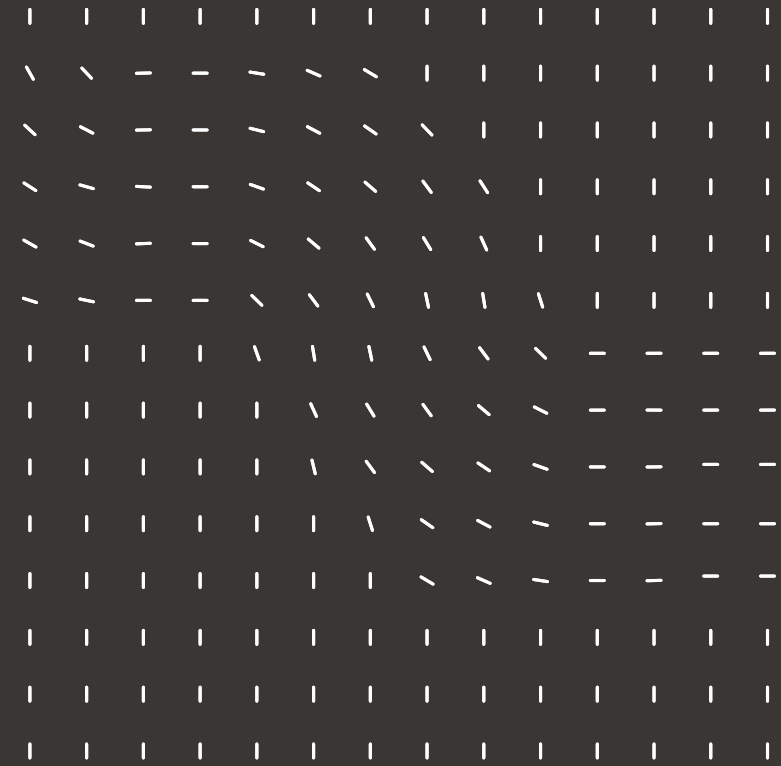


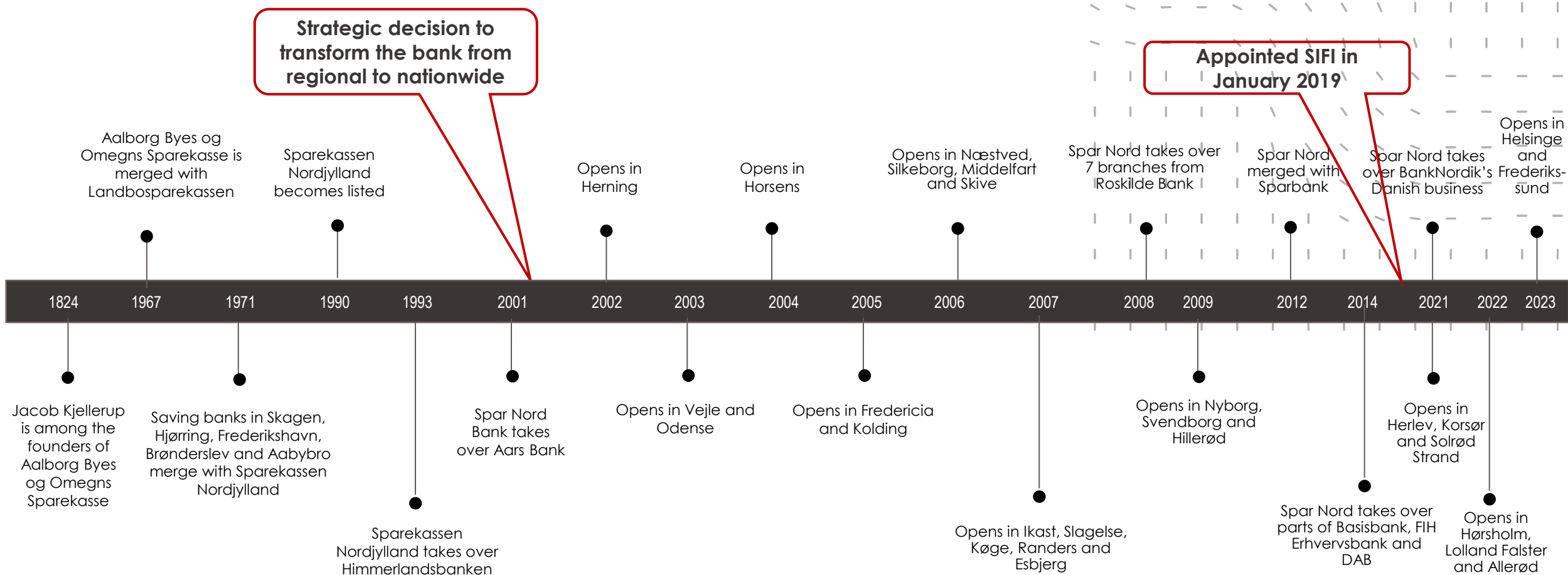
Spar Nord Bank

Introduction

Rune Brandt Børglum, Head of Investor Relations
23 April 2024

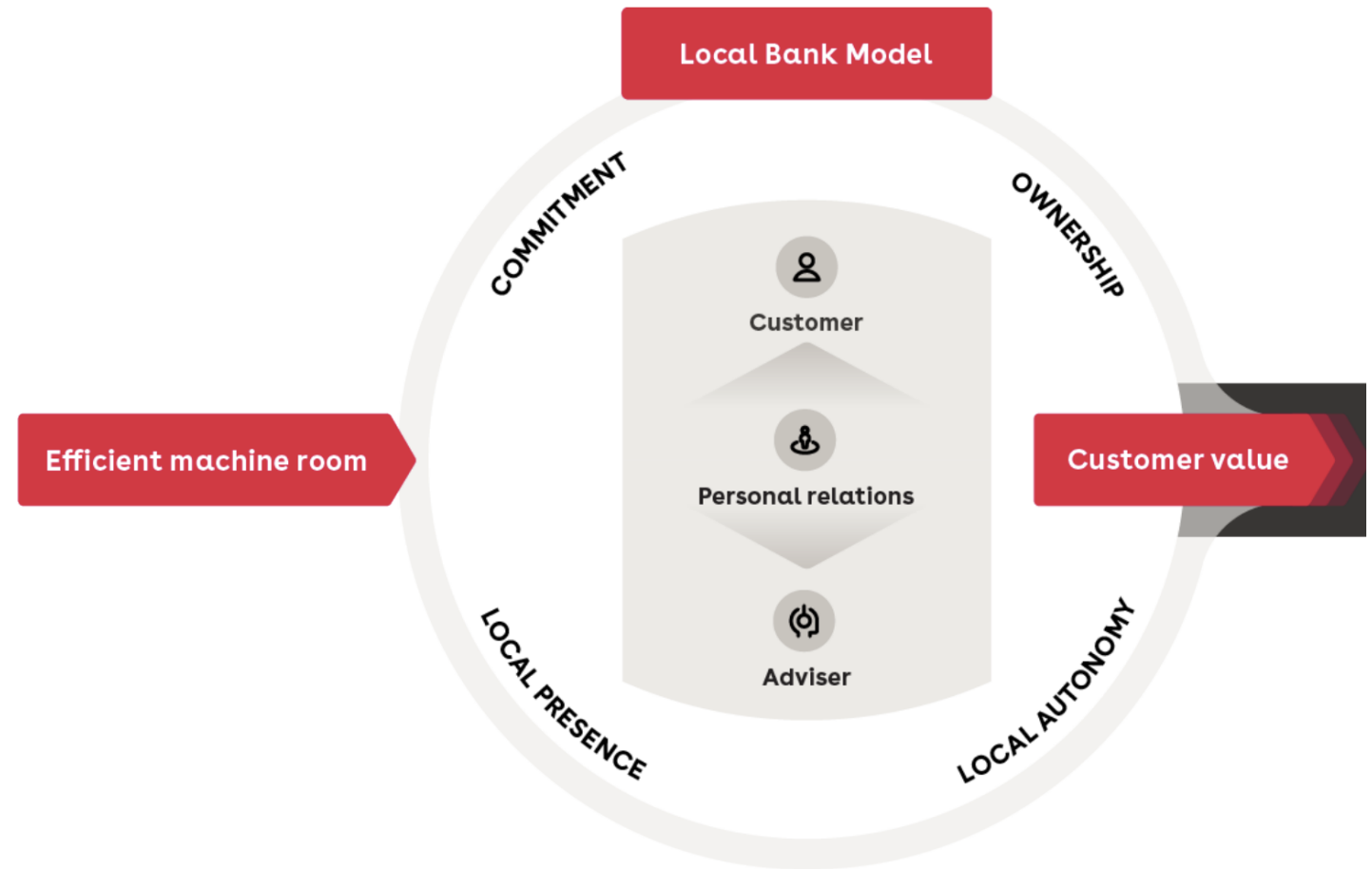


Formed in 1824 and closing in on 200 year



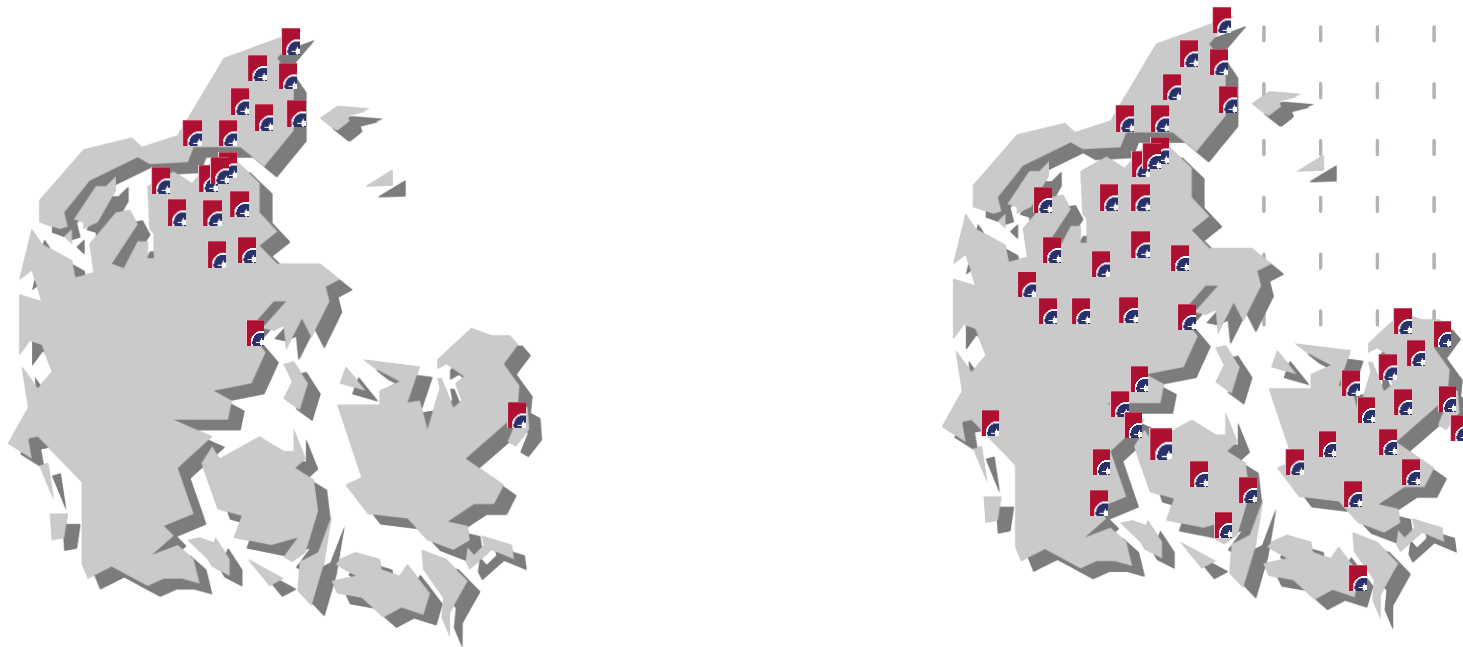
Local Bank Model – our guiding star since 2001

- Well defined focus on private customers and businesses in the local area
- Local decision-making power
- Central monitoring and support
- Differentiating position



We have established a **nationwide bank** since 2001 – with presence in the largest Danish cities

From regional bank to nationwide bank



	2001	2012	2023
Local banks	66	90	62
FTEs	1,110	1,653	1,703
Loans	16.5	34.9	57.5
Deposits	15.5	41.9	74.3
Equity	1.7	5.9	12.8

National foothold (YE2023)

North Denmark Region (34%)

Business volume DKK 115 billion (2013: 77)
FTE 321 (2013: 497)
Branches 21 (2013: 38)

Central Denmark Region (23%)

Business volume DKK 79 billion (2013: 39)
FTE 233 (2013: 241)
Branches 9 (2013: 16)

Region of Southern Denmark (12%)

Business volume DKK 42 billion (2013: 16)
FTE 133 (2013: 98)
Branches 9 (2013: 8)

Capital Region of Denmark (15%)

Business volume DKK 53 billion (2013: 11)
FTE 180 (2013: 76)
Branches 15 (2013: 5)

Region Zealand (15%)

Business volume DKK 53 billion (2013: 18)
FTE 143 (2013: 115)
Branches 8 (2013: 7)

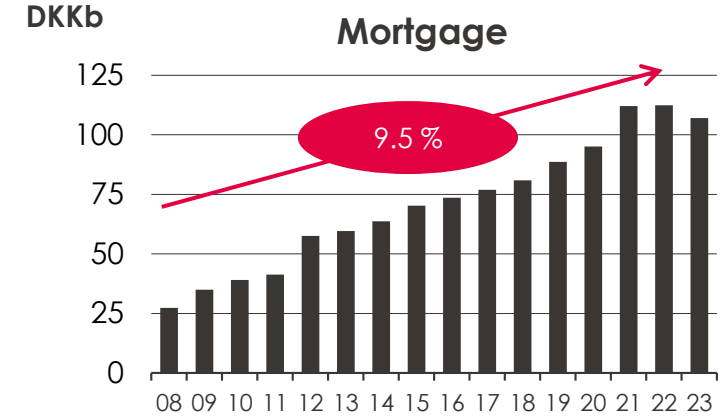
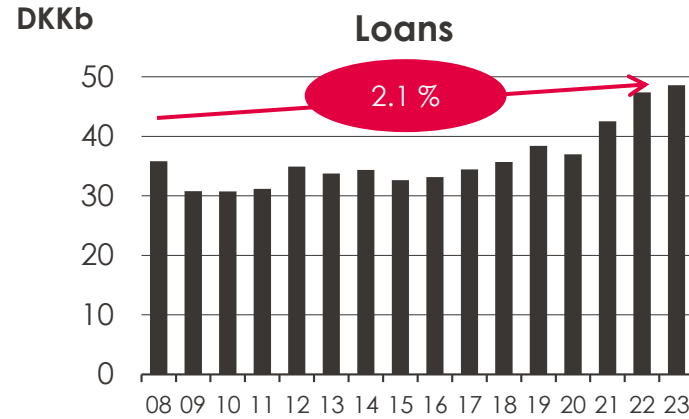
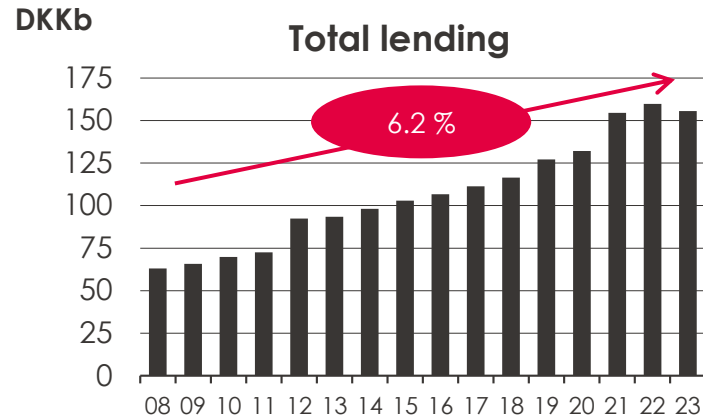
New Local Banks established in recent years

- **2020**
 - Branch in Herlev
- **2021**
 - Branch in Korsør
 - Branch in Solrød Strand
- **2022**
 - Branch in Hørsholm
 - Banking area on Nykøbing Falster
 - Banking area in Allerød
- **2023**
 - Branch in Helsingør
 - Banking area in Frederikssund

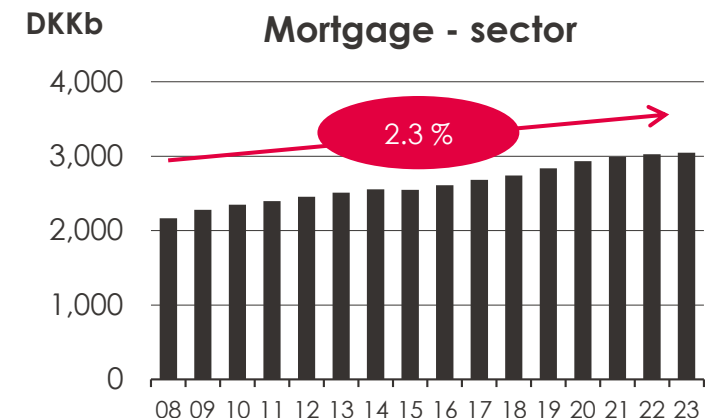
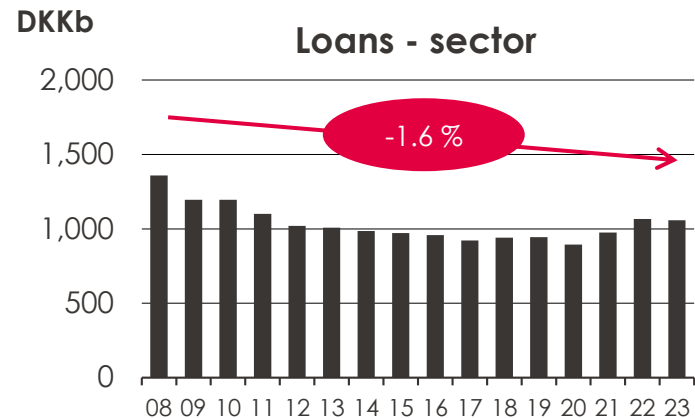
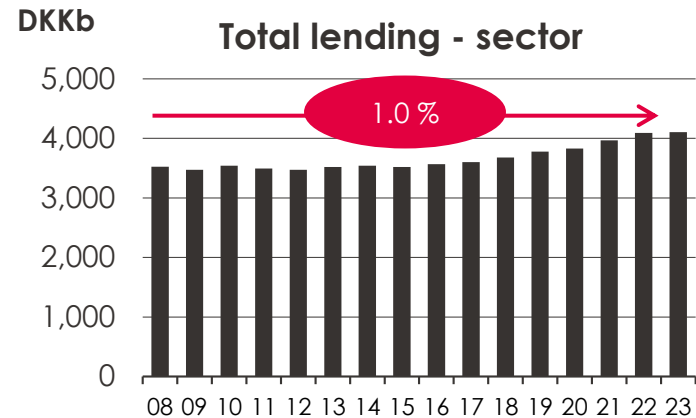
15 years with growth and steadily gaining market share

Historically Spar Nord has been growing more rapidly than the broader Danish banking sector

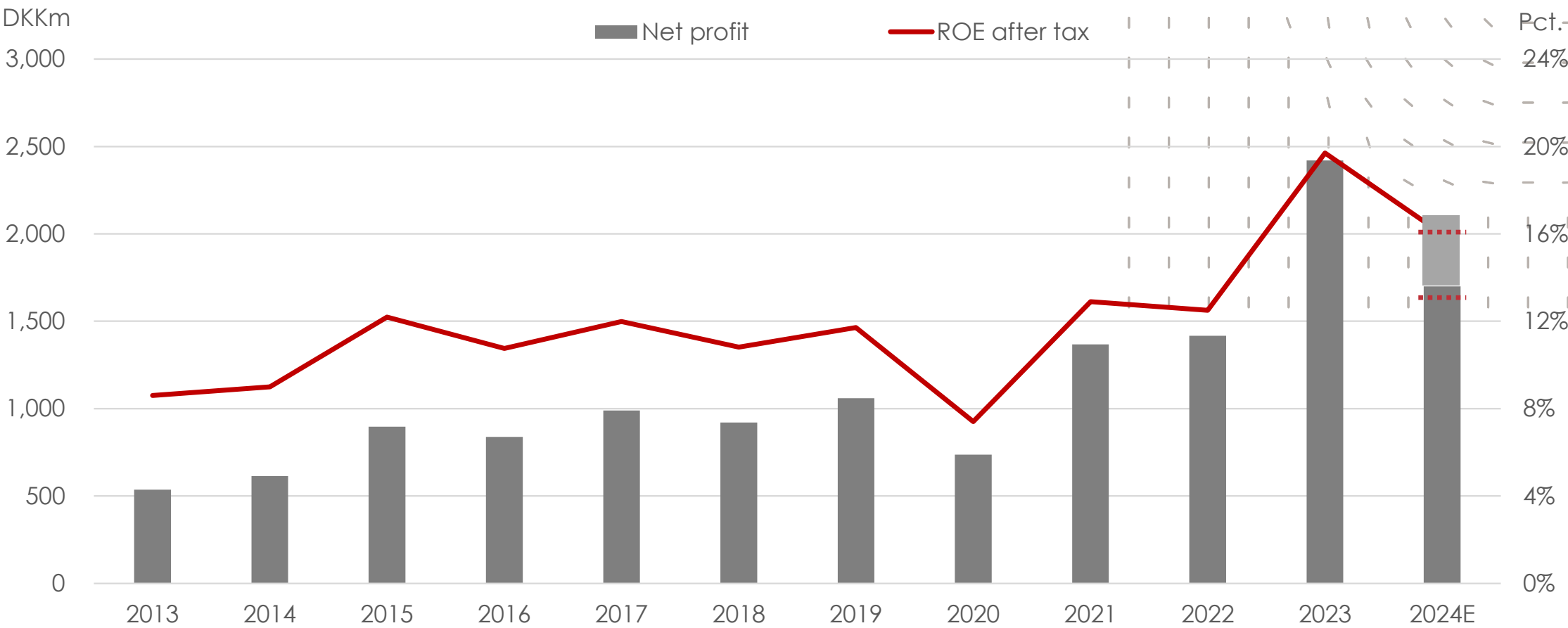
Spar Nord



Danish Banking Sector

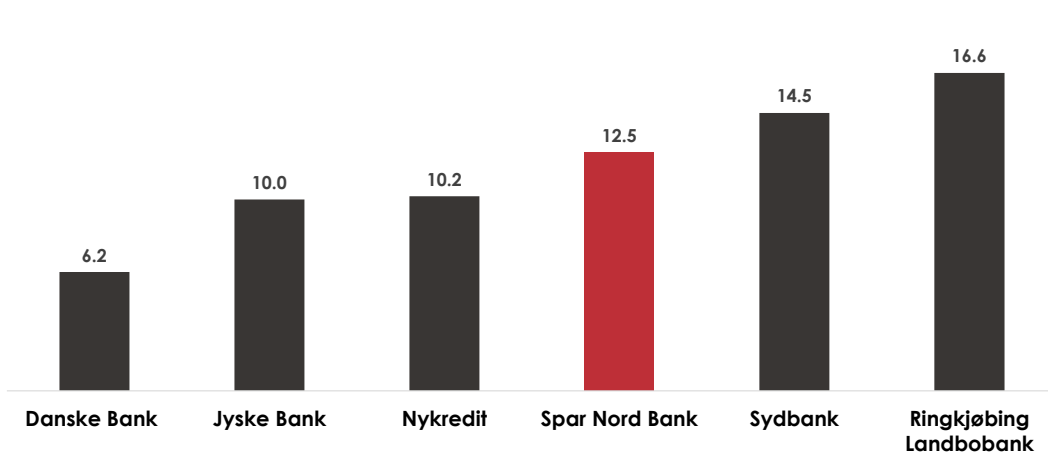


11 years with positive results

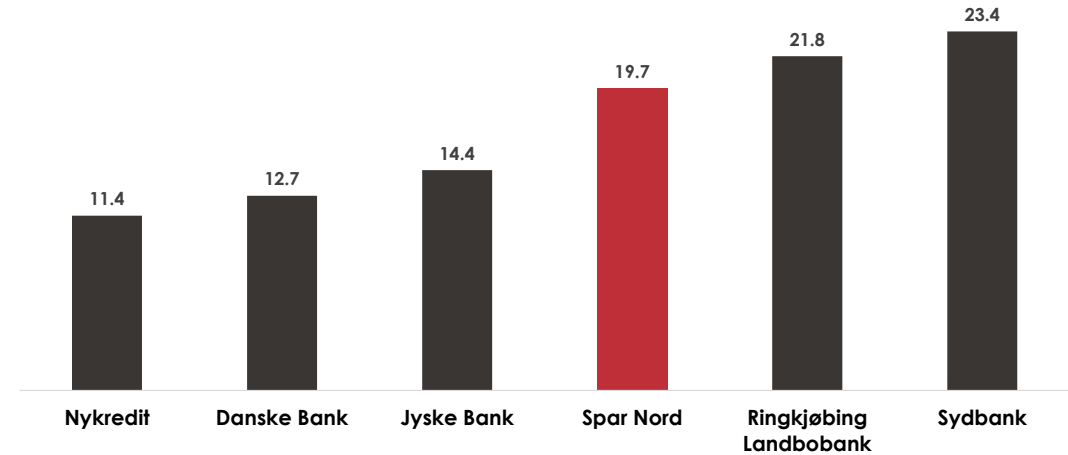


ROE among the best in Denmark

ROE after tax 2022



ROE after tax 2023

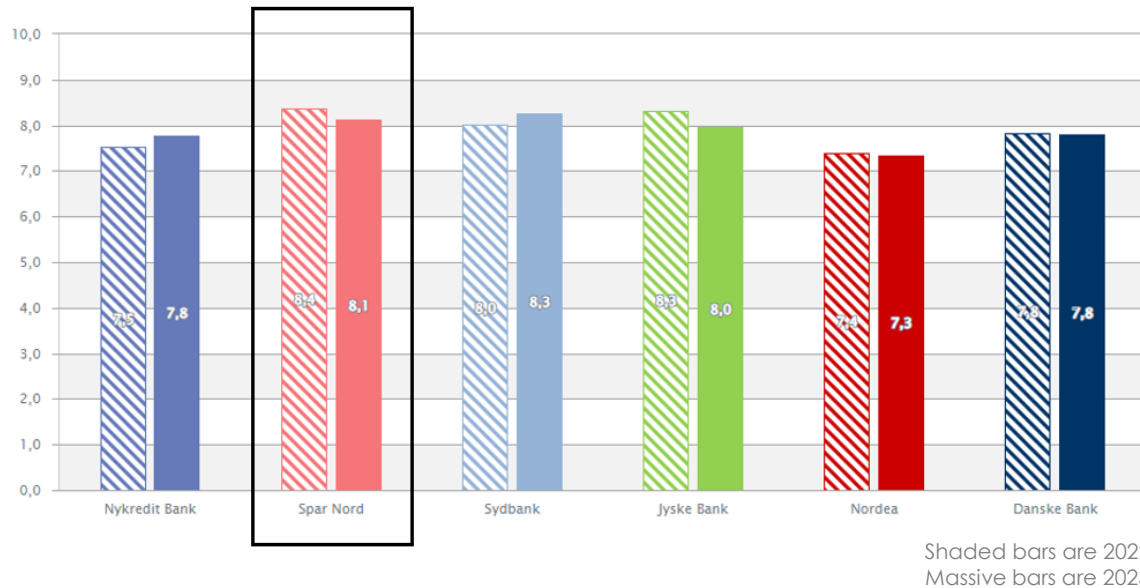


ROE (% after tax)	2019	2020	2021	2022	2023	Avg. ROE (5 year)
Arbejdernes Landsbank	8.0	4.4	14.4	6.7	14.7	9.6
Jyske Bank	7.1	4.4	8.8	10.0	14.4	8.9
Spar Nord Bank	11.7	7.4	12.9	12.5	19.7	12.8
Sydbank	7.4	6.7	11.3	14.5	23.4	12.7
Ringkjøbing Landbobank	13.2	11.7	14.6	16.6	21.8	15.6
Sparekassen Danmark	13.0	7.7	11.2	7.3	13.2	10.5
Average (Peer group)	10.1	7.1	12.2	11.3	17.9	11.7

Positive image – positioned for further growth

Corporate

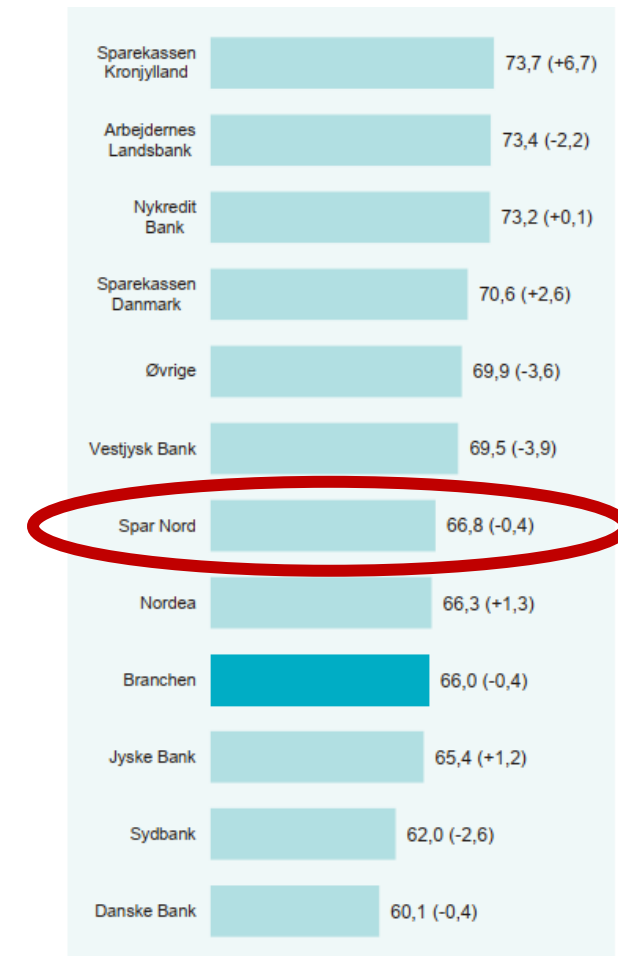
1. Place in 6 of 7 years



Source: Bank Barometer Business, Aalund 2023 (10-499 employees)

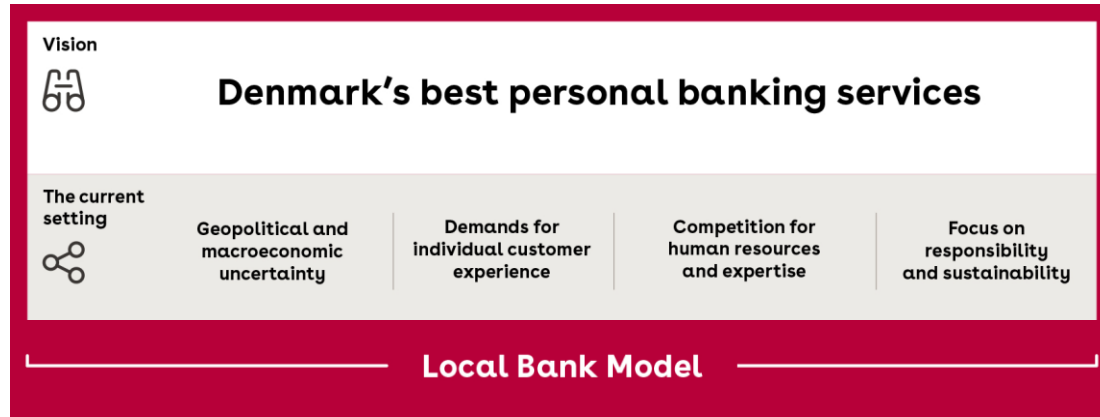
Private

Best among the larger banks



Source: EPSI 2023 9

Strategy and financial guidance for 2023-25



Strategic targets 2023-25

Return on equity

> 11 %

after tax

2023:
19.7%

Cost/Income Ratio

< 55

2023:
45

Dividend

40-60 %

of profit for the year

2023:
69%

Based on an impairment ratio, which in the 2023-2025 strategy period is not expected to exceed 0.50

2023, a historical great year for Spar Nord

Profitability at very satisfactory level

- Net profit at DKK 2.4 billion
- 19.7 % ROE after tax

Continued business growth and record high NII

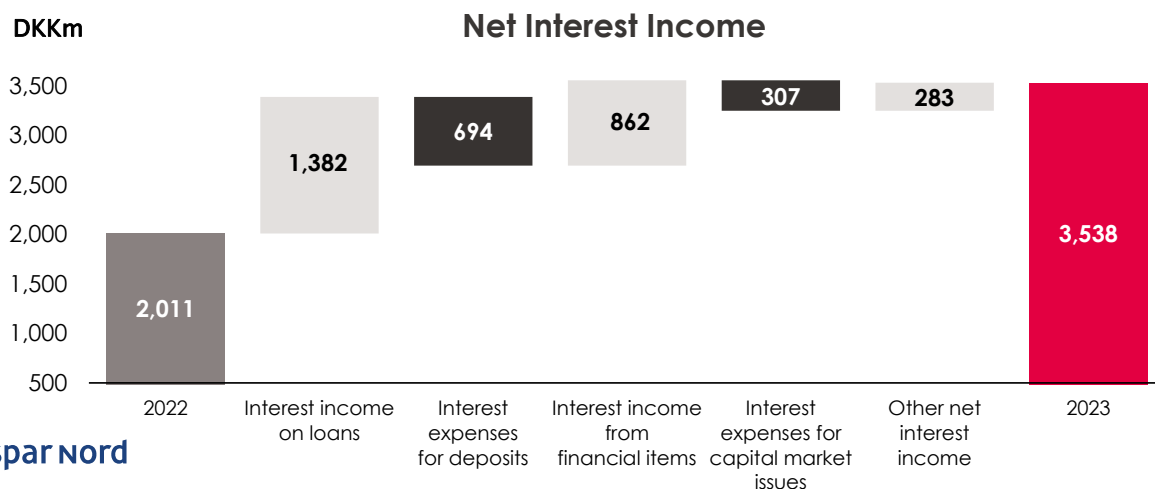
- 3 % growth in total business volume
 - Of which 4 % growth in bank and leasing loans
- Record high DKK 3.5 billion NII
- Net reversal of impairment charges of DKK 33 million

IRB-application submitted to the Danish FSA

- Positive capital effects expected from the 2024/2025 changeover

Income statement

SPAR NORD BANK DKKkm	2023	2022	Index
Net interest income	3,538	2,011	176
Net fees, charges and commissions	1,493	1,689	88
Market-value adjustments and dividends	452	323	140
Other income	175	122	143
Core income	5,658	4,145	136
Staff costs	1,493	1,384	108
Operating expenses	1,057	953	111
Costs and expenses	2,550	2,338	109
Core earnings before impairment	3,108	1,808	172
Impairments of loans and advances	-33	78	-
Profit before tax	3,141	1,730	182
Tax	720	313	230
Profit	2,421	1,417	171



Capital ratios

Pct.	2023	2022	Change
CET1 capital ratio	17.7	16.4	1.3
Tier 1 capital ratio	19.7	18.4	1.3
Own funds ratio	22.3	20.9	1.3
Individual solvency need	9.8	9.8	0.0
Combined buffer requirement	6.0	5.5	0.5
Total capital requirement	15.7	15.3	0.4
Capital coverage	6.2	5.5	0.7

Financial guidance for 2024

- **Profit after tax expected to be in the DKK 1.7-2.1 billion range**

- Corresponding to a ROE after tax in the 13-16% range

- **Underlying assumptions and expectations**

- **Core income expectations**

- Growth in total business volume from sustained organic growth, enhanced strategic focus on business customers and continuing growth within leasing activities and bank mortgage loans
- Decline in net interest income in 2024 primarily owing primarily because of pressure on deposit margins and higher funding costs - on the other hand, business volume growth and a higher average lending rate will contribute positively to net interest income
 - Expectation of three rate cuts from June 2024 and onwards totaling 0.75 of a percentage point
- Increase in net fee income from a higher level of activity in areas such as pension, insurance and securities trading, as well as a higher asset management volume at the beginning of the year
- Market value adjustments and dividends on a level with 2023, including a consistently fair-sized contribution from currency trading and exchange rate and value adjustments and dividends on the portfolio of sector shares

- **Cost expectations**

- Increase in payroll costs driven by a higher average headcount and pay increases in accordance with collective agreements
- Increase in IT costs due to recent years' growth, partly to work to complete several in-house IT projects
- Expected one-off costs of approx. DKK 40 million related to the bank's 200th anniversary and cloud migration

- **Impairment charges**

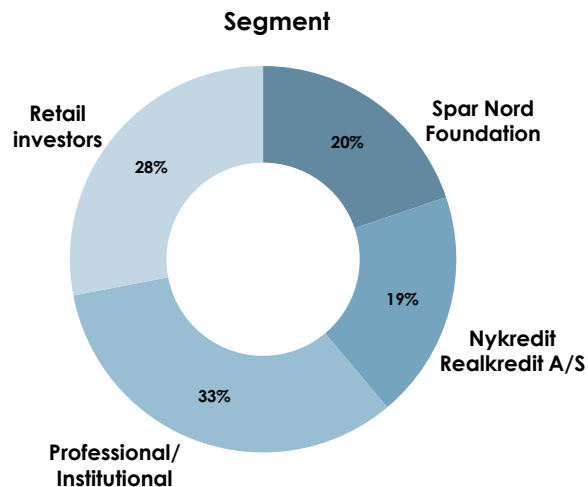
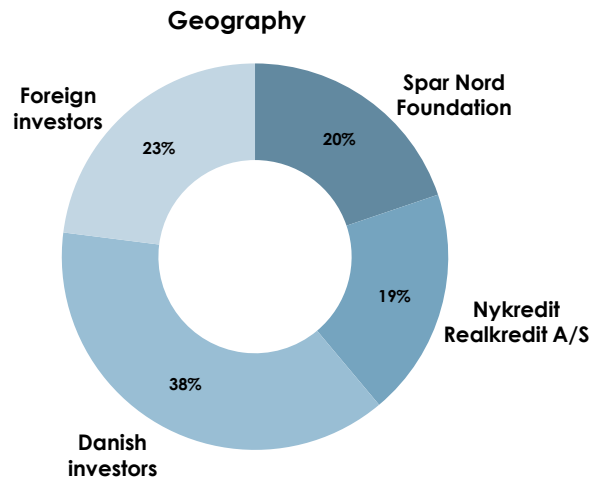
- Budgeted at a level around 0.30% of loans, advances and guarantees due to expectations of continued modest economic growth and a potential increase in unemployment

5 years trend

DKKm	2023	2022	2021	2020	2019
Core earnings before impairment	3,108	1,808	1,581	1,227	1,324
Impairments of loans and advance	-33	78	-120	309	22
Profit after tax	2,421	1,417	1,368	737	1,059
ROE after tax (pct.)	19.7	12.5	12.9	7.4	11.7

Share information and ownership

- **Spar Nord is listed on the Nordic exchange, NASDAQ Copenhagen, and is a component of the Large Cap segment**
 - At end-2023, The share capital amounts to DKK 1,204 million, divided into shares of DKK 10 each with a market cap of DKK 12.8 billion
- **At end-2023, Spar Nord Bank had approximately 82,000 shareholders**
 - The ten largest shareholders combined held about 56% of the share capital
 - The Bank has two shareholders who have announced that they each hold more than 5% of the share capital
 - Spar Nord Foundation with a shareholding of 19.8 %
 - Nykredit Realkredit A/S with a shareholding of 19.1 %



Well diversified and well reserved loan book

Gross loans and guarantees	DKKm		Pct.	
	2023	2022	2023	2022
Public authorities	760	1,358	1.1	2.0
Agriculture	2,643	2,802	3.8	4.0
Fisheries	56	93	0.1	0.1
Industry	3,416	3,666	5.0	5.3
Utilities	1,872	2,159	2.7	3.1
Building and construction	3,046	3,106	4.4	4.5
Trade	4,465	4,977	6.5	7.2
Transport, Hotels and Restaurants	3,157	3,165	4.6	4.6
Information	351	330	0.5	0.5
Financing and insurance	4,231	4,469	6.1	6.4
Property	8,393	8,200	12.2	11.8
Other industries	6,241	5,580	9.1	8.1
Total Business customers	38,630	39,905	56.1	57.6
Private customers	30,234	29,385	43.9	42.4
Total	68,864	69,290	100	100

* Excl. reverse repo transactions

- **Loan book is generally very well diversified on industries**

- No abnormal exposure to any business sectors
- Largest sector exposure is property which accounts for 12%

- **Exposure to private customers accounts for 44% of loans and guarantees – against a sector average of approx. 1/3**

- Calculated as total credit distribution, exposures to private customers increases to 68%

- **2/3 of total impairments are management estimates and impairments in stage 1 and 2 – totaling DKK 1,122 million**

- Management estimates breaks down into DKK 389 million on corporate customers and DKK 273 million on private customers

Total credit distribution excl. guarantees	DKKm		Pct.	
	2023	2022	2023	2022
Bank loans	48,591	47,396	85	86
Leasing	8,906	7,899	15	14
Bank loans and leasing	57,497	55,296	100	100
Totalkredit	95,868	100,047	90	90
DLR Kredit	10,424	11,085	10	10
Originated mortgage loans	106,291	111,132	100	100
Total credit distribution	163,788	166,428		

Impairments by type (DKKm)	DKKm		Pct.	
	2023	2022	2023	2022
Management estimates	662	574	40	34
Impairments in Stage 1 and 2	460	469	28	28
Impairments in Stage 1 and 2 + Estimates	1,122	1,043	67	63
Impairments in Stage 3	551	623	33	37
Total impairments	1,673	1,666	100	100

Dividend policy and historical return


- **Spar Nord's dividend policy states:**

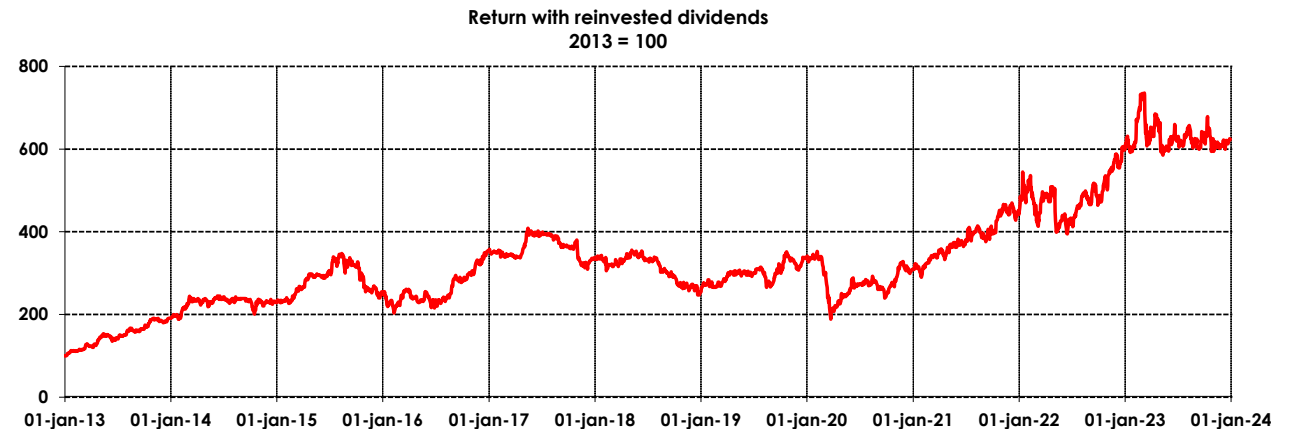
Spar Nord pursues the goal of generating a competitive return for its shareholders – by way of share price performance and distributions. Spar Nord aims to distribute 40-60% of the net profit for the year with due consideration to meeting the Bank's capital targets

The Bank intends to make distributions in the form of cash dividends and share buybacks, always provided that at least 30% of the net profit will be distributed as cash dividends. The distribution of between 40% and 60% is calculated on the net profit and thus before payment of interest on the Bank's additional tier 1 capital

Capital distribution	2019	2020	2021	2022	2023
Dividend per share (DKK)	0.0	1.5	5.0	4.5	10.0
Share buyback (DKKm)	-	-	225	300	500
Payout ratio	0	25	61	60	69

- Dividend for 2019 was suspended to support the political intentions to ensure an appropriate mitigation of the COVID-19 pandemic
 - The Board of Directors had proposed a dividend of DKK 3.50 per share
- Dividend for 2020 should be seen in connection with Spar Nord's takeover of BankNordik's Danish business
 - Acquisition of DKK 2.7 billion in total risk exposure with a total use of capital above DKK 700 million
- Future distribution is expected to be positively affected by capital relief from IRB implementation

Return with reinvested dividends	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total return 2013 to 2023	Avg. Annual return
	91%	20%	10%	40%	-5%	-24%	31%	-8%	43%	35%	4%	524%	18%



Summary

- **Spar Nord Bank's vision:**
 - Denmark's best personal banking services
- **Nationwide bank for private customers and SMEs**
- **Successful strategy (Local Bank Model) and expansion since 2001:**
 - Local banks with large decentralized decision power and strong support from headquarter-functions
- **Continued growth in market shares for more than 2 decades**
 - By organic growth and M&A
- **Strong financial performance and strategic target of yearly ROE after tax above 11 % in 2023-25**
- **Solid capital position**
 - Expected to be further improved from implementation of IRB models in the coming years
- **Spar Nord aims to distribute 40-60% of the net profit for the year**
 - Distributions in the form of cash dividends and share buybacks, always provided that at least 30% of the net profit will be distributed as cash dividends
- **Experienced top-management team**



