51	1	100
Syd Fund Management A/S, Aabenraa	Administration	100	128	28	67
AL Sydbank Finans A/S, København *	Car finance, leasing & factoring	6	302	(15)	100
Ejendomsselskabet Sluseholmen A/S, København *	Owner-occupied property	25	611	2	100
Sluseholmen 7 A/S, København *	Investment property	0	464	3	100

\* AL Sydbank's share of the company's profit: 5 December to 31 December 2025

### Held for sale

Green Team Group A/S, Sønder Omme	Wholesale	101	(86)	(25)	100
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### Holdings in associates

Foreningen Bankdata, Fredericia	IT	472	467	2	30
Fynske Bank, Svendborg	Banking	76	1,430	124	20
Komplementarselskabet Core Property Management A/S, Kbh	Real estate	1	2	0	20
Core Property P/S, København	Real estate	5	50	28	20
PRAS A/S, København	Investment	444	3,395	312	32
BOKIS A/S, København	Investment	1	6	(3)	26
Thise Udviklingsselskab ApS, Roslev	Payment solutions	1	0	0	31
&Money ApS, København	IT	0	11	(4)	25

Financial information according to the companies' most recently published annual reports (2024).

## Note 45 Large shareholders

Fagligt Fælles Forbund owns, through direct holdings, over 10% of the total share capital and the voting rights of AL Sydbank A/S.

Dansk Metalarbejderforbund owns, through direct holdings, over 5% of the total share capital and the voting rights of AL Sydbank A/S.

## Note 46 Correlation between Group profit and equity according to IFRS and the Danish FSA accounting rules

The Group's financial statements are prepared according to IFRS. The Group's accounting policies correspond to the provisions of the Danish FSA's rules excepting that the Danish FSA's executive order does not allow the use of FVOCI as regards shareholdings. In the Group's reporting to the Danish FSA all shareholdings are measured at FVPL.

DKKm	Profit for the year		Equity	
	2025	2024	2025	2024
Group profit and equity according to IFRS	1,893	2,762	37,647	15,784
Value adjustment of certain strategic shares	216	109	-	-
Tax on value adjustment of certain strategic shares	(57)	(24)	-	-
<b>Group profit and equity according to the Danish FSA accounting rules</b>	<b>2,052</b>	<b>2,847</b>	<b>37,647</b>	<b>15,784</b>

## Note 47 Merger

On 27 October 2025 Sydbank (continuing entity), Arbejdernes Landsbank and Vestjysk Bank entered an agreement to complete a merger under the name AL Sydbank. The merger was finalised on 5 December 2025 as a tax-free merger.

The activities acquired are included in the segment reporting of the AL Sydbank Group under Banking. The acquisition cost totalled DKK 21,855m.

As consideration for the transfer of assets and equity and liabilities to Sydbank, new shares have been issued as follows:

- The shareholders of Arbejdernes Landsbank A/S have received 33,457,482 shares in AL Sydbank at a ratio of 62.47:1 share. As a result the former shareholders of Arbejdernes Landsbank represent 39.00% of the total share capital on completion of the merger.
- The minority shareholders of Vestjysk Bank A/S have received 3,300,227 shares in AL Sydbank at a ratio of 100.52:1 share as well as a cash consideration of DKK 1.78 per share, corresponding to DKK 590m. After the merger this group of shareholders represents 3.85% of AL Sydbank's total share capital.

The share capital represents DKK 879,621,690 at year-end 2025 – an increase of DKK 333,737,490 compared to year-end 2024. The transaction involves around 500,000 customers, bank loans and advances of DKK 56bn and distributed mortgage loans from Totalkredit of DKK 110bn. Merger-related costs consist primarily of an exit fee to BEC Financial Technologies and costs to advisers.

There is a positive cash flow effect of the merger of DKK 12,485m, mainly concerning cash acquired, deposits held with Danmarks Nationalbank as well as net balances on demand at banks etc less cash payment to the minority shareholders of Vestjysk Bank.

After recognition of identifiable assets, liabilities and contingent liabilities at fair value, goodwill in connection with the acquisition constitutes DKK 7,689m. Goodwill can be related among other elements to significant cost and capital synergies. The assets acquired and liabilities assumed can be broken down as follows at the acquisition date:

### Statement of fair value

### AL Sydbank Group

	2025
<b>Assets</b>	
Cash and balances on demand at central banks	14,006
Amounts owed by credit institutions and central banks	310
Loans and advances at amortised cost	54,854
Bonds at fair value	40,656
Shares etc	2,738
Holdings in associates	147
Assets related to pooled plans	19,560
Intangible assets, customer relationships	1,056
Land and buildings	2,113
Other property, plant and equipment	209
Current tax assets	241
Deferred tax assets	60
Assets in temporary possession	10
Other assets	2,617
Prepayments	105
<b>Total assets</b>	<b>138,682</b>
<b>Liabilities</b>	
Amounts owed to credit institutions and central banks	722
Deposits and other debt	88,016
Deposits in pooled plans	19,560
Bonds issued at amortised cost	10,276
Current tax liabilities	1
Other liabilities	3,117
Deferred income	74
Provisions	466
AT1 capital - equity	987
Subordinated capital	1,297
<b>Total liabilities</b>	<b>124,516</b>
Net assets acquired	14,166
Purchase price	21,855
<b>Goodwill</b>	<b>7,689</b>
<b>Contingent liabilities</b>	
Guarantees	9,847

# Notes

## Note 47 Merger – continued

### Calculation of fair values

In connection with the merger of Sydbank, Arbejdernes Landsbank and Vestjysk Bank, AL Sydbank has determined identifiable assets and liabilities which are recognised in the pre-acquisition balance sheet at fair value.

The fair value of loans and advances is based on an assessment of the market value of the portfolio acquired. Before the fair value adjustment, the net value of loans and advances represented DKK 55,632m at the acquisition date. Contractual cash flows not expected to be received of DKK 1,664m have been deducted from this amount. The fair value adjustment of loans and advances totalled DKK 778m. Total loans and advances after fair value adjustment represent DKK 54,854m.

The calculation of intangible assets in connection with the business combination is still provisional and changes can be made within 12 months of the date of acquisition.

The fair value of customer relationships has been determined using the Multi-Period Excess Earnings Method (MEEM).

Customer relationships are determined at the present value of the net cash flows generated through sale to customers after deducting a reasonable return on all other assets which contribute to generating the cash flows in question.

Liabilities are valued at the present value of the amounts to be applied to settle the liabilities. The Group's lending rate before tax is used in connection with discounting. Discounting is avoided as regards short-term liabilities when the effect is insignificant.

### Credit quality of portfolios acquired

Loans and advances at amortised cost from the portfolios acquired can be broken down into the following credit quality categories at 31 December 2025:

Loans and advances at amortised cost (DKKbn)	Corporate	Retail	2025 Total
3/2A Normal credit quality	13.4	23.5	36.9
2B Some signs of weakness	8.5	7.4	15.9
2C Significant signs of weakness	1.3	0.2	1.5
1 Customers with evidence of credit impairment	1.2	0.8	2.0
<b>Total</b>	<b>24.4</b>	<b>31.9</b>	<b>56.3</b>

At parent company level there are loans and advances for DKK 8.5bn to AL Sydbank Finans. The underlying exposures to AL Sydbank Finans' customers are included in the table above. The credit quality category assigned to the loans and advances from AL Sydbank to AL Sydbank Finans is category 2A – Normal credit quality.

### Impact of the merger on the AL Sydbank Group's income statement

The activities acquired form part of the AL Sydbank Group's net interest and fee income from 5 December 2025 and represent DKK 412m and improve profit for the year by DKK 105m for the period from the acquisition on 5 December 2025 to 31 December 2025 excluding exit costs.

Net interest and fee income and profit for the year for 2025 made up pro forma as if the merger had been completed on 1 January 2025 can be calculated as follows. The pro forma figures are determined on the basis of the actual acquisition cost and the allocation of the acquisition cost as at the acquisition date. However depreciation/amortisation, loan costs etc are included in the pro forma figures as of 1 January 2025.

Group (DKKm)	AL Sydbank 2025	Arbejdernes Landsbank Group 11 mths 2025	Pro forma 2025
Core income	7,174	4,440	11,614
Trading income	256	91	347
<b>Total income</b>	<b>7,430</b>	<b>4,531</b>	<b>11,961</b>
Cost, core earnings	3,715	3,109	6,824
<b>Core earnings before impairment</b>	<b>3,715</b>	<b>1,422</b>	<b>5,137</b>
Impairment of loans and advances etc	297	44	341
<b>Core earnings</b>	<b>3,418</b>	<b>1,378</b>	<b>4,796</b>
Investment portfolio earnings	158	202	360
<b>Profit before non-recurring items</b>	<b>3,576</b>	<b>1,580</b>	<b>5,156</b>
Non-recurring items, net	(1,102)	(17)	(1,119)
<b>Profit before tax</b>	<b>2,474</b>	<b>1,563</b>	<b>4,037</b>
Tax	581	347	928
<b>Profit for the year</b>	<b>1,893</b>	<b>1,216</b>	<b>3,109</b>

# Definitions – Group Financial Ratios and Performance Measures

Financial ratio/performance measure	Definition
EPS Basic (DKK) <sup>1</sup>	Profit for the year divided by average number of shares outstanding.
EPS Diluted (DKK) <sup>1</sup>	Profit for the year divided by average number of shares outstanding, including dilutive effect of share options and restricted shares.
Book value per share (DKK)	Equity at year-end divided by number of shares outstanding at year-end.
Share price at year-end	Closing price of the AL Sydbank share at year-end.
CET1 ratio	CET1 capital divided by risk exposure amount.
T1 capital ratio	T1 capital including AT1 capital divided by risk exposure amount.
Capital ratio	Total capital divided by risk exposure amount.
Tangible equity	The equity of AL Sydbank's shareholders less intangible assets (after tax).
Pre-tax profit as % of average tangible equity <sup>1,2</sup>	Pre-tax profit divided by quarterly average tangible equity calculated as an average of tangible equity of the year's 4 quarters at year-end.
Post-tax profit as % of average tangible equity <sup>1,2</sup>	Post-tax profit divided by quarterly average tangible equity calculated as an average of tangible equity of the year's 4 quarters at year-end.
Pre-tax profit as % of average equity <sup>1,2</sup>	Pre-tax profit divided by quarterly average equity calculated as an average of equity of the year's 4 quarters at year-end.
Post-tax profit as % of average equity <sup>1,2</sup>	Post-tax profit divided by quarterly average equity calculated as an average of equity of the year's 4 quarters at year-end.
Return on assets (%)	Profit for the year divided by total average assets.
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 equity.
Growth in loans and advances for the year	Calculated on the basis of loans and advances at amortised cost.
Accumulated impairment ratio	Impairment charges and provisions at year-end (allowance account) divided by loans and advances at amortised cost and guarantees before impairment charges and provisions.
Impairment ratio for the year	Impairment charges for loans and advances etc divided by loans and advances at amortised cost and guarantees before impairment charges and provisions.
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.

<sup>1</sup> Financial ratios are calculated as if AT1 capital is accounted for as a liability. Reference is made to "Accounting policies" (note 1) for a definition of core income and investment portfolio earnings.

<sup>2</sup> Since additions, merger are included in equity for one month of the financial year, equity at 31 December 2025 is recognised at 1/12 weight in the calculation of average equity.

# Notes – Derivatives

## Distribution by maturity

DKKm	3 months or less	Over 3 months not exceeding 1 year	Over 1 year not exceeding 5 years	Over 5 years	Total 2025	Total 2024
<b>Nominal values</b>						
Foreign exchange contracts:						
Spot, bought	715	-	-	-	715	408
Spot, sold	1,268	-	-	-	1,268	1,142
Forwards/futures, bought	15,045	3,751	229	0	19,025	20,653
Forwards/futures, sold	10,768	5,052	483	0	16,303	12,790
Swaps, bought	687	0	4,207	10	4,904	12
Swaps, sold	0	0	1,633	125	1,758	1,226
Options, acquired	680	259	6	0	945	1,367
Options, written	509	235	3	0	747	1,272
Interest rate contracts:						
Spot, bought	(2,181)	-	-	-	(2,181)	2,399
Spot, sold	746	-	-	-	746	1,341
Forwards/futures, bought	15,183	0	0	0	15,183	4,603
Forwards/futures, sold	10,426	0	0	0	10,426	8,271
Forward rate agreements, bought	0	0	0	0	0	0
Forward rate agreements, sold	0	0	0	0	0	0
Swaps, bought	40,642	52,380	107,930	11,133	212,085	164,773
Swaps, sold	53,321	56,228	117,304	11,821	238,674	177,380
Options, acquired	0	435	594	687	1,716	4,786
Options, written	0	436	850	770	2,056	(1,199)
Equity contracts:						
Spot, bought	483	-	-	-	483	342
Spot, sold	499	-	-	-	499	349
Forwards/futures, bought	0	0	0	0	0	0
Forwards/futures, sold	0	0	0	0	0	0
Options, acquired	0	0	0	0	0	0
Options, written	0	0	0	0	0	0

## Distribution by maturity

DKKm	3 months or less	Over 3 months not exceeding 1 year	Over 1 year not exceeding 5 years	Over 5 years	Total 2025	Total 2024
<b>Net market values</b>						
Foreign exchange contracts:						
Spot, bought	(1)	-	-	-	(1)	2
Spot, sold	0	-	-	-	0	0
Forwards/futures, bought	(67)	(11)	(6)	0	(84)	101
Forwards/futures, sold	85	38	(1)	0	122	(103)
Swaps, bought	38	1	18	8	65	8
Swaps, sold	0	0	14	9	23	(3)
Options, acquired	19	5	0	0	24	7
Options, written	(1)	(3)	0	0	(4)	(11)
Interest rate contracts:						
Spot, bought	(2)	-	-	-	(2)	(1)
Spot, sold	0	-	-	-	0	2
Forwards/futures, bought	1	0	0	0	1	5
Forwards/futures, sold	15	0	0	0	15	1
Forward rate agreements, bought	0	0	0	0	0	0
Forward rate agreements, sold	0	0	0	0	0	0
Swaps, bought	51	55	516	(187)	435	136
Swaps, sold	(116)	22	(199)	178	(115)	(82)
Options, acquired	0	0	1	11	12	7
Options, written	0	0	(3)	(17)	(20)	(16)
Equity contracts:						
Spot, bought	(2)	-	-	-	(2)	0
Spot, sold	2	-	-	-	2	0
Forwards/futures, bought	1	0	0	0	1	0
Forwards/futures, sold	0	0	0	0	0	0
Options, acquired	13	0	0	0	13	0
Options, written	(13)	0	0	0	(13)	0
<b>Total net market values</b>	<b>23</b>	<b>107</b>	<b>340</b>	<b>2</b>	<b>472</b>	<b>53</b>

# Notes – Derivatives

## Distribution by maturity

DKKm	Total contracts 2025*			Total contracts 2024*		
	Positive	Negative	Net	Positive	Negative	Net
<b>Market values</b>						
Foreign exchange contracts:						
Spot, bought	0	(1)	(1)	3	(1)	2
Spot, sold	0	0	0	1	(1)	0
Forwards/futures, bought	48	(132)	(84)	153	(52)	101
Forwards/futures, sold	180	(59)	121	51	(154)	(103)
Swaps, bought	64	0	64	8	0	8
Swaps, sold	37	(14)	23	12	(15)	(3)
Options, acquired	24	0	24	7	0	7
Options, written	0	(4)	(4)	0	(11)	(11)
Interest rate contracts:						
Spot, bought	2	(3)	(1)	0	(1)	(1)
Spot, sold	2	(1)	1	2	0	2
Forwards/futures, bought	13	(12)	1	7	(2)	5
Forwards/futures, sold	20	(4)	16	4	(3)	1
Forward rate agreements, bought	0	0	0	0	0	0
Forward rate agreements, sold	0	0	0	0	0	0
Swaps, bought	1,559	(1,124)	435	1,771	(1,633)	138
Swaps, sold	1,176	(1,293)	(117)	1,653	(1,735)	(82)
Options, acquired	12	0	12	7	0	7
Options, written	0	(20)	(20)	0	(16)	(16)
Equity contracts:						
Spot, bought	3	(4)	(1)	1	(4)	(3)
Spot, sold	4	(2)	2	4	(1)	3
Forwards/futures, bought	1	0	1	0	(7)	(7)
Forwards/futures, sold	0	0	0	5	0	5
Options, acquired	13	0	13	0	-	0
Options, written	-	(13)	(13)	-	0	0
<b>Total market values</b>	<b>3,158</b>	<b>(2,686)</b>	<b>472</b>	<b>3,689</b>	<b>(3,636)</b>	<b>53</b>

\* All contracts are non-guaranteed.

## Distribution by maturity

DKKm	Total contracts 2025*			Total contracts 2024*		
	Positive	Negative	Net	Positive	Negative	Net
<b>Average market values</b>						
Foreign exchange contracts:						
Spot, bought	1	(2)	(1)	1	(1)	0
Spot, sold	12	(5)	7	1	(1)	0
Forwards/futures, bought	133	(104)	29	111	(114)	(3)
Forwards/futures, sold	143	(130)	13	108	(88)	20
Swaps, bought	31	(16)	15	8	0	8
Swaps, sold	0	0	0	12	(14)	(2)
Options, acquired	44	0	44	12	0	12
Options, written	0	(13)	(13)	0	(10)	(10)
Interest rate contracts:						
Spot, bought	2	(1)	1	6	(2)	4
Spot, sold	2	(2)	0	2	(5)	(3)
Forwards/futures, bought	13	(3)	10	20	(14)	6
Forwards/futures, sold	5	(6)	(1)	16	(15)	1
Forward rate agreements, bought	0	0	0	-	-	0
Forward rate agreements, sold	0	0	0	-	-	0
Swaps, bought	2,732	(2,592)	140	1,140	(2,758)	(1,618)
Swaps, sold	0	0	0	2,801	(1,068)	1,733
Options, acquired	5	(1)	4	9	0	9
Options, written	0	(13)	(13)	0	(24)	(24)
Equity contracts:						
Spot, bought	24	(9)	15	16	(7)	9
Spot, sold	9	(23)	(14)	7	(16)	(9)
Forwards/futures, bought	2	(3)	(1)	8	(2)	6
Forwards/futures, sold	2	(3)	(1)	2	(4)	(2)
Options, acquired	20	0	20	1	-	1
Options, written	-	(20)	(20)	-	(1)	(1)
<b>Total market values</b>	<b>3,180</b>	<b>(2,946)</b>	<b>234</b>	<b>4,281</b>	<b>(4,144)</b>	<b>137</b>

\* Average market value calculations are based on monthly statements.

DKKm	Market values		Collateral		Exposure by counterparty	
	Positive	Negative	Provided	Received	Amount due	Amount owed
<b>2025</b>						
Exposure						
Counterparties with CSA agreements	2,893	2,505	622	604	455	49
Counterparties without CSA agreements	266	182	-	-	212	128
<b>Total</b>	<b>3,159</b>	<b>2,687</b>	<b>622</b>	<b>604</b>	<b>667</b>	<b>177</b>
<b>2024</b>						
Exposure						
Counterparties with CSA agreements	3,471	3,430	504	350	233	38
Counterparties without CSA agreements	218	206	-	-	169	157
<b>Total</b>	<b>3,689</b>	<b>3,636</b>	<b>504</b>	<b>350</b>	<b>402</b>	<b>195</b>

# Notes – Risk Management

On the basis of the strategic objectives for the Group, the Board of Directors has issued guidelines for the Group Executive Management and adopted policies as regards credit risk, leverage risk, liquidity risk, market risk, operational risk, insurance and IT security.

The Board of Directors has set up a Risk Committee to address risk management in greater detail. The committee convenes as a minimum every quarter where ongoing reporting to the Board of Directors is reviewed and current issues are discussed. At subsequent board meetings the contents and conclusions of the Risk Committee meetings are presented to the full Board of Directors.

Credits is responsible for the day-to-day handling of credit risk, AL Sydbank Markets is responsible for the day-to-day handling of market risk and Finance is responsible for the day-to-day handling of liquidity risk. The individual business units are each responsible for the day-to-day handling of operational risk. Finance is responsible for handling the Group's insurance, and IT is responsible for the Group's IT security.

Overall risk management, including ongoing reporting to the Group Executive Management and the Board of Directors, is performed by Risk. The group executive vice president is also the head of Risk of the AL Sydbank Group.

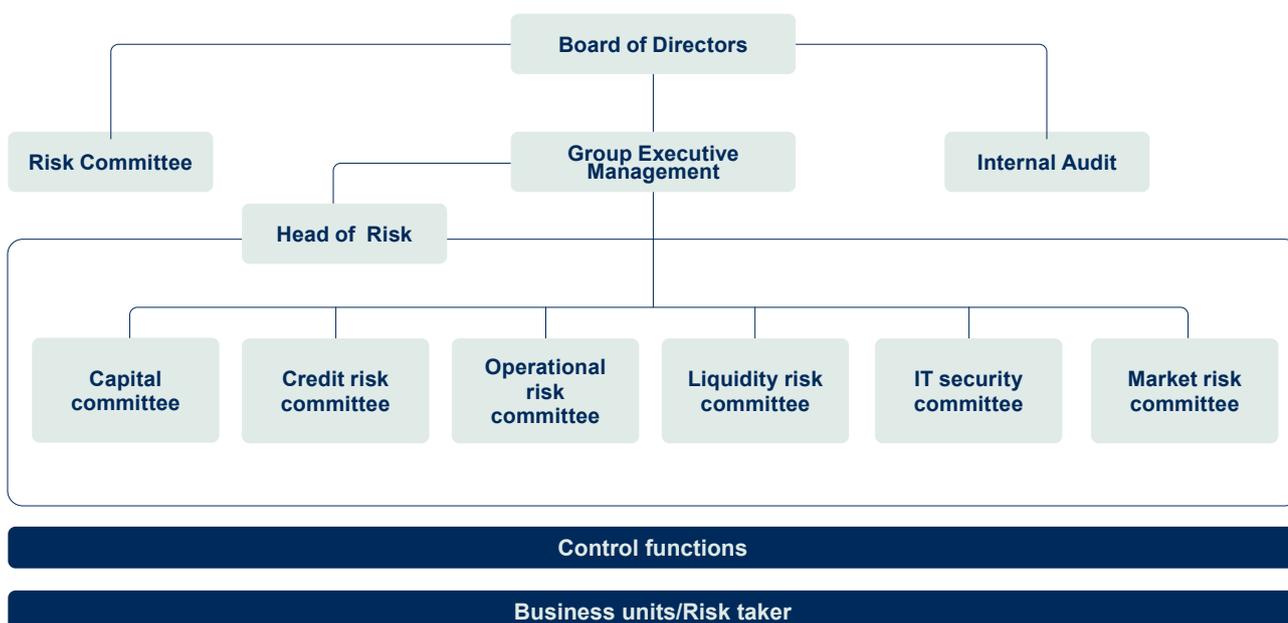
Risk management is supported by the Group's risk organisation, see the chart below.

The relevant business units are represented in the committees, each headed by a Group Executive Management member. The head of Risk is a member of all committees.

It is the responsibility of the committees, within their respective risk areas, to identify, assess and follow up on the Group's risks including principles to determine risk, models applied, and to assess whether exposures and risks comply with the Group's intended profile and policy.

The committees convene as a minimum every quarter and prepare once a year a risk analysis which is included as an important element in the annual risk assessment of the Group.

The risk assessment at 31 December 2025 together with the Group's 2025 financial statements, Credit Risk 2025, the Group's Internal Liquidity Adequacy Assessment Process (ILAAP) at 31 December 2025 and the Group's Internal Capital Adequacy Assessment Process (ICAAP) at 31 December 2025 constitute the main elements of Risk Committee and Audit Committee meetings as well as board meetings at the beginning of 2026. On the basis of the discussions at these meetings the Board of Directors will subsequently update the Group's policies and guidelines.



## Credit risk

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### Credit and customer policy

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

The Board of Directors lays down the general framework for lending and the largest exposures are submitted on a regular basis to the Board of Directors for approval or information.

Employees with a lending authority may grant approvals. Such authority is adjusted to the employee's position. The lending authority is risk-based, ie a higher risk means reduced lending authority.

### Corporate clients

As a rule corporate clients are served by the regional head office or by special corporate departments. The Group's largest and most complex exposures are handled by Corporate Banking. The objective is that all small corporate exposures with satisfactory credit quality are approved by the customer's branch. Medium-size and major exposures are approved centrally by Credits, the Group Executive Management or the Board of Directors.

The Group's credit-related decisions are based on a systematic and structured review of the customer's circumstances and industry affiliation. The review is based on all accessible information, including industry analyses and financial analyses, and also comprises an assessment of the customer's forward-looking business plan and its risk and feasibility.

### Retail clients

Lending to retail clients is based on the customer's disposable amount, wealth and leverage (defined as total household debt divided by household personal income) as well as knowledge of the customer.

The objective is that the majority of retail client exposures are approved by the customer's branch and that the remaining client exposures are approved by specially appointed heads of credit. Consequently exposures where the customer has negative assets of more than DKK 100,000 are approved by heads of credit. Major exposures and exposures with an increased risk are reviewed centrally by Credits.

### Credit activities

Credit activities are conducted partly in the retail and corporate departments and partly centrally in Credits. As described below, the Group has developed rating models to assess risks to retail clients and corporate clients.

The Group's credit activities are an active element in the Group's efforts to increase its income by:

- Maintaining and increasing the portfolio of profitable and promising retail, corporate and investment clients.
- Maintaining and increasing customers' business volume with the Group through a balanced composition of:
  - loans and advances and guarantees
  - deposits
  - payment services transactions
  - trading in securities etc
  - financial instruments
- Reducing risk of loss by implementing action plans for weak exposures. These action plans involve reducing the Group's exposure as well as hedging risks by securing additional collateral.

Risks in connection with lending must be precalculated on an informed and well-founded basis.

The Group's credit exposure is in particular to customers in Denmark and Northern Germany.

Particular focus is given to weak exposures. The objective is to ensure that the Group's action plans for these exposures are monitored, evaluated and adjusted on an ongoing basis to reduce the risk of loss.

Moreover Credits has a department which is assigned to exposures with a significant risk of loss. These exposures are closely monitored and Credits is actively involved in preparing solutions to mitigate the Group's credit risk.

On the basis of a risk-based approach Credit Control ensures that procedures and lending authorities are complied with as well as checks the Bank's systems and business procedures in the credit area. Moreover Credit Control, which is a separate department, follows up that any errors detected are corrected and reports to the Bank's management about its activities.

# Notes – Risk Management

## Credit risk – continued

### Risk Follow-up

Risk Follow-up is part of the division Risk.

Risk Follow-up monitors the most significant risks in the credit area. Using a variety of defined key areas, monitoring is based on an assessment as to whether the Group's internal control system as regards the credit area is adequate and whether the Group has business procedures describing the internal control system.

In addition monitoring of risks is based on Risk Follow-up's supplementary analyses, research and controls of the credit quality of exposures, registrations, impairment calculations as well as the compliance with policies and business procedures in general.

This process involves research and analyses using information from the Group's database of all exposures.

Finally Risk Follow-up is tasked with assessing the data quality of the data used in the Group's IRB models.

### Collateral

The Group aims to mitigate the risk on individual exposures by way of charges on assets, netting agreements and guarantees.

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

The Group receives different kinds of guarantees for exposures. Many of these are provided by companies or individuals who have a group relationship with the debtor.

The Group assesses on an ongoing basis the value of collateral provided. The value is determined as the expected net proceeds on realisation.

The 2 tables below illustrate the breakdown of collateral by type and rating category respectively.

### Collateral received and types of collateral

DKKm	2025	2024
Loans and advances at fair value	21,648	23,842
Loans and advances at amortised cost	140,268	82,534
Guarantees	26,139	16,154
<b>Credit exposure for accounting purposes</b>	<b>188,055</b>	<b>122,530</b>
Collateral value	118,725	71,342
<b>Total unsecured</b>	<b>69,330</b>	<b>51,188</b>

### Types of collateral

Real estate	44,687	12,773
Financial collateral	29,907	31,121
Lease assets, mortgages etc	7,587	7,109
Floating charges, operating equipment etc	24,004	11,595
Guarantees	1,649	1,424
Other items of collateral	5,175	649
Total collateral used	113,009	64,671
Particularly secured transactions (mortgage guarantees)	5,716	6,671
<b>Total</b>	<b>118,725</b>	<b>71,342</b>

In the event that the Group uses collateral that is not immediately convertible into cash, the Group's policy is to dispose of such assets as quickly as possible. In 2025 repossessed equipment in connection with non-performing exposures amounted to DKK 29.1m (2024: DKK 33.9m). Lease assets are assessed and depreciated on an ongoing basis. As a result the calculated collateral as regards the Group's leasing activities will decline during periods of lower lease asset prices. Collateral represented DKK 118,725m in 2025 – an increase of DKK 47,383m compared to 2024. Collateral included relating to the merger represents DKK 47,330m.

The decline in financial collateral is primarily attributable to the change in loans and advances at fair value, which have gone down by DKK 2,194m.

Loans and advances at fair value are repo loans and advances secured by financial collateral.

## Credit risk – continued

The table below shows the size of loans and advances, guarantees as well as collateral according to rating category. The value of collateral is assessed relative to loans and advances and guarantees. Excess collateral is not in-

cluded in the calculation of collateral. 63.1% (2024: 58.2%) of the Group's loans and advances and guarantees after impairment charges is secured.

### Collateral by rating category

DKKm					2025	2024
Rating category	Loans/advances	Guarantees	Collateral value	Unsecured	%	%
1	23,800	5,431	21,015	8,216	11.5	14.0
2	23,949	5,187	12,359	16,777	23.5	34.3
3	26,069	2,001	21,679	6,391	8.9	12.5
4	16,255	1,032	6,802	10,485	14.7	20.3
5	7,793	660	4,396	4,057	5.7	8.0
6	2,703	138	1,640	1,201	1.6	2.1
7	2,122	182	1,015	1,289	1.8	2.0
8	322	86	138	270	0.4	0.4
9	943	121	713	351	0.5	1.0
Default	1,608	141	771	978	1.4	1.9
STD/NR	58,474	11,160	48,197	21,437	30.0	3.5
<b>Total</b>	<b>164,038</b>	<b>26,139</b>	<b>118,725</b>	<b>71,452</b>	<b>100.0</b>	<b>100.0</b>
Impairment of loans and advances	2,122			2,122		
<b>Total</b>	<b>161,916</b>	<b>26,139</b>	<b>118,725</b>	<b>69,330</b>		

### Financial counterparties

Trading in securities, currencies 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.

Credits, the Group Executive Management and the Board of Directors grant delivery risk lines and credit risk lines to financial counterparties. Based on the risk profile of the individual counterparty, rating, earnings and capital position as well as size are assessed. Risks and lines to financial counterparties are monitored continuously.

The Group participates in an international foreign exchange settlement system, CLS<sup>®</sup>, which aims to reduce delivery risk. In CLS<sup>®</sup> 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 the system.

The Group aims to mitigate credit risk to financial counterparties in many ways, eg by concluding netting agreements (ISDA and GMRA agreements). Also the Group has entered into agreements (CSA agreements) with all significant counterparties to ensure credit risk mitigation of derivatives. Exposures are calculated on a daily basis after which the parties settle collateral. Consequently exposures are reset in all material respects on a daily basis. The agreements are managed by Transaction Banking.

# Notes – Risk Management

## 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 prices.

Assuming market risk is considered a natural and integral part of all-round banking. Assuming risk must be on a conscious and well-documented basis. To the extent possible, risk should be assumed in products which offer a possibility of eliminating or mitigating risk at short notice.

Interest rate and foreign exchange risks deriving from deposits by and loans and advances to the Group's customers are hedged on an ongoing basis and are consequently not used for position-taking.

For further information reference is made to note 36.

The Group operates with the following types of market risk:

- Interest rate risk
- Credit spread risk
- Equity risk
- Foreign exchange risk

### Other market risks

For security and control reasons, the Board of Directors emphasises that the Group's market risk is subject to central decision-making and management. Consequently the Group's most significant interest rate, foreign exchange and equity risks must be assumed by the parent.

The Board of Directors has determined the Group's risk tolerance as follows: medium as regards interest rate risk and low as regards the other types of market risk.

Market risk is managed according to policies and limits determined and adopted by the Bank's Board of Directors. The overall limits from the Board of Directors are passed on to AL Sydbank Markets and Treasury by the Group Executive Management. AL Sydbank Markets manages trading and market making as regards the Group's customers and financial counterparties. Treasury manages the Group's long-term interest rate positions and hedging, including the Group's primary liquidity positions as well as liquidity generation. The Group's returns in AL Sydbank Markets and Treasury appear from "Segment reporting" (note 5). Treasury has primarily interest rate risks and credit spread risks.

Middle Office in Transaction Banking as well as Risk continuously monitor the individual risk areas and provide management with extensive reporting on a regular basis.

## Interest rate risk

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

The Group uses a cash flow model to determine the interest rate risk of fixed-rate positions. A duration model is used to calculate the interest rate risk of Danish callable mortgage bonds. Interest rate risk and credit spread risk make up the bulk of the Group's overall market risk.

In accordance with the Danish FSA's method of calculation, interest rate risk is calculated as the change in market values at a parallel shift in the interest rate level of plus 1pp in all currencies and at 31 December 2025 it represented DKK 250m or 1.2% of the Group's CET1 capital.

### Interest rate risk by maturity and currency

DKKm	0-1 yr	1-2 yrs	2-3 yrs	> 3 yrs	Total 2025	Total 2024
DKK	128	16	(2)	146	288	186
EUR	(13)	(2)	(3)	(23)	(41)	(38)
EUR/DKK	115	14	(5)	123	247	148
Other	(1)	1	0	3	3	2
<b>Total 2025</b>	<b>114</b>	<b>15</b>	<b>(5)</b>	<b>126</b>	<b>250</b>	
<b>Total 2024</b>	<b>41</b>	<b>11</b>	<b>21</b>	<b>77</b>		<b>150</b>

The Group's interest rate risk is predominantly attributable to positions in EUR and DKK. The Group has no significant interest rate risk apart from EUR/DKK.

The Group's interest rate risk is – in line with 2024 – positive, ie the Group's profit will be adversely affected by an interest rate increase.

The Danish FSA's method of calculation allows full set-off between different currencies, maturities and yield curves. The Group is aware of the risk of these assumptions and monitors these risks separately on an ongoing basis.

### Interest rate risk – AL Sydbank Markets and Treasury

DKKm	2025			2024		
	AL Sydbank Markets	Treasury	Total	AL Sydbank Markets	Treasury	Total
DKK	82	206	288	64	122	186
EUR	(22)	(19)	(41)	(2)	(36)	(38)
EUR/DKK	60	187	247	62	86	148
Other	0	3	3	2	0	2
<b>Total</b>	<b>60</b>	<b>190</b>	<b>250</b>	<b>64</b>	<b>86</b>	<b>150</b>

## Market risk – continued

### Credit spread risk

Credit spread risk is the risk that the credit spreads of the bonds in the bond portfolio change to the detriment of the Group.

The Group determines its credit spread risk on the basis of the following credit spread changes:

- Government bonds 25bp
- Mortgage bonds 50bp
- Other high-yield bonds 100bp

The Group's credit spread risk made up DKK 781m at 31 December 2025 and is included when determining the solvency need.

#### Credit spread risk by bond type

DKKm	2025	2024
Governments	21	5
Mortgage credit	729	263
Other	31	13
<b>Total</b>	<b>781</b>	<b>281</b>

### Equity risk

The Group's portfolio of shares and holdings in associates represented DKK 6,650m at 31 December 2025 (2024: DKK 3,437m), including equity investments totalling DKK 5,929m (2024: DKK 3,345m).

In the event of a 10% change in share prices, profit before tax will be affected by DKK 605m (2024: DKK 344m) as well as other comprehensive income by DKK 60m (2024: DKK 40m). Equity investments represent DKK 532m (2024: DKK 294m) and DKK 60m (2024: DKK 40m) respectively.

### Foreign exchange risk

As in previous years the Group's foreign exchange risk was insignificant in 2025 and consequently a 10% change in exchange rates against DKK at 31 December 2025 will not affect profit before tax significantly.

### Other market risks

The Group had no other significant market risks at 31 December 2025.

# Notes – Risk Management

## Liquidity risk

Liquidity risk is the risk that the Group cannot meet its payment obligations as they mature or is only able to do so via disproportionately large funding costs.

The Bank's Board of Directors has adopted a liquidity risk policy which sets out the framework for the Group's liquidity management, including operational targets for the Group's risk tolerance as well as requirements for the funding structure, liquidity buffer calculations and stress tests. Moreover the liquidity risk policy sets out requirements for employee competences, contingency plans and reporting as well as determines the framework for asset encumbrance and allocation of the Group's liquidity costs.

### Targets and policies

- Consistently strong and stable deposit base which ensures stability in the long-term funding of the Group's lending activities.
- Prudent funding of long-term loans and advances.
- Maintenance of high ratings.
- Access to international money markets as well as access to international capital markets through the application of loan programmes. Coupled with a high rating this ensures that the Group has uninterrupted access to a diversified and competitive funding base.
- Maintenance of a liquidity buffer which together with prudent management of the run-off profile of funding ensures that the Group's operating activities do not depend on capital market funding. In other words the liquidity buffer may counterbalance the effects of an adverse liquidity situation in the short and medium term.

The Bank's Board of Directors determines the Group's risk tolerance as regards liquidity risk. Operational targets for the Group's risk tolerance comprise:

- A minimum share of stable funding by way of deposits from non-financial counterparties and equity
- A funding ratio (stable funding, incl SNP loans with maturities over 1 year relative to loans and advances)
- Liquidity Coverage Ratio (LCR)
- A 3-month stress scenario (LCR3) calculated according to the excess liquidity coverage benchmark of the Supervisory Diamond
- A liquidity reserve in the combined scenario must represent at least 115% relative to run-off
- Liquidity Coverage Ratio euro (LCR EUR)
- Net Stable Funding Ratio (NSFR)
- Requirements regarding funding of long-term loans and advances

LCR, LCR3 and the Group's combined scenario are based on a regulatory cautiously determined liquidity buffer. The buffer must be sufficient to survive a 30-day stress scenario (LCR) according to regulatory guidance, a stress scenario (LCR3) calculated according to the excess liquidity coverage benchmark, and an internal scenario (combined scenario) without market funding possibilities and with significant run-off of the funding of deposits.

The LCR's 30-day horizon specifies a run-off of the Group's exposures while taking into account counterparties, funding size, hedging and maturity. Consequently the most stable deposits (small deposits covered by a guarantee scheme) are favoured relative to large deposits, in particular large deposits from businesses and financial counterparties.

### LCR

DKKbn	2025	2024
Total liquidity buffer	114.1	61.9
Net cash outflows	42.1	27.0
<b>LCR (%)</b>	<b>271</b>	<b>230</b>

The Group has met the regulatory LCR requirement of 100% throughout the year and its excess cover was significant at 31 December 2025.

### Funding ratio

DKKbn	2025	2024
Equity and subordinated capital	41.1	17.9
SNP loans with maturities over 1 year	19.2	11.2
Senior debt	2.3	-
Stable deposits	201.0	110.8
<b>Total stable funding</b>	<b>263.6</b>	<b>139.9</b>
<b>Loans and advances (excl reverse)</b>	<b>140.3</b>	<b>82.5</b>
<b>Funding ratio (%)</b>	<b>188</b>	<b>170</b>

As shown above the Group's stable funding exceeded the Group's loans and advances by DKK 123.3bn at 31 December 2025 (2024: DKK 57.4bn).

The maturity profiles of the Group's debt exposures appear from note 40.

The Board of Directors' requirements regarding the funding structure are based on the following:

- The Group's funding must be diversified so as to minimise to the greatest extent possible reliance on individual sources.

## Liquidity risk – continued

- Compliance with the LCR and the funding ratio target ensures a prudent funding profile and an adequate level of stable non-market-based funding and longer-term market-based funding.
- The LCR and the funding ratio ensure that the higher the level of stable deposits, the lower the necessary level of long-term senior funding. In contrast a falling level of stable deposits will increase the need for long-term senior funding.
- Short-term market funding and funding from financial counterparties must predominantly be used to fund short-term placements and investments in securities which can be realised or which are eligible as collateral with the Danish central bank or in the repo market.

The Group's risk policy states that:

- Asset encumbrance may only occur as part of ordinary banking operations and includes securities provided as collateral with the central bank and in the repo market, collateral for clearing transactions as well as collateral under CSA and GMRA agreements.
- Asset encumbrance may be by way of deposits with credit institutions or securities.
- Moreover asset encumbrance may be by way of funding of mortgage-like loans via external counterparties.

The asset encumbrance appears from note 37. With these issues the Group complies with the MREL requirement as determined by the Danish FSA.

### SNP loans

	DKKm	Optional redemption	Maturity	Inclusion ceases on
SEK 800m	552	9 Feb 2026	9 Feb 2027	9 Feb 2027
SEK 250m	172	9 Feb 2026	9 Feb 2027	9 Feb 2027
DKK 1,000m	999	16 Sep 2026	16 Sep 2027	16 Sep 2027
EUR 500m	3,732	30 Sep 2026	30 Sep 2027	30 Sep 2027
EUR 20m	149	26 Apr 2027	26 Apr 2028	26 Apr 2028
EUR 500m	3,731	6 Sep 2027	6 Sep 2028	6 Sep 2028
EUR 300m	2,326	14 Mar 2028	14 Mar 2029	14 Mar 2029
EUR 500m	3,727	11 Dec 2028	11 Dec 2029	11 Dec 2029
EUR 500m	3,792	5 Mar 2029	5 Mar 2030	5 Mar 2030
<b>Total</b>	<b>19,180</b>			

### Senior debt

	DKKm	Optional redemption	Maturity	Inclusion ceases on
DKK 700m	712	17 Sep 2027	17 Sep 2028	17 Sep 2028
SEK 800m	563	20 Sep 2027	20 Sep 2028	20 Sep 2028
DKK 1,000m	1,020	22 Sep 2027	22 Sep 2028	22 Sep 2028
<b>Total</b>	<b>2,295</b>			

# Notes – Risk Management

## Operational risk

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Operational risk is the risk of direct or indirect loss resulting from inadequate or failed internal processes, people and systems or from external events, including legal risk and risks arising from outsourcing.

The Group collects data on all operational events and classifies them in 3 main groups:

- Operational events without loss
- Operational events, internal
- Operational events, compensation

Management receives reporting on the basis of this data. Furthermore it forms the basis for analyses and research for the purpose of identifying systematics as well as improving on an ongoing basis internal controls, business procedures and routines to minimise the number of errors and the risk of loss.

Moreover the system for collecting data on operational events ensures compliance with the Group's business

procedures for approval, information, accounting and payment, if any.

The Group reviews all areas annually with the aim of identifying, describing and analysing 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.

A risk analysis of operational risks conducted in autumn 2025 showed that the Group has a number of scenarios in which the risk of loss exceeds DKK 5m. At the same time it must be expected that such scenarios – despite risk mitigation by way of for instance business procedures and control environment, requirements as regards access and authorisation as well as insurance cover – will occur within a foreseeable time horizon.

The Group's management has reviewed the extent of such loss scenarios and related risks.

## Cyber security and information security

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IT supports a large part of the processes used by the Bank's customers and advisers. This function is strengthened by the increased digitization at AL Sydbank which customers experience by way of increased self-service and improved online services.

Consequently cyber security and information security are significant aspects of the Bank's operational risk.

The Group regularly reviews this area – on a strategic level, on a tactical level and on an operational level. On the basis of new statutory requirements and regulations, IT system requirements as to confidentiality, integrity/authenticity and accessibility are updated and specified on a regular basis in relation to cyber security and information security.

As part of these efforts an analysis is prepared annually in which critical processes and supporting systems are assessed. The assessment is made in terms of probability and implications coupled with the maturity of administrative and technical measures.

The Board of Directors specifies and formulates requirements as regards IT risk management in the IT risk management policy, the IT security policy and the IT operational stability policy. Furthermore the Board of Direc-

tors defines the strategy regarding operational resilience. These policies and the strategy form the basis of the cyber security and information security efforts. They are reviewed and updated annually by the Board of Directors.

In the policies and the strategy the Board of Directors assesses the current risk scenario and against this background specifies the requirements for the digital operational resilience of IT and data use at AL Sydbank. As a result of these requirements, a large part of the Group's use of IT and data is redundant so as to minimise the risk of operational disruptions.

The IT risk management policy, the IT security policy as well as the IT operational stability policy apply to all aspects of the Group's use of IT and consequently also where IT or parts of it has been outsourced. As a result AL Sydbank's collaboration with Bankdata, which is responsible for a large part of AL Sydbank's IT operations, is also comprised by the cyber security and information security processes.

IT contingency exercises and security tests are performed on a regular basis in the sector, with suppliers as well as with internal parties, to ensure that AL Sydbank is as well prepared as possible for the events that may arise.

# Notes – Total Capital

## Total capital

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The Bank is a licensed financial services provider and must therefore comply with the capital requirements determined by the EU.

The capital adequacy rules require a minimum capital level of 8.0% of the risk exposure amount plus any additional individual capital needed. Detailed rules regulate the calculation of capital as well as the risk exposure amount.

Total capital is made up of T1 capital and T2 capital. T1 capital comprises equity and AT1 capital.

The difference between shareholders' equity and total capital is shown in note 3.

The Group's subordinated capital, AT1 capital and T2 capital may, subject to certain conditions, be included in total capital. The conditions are specified in CRR. The Group's subordinated capital is shown in note 33.

The Group has determined capital targets and considers a CET1 ratio of 14.5%, a T1 ratio of 16.0% as well as a capital ratio of 18.5% as being satisfactory for the years ahead.

The international rating agency Moody's regularly assesses the Group's ability to honour its payment obligations. The rating targets are an essential part of the capital targets because good ratings give access to the capital markets.

In 2025 the Group met regulatory capital requirements as well as internal capital targets.

# Reporting under Article 8 of the Taxonomy Regulation

AL Sydbank supports a common definition of environmental sustainability. The EU taxonomy for environmentally sustainable activities sets an ambitious framework for which economic activities qualify as environmentally sustainable. At AL Sydbank we strive to live up to this ambitious approach in our work with responsible finance and investment.

The EU taxonomy is continuously updated and expanded. AL Sydbank monitors its development and gradual implementation. The KPI for taxonomy reporting is the Green Asset Ratio (GAR). GAR shows the proportion of the Bank's total assets that are aligned with the taxonomy criteria and thus qualify as sustainable.

## Accounting policies

AL Sydbank's taxonomy reporting is in compliance with Article 8 of the Taxonomy Regulation (EU 2020/852) and the Delegated Regulation (EU 2021/2178). It is based on the mandatory reporting in accordance with Annexes V and VI to the Delegated Regulation.

AL Sydbank's taxonomy reporting is based on the Group's reporting pursuant to EU 2021/451 (FINREP), the Bank's home loans and car loans to retail clients, investment activities and publicly available taxonomy reporting from corporate clients and financial counterparties subject to taxonomy reporting.

GAR, the KPI for taxonomy reporting, will be low as a result of the currently prescribed calculation method. The technical screening criteria of the taxonomy and especially the principle of 'do no significant harm' are complex and remain a new field for AL Sydbank and our customers. AL Sydbank will continue to work to secure data and documentation for our lending activities and it is our ambition to improve our taxonomy reporting in the coming years. In addition the majority of AL Sydbank's corporate clients are SMEs which are not subject to taxonomy reporting. Consequently AL Sydbank's taxonomy reporting covers a small part of the Bank's total lending to corporate clients.

# Template 0 – Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation

At 31 December 2025		Total environmentally sustainable assets (DKK million)	KPI (Turnover) - %	KPI (CapEx) - %	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
<b>Main KPI</b>	<b>Green asset ratio (GAR) stock</b>	2,073	1.1	1.1	56.5	30.8	43.5
<b>Additional KPIs</b>	Green asset ratio (GAR) flow	1,019	2.0	2.0	14.7	0	0
	Trading book						
	Financial guarantees	286	8.1	8.0			
	Assets under management	1,935	1.8	2.3			
	Fees and commissions income						

# Template 1

## – Assets for the calculation of GAR

## – Turnover

(DKK million)	31.12.2025													
	Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
		Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
		Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which enabling				
<b>GAR - Covered assets in both numerator and denominator</b>														
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	88,341	26,136	2,071	0	5	128	1	2	0	0	0	0	0
2	<b>Financial undertakings</b>	<b>35,754</b>	<b>703</b>	<b>152</b>	<b>0</b>	<b>5</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
3	<u>Credit institutions</u>	3,822	553	67	0	5	1	1	2	0	0	0	0	0
4	Loans and advances	1,265	553	67	0	5	1	1	2	0	0	0	0	0
5	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0
6	Equity instruments	2,557	0	0	0	0	0	0	0	0	0	0	0	0
7	<u>Other financial corporations</u>	31,932	151	84	0	0	0	0	0	0	0	0	0	0
8	of which investment firms	27,063	0	0	0	0	0	0	0	0	0	0	0	0
9	Loans and advances	27,007	0	0	0	0	0	0	0	0	0	0	0	0
10	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Equity instruments	56	0	0	0	0	0	0	0	0	0	0	0	0
12	of which management companies	361	77	11	0	0	0	0	0	0	0	0	0	0
13	Loans and advances	227	0	0	0	0	0	0	0	0	0	0	0	0
14	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Equity instruments	133	77	11	0	0	0	0	0	0	0	0	0	0
16	of which insurance undertakings	4,508	74	74	0	0	0	0	0	0	0	0	0	0
17	Loans and advances	4,508	74	74	0	0	0	0	0	0	0	0	0	0
18	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0
20	<b>Non-financial undertakings</b>	<b>387</b>	<b>128</b>	<b>128</b>	<b>0</b>	<b>0</b>	<b>128</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
21	Loans and advances	387	128	128	0	0	128	0	0	0	0	0	0	0
22	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0
23	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0
24	<b>Households</b>	<b>52,186</b>	<b>25,305</b>	<b>1,791</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
25	of which loans collateralised by residential immovable property	20,280	20,280	1,791	0	0	0	0	0	0	0	0	0	0
26	of which building renovation loans	0	0	0	0	0	0	0	0	0	0	0	0	0
27	of which motor vehicle loans	9,001	5,025	0	0	0	0	0	0	0	0	0	0	0
28	<b>Local governments financing</b>	<b>14</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
29	Housing financing	0	0	0	0	0	0	0	0	0	0	0	0	0
30	Other local government financing	14	0	0	0	0	0	0	0	0	0	0	0	0
31	<b>Collateral obtained by taking possession: residential and commercial immovable properties</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
32	<b>Assets excluded from the numerator for GAR calculation (covered in the denominator)</b>	<b>105,946</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
33	<b>Financial and Non-financial undertakings</b>	<b>82,439</b>												
34	<u>SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations</u>	82,439												
35	Loans and advances	80,695												
36	of which loans collateralised by commercial immovable property	3487												
37	of which building renovation loans	0												
38	Debt securities	0												
39	Equity instruments	1,744												
40	<b>Non-EU country counterparties not subject to NFRD disclosure obligations</b>	<b>0</b>												
41	Loans and advances	0												
42	Debt securities	0												
43	Equity instruments	0												
44	<b>Derivatives</b>	<b>3,158</b>												
45	<b>On demand interbank loans</b>	<b>809</b>												
46	<b>Cash and cash-related assets</b>	<b>433</b>												
47	<b>Other categories of assets (e.g. Goodwill, commodities etc.)</b>	<b>19,107</b>												
48	<b>Total GAR assets</b>	<b>194,287</b>	<b>26,136</b>	<b>2,071</b>	<b>0</b>	<b>5</b>	<b>128</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
49	<b>Assets not covered for GAR calculation</b>	<b>149,788</b>												
50	Central governments and Supranational issuers	2,873												
51	Central banks exposure	30,060												
52	Trading book	116,856												
53	<b>Total assets</b>	<b>344,075</b>	<b>26,136</b>	<b>2,071</b>	<b>0</b>	<b>5</b>	<b>128</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
54	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations	3,551	2040	286	0	1	0	0	0	0	0	0	0	0
55	Financial guarantees	105,686	7,209	1,854	0	141	785	134	33	0	12	13	0	0
56	Assets under management	46,751	813	458	0	70	215	75	23	0	9	9	0	0
57	Of which debt securities	45,376	1,063	403	0	16	281	37	0	0	0	3	0	0
	Of which equity instruments													

(DKK million)	Circular economy (CE)			Pollution (PPC)			Biodiversity and Ecosystems (BIO)			TOTAL (CCM + CCA + WTR + CE + PPC + BIO)							
	Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)							
	Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)							
	Of which Use of Proceeds	Of which enabling		Of which Use of Proceeds	Of which enabling		Of which Use of Proceeds	Of which enabling		Of which Use of Proceeds	Of which transitional	Of which enabling					
<b>GAR - Covered assets in both numerator and denominator</b>																	
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	1	0	0	0	0	0	0	0	0	0	0	26,138	2,073	0	5	128
2	<b>Financial undertakings</b>	1	0	0	0	0	0	0	0	0	0	0	705	154	0	5	1
3	<u>Credit institutions</u>	1	0	0	0	0	0	0	0	0	0	0	554	70	0	5	1
4	Loans and advances	1	0	0	0	0	0	0	0	0	0	0	554	70	0	5	1
5	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7	<u>Other financial corporations</u>	0	0	0	0	0	0	0	0	0	0	0	151	84	0	0	0
8	of which investment firms	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12	of which management companies	0	0	0	0	0	0	0	0	0	0	0	77	11	0	0	0
13	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	77	11	0	0	0
16	of which insurance undertakings	0	0	0	0	0	0	0	0	0	0	0	74	74	0	0	0
17	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	74	74	0	0	0
18	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20	<b>Non-financial undertakings</b>	0	0	0	0	0	0	0	0	0	0	0	128	128	0	0	128
21	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	128	128	0	0	128
22	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24	<b>Households</b>	0	0	0	0	0	0	0	0	0	0	0	25,305	1,791	0	0	0
25	of which loans collateralised by residential immovable property	0	0	0	0	0	0	0	0	0	0	0	20,280	1,791	0	0	0
26	of which building renovation loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
27	of which motor vehicle loans	0	0	0	0	0	0	0	0	0	0	0	5,025	0	0	0	0
28	<b>Local governments financing</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29	Housing financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30	Other local government financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
31	<b>Collateral obtained by taking possession: residential and commercial immovable properties</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
32	<b>Assets excluded from the numerator for GAR calculation (covered in the denominator)</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
33	<b>Financial and Non-financial undertakings</b>																
34	<u>SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations</u>																
35	Loans and advances																
36	of which loans collateralised by commercial immovable property																
37	of which building renovation loans																
38	Debt securities																
39	Equity instruments																
40	<b>Non-EU country counterparties not subject to NFRD disclosure obligations</b>																
41	Loans and advances																
42	Debt securities																
43	Equity instruments																
44	<b>Derivatives</b>																
45	<b>On demand interbank loans</b>																
46	<b>Cash and cash-related assets</b>																
47	<b>Other categories of assets (e.g. Goodwill, commodities etc.)</b>																
48	<b>Total GAR assets</b>	1	0	0	0	0	0	0	0	0	0	0	26,138	2,073	0	5	128
49	<b>Assets not covered for GAR calculation</b>																
50	Central governments and Supranational issuers																
51	Central banks exposure																
52	Trading book																
53	<b>Total assets</b>	1	0	0	0	0	0	0	0	0	0	0	26,138	2,073	0	5	128
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																	
54	Financial guarantees	0	0	0	0	0	0	0	0	0	0	0	2,040	286	0	1	3
55	Assets under management	477	16	0	9	394	22	0	18	10	0	0	9,509	1,935	0	141	828
56	Of which debt securities	61	5	0	5	61	19	0	14	0	0	0	1,286	514	0	70	248
57	Of which equity instruments	197	10	0	5	74	0	0	0	7	0	0	2,387	415	0	16	286

# Template 1

## – Assets for the calculation of GAR

## – Turnover

(DKK million)	31.12.2024													
	Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			Water and marine resources (WTR)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
		Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)				
		Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which enabling				
<b>GAR - Covered assets in both numerator and denominator</b>														
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	52,498	7,225	655	0	3	68	63	19	0	0	0	0	0
2	<b>Financial undertakings</b>	<b>39,393</b>	<b>514</b>	<b>67</b>	<b>0</b>	<b>3</b>	<b>3</b>	<b>63</b>	<b>19</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
3	<u>Credit institutions</u>	3,191	408	35	0	3	0	0	0	0	0	0	0	0
4	Loans and advances	954	408	35	0	3	0	0	0	0	0	0	0	0
5	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0
6	Equity instruments	2,237	0	0	0	0	0	0	0	0	0	0	0	0
7	<u>Other financial corporations</u>	36,202	106	32	0	0	3	63	19	0	0	0	0	0
8	of which investment firms	30,536	0	0	0	0	0	0	0	0	0	0	0	0
9	Loans and advances	29,875	0	0	0	0	0	0	0	0	0	0	0	0
10	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Equity instruments	661	0	0	0	0	0	0	0	0	0	0	0	0
12	of which management companies	184	0	0	0	0	0	0	0	0	0	0	0	0
13	Loans and advances	184	0	0	0	0	0	0	0	0	0	0	0	0
14	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0
16	of which insurance undertakings	5,483	106	32	0	0	3	63	19	0	0	0	0	0
17	Loans and advances	5,483	106	32	0	0	3	63	19	0	0	0	0	0
18	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0
20	<b>Non-financial undertakings</b>	<b>193</b>	<b>65</b>	<b>65</b>	<b>0</b>	<b>0</b>	<b>65</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
21	Loans and advances	193	65	65	0	0	65	0	0	0	0	0	0	0
22	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0
23	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0
24	<b>Households</b>	<b>12,911</b>	<b>6,646</b>	<b>523</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
25	of which loans collateralised by residential immovable property	5,619	5,619	523	0	0	0	0	0	0	0	0	0	0
26	of which building renovation loans	0	0	0	0	0	0	0	0	0	0	0	0	0
27	of which motor vehicle loans	2,186	1,027	0	0	0	0	0	0	0	0	0	0	0
28	<b>Local governments financing</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
29	Housing financing	0	0	0	0	0	0	0	0	0	0	0	0	0
30	Other local government financing	0	0	0	0	0	0	0	0	0	0	0	0	0
31	<b>Collateral obtained by taking possession: residential and commercial immovable properties</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
32	<b>Assets excluded from the numerator for GAR calculation (covered in the denominator)</b>	<b>70,170</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
33	<b>Financial and Non-financial undertakings</b>	<b>61,541</b>												
34	<u>SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations</u>	61,541												
35	Loans and advances	61,528												
36	of which loans collateralised by commercial immovable property	0												
37	of which building renovation loans	0												
38	Debt securities	0												
39	Equity instruments	14												
40	<b>Non-EU country counterparties not subject to NFRD disclosure obligations</b>	<b>0</b>												
41	Loans and advances	0												
42	Debt securities	0												
43	Equity instruments	0												
44	<b>Derivatives</b>	<b>3,689</b>												
45	<b>On demand interbank loans</b>	<b>561</b>												
46	<b>Cash and cash-related assets</b>	<b>171</b>												
47	<b>Other categories of assets (e.g. Goodwill, commodities etc.)</b>	<b>4,208</b>												
48	<b>Total GAR assets</b>	<b>122,668</b>	<b>7,225</b>	<b>655</b>	<b>0</b>	<b>3</b>	<b>68</b>	<b>63</b>	<b>19</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
49	<b>Assets not covered for GAR calculation</b>	<b>73,018</b>												
50	Central governments and Supranational issuers	1,183												
51	Central banks exposure	13,928												
52	Trading book	57,907												
53	<b>Total assets</b>	<b>195,686</b>	<b>7,225</b>	<b>655</b>	<b>0</b>	<b>3</b>	<b>68</b>	<b>63</b>	<b>19</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations														
54	Financial guarantees	13	2	0	0	0	0	0	0	0	0	0	0	0
55	Assets under management	78,215	1,620	716	0	86	380	38	4	0	4	16	8	0
56	Of which debt securities	41,513	917	419	0	75	199	12	4	0	4	12	8	0
57	Of which equity instruments	36,224	703	297	0	11	181	25	0	0	0	4	0	0

(DKK million)	Circular economy (CE)			Pollution (PPC)			Biodiversity and Ecosystems (BIO)			TOTAL (CCM + CCA + WTR + CE + PPC + BIO)							
	Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)							
	Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)							
	Of which Use of Proceeds	Of which enabling		Of which Use of Proceeds	Of which enabling		Of which Use of Proceeds	Of which enabling		Of which Use of Proceeds	Of which transitional	Of which enabling					
<b>GAR - Covered assets in both numerator and denominator</b>																	
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	0	0	0	0	0	0	0	0	0	0	0	7,288	673	0	3	68
2	<b>Financial undertakings</b>	0	0	0	0	0	0	0	0	0	0	0	577	86	0	3	3
3	<u>Credit institutions</u>	0	0	0	0	0	0	0	0	0	0	0	408	35	0	3	0
4	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	408	35	0	3	0
5	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7	<u>Other financial corporations</u>	0	0	0	0	0	0	0	0	0	0	0	169	51	0	0	3
8	of which investment firms	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12	of which management companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16	of which insurance undertakings	0	0	0	0	0	0	0	0	0	0	0	169	51	0	0	3
17	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	169	51	0	0	3
18	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20	<b>Non-financial undertakings</b>	0	0	0	0	0	0	0	0	0	0	0	65	65	0	0	65
21	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	65	65	0	0	65
22	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24	<b>Households</b>	0	0	0	0	0	0	0	0	0	0	0	6,646	523	0	0	0
25	of which loans collateralised by residential immovable property	0	0	0	0	0	0	0	0	0	0	0	5,619	523	0	0	0
26	of which building renovation loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
27	of which motor vehicle loans	0	0	0	0	0	0	0	0	0	0	0	1,027	0	0	0	0
28	<b>Local governments financing</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29	Housing financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30	Other local government financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
31	<b>Collateral obtained by taking possession: residential and commercial immovable properties</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
32	<b>Assets excluded from the numerator for GAR calculation (covered in the denominator)</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
33	<b>Financial and Non-financial undertakings</b>																
34	<u>SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations</u>																
35	Loans and advances																
36	of which loans collateralised by commercial immovable property																
37	of which building renovation loans																
38	Debt securities																
39	Equity instruments																
40	<b>Non-EU country counterparties not subject to NFRD disclosure obligations</b>																
41	Loans and advances																
42	Debt securities																
43	Equity instruments																
44	<b>Derivatives</b>																
45	<b>On demand interbank loans</b>																
46	<b>Cash and cash-related assets</b>																
47	<b>Other categories of assets (e.g. Goodwill, commodities etc.)</b>																
48	<b>Total GAR assets</b>	0	0	0	0	0	0	0	0	0	0	0	7,288	673	0	3	68
49	<b>Assets not covered for GAR calculation</b>																
50	Central governments and Supranational issuers																
51	Central banks exposure																
52	Trading book																
53	<b>Total assets</b>	0	0	0	0	0	0	0	0	0	0	0	7,288	673	0	3	68
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																	
54	Financial guarantees	0	0	0	0	0	0	0	0	0	0	0	2	0	0	0	0
55	Assets under management	203	7	0	4	105	4	0	4	7	0	0	3,208	748	0	86	396
56	Of which debt securities	58	0	0	0	54	4	0	4	0	0	0	1,295	440	0	75	208
57	Of which equity instruments	145	7	0	4	51	0	0	0	7	0	0	1,913	308	0	11	188

# Template 1

## – Assets for the calculation of GAR

## – CapEx

(DKK million)	31.12.2025													
	Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			Water and marine resources (WTR)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
		Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)				
		Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which enabling				
<b>GAR - Covered assets in both numerator and denominator</b>														
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	88,341	26,207	2,071	0	5	129	3	0	0	0	0	0	0
2	<b>Financial undertakings</b>	<b>35,754</b>	<b>704</b>	<b>152</b>	<b>0</b>	<b>5</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
3	<u>Credit institutions</u>	3,822	553	68	0	5	1	0	0	0	0	0	0	0
4	Loans and advances	1,265	553	68	0	5	1	0	0	0	0	0	0	0
5	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0
6	Equity instruments	2,557	0	0	0	0	0	0	0	0	0	0	0	0
7	<u>Other financial corporations</u>	31,932	151	84	0	0	0	0	0	0	0	0	0	0
8	of which investment firms	27,063	0	0	0	0	0	0	0	0	0	0	0	0
9	Loans and advances	27,007	0	0	0	0	0	0	0	0	0	0	0	0
10	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Equity instruments	56	0	0	0	0	0	0	0	0	0	0	0	0
12	of which management companies	361	77	11	0	0	0	0	0	0	0	0	0	0
13	Loans and advances	227	0	0	0	0	0	0	0	0	0	0	0	0
14	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Equity instruments	133	77	11	0	0	0	0	0	0	0	0	0	0
16	of which insurance undertakings	4,508	74	74	0	0	0	0	0	0	0	0	0	0
17	Loans and advances	4,508	74	74	0	0	0	0	0	0	0	0	0	0
18	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0
20	<b>Non-financial undertakings</b>	<b>387</b>	<b>197</b>	<b>128</b>	<b>0</b>	<b>0</b>	<b>128</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
21	Loans and advances	387	197	128	0	0	128	2	0	0	0	0	0	0
22	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0
23	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0
24	<b>Households</b>	<b>52,186</b>	<b>25,305</b>	<b>1,791</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
25	of which loans collateralised by residential immovable property	20,280	20,280	1,791	0	0	0	0	0	0	0	0	0	0
26	of which building renovation loans	0	0	0	0	0	0	0	0	0	0	0	0	0
27	of which motor vehicle loans	9,001	5,025	0	0	0	0	0	0	0	0	0	0	0
28	<b>Local governments financing</b>	<b>14</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
29	Housing financing	0	0	0	0	0	0	0	0	0	0	0	0	0
30	Other local government financing	14	0	0	0	0	0	0	0	0	0	0	0	0
31	<b>Collateral obtained by taking possession: residential and commercial immovable properties</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
32	<b>Assets excluded from the numerator for GAR calculation (covered in the denominator)</b>	<b>105,946</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
33	<b>Financial and Non-financial undertakings</b>	<b>82,439</b>												
34	<u>SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations</u>	82,439												
35	Loans and advances	80,695												
36	of which loans collateralised by commercial immovable property	3487												
37	of which building renovation loans	0												
38	Debt securities	0												
39	Equity instruments	1,744												
40	<b>Non-EU country counterparties not subject to NFRD disclosure obligations</b>	<b>0</b>												
41	Loans and advances	0												
42	Debt securities	0												
43	Equity instruments	0												
44	<b>Derivatives</b>	<b>3,158</b>												
45	<b>On demand interbank loans</b>	<b>809</b>												
46	<b>Cash and cash-related assets</b>	<b>433</b>												
47	<b>Other categories of assets (e.g. Goodwill, commodities etc.)</b>	<b>19,107</b>												
48	<b>Total GAR assets</b>	<b>194,287</b>	<b>26,207</b>	<b>2,071</b>	<b>0</b>	<b>5</b>	<b>129</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
49	<b>Assets not covered for GAR calculation</b>	<b>149,788</b>												
50	Central governments and Supranational issuers	2,873												
51	Central banks exposure	30,060												
52	Trading book	116,856												
53	<b>Total assets</b>	<b>344,075</b>	<b>26,207</b>	<b>2,071</b>	<b>0</b>	<b>5</b>	<b>129</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations														
54	Financial guarantees	3,551	2,042	283	0	1	0	0	0	0	0	0	0	0
55	Assets under management	105,686	8,028	2,300	0	204	944	275	53	0	7	23	0	0
56	Of which debt securities	46,751	977	570	0	79	266	89	33	0	5	19	0	0
57	Of which equity instruments	45,376	1,464	633	0	57	347	83	8	0	0	3	0	0

(DKK million)	Circular economy (CE)			Pollution (PPC)			Biodiversity and Ecosystems (BIO)			TOTAL (CCM + CCA + WTR + CE + PPC + BIO)							
	Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)							
	Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)							
	Of which Use of Proceeds	Of which enabling		Of which Use of Proceeds	Of which enabling		Of which Use of Proceeds	Of which enabling		Of which Use of Proceeds	Of which transitional	Of which enabling					
<b>GAR - Covered assets in both numerator and denominator</b>																	
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	1	0	0	0	0	0	0	0	0	0	0	26,209	2,071	0	5	129
2	<b>Financial undertakings</b>	1	0	0	0	0	0	0	0	0	0	0	704	152	0	5	1
3	<u>Credit institutions</u>	1	0	0	0	0	0	0	0	0	0	0	554	68	0	5	1
4	Loans and advances	1	0	0	0	0	0	0	0	0	0	0	554	68	0	5	1
5	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7	<u>Other financial corporations</u>	0	0	0	0	0	0	0	0	0	0	0	151	84	0	0	0
8	of which investment firms	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12	of which management companies	0	0	0	0	0	0	0	0	0	0	0	77	11	0	0	0
13	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	77	11	0	0	0
16	of which insurance undertakings	0	0	0	0	0	0	0	0	0	0	0	74	74	0	0	0
17	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	74	74	0	0	0
18	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20	<b>Non-financial undertakings</b>	0	0	0	0	0	0	0	0	0	0	0	200	128	0	0	128
21	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	200	128	0	0	128
22	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24	<b>Households</b>	0	0	0	0	0	0	0	0	0	0	0	25,305	1,791	0	0	0
25	of which loans collateralised by residential immovable property	0	0	0	0	0	0	0	0	0	0	0	20,280	1,791	0	0	0
26	of which building renovation loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
27	of which motor vehicle loans	0	0	0	0	0	0	0	0	0	0	0	5,025	0	0	0	0
28	<b>Local governments financing</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29	Housing financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30	Other local government financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
31	<b>Collateral obtained by taking possession: residential and commercial immovable properties</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
32	<b>Assets excluded from the numerator for GAR calculation (covered in the denominator)</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
33	<b>Financial and Non-financial undertakings</b>																
34	<u>SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations</u>																
35	Loans and advances																
36	of which loans collateralised by commercial immovable property																
37	of which building renovation loans																
38	Debt securities																
39	Equity instruments																
40	<b>Non-EU country counterparties not subject to NFRD disclosure obligations</b>																
41	Loans and advances																
42	Debt securities																
43	Equity instruments																
44	<b>Derivatives</b>																
45	<b>On demand interbank loans</b>																
46	<b>Cash and cash-related assets</b>																
47	<b>Other categories of assets (e.g. Goodwill, commodities etc.)</b>																
48	<b>Total GAR assets</b>	1	0	0	0	0	0	0	0	0	0	0	26,209	2,071	0	5	129
49	<b>Assets not covered for GAR calculation</b>																
50	Central governments and Supranational issuers																
51	Central banks exposure																
52	Trading book																
53	<b>Total assets</b>	1	0	0	0	0	0	0	0	0	0	0	26,209	2,071	0	5	129
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																	
54	Financial guarantees	0	0	0	0	0	0	0	0	0	0	0	2,042	283	0	1	3
55	Assets under management	278	8	0	5	189	11	0	10	5	0	0	10,004	2,394	0	205	975
56	Of which debt securities	37	0	0	0	33	9	0	9	0	0	0	1,454	636	0	79	290
57	Of which equity instruments	128	5	0	2	52	0	0	0	4	0	0	2,641	645	0	58	348

# Template 1

## – Assets for the calculation of GAR

## – CapEx

(DKK million)	31.12.2024													
	Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			Water and marine resources (WTR)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
		Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)				
		Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which enabling				
<b>GAR - Covered assets in both numerator and denominator</b>														
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	52,498	7,243	621	0	3	64	1	0	0	0	0	0	0
2	<b>Financial undertakings</b>	<b>39,393</b>	<b>506</b>	<b>35</b>	<b>0</b>	<b>3</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
3	<u>Credit institutions</u>	3,191	400	35	0	3	1	0	0	0	0	0	0	0
4	Loans and advances	954	400	35	0	3	1	0	0	0	0	0	0	0
5	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0
6	Equity instruments	2,237	0	0	0	0	0	0	0	0	0	0	0	0
7	<u>Other financial corporations</u>	36,202	106	0	0	0	0	0	0	0	0	0	0	0
8	of which investment firms	30,536	0	0	0	0	0	0	0	0	0	0	0	0
9	Loans and advances	29,875	0	0	0	0	0	0	0	0	0	0	0	0
10	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Equity instruments	661	0	0	0	0	0	0	0	0	0	0	0	0
12	of which management companies	184	0	0	0	0	0	0	0	0	0	0	0	0
13	Loans and advances	184	0	0	0	0	0	0	0	0	0	0	0	0
14	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0
16	of which insurance undertakings	5,483	106	0	0	0	0	0	0	0	0	0	0	0
17	Loans and advances	5,483	106	0	0	0	0	0	0	0	0	0	0	0
18	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0
20	<b>Non-financial undertakings</b>	<b>193</b>	<b>91</b>	<b>64</b>	<b>0</b>	<b>0</b>	<b>64</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
21	Loans and advances	193	91	64	0	0	64	0	0	0	0	0	0	0
22	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0
23	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0
24	<b>Households</b>	<b>12,911</b>	<b>6,646</b>	<b>523</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
25	of which loans collateralised by residential immovable property	5,619	5,619	523	0	0	0	0	0	0	0	0	0	0
26	of which building renovation loans	0	0	0	0	0	0	0	0	0	0	0	0	0
27	of which motor vehicle loans	2,186	1,027	0	0	0	0	0	0	0	0	0	0	0
28	<b>Local governments financing</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
29	Housing financing	0	0	0	0	0	0	0	0	0	0	0	0	0
30	Other local government financing	0	0	0	0	0	0	0	0	0	0	0	0	0
31	<b>Collateral obtained by taking possession: residential and commercial immovable properties</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
32	<b>Assets excluded from the numerator for GAR calculation (covered in the denominator)</b>	<b>70,170</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
33	<b>Financial and Non-financial undertakings</b>	<b>61,541</b>												
34	<u>SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations</u>	61,541												
35	Loans and advances	61,528												
36	of which loans collateralised by commercial immovable property	0												
37	of which building renovation loans	0												
38	Debt securities	0												
39	Equity instruments	14												
40	<b>Non-EU country counterparties not subject to NFRD disclosure obligations</b>	<b>0</b>												
41	Loans and advances	0												
42	Debt securities	0												
43	Equity instruments	0												
44	<b>Derivatives</b>	<b>3,689</b>												
45	On demand interbank loans	561												
46	Cash and cash-related assets	171												
47	<b>Other categories of assets (e.g. Goodwill, commodities etc.)</b>	<b>4,208</b>												
48	<b>Total GAR assets</b>	<b>122,668</b>	<b>7,243</b>	<b>621</b>	<b>0</b>	<b>3</b>	<b>64</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
49	<b>Assets not covered for GAR calculation</b>	<b>73,018</b>												
50	Central governments and Supranational issuers	1,183												
51	Central banks exposure	13,928												
52	Trading book	57,907												
53	<b>Total assets</b>	<b>195,686</b>	<b>7,225</b>	<b>655</b>	<b>0</b>	<b>3</b>	<b>68</b>	<b>63</b>	<b>19</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations														
54	Financial guarantees	13	2	0	0	0	0	0	0	0	0	0	0	0
55	Assets under management	78,215	1,949	947	0	108	458	99	33	0	8	24	12	0
56	Of which debt securities	41,513	942	494	0	79	208	37	33	0	8	21	12	0
57	Of which equity instruments	36,224	1,007	453	0	29	250	62	0	0	0	4	0	0

(DKK million)	Circular economy (CE)			Pollution (PPC)			Biodiversity and Ecosystems (BIO)			TOTAL (CCM + CCA + WTR + CE + PPC + BIO)							
	Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)							
	Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)							
	Of which Use of Proceeds	Of which enabling		Of which Use of Proceeds	Of which enabling		Of which Use of Proceeds	Of which enabling		Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling		
<b>GAR - Covered assets in both numerator and denominator</b>																	
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	0	0	0	0	0	0	0	0	0	0	0	7,244	621	0	3	64
2	<b>Financial undertakings</b>	0	0	0	0	0	0	0	0	0	0	0	506	35	0	3	1
3	<u>Credit institutions</u>	0	0	0	0	0	0	0	0	0	0	0	401	35	0	3	1
4	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	401	35	0	3	1
5	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7	<u>Other financial corporations</u>	0	0	0	0	0	0	0	0	0	0	0	106	0	0	0	0
8	of which investment firms	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12	of which management companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16	of which insurance undertakings	0	0	0	0	0	0	0	0	0	0	0	106	0	0	0	0
17	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	106	0	0	0	0
18	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20	<b>Non-financial undertakings</b>	0	0	0	0	0	0	0	0	0	0	0	92	64	0	0	64
21	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	92	64	0	0	64
22	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24	<b>Households</b>	0	0	0	0	0	0	0	0	0	0	0	6,646	523	0	0	0
25	of which loans collateralised by residential immovable property	0	0	0	0	0	0	0	0	0	0	0	5,619	523	0	0	0
26	of which building renovation loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
27	of which motor vehicle loans	0	0	0	0	0	0	0	0	0	0	0	1,027	0	0	0	0
28	<b>Local governments financing</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29	Housing financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30	Other local government financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
31	<b>Collateral obtained by taking possession: residential and commercial immovable properties</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
32	<b>Assets excluded from the numerator for GAR calculation (covered in the denominator)</b>																
33	<b>Financial and Non-financial undertakings</b>																
34	<u>SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations</u>																
35	Loans and advances																
36	of which loans collateralised by commercial immovable property																
37	of which building renovation loans																
38	Debt securities																
39	Equity instruments																
40	<b>Non-EU country counterparties not subject to NFRD disclosure obligations</b>																
41	Loans and advances																
42	Debt securities																
43	Equity instruments																
44	<b>Derivatives</b>																
45	<b>On demand interbank loans</b>																
46	<b>Cash and cash-related assets</b>																
47	<b>Other categories of assets (e.g. Goodwill, commodities etc.)</b>																
48	<b>Total GAR assets</b>	0	0	0	0	0	0	0	0	0	0	0	7,244	621	0	3	64
49	<b>Assets not covered for GAR calculation</b>																
50	Central governments and Supranational issuers																
51	Central banks exposure																
52	Trading book																
53	<b>Total assets</b>	0	0	0	0	0	0	0	0	0	0	0	7,244	621	0	3	64
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																	
54	Financial guarantees	0	0	0	0	0	0	0	0	0	0	0	2	0	0	0	0
55	Assets under management	149	4	0	0	65	4	0	4	4	0	0	3,444	1,003	0	108	474
56	Of which debt securities	33	0	0	0	29	4	0	4	0	0	0	1,416	540	0	79	224
57	Of which equity instruments	116	4	0	0	36	0	0	0	4	0	0	2,029	464	0	29	250

## Template 2

### – GAR sector information

### – Turnover

Breakdown by sector - NACE 4 digits level (code and label)	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)				
	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		
	(DKK million)	Of which environmentally sustainable (CCM)	(DKK million)	Of which environmentally sustainable (CCM)	(DKK million)	Of which environmentally sustainable (CCA)	(DKK million)	Of which environmentally sustainable (CCA)	(DKK million)	Of which environmentally sustainable (WTR)	(DKK million)	Of which environmentally sustainable (WTR)	
1	N72.10	129	128			129	0			129	0		
2	G46.90	76	0			76	0			76	0		
3	C11.07	172	0			172	0			172	0		
4	N70.10	1	0			1	0			1	0		
5	C32.12	8	0			8	0			8	0		

## Template 2

### – GAR sector information

### – CapEx

Breakdown by sector - NACE 4 digits level (code and label)	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)				
	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		
	(DKK million)	Of which environmentally sustainable (CCM)	(DKK million)	Of which environmentally sustainable (CCM)	(DKK million)	Of which environmentally sustainable (CCA)	(DKK million)	Of which environmentally sustainable (CCA)	(DKK million)	Of which environmentally sustainable (WTR)	(DKK million)	Of which environmentally sustainable (WTR)	
1	N72.10	129	128			129	0			129	0		
2	G46.90	76	0			76	0			76	0		
3	C11.07	172	0			172	0			172	0		
4	N70.10	1	0			1	0			1	0		
5	C32.12	8	0			8	0			8	0		

Breakdown by sector - NACE 4 digits level (code and label)	Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	(DKK million)	Of which environmentally sustainable (CE)	(DKK million)	Of which environmentally sustainable (CE)	(DKK million)	Of which environmentally sustainable (PPC)	(DKK million)	Of which environmentally sustainable (PPC)	(DKK million)	Of which environmentally sustainable (BIO)	(DKK million)	Of which environmentally sustainable (BIO)	(DKK million)	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	(DKK million)	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
1	N72.10	129	0			129	0			129	0			129	128	
2	G46.90	76	0			76	0			76	0			76	0	
3	C11.07	172	0			172	0			172	0			172	0	
4	N70.10	1	0			1	0			1	0			1	0	
5	C32.12	8	0			8	0			8	0			8	0	

Breakdown by sector - NACE 4 digits level (code and label)	Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	(DKK million)	Of which environmentally sustainable (CE)	(DKK million)	Of which environmentally sustainable (CE)	(DKK million)	Of which environmentally sustainable (PPC)	(DKK million)	Of which environmentally sustainable (PPC)	(DKK million)	Of which environmentally sustainable (BIO)	(DKK million)	Of which environmentally sustainable (BIO)	(DKK million)	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	(DKK million)	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
1	N72.10	129	0			129	0			129	0			129	128	
2	G46.90	76	0			76	0			76	0			76	0	
3	C11.07	172	0			172	0			172	0			172	0	
4	N70.10	1	0			1	0			1	0			1	0	
5	C32.12	8	0			8	0			8	0			8	0	

# Template 3

## – GAR KPI stock

## – Turnover

	31.12.2025												
	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
		Of which Use of Pro-ceeds	Of which transi-tional	Of which ena-bling		Of which Use of Pro-ceeds	Of which ena-bling		Of which Use of Pro-ceeds	Of which ena-bling			
% (compared to total covered assets in the denominator)													
<b>GAR - Covered assets in both numerator and denominator</b>													
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	13.5	1.1	0	0.0	0.1	0.0	0.0	0	0	0	0	0
2	<b>Financial undertakings</b>	<b>0.4</b>	<b>0.1</b>	<b>0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
3	<b>Credit institutions</b>	0.3	0.0	0	0.0	0.0	0.0	0.0	0	0	0	0	0
4	Loans and advances	0.3	0.0	0	0.0	0.0	0.0	0.0	0	0	0	0	0
5	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0
6	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0
7	<b>Other financial corporations</b>	0.1	0.0	0	0.0	0.0	0.0	0.0	0	0	0	0	0
8	of which investment firms	0	0	0	0	0	0	0	0	0	0	0	0
9	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0
10	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0
11	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0
12	of which management companies	0.0	0.0	0	0.0	0.0	0.0	0.0	0	0	0	0	0
13	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0
14	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0
15	Equity instruments	0.0	0.0	0	0.0	0	0	0	0	0	0	0	0
16	of which insurance undertakings	0.0	0.0	0	0	0.0	0	0	0	0	0	0	0
17	Loans and advances	0.0	0.0	0	0	0.0	0	0	0	0	0	0	0
18	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0
19	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0
20	<b>Non-financial undertakings</b>	<b>0.1</b>	<b>0.1</b>	<b>0</b>	<b>0</b>	<b>0.1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
21	Loans and advances	0.1	0.1	0	0	0.1	0	0	0	0	0	0	0
22	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0
23	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0
24	<b>Households</b>	<b>13.0</b>	<b>0.9</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
25	of which loans collateralised by residential immovable property	10.4	0.9	0	0	0	0	0	0	0	0	0	0
26	of which building renovation loans	0	0	0	0	0	0	0	0	0	0	0	0
27	of which motor vehicle loans	2.6	0	0	0	0	0	0	0	0	0	0	0
28	<b>Local governments financing</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
29	Housing financing	0	0	0	0	0	0	0	0	0	0	0	0
30	Other local government financing	0	0	0	0	0	0	0	0	0	0	0	0
31	<b>Collateral obtained by taking possession: residential and commercial immovable properties</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
32	<b>Total Assets</b>	<b>13.5</b>	<b>1.1</b>	<b>0</b>	<b>0.0</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

	%																				
	(compared to total covered assets in the denominator)																				
	Circular economy (CE)			Pollution (PPC)			Biodiversity and Ecosystems (BIO)			TOTAL (CCM + CCA + WTR + CE + PPC + BIO)											
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)											
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)												
	Of which Use of Proceeds	Of which enabling		Of which Use of Proceeds	Of which enabling		Of which Use of Proceeds	Of which enabling		Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of total assets covered						
<b>GAR - Covered assets in both numerator and denominator</b>																					
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	0.0	0	0	0	0.0	0	0	0	0	0	0	0	0	0	13.5	1.1	0	0.0	0.1	25.7
2	<b>Financial undertakings</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.4</b>	<b>0.1</b>	<b>0</b>	<b>0.0</b>	<b>0.0</b>	<b>10.4</b>
3	<b>Credit institutions</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.3</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>0.0</b>	<b>1.1</b>
4	Loans and advances	0.0	0	0	0	0.0	0	0	0	0	0	0	0	0	0	0.3	0.0	0	0.0	0.0	0.4
5	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.7
7	<b>Other financial corporations</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.1</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>0.0</b>	<b>9.3</b>
8	of which investment firms	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	7.9
9	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	7.8
10	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0
12	of which management companies	0.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0	0.0	0	0	0	0.1
13	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.1
14	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Equity instruments	0.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0	0.0	0	0	0	0.0
16	of which insurance undertakings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0	0.0	0	0	0.0	1.3
17	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0	0.0	0	0	0.0	1.3
18	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20	<b>Non-financial undertakings</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.1</b>	<b>0.1</b>	<b>0</b>	<b>0</b>	<b>0.1</b>	<b>0.1</b>
21	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.1	0.1	0	0	0.1	0.1
22	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24	<b>Households</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>13.0</b>	<b>0.9</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15.2</b>
25	of which loans collateralised by residential immovable property	0	0	0	0	0	0	0	0	0	0	0	0	0	0	10.4	0.9	0	0	0	5.9
26	of which building renovation loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
27	of which motor vehicle loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2.6	0	0	0	0	2.6
28	<b>Local governments financing</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>
29	Housing financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30	Other local government financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0
31	<b>Collateral obtained by taking possession: residential and commercial immovable properties</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>
32	<b>Total Assets</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>13.5</b>	<b>1.1</b>	<b>0</b>	<b>0.0</b>	<b>0.1</b>	<b>56.5</b>

# Template 3

## – GAR KPI stock

## – Turnover

	31.12.2024											
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)		
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)		
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
			Of which Use of Pro-ceeds	Of which transi-tional	Of which ena-bling			Of which Use of Pro-ceeds	Of which ena-bling			Of which Use of Pro-ceeds
	<b>GAR - Covered assets in both numerator and denominator</b>											
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation											
	5.9	0.5	0	0.0	0.1	0.1	0.0	0	0	0	0	0
2	<b>Financial undertakings</b>											
	0.4	0.1	0	0.0	0.0	0.1	0.0	0	0	0	0	0
3	<b>Credit institutions</b>											
	0.3	0.0	0	0.0	0.0	0	0	0	0	0	0	0
4	Loans and advances											
	0.3	0.0	0	0.0	0	0	0	0	0	0	0	0
5	Debt securities, including UoP											
	0	0	0	0	0	0	0	0	0	0	0	0
6	Equity instruments											
	0	0	0	0	0	0	0	0	0	0	0	0
7	<b>Other financial corporations</b>											
	0.1	0.0	0	0.0	0.0	0.1	0.0	0	0	0	0	0
8	of which investment firms											
	0	0	0	0	0	0	0	0	0	0	0	0
9	Loans and advances											
	0	0	0	0	0	0	0	0	0	0	0	0
10	Debt securities, including UoP											
	0	0	0	0	0	0	0	0	0	0	0	0
11	Equity instruments											
	0	0	0	0	0	0	0	0	0	0	0	0
12	of which management companies											
	0	0	0	0	0	0	0	0	0	0	0	0
13	Loans and advances											
	0	0	0	0	0	0	0	0	0	0	0	0
14	Debt securities, including UoP											
	0	0	0	0	0	0	0	0	0	0	0	0
15	Equity instruments											
	0	0	0	0	0	0	0	0	0	0	0	0
16	of which insurance undertakings											
	0.1	0.0	0	0	0.0	0.1	0.0	0	0	0	0	0
17	Loans and advances											
	0.1	0.0	0	0	0.0	0.1	0.0	0	0	0	0	0
18	Debt securities, including UoP											
	0	0	0	0	0	0	0	0	0	0	0	0
19	Equity instruments											
	0	0	0	0	0	0	0	0	0	0	0	0
20	<b>Non-financial undertakings</b>											
	0.1	0.1	0	0	0.1	0	0	0	0	0	0	0
21	Loans and advances											
	0.1	0.1	0	0	0.1	0	0	0	0	0	0	0
22	Debt securities, including UoP											
	0	0	0	0	0	0	0	0	0	0	0	0
23	Equity instruments											
	0	0	0	0	0	0	0	0	0	0	0	0
24	<b>Households</b>											
	5.4	5.4	0	0	0	0	0	0	0	0	0	0
25	of which loans collateralised by residential immovable property											
	4.6	0.4	0	0	0	0	0	0	0	0	0	0
26	of which building renovation loans											
	0	0	0	0	0	0	0	0	0	0	0	0
27	of which motor vehicle loans											
	1.0.8	0	0	0	0	0	0	0	0	0	0	0
28	<b>Local governments financing</b>											
	0	0	0	0	0	0	0	0	0	0	0	0
29	Housing financing											
	0	0	0	0	0	0	0	0	0	0	0	0
30	Other local government financing											
	0	0	0	0	0	0	0	0	0	0	0	0
31	<b>Collateral obtained by taking possession: residential and commercial immovable properties</b>											
	0	0	0	0	0	0	0	0	0	0	0	0
32	<b>Total Assets</b>											
	5.9	0.5	0	0.0	0.1	0.1	0.0	0	0	0	0	0

	%																		
	(compared to total covered assets in the denominator)																		
	Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)						
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)						
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)							
	Of which Use of Proceeds	Of which enabling		Of which Use of Proceeds	Of which enabling		Of which Use of Proceeds	Of which enabling		Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of total assets covered	
<b>GAR - Covered assets in both numerator and denominator</b>																			
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	26.8
2	<b>Financial undertakings</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	20.1
3	<b>Credit institutions</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1.6
4	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.5
5	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1.1
7	<b>Other financial corporations</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	18.5
8	of which investment firms	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	15.6
9	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	15.3
10	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.3
12	of which management companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.1
13	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.1
14	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16	of which insurance undertakings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.2
17	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2.8
18	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20	<b>Non-financial undertakings</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.1
21	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.1
22	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24	<b>Households</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	6.6
25	of which loans collateralised by residential immovable property	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2.9
26	of which building renovation loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
27	of which motor vehicle loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1.1
28	<b>Local governments financing</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29	Housing financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30	Other local government financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
31	<b>Collateral obtained by taking possession: residential and commercial immovable properties</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
32	<b>Total Assets</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	62.7

# Template 3

## – GAR KPI stock

## – CapEx

	31.12.2025													
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
% (compared to total covered assets in the denominator)	Of which Use of Proceeds			Of which transitional	Of which enabling		Of which Use of Proceeds		Of which enabling		Of which Use of Proceeds		Of which enabling	
<b>GAR - Covered assets in both numerator and denominator</b>														
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	13.5	1.1	0	0.0	0.1	0.0	0	0	0	0	0	0	0
2	<b>Financial undertakings</b>	<b>0.4</b>	<b>0.1</b>	<b>0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
3	<u>Credit institutions</u>	0.3	0.0	0	0.0	0.0	0.0	0	0	0	0	0	0	0
4	Loans and advances	0.3	0.0	0	0.0	0.0	0.0	0	0	0	0	0	0	0
5	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0
6	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0
7	<u>Other financial corporations</u>	0.1	0.0	0	0.0	0.0	0	0	0	0	0	0	0	0
8	of which investment firms	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0
12	of which management companies	0.0	0.0	0	0.0	0.0	0	0	0	0	0	0	0	0
13	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Equity instruments	0.0	0.0	0	0.0	0.0	0	0	0	0	0	0	0	0
16	of which insurance undertakings	0.0	0.0	0	0	0.0	0	0	0	0	0	0	0	0
17	Loans and advances	0.0	0.0	0	0	0.0	0	0	0	0	0	0	0	0
18	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0
20	<b>Non-financial undertakings</b>	<b>0.1</b>	<b>0.1</b>	<b>0</b>	<b>0</b>	<b>0.1</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
21	Loans and advances	0.1	0.1	0	0	0.1	0.0	0	0	0	0	0	0	0
22	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0
23	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0
24	<b>Households</b>	<b>13.0</b>	<b>0.9</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
25	of which loans collateralised by residential immovable property	10.4	0.9	0	0	0	0	0	0	0	0	0	0	0
26	of which building renovation loans	0	0	0	0	0	0	0	0	0	0	0	0	0
27	of which motor vehicle loans	2.6	0	0	0	0	0	0	0	0	0	0	0	0
28	<b>Local governments financing</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
29	Housing financing	0	0	0	0	0	0	0	0	0	0	0	0	0
30	Other local government financing	0	0	0	0	0	0	0	0	0	0	0	0	0
31	<b>Collateral obtained by taking possession: residential and commercial immovable properties</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
32	<b>Total Assets</b>	<b>13.5</b>	<b>1.1</b>	<b>0</b>	<b>0.0</b>	<b>0.1</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

	Circular economy (CE)			Pollution (PPC)			Biodiversity and Ecosystems (BIO)			TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total assets covered				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)									
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)									
	Of which Proceeds	Of which enabling		Of which Proceeds	Of which enabling		Of which Proceeds	Of which enabling		Of which Use of Proceeds	Of which transitional	Of which enabling							
	Use of Proceeds	Use of Proceeds	Use of Proceeds	Use of Proceeds	Use of Proceeds	Use of Proceeds	Use of Proceeds	Use of Proceeds	Use of Proceeds	Use of Proceeds	Use of Proceeds	Use of Proceeds	Use of Proceeds						
<b>GAR - Covered assets in both numerator and denominator</b>																			
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	0.0	0	0	0	0.0	0	0	0	0	0	0	0	13.5	1.1	0	0.0	0.1	25.7
2	<b>Financial undertakings</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.4</b>	<b>0.1</b>	<b>0</b>	<b>0.0</b>	<b>0.0</b>	<b>10.4</b>
3	<u>Credit institutions</u>	0.0	0	0	0	0.0	0	0	0	0	0	0	0	0.3	0.0	0	0.0	0.0	1.1
4	Loans and advances	0.0	0	0	0	0.0	0	0	0	0	0	0	0	0.3	0.0	0	0.0	0.0	0.4
5	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.7
7	<u>Other financial corporations</u>	0	0	0	0	0	0	0	0	0	0	0	0	0.1	0.0	0	0	0.0	9.3
8	of which investment firms	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	7.9
9	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	7.8
10	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0
12	of which management companies	0	0	0	0	0	0	0	0	0	0	0	0	0.0	0.0	0	0	0.0	0.1
13	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.1
14	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0.0	0.0	0	0	0.0	0.0
16	of which insurance undertakings	0	0	0	0	0	0	0	0	0	0	0	0	0.0	0.0	0	0	0.0	1.3
17	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0.0	0.0	0	0	0.0	1.3
18	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20	<b>Non-financial undertakings</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.1</b>	<b>0.1</b>	<b>0</b>	<b>0</b>	<b>0.1</b>	<b>0.1</b>
21	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0.1	0.1	0	0	0.1	0.1
22	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24	<b>Households</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>13.0</b>	<b>0.9</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15.2</b>
25	of which loans collateralised by residential immovable property	0	0	0	0	0	0	0	0	0	0	0	0	10.4	0.9	0	0	0	5.9
26	of which building renovation loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
27	of which motor vehicle loans	0	0	0	0	0	0	0	0	0	0	0	0	2.6	0	0	0	0	2.6
28	<b>Local governments financing</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>
29	Housing financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30	Other local government financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0
31	<b>Collateral obtained by taking possession: residential and commercial immovable properties</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>
32	<b>Total Assets</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>13.5</b>	<b>1.1</b>	<b>0</b>	<b>0.0</b>	<b>0.1</b>	<b>56.5</b>

# Template 3

## – GAR KPI stock

## – CapEx

	31.12.2024											
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)		
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)		
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	Of which Use of Pro-ceeds Of which transi-tional Of which ena-bling					Of which Use of Pro-ceeds Of which ena-bling				Of which Use of Pro-ceeds Of which ena-bling		
% (compared to total covered assets in the denominator)												
<b>GAR - Covered assets in both numerator and denominator</b>												
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation											
	5.9	0.5	0	0.0	0.1	0.1	0.0	0	0	0	0	0
2	<b>Financial undertakings</b>											
3	<b>Credit institutions</b>											
	0.3	0.0	0	0.0	0.0	0	0	0	0	0	0	0
4	Loans and advances											
	0.3	0.0	0	0.0	0	0	0	0	0	0	0	0
5	Debt securities, including UoP											
	0	0	0	0	0	0	0	0	0	0	0	0
6	Equity instruments											
	0	0	0	0	0	0	0	0	0	0	0	0
7	<b>Other financial corporations</b>											
	0.1	0.0	0	0.0	0.0	0.1	0.0	0	0	0	0	0
8	of which investment firms											
	0	0	0	0	0	0	0	0	0	0	0	0
9	Loans and advances											
	0	0	0	0	0	0	0	0	0	0	0	0
10	Debt securities, including UoP											
	0	0	0	0	0	0	0	0	0	0	0	0
11	Equity instruments											
	0	0	0	0	0	0	0	0	0	0	0	0
12	of which management companies											
	0	0	0	0	0	0	0	0	0	0	0	0
13	Loans and advances											
	0	0	0	0	0	0	0	0	0	0	0	0
14	Debt securities, including UoP											
	0	0	0	0	0	0	0	0	0	0	0	0
15	Equity instruments											
	0	0	0	0	0	0	0	0	0	0	0	0
16	of which insurance undertakings											
	0.1	0.0	0	0	0.0	0.1	0.0	0	0	0	0	0
17	Loans and advances											
	0.1	0.0	0	0	0.0	0.1	0.0	0	0	0	0	0
18	Debt securities, including UoP											
	0	0	0	0	0	0	0	0	0	0	0	0
19	Equity instruments											
	0	0	0	0	0	0	0	0	0	0	0	0
20	<b>Non-financial undertakings</b>											
	0.1	0.1	0	0	0.1	0	0	0	0	0	0	0
21	Loans and advances											
	0.1	0.1	0	0	0.1	0	0	0	0	0	0	0
22	Debt securities, including UoP											
	0	0	0	0	0	0	0	0	0	0	0	0
23	Equity instruments											
	0	0	0	0	0	0	0	0	0	0	0	0
24	<b>Households</b>											
	5.4	5.4	0	0	0	0	0	0	0	0	0	0
25	of which loans collateralised by residential immovable property											
	4.6	4.6	0	0	0	0	0	0	0	0	0	0
26	of which building renovation loans											
	0	0	0	0	0	0	0	0	0	0	0	0
27	of which motor vehicle loans											
	1.0.8	0	0	0	0	0	0	0	0	0	0	0
28	<b>Local governments financing</b>											
	0	0	0	0	0	0	0	0	0	0	0	0
29	Housing financing											
	0	0	0	0	0	0	0	0	0	0	0	0
30	Other local government financing											
	0	0	0	0	0	0	0	0	0	0	0	0
31	<b>Collateral obtained by taking possession: residential and commercial immovable properties</b>											
	0	0	0	0	0	0	0	0	0	0	0	0
32	<b>Total Assets</b>											
	5.9	0.5	0	0.0	0.1	0.1	0.0	0	0	0	0	0

	Circular economy (CE)			Pollution (PPC)			Biodiversity and Ecosystems (BIO)			TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				Proportion of total assets covered				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)								
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)								
	Of which Proceeds	Of which enabling		Of which Proceeds	Of which enabling		Of which Proceeds	Of which enabling		Of which Use of Proceeds	Of which transitional	Of which enabling						
GAR - Covered assets in both numerator and denominator																		
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	0	0	0	0	0	0	0	0	0	0	0	5.9	0.5	0	0.0	0.1	26.8
2	<b>Financial undertakings</b>	0	0	0	0	0	0	0	0	0	0	0	0.5	0.1	0	0.0	0.0	20.1
3	<u>Credit institutions</u>	0	0	0	0	0	0	0	0	0	0	0	0.3	0.0	0	0.0	0.0	1.6
4	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0.3	0.0	0	0.0	0.0	0.5
5	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1.1
7	<u>Other financial corporations</u>	0	0	0	0	0	0	0	0	0	0	0	0.1	0.0	0	0	0.0	18.5
8	of which investment firms	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	15.6
9	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	15.3
10	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.3
12	of which management companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.1
13	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.1
14	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16	of which insurance undertakings	0	0	0	0	0	0	0	0	0	0	0	0.1	0.0	0	0	0.0	2.8
17	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0.1	0.0	0	0	0.0	2.8
18	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20	<b>Non-financial undertakings</b>	0	0	0	0	0	0	0	0	0	0	0	0.1	0.1	0	0	0.1	0.1
21	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0.1	0.1	0	0	0.1	0.1
22	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24	<b>Households</b>	0	0	0	0	0	0	0	0	0	0	0	5.4	0.4	0	0	0	6.6
25	of which loans collateralised by residential immovable property	0	0	0	0	0	0	0	0	0	0	0	4.6	0.4	0	0	0	2.9
26	of which building renovation loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
27	of which motor vehicle loans	0	0	0	0	0	0	0	0	0	0	0	0.8	0	0	0	0	1.1
28	<b>Local governments financing</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29	Housing financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30	Other local government financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
31	<b>Collateral obtained by taking possession: residential and commercial immovable properties</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
32	<b>Total Assets</b>	0	0	0	0	0	0	0	0	0	0	0	5.9	0.5	0	0.0	0.1	62.7

# Template 4

## – GAR KPI flow

## – Turnover

	31.12.2025											
	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
		Of which Use of Pro-ceeds	Of which transi-tional	Of which ena-bling		Of which Use of Pro-ceeds	Of which ena-bling		Of which Use of Pro-ceeds	Of which ena-bling		
<b>GAR - Covered assets in both numerator and denominator</b>												
1 Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	21.7	2.0	0	0.0	0.2	0.0	0.0	0	0	0	0	0
<b>2 Financial undertakings</b>	<b>1.2</b>	<b>0.3</b>	<b>0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
3 <b>Credit institutions</b>	1.1	0.1	0	0.0	0.0	0.0	0	0	0	0	0	0
4 Loans and advances	1.1	0.1	0	0.0	0.0	0.0	0	0	0	0	0	0
5 Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0
6 Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0
7 <b>Other financial corporations</b>	0.1	0.1	0	0	0	0	0	0	0	0	0	0
8 of which investment firms	0	0	0	0	0	0	0	0	0	0	0	0
9 Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0
10 Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0
11 Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0
12 of which management companies	0	0	0	0	0	0	0	0	0	0	0	0
13 Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0
14 Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0
15 Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0
16 of which insurance undertakings	0.1	0.1	0	0	0	0	0	0	0	0	0	0
17 Loans and advances	0.1	0.1	0	0	0	0	0	0	0	0	0	0
18 Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0
19 Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0
<b>20 Non-financial undertakings</b>	<b>0.2</b>	<b>0.2</b>	<b>0</b>	<b>0</b>	<b>0.2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
21 Loans and advances	0.2	0.2	0	0	0.2	0	0	0	0	0	0	0
22 Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0
23 Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0
<b>24 Households</b>	<b>20.2</b>	<b>1.5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
25 of which loans collateralised by residential immovable property	17.2	1.5	0	0	0	0	0	0	0	0	0	0
26 of which building renovation loans	0	0	0	0	0	0	0	0	0	0	0	0
27 of which motor vehicle loans	3.1	0	0	0	0	0	0	0	0	0	0	0
<b>28 Local governments financing</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
29 Housing financing	0	0	0	0	0	0	0	0	0	0	0	0
30 Other local government financing	0	0	0	0	0	0	0	0	0	0	0	0
<b>31 Collateral obtained by taking possession: residential and commercial immovable properties</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>32 Total Assets</b>	<b>21.7</b>	<b>2.0</b>	<b>0</b>	<b>0.0</b>	<b>0.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

	Circular economy (CE)			Pollution (PPC)			Biodiversity and Ecosystems (BIO)			TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				Proportion of total assets covered				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)								
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)								
	Of which Proceeds	Of which enabling		Of which Proceeds	Of which enabling		Of which Proceeds	Of which enabling		Of which Use of Proceeds	Of which transitional	Of which enabling						
<b>GAR - Covered assets in both numerator and denominator</b>																		
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	0	0	0	0	0	0	0	0	0	0	0	21.7	2.0	0	0.0	0.2	84.3
2	<b>Financial undertakings</b>	0	0	0	0	0	0	0	0	0	0	0	1.2	0.3	0	0.0	0.0	49.3
3	<u>Credit institutions</u>	0	0	0	0	0	0	0	0	0	0	0	1.1	0.1	0	0.0	0.0	2.5
4	Loans and advances	0.0	0	0	0	0.0	0	0	0	0	0	0	1.1	0.1	0	0.0	0.0	2.5
5	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7	<u>Other financial corporations</u>	0	0	0	0	0	0	0	0	0	0	0	0.1	0.1	0	0	0	46.8
8	of which investment firms	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38.7
9	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38.7
10	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12	of which management companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0
13	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0
14	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16	of which insurance undertakings	0	0	0	0	0	0	0	0	0	0	0	0.1	0.1	0	0	0	8.1
17	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0.1	0.1	0	0	0	8.1
18	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20	<b>Non-financial undertakings</b>	0	0	0	0	0	0	0	0	0	0	0	0.2	0.2	0	0	0.2	0.3
21	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0.2	0.2	0	0	0.2	0.3
22	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24	<b>Households</b>	0	0	0	0	0	0	0	0	0	0	0	20.2	1.5	0	0	0	34.7
25	of which loans collateralised by residential immovable property	0	0	0	0	0	0	0	0	0	0	0	17.2	1.5	0	0	0	17.2
26	of which building renovation loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
27	of which motor vehicle loans	0	0	0	0	0	0	0	0	0	0	0	3.1	0	0	0	0	4.0
28	<b>Local governments financing</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0
29	Housing financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30	Other local government financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0
31	<b>Collateral obtained by taking possession: residential and commercial immovable properties</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
32	<b>Total Assets</b>	0	0	0	0	0	0	0	0	0	0	0	21.7	2.0	0	0.0	0.2	84.3

# Template 4

## – GAR KPI flow

## – CapEx

	31.12.2024												
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
	Of which Use of Pro-ceeds Of which transi-tional Of which ena-bling					Of which Use of Pro-ceeds Of which ena-bling				Of which Use of Pro-ceeds Of which ena-bling			
%													
(compared to total covered assets in the denominator)													
<b>GAR - Covered assets in both numerator and denominator</b>													
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	8.5	0.8	0	0.0	0.1	0.2	0.1	0	0	0	0	0
2	<b>Financial undertakings</b>	<b>1.6</b>	<b>0.2</b>	<b>0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.2</b>	<b>0.1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
3	<u>Credit institutions</u>	1.3	0.1	0	0.0	0.0	0	0	0	0	0	0	0
4	Loans and advances	1.3	0.1	0	0.0	0.0	0	0	0	0	0	0	0
5	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0
6	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0
7	<u>Other financial corporations</u>	0.3	0.1	0	0	0.0	0.2	0.1	0	0	0	0	0
8	of which investment firms	0	0	0	0	0	0	0	0	0	0	0	0
9	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0
10	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0
11	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0
12	of which management companies	0	0	0	0	0	0	0	0	0	0	0	0
13	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0
14	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0
15	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0
16	of which insurance undertakings	0.3	0.1	0	0	0.0	0.2	0.1	0	0	0	0	0
17	Loans and advances	0.3	0.1	0	0	0.0	0.2	0.1	0	0	0	0	0
18	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0
19	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0
20	<b>Non-financial undertakings</b>	<b>0.1</b>	<b>0.1</b>	<b>0</b>	<b>0</b>	<b>0.1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
21	Loans and advances	0.1	0.1	0	0	0.1	0	0	0	0	0	0	0
22	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0
23	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0
24	<b>Households</b>	<b>6.9</b>	<b>0.5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
25	of which loans collateralised by residential immovable property	4.5	0.5	0	0	0	0	0	0	0	0	0	0
26	of which building renovation loans	0	0	0	0	0	0	0	0	0	0	0	0
27	of which motor vehicle loans	2.4	0	0	0	0	0	0	0	0	0	0	0
28	<b>Local governments financing</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
29	Housing financing	0	0	0	0	0	0	0	0	0	0	0	0
30	Other local government financing	0	0	0	0	0	0	0	0	0	0	0	0
31	<b>Collateral obtained by taking possession: residential and commercial immovable properties</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
32	<b>Total Assets</b>	<b>8.5</b>	<b>0.8</b>	<b>0</b>	<b>0.0</b>	<b>0.1</b>	<b>0.2</b>	<b>0.1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

	Circular economy (CE)			Pollution (PPC)			Biodiversity and Ecosystems (BIO)			TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				Proportion of total assets covered				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)								
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)								
	Of which Proceeds	Of which enabling		Of which Proceeds	Of which enabling		Of which Proceeds	Of which enabling		Of which Proceeds	Of which transitional	Of which enabling						
% (compared to total covered assets in the denominator)																		
<b>GAR - Covered assets in both numerator and denominator</b>																		
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	0	0	0	0	0	0	0	0	0	0	0	8.7	0.9	0	0.0	0.1	100.0
2	<b>Financial undertakings</b>	0	0	0	0	0	0	0	0	0	0	0	1.8	0.3	0	0.0	0.0	87.8
3	<u>Credit institutions</u>	0	0	0	0	0	0	0	0	0	0	0	1.3	0.1	0	0.0	0.0	2.9
4	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	1.3	0.1	0	0.0	0.0	2.9
5	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7	<u>Other financial corporations</u>	0	0	0	0	0	0	0	0	0	0	0	0.5	0.2	0	0	0	84.9
8	of which investment firms	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	69.0
9	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	69.0
10	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12	of which management companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.2
13	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.2
14	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16	of which insurance undertakings	0	0	0	0	0	0	0	0	0	0	0	0.5	0.2	0	0	0	15.7
17	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0.5	0.2	0	0	0	15.7
18	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20	<b>Non-financial undertakings</b>	0	0	0	0	0	0	0	0	0	0	0	0.1	0.1	0	0	0	0.1
21	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0.1	0.1	0	0	0	0.1
22	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24	<b>Households</b>	0	0	0	0	0	0	0	0	0	0	0	6.9	0.5	0	0	0	12.1
25	of which loans collateralised by residential immovable property	0	0	0	0	0	0	0	0	0	0	0	4.5	0.5	0	0	0	4.5
26	of which building renovation loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
27	of which motor vehicle loans	0	0	0	0	0	0	0	0	0	0	0	2.4	0	0	0	0	3.0
28	<b>Local governments financing</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29	Housing financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30	Other local government financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
31	<b>Collateral obtained by taking possession: residential and commercial immovable properties</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
32	<b>Total Assets</b>	0	0	0	0	0	0	0	0	0	0	0	8.7	0.9	0	0.0	0.1	100.0

# Template 5

## – KPI off-balance sheet exposures – Stock

## – Turnover

		31.12.2025										
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			Water and marine resources (WTR)		
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)		
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
%		(compared to total covered assets in the denominator)		Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	57.5	8.1	-	0.0	0.0	-	-	-	-	-	-
2	Assets under management (AuM KPI)	6.8	1.8	-	0.1	0.7	0.1	0.0	-	0.0	0.0	-

# Template 5

## – KPI off-balance sheet exposures – Stock

## – CapEx

		31.12.2025										
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			Water and marine resources (WTR)		
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)		
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
%		(compared to total covered assets in the denominator)		Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	57.5	8.0	-	0.0	0.0	-	-	-	-	-	-
2	Assets under management (AuM KPI)	7.6	2.2	-	0.2	0.9	0.3	0.0	-	0.0	0.0	-

	Circular economy (CE)													Pollution (PPC)			Biodiversity and Ecosystems (BIO)			TOTAL (CCM + CCA + WTR + CE + PPC + BIO)								
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)													Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)								
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)													Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)								
	Of which Use of Proceeds				Of which enabling				Of which Use of Proceeds				Of which enabling				Of which Use of Proceeds				Of which transitional				Of which enabling			
1 Financial guarantees (FinGuar KPI)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	57.5	8.1	-	0.0	0.1							
2 Assets under management (AuM KPI)	0.5	0.0	-	0.0	0.4	0.0	-	0.0	0.0	-	-	-	9.0	1.8	-	0.1	0.8											

	Circular economy (CE)													Pollution (PPC)			Biodiversity and Ecosystems (BIO)			TOTAL (CCM + CCA + WTR + CE + PPC + BIO)								
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)													Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)								
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)													Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)								
	Of which Use of Proceeds				Of which enabling				Of which Use of Proceeds				Of which enabling				Of which Use of Proceeds				Of which transitional				Of which enabling			
1 Financial guarantees (FinGuar KPI)	-	-	-	-	-	-	-	-	-	-	-	-	57.5	8.0	-	0.0	0.1											
2 Assets under management (AuM KPI)	0.3	0.0	-	0.0	0.2	0.0	-	0.0	0.0	-	-	-	9.5	2.3	-	0.2	0.9											

# Template 5

## – KPI off-balance sheet exposures – Stock

## – Turnover

		31.12.2024										
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)		
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)		
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
			Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which enabling		Of which Use of Proceeds	Of which enabling	
1	Financial guarantees (FinGuar KPI)	17.4	0	0	0	0	0	0	0	0	0	0
2	Assets under management (AuM KPI)	2.1	0.9	0	0.1	0.5	0.0	0.0	0	0.0	0	0

# Template 5

## – KPI off-balance sheet exposures – Stock

## – CapEx

		31.12.2024										
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)		
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)		
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
			Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which enabling		Of which Use of Proceeds	Of which enabling	
1	Financial guarantees (FinGuar KPI)	17.4	0	0	0	0	0	0	0	0	0	0
2	Assets under management (AuM KPI)	2.5	1.2	0	0.1	0.6	0.1	0.0	0	0.0	0	0

	Circular economy (CE)														Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)							
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)														Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)							
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)														Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)							
			Of which Use of Pro-ceeds		Of which ena-bling				Of which Use of Pro-ceeds		Of which ena-bling				Of which Use of Pro-ceeds		Of which ena-bling				Of which Use of Pro-ceeds		Of which transi-tional		Of which ena-bling					
1	Financial guarantees (FinGuar KPI)														0				0				0				17.4			
2	Assets under management (AuM KPI)														0.3				0.1				0.0				4.1			

	Circular economy (CE)														Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)							
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)														Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)							
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)														Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)							
			Of which Use of Pro-ceeds		Of which ena-bling				Of which Use of Pro-ceeds		Of which ena-bling				Of which Use of Pro-ceeds		Of which ena-bling				Of which Use of Pro-ceeds		Of which transi-tional		Of which ena-bling					
1	Financial guarantees (FinGuar KPI)														0				0				0				17.4			
2	Assets under management (AuM KPI)														0.2				0.1				0.0				4.4			

# Qualitative disclosures – AL Sydbank’s KPIs

At 31 December 2025

The disclosure of quantitative KPIs shall be accompanied by the following qualitative information to support the financial undertakings’ explanations and markets’ understanding of these KPIs:

<p>1 Contextual information in support of the quantitative indicators including the scope of assets and activities covered by the KPIs, information on data sources and limitation</p>	<p>AL Sydbank publishes a consolidated annual report and sustainability report. The reporting of taxonomy-aligned economic activities includes the AL Sydbank Group (see note on group holdings and enterprises). AL Sydbank publishes weighted KPIs for financial subsidiaries including AL Sydbank, Syd Fund Management, Coop Bank and AL Sydbank Finans. The reporting of taxonomy-aligned economic activities is conducted in accordance with Commission Delegated Regulation (EU) 2021/2178 and related Annexes V and VI, which specify the content of reporting by credit institutions.</p> <p>The comparative figures (t-1) refer to the former Sydbank Group only and are therefore not fully comparable with the AL Sydbank Group’s taxonomy reporting.</p> <p>The reporting is based on AL Sydbank’s reporting in accordance with Commission Implementing Regulation (EU) 2021/451 (FINREP), the Bank’s home loans and car loans to retail clients, investment activities and publicly available taxonomy reporting from the Bank’s corporate clients and financial counterparties subject to taxonomy reporting. The statement for retail clients is based on home loans collateralised by residential property. The statement regarding the proportion of home loans differentiates between properties constructed before and after 31 December 2020.</p> <p>The assessment of exposures is in compliance with the EU Taxonomy and is based on energy labels, primary energy demand (PED), year of construction as well as data related to the building’s physical climate risks. AL Sydbank uses e-nettel’s consumption and emissions data as well as climate data. AL Sydbank takes a conservative and risk-based approach to assess climate-related risks in Appendix A of Delegated Regulation (EU) 2021/2139.</p> <p>Retail loans to finance cars are considered taxonomy-eligible if the agreement is entered into after 31 December 2021, cf section 1.2.1.3.(ii) of Annex V to the Delegated Regulation. AL Sydbank’s investment activities are found on the Bank’s balance sheet and off the Bank’s balance sheet. On-balance sheet investment activities, including the Bank’s pooled plans, are mainly accounted for in the trading portfolio and are therefore not included in GAR. Off-balance sheet investment activities, accounted for under ‘assets under management’, consist of discretionary portfolio management products, the investment fund Coop Opsparing, and the investment fund Sydinvest managed by Syd Fund Management. As regards the former Arbejdernes Landsbank and the former Vestjysk Bank other investments on behalf of customers are also included, for instance AL-Formueinvest. Positions in government bonds and state controlled enterprises are not included in this aggregation. If the former Sydbank’s discretionary portfolio mandates invest in Sydinvest funds, this exposure is not included in the calculation so as to avoid double counting of assets under management.</p> <p>The Group has adopted the European Banking Federation’s recommendations and limited assets under management to investment products where the customer still owns the assets and where the Group makes the investment decision, within the limits of an investment mandate agreed with the customer. This includes funds where management has been delegated by the Group to a business partner. Flow in off-balance sheet: As regards 2025 a portfolio for the former Sydbank has been created consisting of an aggregation of all buy orders in Sydinvest funds and in Sydbank’s discretionary portfolio mandates during the year. Purchases of government bonds and state controlled enterprises are not included in the aggregation. Flow is not calculated for investments on behalf of customers made by the former Arbejdernes Landsbank and Vestjysk Bank. Exposures to ETFs and funds outside Sydinvest as well as the investment fund Coop Opsparing are not included in the flow statement, ie new purchases relating to investing activities during the financial year. AL Sydbank’s GAR is low for the 2025 financial year, which is due in part to limitations in the access to documentation and data. AL Sydbank’s primary customer segment is small and medium-sized enterprises and therefore a large proportion of AL Sydbank’s corporate clients are not included. The reporting in accordance with the Taxonomy Regulation has highlighted the importance of the Bank’s continued work with ESG data so that the Bank’s lending and investment activities will qualify as environmentally sustainable in accordance with the Taxonomy Regulation in the future.</p>
<p>2 Explanations of the nature and objectives of Taxonomy-aligned economic activities and the evolution of the Taxonomy-aligned economic activities over time, starting from the second year of implementation, distinguishing between business-related and methodological and data-related elements</p>	<p>The total GAR for AL Sydbank is 1.1% for the 2025 financial year. GAR for the 2024 financial year relates solely to the former Sydbank Group and is therefore not fully comparable with the AL Sydbank Group’s taxonomy reporting.</p>
<p>3 Description of the compliance with Regulation (EU) 2020/852 in the financial undertaking’s business strategy, product design processes and engagement with clients and counterparties;</p>	<p>In 2025 the former Sydbank announced a new strategy for the period 2025-2027. ESG is one of five components of the former Sydbank’s strategy, where focus is on integrating ESG in core business for the purpose of ensuring long-term value creation and a strong reputation. In order to achieve this ambition, AL Sydbank will invest responsibly to contribute to a sustainable development in society, integrate ESG meaningfully in customer dialogue, expand ESG data in the assessment of ESG risks in credit assessments and support the financing of the green transition by offering green lending products. Green lending products must be in compliance with the Bank’s Green Bond Framework.</p> <p>The former Sydbank updated its Green Bond Framework in 2024 with the ambition of ensuring alignment with the technical screening criteria of the Taxonomy. However AL Sydbank’s green loan products are not Taxonomy-aligned as the Bank has not assessed the ‘do no significant harm’ criteria with regard to other environmental targets. These criteria require a high level of documentation in the lending process that AL Sydbank is not yet willing to pass on to its customers. AL Sydbank’s ambition is to ensure that the Bank’s advisers are equipped to have a dialogue with customers about the sustainable transition. AL Sydbank’s corporate account managers are required for instance to talk to customers about ESG issues and assign an ESG score to a customer as regards new loan recommendations. In connection with investment advice and hedging, AL Sydbank takes into account a customer’s wishes as to whether a proportion of the investment is Taxonomy-aligned in accordance with the Taxonomy Regulation.</p> <p>AL Sydbank will work on a new strategy for the new group in 2026. Reference is also made to ‘Mission Statement and Business Goals’ in the ‘Financial Review’.</p>
<p>4 For credit institutions that are not required to disclose quantitative information for trading exposures, qualitative information on the alignment of trading portfolios with Regulation (EU) 2020/852, including overall composition, trends observed, objectives and policy;</p>	<p>AL Sydbank is required to disclose quantitative information about trading exposures pursuant to Article 94(1) of Regulation 575/2013 on prudential requirements for credit institutions and investment firms.</p>
<p>5 *Additional or complementary information in support of the financial undertaking’s strategies and the weight of the financing of Taxonomy-aligned economic activities in their overall activity.*</p>	<p>At present the Group does not have additional or complementary information regarding this.</p>

# Template 1

## – Nuclear and fossil gas related activities

At 31 December 2025

### Nuclear energy related activities

1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen prod	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No

### Fossil gas related activities

4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels	No

# Management Statement

Today we have reviewed and approved the Annual Report of AL Sydbank A/S for the financial year 1 January - 31 December 2025.

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU, and the Bank's financial statements are prepared in accordance with the legislative requirements, including the Danish Financial Business Act. Furthermore the consolidated financial statements are prepared in compliance with additional requirements of the Danish Financial Business Act.

In our opinion, the consolidated financial statements and the Bank's financial statements give a true and fair view of the Group's and the Bank's assets, equity and liabilities and financial position at 31 December 2025 and of the results of the Group's and the parent company's operations and consolidated cash flows for 2025.

In our opinion, the management's review includes a true and fair account of developments in the Group's and the Bank's operations and financial matters as well as a description of the most significant risks and elements of uncertainty which may affect the Group and the Bank.

Moreover sustainability reporting, which forms part of the management's review, has, in all material respects, been

prepared in accordance with part 13 of the Danish Financial Business Act and the rules issued pursuant thereto, including the fact that the European Sustainability Reporting Standards (ESRS) are complied with, and that the process conducted by management to identify the information reported in the sustainability reporting is in accordance with the description in the materiality assessment and that the information in the sustainability reporting section "Reporting under Article 8 of the Taxonomy Regulation" is in compliance with Article 8 of the Taxonomy Regulation (Regulation (EU) 2020/852 of the European Parliament and of the Council).

Sustainability reporting includes forward-looking statements based on published assumptions as to events that may occur in future and any future actions on the part of the Bank. The actual results are likely to be different as future events often do not occur as expected.

In our opinion, the Annual Report of AL Sydbank A/S for the financial year 1 January to 31 December 2025, identified as "ALSydbank-2025-12-31-da.zip", has, in all material respects, been prepared in accordance with the ESEF Regulation.

We propose that the Annual Report be submitted for adoption by the AGM.  
Aabenraa, 25 February 2026

## Group Executive Management

<b>Mark Luscombe</b> (CEO)	<b>Frank Mortensen</b> (Deputy CEO)	<b>Jørn Adam Møller</b> (CFO)	
<b>Stig Westergaard</b> (CRO)	<b>Svend Randers</b>	<b>Peter Hupfeld</b>	<b>Gry Bandholm</b>

## Board of Directors

<b>Ellen Trane Nørby</b> (Chair)	<b>Claus Jensen</b> (Vice Chair)	<b>Søren Holm</b>
<b>Jon Stefansson</b>	<b>Susanne Schou</b>	<b>Brian Østergaard Roed</b>
<b>Janne Burkard Moltke-Leth</b>	<b>Henning Overgaard</b>	<b>Caroline Søeborg Ahlefeldt</b>
<b>Christian Riewe</b>	<b>Jarl Oxlund</b>	<b>Jørn Krogh Sørensen</b>
<b>Carsten Andersen</b>	<b>Pia Wrang</b>	

# Independent Auditor's Report

## Independent Auditor's Report

To the shareholders of AL Sydbank A/S

### Auditor's Report on the Financial Statements

#### Opinion

In our opinion, the Consolidated Financial Statements give a true and fair view of the financial position of the Group at 31 December 2025 and of the results of the Group's operations and cash flows for the financial year 1 January - 31 December 2025 in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Business Act.

Moreover, in our opinion, the Parent Company Financial Statements give a true and fair view of the financial position of the Bank at 31 December 2025, and of the results of the Bank operations and cash flows for the financial year 1 January to 31 December 2025 in accordance with the Danish Financial Business Act.

Our opinion is consistent with our Auditor's Long-form Report to the Audit Committee and the Board of Directors.

#### *What we have audited*

The Consolidated Financial Statements of AL Sydbank A/S for the financial year 1 January to 31 December 2025 comprise income statement and statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies.

The Parent Company Financial Statements of AL Sydbank A/S for the financial year 1 January to 31 December 2025 comprise income statement and statement of comprehensive income, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies.

They are collectively referred to as "the Financial Statements".

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the Financial Statements section of our report.

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

#### *Independence*

We are independent of the Group in accordance with International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) applicable to the audit of financial statements of public-interest entities and the additional requirements applicable in Denmark. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

To the best of our knowledge, no prohibited non-audit services as referred to in Article 5(1) of Regulation (EU) no. 537/2014 have been provided.

#### *Appointment*

We were first appointed auditors of AL Sydbank A/S on 25 March 2021 for the financial year 2021.

We have been re-appointed annually by shareholder resolution for a total period of uninterrupted engagement of five years up to and including the 2025 financial year.

#### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements for 2025. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

# Independent Auditor's Report

## Independent Auditor's Report – continued

### *Key audit matter*

#### **Loan impairment charges**

Loans and advances are measured at amortised cost less impairment charges.

Impairment of loans and advances constitutes Management's best estimate of expected losses on loans and advances at the balance sheet date. We refer to note 1 to the Financial Statements for a detailed description of the accounting policies applied.

As a result of the geopolitical and macroeconomic situation, which entails a risk of economic slowdown, Management has recognised a significant increase in loan impairment charges by way of an accounting estimate ("management reserve"). The impact of the geopolitical and macroeconomic situation on the Bank's customers is largely undetermined, which implies that the estimation uncertainty related to the calculation of the indication of impairment is increased.

Since accounting estimates are inherently complex and subjective, and thus subject to considerable estimation uncertainty, loan impairment charges constitute a central focus area.

The following areas are central to the calculation of loan impairment charges:

- Determination of credit classification.
- Model-based impairment charges in stages 1 and 2, including Management's determination of model variables adapted to the Bank's loan portfolio.
- The Bank's procedures to ensure completeness of the registration of credit-impaired loans (stage 3) or loans with significant increase in credit risk (stage 2), including underperforming stage 2 loans.
- Most significant assumptions and estimates applied by Management in the calculations of impairment charges, including principles for the assessment of various outcomes of the customer's financial position (scenarios) and for the assessment of collateral value of, for example, properties included in the calculations of impairment.
- Management's assessment of expected credit losses at the balance sheet date as a result of possible changes in conditions which are not included in the model-based calculations or individually assessed impairment charges (Management's judgement), including in particular the impact of the geopolitical and macroeconomic development on the Bank's customers.

We refer to note 2 'Accounting estimates and judgements', note 14 'Loan impairment charges, etc.' and note 18 'Loans and advances' to the Financial Statements which show factors that may affect the impairment of loans and advances.

### *How our audit addressed the key audit matter*

We reviewed and assessed the impairment charges recognised in the income statement for 2025 and in the balance sheet at 31 December 2025.

We carried out risk assessment procedures to gain an understanding of IT systems, business practices and relevant controls relating to the calculation of loan impairment charges. We assessed whether the controls have been designed and implemented to effectively address the risk of material misstatement. Selected controls, which we planned to rely on, were tested to check whether they had been carried out on a consistent basis. We assessed the impairment model applied by the Bank. This included assessing and testing the Bank's determination of model variables and calculation of model-based impairment charges in stages 1 and 2.

We reviewed and assessed the Bank's validation of the methods applied for the calculation of expected credit losses as well as the procedures designed to ensure that credit-impaired loans in stage 3 and underperforming loans in stage 2 are identified and recorded on a timely basis.

We assessed and tested the principles applied by the Bank for the determination of impairment scenarios and for the measurement of collateral value of, for example, properties included in the calculations of impairment of credit-impaired loans and advances, and loans and advances that are significantly underperforming (underperforming stage 2 loans).

We tested a sample of credit-impaired loans in stage 3 and underperforming loans in stage 2 by testing the calculations of impairment charges and applied data to underlying documentation. We tested a sample of other loans by making an assessment of stage and credit classification. This included samples of large loans as well as loans with generally increased exposure.

We reviewed and challenged the material assumptions underlying Management's estimates of expected credit losses not included in the model-based calculations or individually assessed impairment charges based on our knowledge of the portfolio, the sectors and current market conditions. We focussed specifically on the Bank's calculation of management reserves hedging of expected credit losses as a result of the geopolitical and macroeconomic situation.

We assessed whether the factors which may affect loan impairment charges had been disclosed appropriately.

**Key audit matter**

**Purchase price allocation relating to the merger between Arbejdernes Landsbank and Vestjysk Bank**

On 27 October 2025, Sydbank A/S ('Sydbank'), Aktieselskabet Arbejdernes Landsbank ('Arbejdernes Landsbank') and Vestjysk Bank A/S ('Vestjysk Bank') announced that they had agreed to recommend a merger of the three banks to the general meetings, with Sydbank as the surviving entity under the name of AL Sydbank A/S ('AL Sydbank').

The merger was implemented with accounting effect as of 5 December 2025, on which date all the conditions for the merger had been met. After this, Sydbank obtained control over Arbejdernes Landsbank and Vestjysk Bank and related subsidiaries and included these in the Consolidated Financial Statements by full consolidation.

The merger is accounted for in accordance with the purchase method, and Management has prepared a purchase price allocation for the acquisition of Arbejdernes Landsbank and Vestjysk Bank, which involved separately identifying assets and liabilities and measuring these at fair value in the pre-acquisition balance sheets.

During its preparation of the purchase price allocation, Management applied the Group's valuation methods. To determine the fair value of the separately identifiable assets and liabilities of a business acquisition, the valuation methods require input based on assumptions relating to, for example, expected cash flows, including the net present value of cash flows from loans and advances as well as customer relations.

Significant estimates and judgements associated with the purchase price allocation and the pre-acquisition balance sheets are primarily related to the assessment of fair value of the loans and advances, customer relationships and other financial assets and liabilities acquired at the date of acquisition on 5 December 2025, including assessment of costs recognised in the income statement, which are not included in the purchase price allocation. As the determination of the fair value of acquired assets and liabilities is subject to significant subjectivity, we focused on the purchase price allocation.

Reference is made to notes 2, 24 and 47 to the Financial Statements, 'Accounting estimates and judgements', 'intangible assets' and 'merger', as well as to the sections 'business combinations' and 'intangible assets' in note 1 'Accounting policies'.

**How our audit addressed the key audit matter**

We audited the pre-acquisition balance sheets and corrections resulting from the purchase price allocation and assessed the completeness of assets and liabilities at the date of acquisition.

We tested the merger-related costs recognised and assessed whether their presentation as costs was appropriate.

In cooperation with our internal valuation experts, we assessed the valuation methods applied by Management in its estimation of the fair value of the acquired assets and liabilities.

We challenged significant judgements and key assumptions applied in the determination of the fair value of the assets and liabilities acquired, including the fair value of acquired loans and advances, customer relationships and other financial assets and liabilities acquired.

In addition, we assessed whether sufficient disclosures about the business acquisition have been provided.

# Independent Auditor's Report

## Independent Auditor's Report – continued

### Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and, as part of our audit, we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Business Act. This does not include the requirements of chapter 13 of the Danish Financial Business Act regarding the sustainability statement, which is covered by a separate limited assurance report to that effect.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Business Act, except from chapter 13 of said Act on the sustainability statement, see above. We did not identify any material misstatement in Management's Review.

### Management's responsibilities for the Financial Statements

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Business Act, and for the preparation of parent company financial statements that give a true and fair view in accordance with the Danish Financial Business Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Group's and the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or the Bank or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

## Independent Auditor's Report – continued

- Obtain an understanding of internal control relevant to the audit 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 Group's and the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units of the Group to be used as a basis for expressing an opinion on the Consolidated Financial Statements and the Parent Company Financial Statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, safeguards in place or measures taken to eliminate threats.

Based on the matters communicated with those charged with governance, we determine those matters that were of the most significance in our audit of the Financial Statements for the current period, and which thus constitute key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

### Report on compliance with the ESEF Regulation

As part of our audit of the Financial Statements of AL Sydbank A/S, we have performed procedures for the purpose of expressing an opinion as to whether the Annual Report for the financial year 1 January to 31 December 2025, with the file name ALSydbank-2025-12-31-da.zip, has been prepared in accordance with the Commission Delegated Regulation (EU) 2019/815 on the single electronic reporting format (the ESEF Regulation), which requires the preparation of an annual report in XHTML format and with iXBRL mark-up of the Consolidated Financial Statements, including notes.

Management is responsible for preparing an annual report in compliance with the ESEF Regulation, including:

- Preparation of an annual report in XHTML format.
- Selection and use of appropriate iXBRL tags, including extensions to the ESEF taxonomy and anchoring to taxonomy elements, for financial information requiring mark-up, and making estimates where necessary.
- Ensuring consistency between iXBRL marked-up data and the human-readable consolidated financial statements.
- For such internal control as Management determines is necessary to enable the preparation of an annual report in compliance with the ESEF Regulation.

## Independent Auditor's Report – continued

Based on the evidence obtained, our responsibility is to obtain reasonable assurance whether the Annual Report, in all material respects, has been prepared in accordance with the ESEF Regulation, and to express an opinion. The nature, scope and timing of the procedures selected are based on the auditor's professional judgement, including an assessment of the risk of material deviations from ESEF Regulation requirements, whether due to fraud or error. The procedures include:

- Verifying whether the Annual Report has been prepared in XHTML format.
- Gaining an understanding of the Bank's iXBRL mark-up process and of the internal control relating to the mark-up process.
- Assessment of the completeness of the iXBRL mark-up of the Consolidated Financial Statements, including notes.
- Assessment of whether the use of iXBRL elements from the ESEF taxonomy and the Bank's creation of extensions to the taxonomy are appropriate when relevant elements of the ESEF taxonomy have not been identified.
- Assessment of the anchoring of extensions to elements of the ESEF taxonomy.
- Reconciliation of iXBRL marked-up data to the audited Consolidated Financial Statements.

In our opinion, the Annual Report of AL Sydbank A/S for the financial year 1 January to 31 December 2025, with the file name ALSydbank-2025-12-31-da.zip, has, in all material respects, been prepared in accordance with the ESEF Regulation.

Herning, 25 February 2026

**PricewaterhouseCoopers**  
Statsautoriseret Revisionspartnerselskab  
CVR no 33 77 12 31

**Per Rolf Larssen**  
State Authorised Public  
Accountant  
**mne24822**

# Report on the Sustainability Statement

## Independent Auditor's Limited Assurance Report on the Sustainability Statement

### To the shareholders of AL Sydbank A/S

#### Limited assurance conclusion

We have conducted a limited assurance engagement on the Sustainability Statement of AL Sydbank A/S (the "Group") included in Management's Review (the "Sustainability Statement"), pages 40 to 75 and 154 to 183, for the financial year 1 January - 31 December 2025.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Statement is not prepared, in all material respects, in accordance with part 13 of the Danish Financial Business Act, including:

- compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by Management to identify the information reported in the Sustainability Statement (the "Process") is in accordance with the description set out in the Materiality Assessment section; and
- compliance of the disclosures in the Reporting under Article 8 of the Taxonomy Regulation section of the Sustainability Statement with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation").

#### Basis for conclusion

We conducted our limited assurance engagement in accordance with ISAE 3000 (revised), "Assurance engagements other than audits or reviews of historical financial information" ("ISAE 3000 (revised)"), and additional requirements applicable in Denmark.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the "Auditor's responsibilities for the assurance engagement" section of our Report.

#### Our independence and quality control

We are independent of the Group in accordance with International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark.

We have also fulfilled our other ethical responsibilities in accordance with the IEASBA Code.

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards, applicable legal and regulatory requirements.

#### Management's responsibilities for the Sustainability Statement

Management is responsible for designing and implementing a process to identify the information reported in the Sustainability Statement in accordance with the ESRS and for disclosing this Process in the Materiality Assessment section of the Sustainability Statement. This responsibility includes:

- Understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders
- The identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital in the short, medium or long term
- The assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- Making assumptions that are reasonable in the circumstances.

Management is moreover responsible for the preparation of a Sustainability Statement comprising the information identified during the Process, in accordance with part 13 of the Danish Financial Business Act, including:

- Complying with the ESRS
- Preparing the disclosures included in the Reporting under Article 8 of the Taxonomy Regulation section of the Sustainability Statement
- Designing, implementing and maintaining such internal control that Management determines is necessary to enable the preparation of a Sustainability Statement that is free from material misstatement, whether due to fraud or error; and

# Report on the Sustainability Statement

## Independent Auditor's Limited Assurance Report on the Sustainability Statement – continued

- The selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.
- valg og anvendelse af egnede metoder til bæredygtighedsrapportering og fastlæggelse af forudsætninger og for at foretage skøn, som er forsvarlige efter omstændighederne.

### ***Inherent limitations in preparing the sustainability statement***

In reporting forward-looking information in accordance with ESRS, Management is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

### **Auditor's responsibilities for the assurance engagement**

Our responsibilities are to plan and perform the assurance engagement to obtain limited assurance about whether the Sustainability Statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Sustainability Statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities in respect of the Process include:

- Obtaining an understanding of the Process but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process
- Considering whether the information identified addresses the applicable disclosure requirements of the ESRS, and
- Designing and performing procedures to evaluate whether the Process is consistent with the Group's description of its Process, as disclosed in the Materiality Assessment section.

Our other responsibilities in respect of the sustainability statement include:

- Identifying disclosures where material misstatements are likely to arise, whether due to fraud or error; and

- Designing and performing procedures responsive to disclosures in the Sustainability Statement where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

### **Summary of the work performed**

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Statement. The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the Sustainability Statement.

In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process by performing enquiries to understand the sources of the information used by Management; and reviewing the Group's internal documentation of its Process; and
- Evaluated whether the evidence obtained from our procedures about the Process implemented by the Group was consistent with the description of the Process set out in the Materiality Assessment section.

In conducting our limited assurance engagement, with respect to the Sustainability Statement, we:

- Obtained an understanding of the Group's reporting processes relevant to the preparation of its Sustainability Statement, including the consolidation processes, by obtaining an understanding of the Group's control environment, processes and information systems relevant to the preparation of the Sustainability Statement but not evaluating the design of particular control activities, obtaining evidence about their implementation or testing their operating effectiveness
- Evaluated whether material information identified by the Process is included in the sustainability statement
- Evaluated whether the structure and the presentation of the Sustainability Statement are in accordance with the ESRS
- Performed enquiries of relevant personnel and analytical procedures on selected information in the Sustainability Statement
- Performed substantive assurance procedures on selected information in the Sustainability Statement

## Independent Auditor's Limited Assurance Report on the Sustainability Statement – continued

- Where applicable, compared selected disclosures in the Sustainability Statement with the corresponding disclosures in the Consolidated Financial Statements and Management's Review
- Evaluated methods, assumptions and data for developing estimates and forward-looking information and
- Obtained an understanding of the Group's process for identifying taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Sustainability Statement.

Herning, 25 February 2026

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33 77 12 31

**Per Rolf Larssen**

State Authorised Public  
Accountant mne24822

# Board of Directors



## Chair

### Ellen Trane Nørby

Independent consultant and professional board member

Born: 1 February 1980

Gender: Female

Education: MA (art history and social studies)

Elected to Board of Directors: 2023

Expiry of current term of office: 2026

Independent: Yes



## Vice Chair

### Claus Jensen

Trade Union President

Born: 30 April 1964

Gender: Male

Education: Plater and structural steel fabricator

Elected to Board of Directors: 2025

Expiry of current term of office: 2026

Independent: Yes

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### Board committee memberships:

Member of Audit Committee and Nomination Committee

### Directorships and other offices:

Naviair, board member

Enhance TopCo ApS, board member

Sønderborg Lufthavn A/S, board member

Projekt Zero-Fonden, board member

DANVA Dansk Vand- og Spildevandsforening, chair

Arwos Spildevand A/S, board member

Arwos Vand A/S, board member

### Specific competences:

ESG and governance, macroeconomics, management and strategy, organisation, communication and marketing

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### Board committee memberships:

Member of Audit Committee and Nomination Committee

### Directorships and other offices:

A/S A-Pressen, board member

Arbejderbevægelsens Erhvervsråd, board member

Arbejderbevægelsens Kooperative Finansieringsfond, board member

Arbejdernes Landsbanks Fond, board member

Bygnings- og Udviklingsfonden DTM 4.0, vice chair

Centralorganisationen af Industriansatte i Danmark, chair

Dansk Metalarbejderforbund (Danish Metalworkers' Union) Trade Union President

De Økonomiske Råd (Danish Economic Councils), member

Fagbevægelsens Hovedorganisation, board member

IndustriALL European Trade Union, vice chair

Industrianställda i Norden, chair

Industripension Holding A/S, board member

Industriens Pensionsforsikring A/S, board member

Industriens Pension Service A/S, board member

Odense Havn A/S, board member

Sund & Bælt Holding A/S, board member

Øresundsbro Konsortiet I/S, board member

Sydporten P/S, chair

AlsFynForbindelsen, chair

Danmarks Nationalbank, board member

Industriens Kompetenceudviklingsfond, IKUE, board member

Industriens Uddannelse- og Samarbejdsfond, IUS, board member

### Specific competences:

Management, HR, strategy and organisation, credit management, macroeconomics and accounting, capital markets, liquidity and funding, IT and digitalisation, business and customer base, financial regulation and governance and risk management



**Board member**

**Søren Holm**

Former group executive

Born: 15 November 1956

Gender: Male

Education: MSc in Economics

Elected to Board of Directors: 2020

Expiry of current term of office: 2026

Independent: Yes

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**Board committee memberships:**

Chair of Audit Committee and member of Remuneration Committee

**Specific competences:**

Financial business management, strategy and business development, financial management, accounting and auditing, risk management, credit management, Treasury, issuance of securities and capital management, ESG and governance



**Board member**

**Jon Stefansson**

Attorney

Born: 27 June 1973

Gender: Male

Education: Attorney

Elected to Board of Directors: 2019

Expiry of current term of office: 2026

Independent: Yes

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**Board committee memberships:**

Chair of Remuneration Committee and member of ESG Committee

**Directorships and other offices:**

Michael Nissen Holding ApS, chair

P. Christensen A/S, chair

Moravia Invest A/S, chair

P. Christensen Ejendomme A/S, chair

P. Christensen Mobility A/S, chair

P. Christensen, Odense, Holding A/S, chair

Andersen Partners Advokatpartnerselskab, board member

Kai D Fonden, chair

**Specific competences:**

Compliance/law, management, strategy and business development

# Board of Directors



**Board member**

**Susanne Schou**

Professional board member

Born: 24 April 1964

Gender: Female

Education: –

Elected to Board of Directors: 2018

Expiry of current term of office: 2026

Independent: Yes



**Board member**

**Brian Østergaard Roed**

Chief Credit Risk Officer

Born: 15 August 1976

Gender: Male

Education: MSc in Applied Economics and Finance

Elected to Board of Directors: 2025

Expiry of current term of office: 2026

Independent: Yes

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**Board committee memberships:**

Chair of Digitization Committee and member of  
Nomination Committee and ESG Committee

**Directorships and other offices:**

Swienty A/S, board member

The Sydbank Foundation, board member

**Specific competences:**

Business development, change management, strategy  
development, digitalisation and HR

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**Board committee memberships:**

Chair of Risk Committee and member of Digitization Committee

**Specific competences:**

Lending, risk management, management, finance, accounting  
and investment



**Board member**

**Janne Moltke-Leth**

CEO

Born: 4 August 1966

Gender: Female

Education: MSc in Business, Language and Culture;  
Graduate Diploma in Organisation

Elected to Board of Directors: 2016

Expiry of current term of office: 2026

Independent: Yes

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**Board committee memberships:**

Chair of Nomination Committee and member of Risk Committee

**Directorships and other offices:**

Bruun Rasmussen Kunstauktioner A/S, CEO

Svenske Duni AB, board member

**Specific competences:**

Management, strategy and business development, marketing and communication, flow analysis, risk management, sales and distribution, ESG



**Board member**

**Henning Overgaard**

Trade Union President

Born: 16 October 1971

Gender: Male

Education: Transport and warehouse worker

Elected to Board of Directors: 2025

Expiry of current term of office: 2026

Independent: Yes

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**Board committee memberships:**

Member of Risk Committee and ESG Committee

**Directorships and other offices:**

Arbejderbevægelsens Erhvervsråd, board member

Arbejdernes Landsbanks Fond, board member

De Økonomiske Råd (Danish Economic Councils), member

Fagbevægelsens Hovedorganisation, board member

Fagligt Fælles Forbund (3F) (United Federation of Danish Workers), Trade Union President

PensionDanmark Holding A/S, chair

PensionDanmark Pensionsforsikringsaktieselskab, chair

Evida Holding A/S, board member

Evida Gasnet A/S, board member

Evida Service A/S, board member

**Specific competences:**

Management, HR, strategy and organisation, credit management, macroeconomics and accounting, capital markets, liquidity and funding, IT and digitalisation, business and customer base, financial regulation and governance, risk management

# Board of Directors



## Board member

### Caroline Søbørg Ahlefeldt

Investment Director and CEO

Born: 8 June 1968

Gender: Female

Education: Executive MBA and BA, Information and Media Science

Elected to Board of Directors: 2025

Expiry of current term of office: 2026

Independent: Yes



## Board member

### Christian Riewe

Attorney, partner and CEO

Born: 28 January 1975

Gender: Male

Education: LLM (Master of Laws), Aarhus University

Elected to Board of Directors: 2025

Expiry of current term of office: 2026

Independent: Yes

## Board committee memberships:

Member of Digitization Committee and ESG Committee

## Directorships and other offices:

Arbejdernes Landsbanks Fond, board member

Cobe A/S, chair

Copenhagen Contemporary-Fonden, board member

Casalbi ApS, CEO

DonkeyRepublic Holding A/S, chair

DonkeyRepublic Bike ApS, chair

DonkeyRepublic Admin ApS, chair

FarmDroid ApS, board member

Go Autonomous ApS, board member

Landfolk A/S, board member

Trebo ApS, board member

Verifi Finance ApS, board member

## Specific competences:

ESG, management, HR and strategy, investment, macroeconomics and accounting, capital markets, liquidity and funding, IT and digitalisation, business and customer base and risk management

## Board committee memberships:

Member of Nomination Committee and Remuneration Committee

## Directorships and other offices:

Arbejdernes Landsbanks Fond, board member

Advokatanpartsselskabet Riewe 2018, CEO

Anchersen-Fladså ApS, board member

COMET Bio Holding ApS, board member

Meliora Bio ApS, board member

Meliora Bio Facilities A/S, board member

Meliora Bio Properties, board member

Salvador ApS, CEO

Salvador 2018 ApS, CEO

Virkelyst 8A ApS, CEO

## Specific competences:

Compliance/law, management, HR and strategy, credit management, macroeconomics and accounting, capital markets, liquidity and funding, IT and digitalisation, business and customer base, financial regulation, risk management



**Board member**

**Jarl Oxlund**

Branch President

Born: 29 April 1967

Gender: Male

Education: Banking, Graduate Diploma in Business Administration, Master of Organisational Psychology

Elected to Board of Directors: 2014

Expiry of current term of office: 2026

Independent: No

Elected by the employees

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**Board committee memberships:**

Member of Digitization Committee

**Directorships and other offices:**

Finansforbundet (Financial Services Union in Denmark), member of executive council

Finansforbundet i AL Sydbank, president

**Specific competences:**

Accounting, banking products, credit risks and organisation



**Board member**

**Jørn Krogh Sørensen**

Head of Credits

Born: 16 October 1965

Gender: Male

Education: Banking, Graduate Diploma in Business Administration, FU Master in Leadership

Elected to Board of Directors: 2018

Expiry of current term of office: 2026

Independent: No

Elected by the employees

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**Board committee memberships:**

Member of Remuneration Committee

**Specific competences:**

Lending, finance, risk management, accounting and management

# Board of Directors



**Board member**

**Carsten Andersen**

Account Manager, Corporate Clients

Born: 3 September 1984

Gender: Male

Education: Academy Profession (AP) Degree in Financial Advice – banking, trained estate agent, Graduate Diploma in Business Administration

Elected to Board of Directors: 2018

Expiry of current term of office: 2026

Independent: No

Elected by the employees

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**Board committee memberships:**

Member of Audit Committee

**Directorships and other offices:**

Sundeved Vælgerforening, board member

Venstres Kommuneforening i Sønderborg, board member

**Specific competences:**

Credit granting, finance, economics and accounting



**Board member**

**Pia Wrang**

Executive Vice President

Born: 2 January 1971

Gender: Female

Education: Certified Financial Adviser – Wealth Adviser, Government taxation study programme, Trainee – A.P. Møller-Mærsk

Elected to Board of Directors: 2022

Expiry of current term of office: 2026

Independent: No

Elected by the employees

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**Board committee memberships:**

Member of Risk Committee

**Specific competences:**

Lending, tax, accounting, banking products and concept development



# Group Executive Management



## **CEO**

### **Mark Luscombe**

Born: 18 May 1969

Gender: Male

Group Executive Management member: 2024

CEO: 2024



## **Deputy CEO**

### **Frank Mortensen**

Born: 18 March 1974

Gender: Male

Group Executive Management member: 2025

## **Directorships:**

Ejendomsselskabet af 1. juni 1986 A/S, chair  
Landsdækkende Banker, chair  
Syd Administration A/S, chair  
Foreningen Bankdata, vice chair  
Finance Denmark, board member  
FR I af 16. september 2015 A/S, board member  
PRAS A/S, vice chair  
BI Holding A/S, board member  
Oeconforeningen, board member  
The Sydbank Foundation, board member

## **Directorships:**

Ejendomsselskabet Sluseholmen A/S, board member  
Sluseholmen 7 A/S, board member  
Nærpension Forsikringsformidling, chair  
DLR Kredit A/S, board member  
Sparinvest Holding SE, board member  
AL Sydbank Finans A/S, vice chair  
AL af AL SYD A/S, chair



**CFO**

**Jørn Adam Møller**

Born: 31 July 1966

Gender: Male

Group Executive Management member: 2019

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**Directorships and other offices:**

Syd Administration A/S, executive manager and board member

Ejendomsselskabet af 1. juni 1986 A/S, executive manager and board member

Bokis A/S, board member

Letpension Forsikringsformidling A/S, board member



**CRO**

**Stig Westergaard**

Born: 9 September 1967

Gender: Male

Group Executive Management member: 2023

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**Directorships:**

Syd Administration A/S, vice chair

Ejendomsselskabet af 1. juni 1986 A/S, board member

DLR Kredit A/S, vice chair

# Group Executive Management



**Svend Randers**

Born: 31 May 1968

Gender: Male

Group Executive Management member: 2025



**Gry Bandholm**

Born: 23 February 1973

Gender: Female

Group Executive Management member: 2025

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**Directorships:**

Arbejdernes Landsbanks Fond, board member

Finanssektorens Uddannelsescenter, vice chair

Ejendomsselskabet Skovsvinget 10 P/S, vice chair

BI Holding A/S, board member

BI Asset Management Fondsmæglerselskab A/S, vice chair

AL Sydbank Finans A/S, chair

AL af AL SYD A/S, board member

Factor Insurance Brokers A/S, chair

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**Directorships:**

Ejendomsselskabet Sluseholmen A/S, board member

Sluseholmen 7 A/S, board member

AL Sydbank Finans A/S, board member

AL af AL SYD A/S, board member

Coop Bank A/S, chair



**Peter Hupfeld**

Born: 16 April 1971

Gender: Male

Group Executive Management member: 2025

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**Directorships:**

Partnerleasing A/S, board member

Partnerleasing Holding A/S, board member

EgnsInvest Holding A/S, board member

EgnsInvest Management A/S, board member

VB af AL SYD A/S, board member

Lokal Puljeinvest, chair

# Organisation

<b>Mark Luscombe</b> CEO	<b>Frank Mortensen</b> Deputy CEO	<b>Jørn Adam Møller</b> CFO	<b>Gry Bandholm</b>
<b>Strategy and Management Support</b> Julie Nygaard Brushøj	<b>Private Banking – Products and Concepts</b> Steen Sandager	<b>Corporate – Products and Concepts</b> Claus Peter Michelsen	<b>Data and IRB approaches</b> Nana Lottrup Nørgaard
<b>Reputation and Impact</b> Louise Degn	<b>AL Sydbank Markets</b> Pia Brink Andersen	<b>AL Sydbank Finance and Associations</b> Bjørn Bøje Jensen	<b>IT</b> Erik Meldgaard
<b>Merger and Integration</b> Flemming Ramberg Mortensen	<b>Asset Management</b> Mads Kjølsten Olsen	<b>Finance</b> Kim Nissen	<b>COOP Bank</b> Morten Barsballe
	<b>Syd Fund Management</b> Steffen Ussing	<b>Digital Banking</b> Linette Damgaard Hansen	<b>Corporate and Private Banking West Jutland</b> Frank Bondorph
<b>Senior advisor</b> Jan Walther Andersen	<b>HR</b> Else Guldager	<b>Corporate and Private Banking Germany</b> Kim Møller Nielsen	<b>Corporate and Private Banking Kolding</b> Søren Olling
<b>Internal Audit</b> Christoffer Max Jensen	<b>Corporate and Private Banking North Jutland</b> Anette Nielsen	<b>Corporate and Private Banking South Jutland</b> Laurids Kudsk	<b>Corporate and Private Banking Funen</b> Claus Braad Hansen
	<b>Corporate and Private Banking Zealand Central</b> Kenneth Kragh	<b>Corporate and Private Banking Aarhus</b> Torben R. Rasmussen	<b>Corporate and Private Banking Copenhagen and Zealand North</b> Søren Gadeberg
	<b>Corporate and Private Banking Zealand South</b> Kasper Bæk	<b>Corporate and Private Banking Sønderborg</b> Bente Holm Skylvad	

Peter Hupfeld	Svend Randers	Stig Westergaard CRO
Corporate Banking Steen Streubel Hansen	Retail – Products, Concepts and Marketing Mike Cottle	Credits Torben André Petersen
Transaction Banking Jesper Skjærbæk	AL Sydbank Direct Mette-Line Chemnitz	Legal Department/AML Karin Sønderbæk
Operations Jacob Aarup Petersen	Retail Jutland North Svend Erik Christensen	Risk Bjørn Slipsager Clausen
Agriculture Brian Skov Nielsen	Retail Jutland Central Ronni Tønder	Compliance Lone Frederiksen
Corporate and Private Banking Northwest Jutland Palle Hoffmann	Retail Funen and Jutland South Jimmi Elmgaard	
Corporate and Private Banking Horsens Claus Brandt	Retail Copenhagen and Zealand North Jonas Thomsen	
Corporate and Private Banking Vejle Tina Kromann Lyngsø	Retail Zealand Mike Eriksen	
Corporate and Private Banking Central Jutland Claus Brændstrup		





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