

1 May 2025

Presentation of Spar Nord's financial results for Q1 2025



Lasse Nyby
CEO



Profit after tax of DKK 491 million and ROE of 14.0%

Headlines from the income statement

- Net interest income declines 14% (y/y) on the back of the lower level of interest rates and thus a drop in return on the bank's surplus liquidity
- Satisfactory activity within housing market and asset under management contributes to a 6% (y/y) increase in net fee income
- Satisfactory market-value adjustments from customer activity and business volume
- Costs increase 8% (y/y) due to higher payroll costs and one-off costs for advisory services in connection with Nykredit's take-over offer
- Continued strong credit quality results in limited impairment charges on loans, advances and guarantees
- Growth in bank loans and leasing of DKK 5.7 billion, corresponding 10% (y/y) and an increase in total business volume of DKK 14.5 billion to a total of DKK 377.7 billion
- Unchanged strong liquidity and funding and extremely solid capital position

SPAR NORD BANK DKKm	Realized YTD 2025	Realized YTD 2024	Index	Realized Q12025	Realized Q4 2024	Index
Net interest income	783	909	86	783	851	92
Net fees, charges and commissions	430	405	106	430	393	109
Market-value adjustments and dividends	139	155	90	139	42	331
Other income	43	62	69	43	49	88
Core income	1,395	1,531	91	1,395	1,335	105
Staff costs	440	402	109	440	422	104
Operating expenses	303	284	107	303	327	93
Costs and expenses	742	687	108	742	748	99
Profit before impairment charges	653	845	77	653	586	111
Impairments of loans and advances	9	-32	-	9	13	69
Profit before tax	644	877	73	644	573	112
Tax	153	207	74	153	130	117
Profit after tax	491	670	73	491	443	111



Retained financial guidance for 2025

Spar Nord now expects core earnings before impairment of DKK 2,200 – 2,600 million and very low impairment charges on loans, advances and guarantees to the tune of 10bp.

Profit after tax is subsequently now expected to be in the DKK 1,600 – 1,900 million range

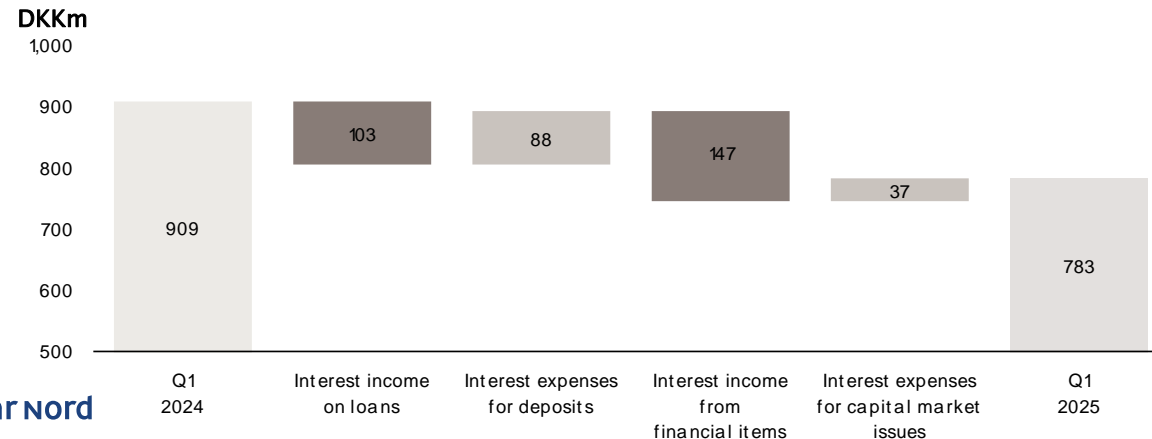
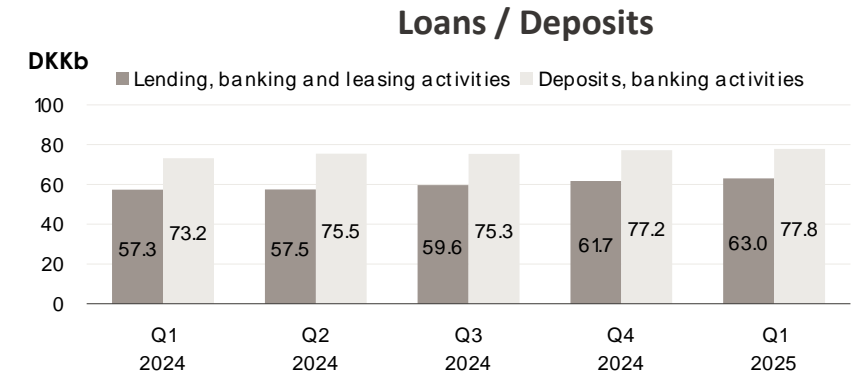
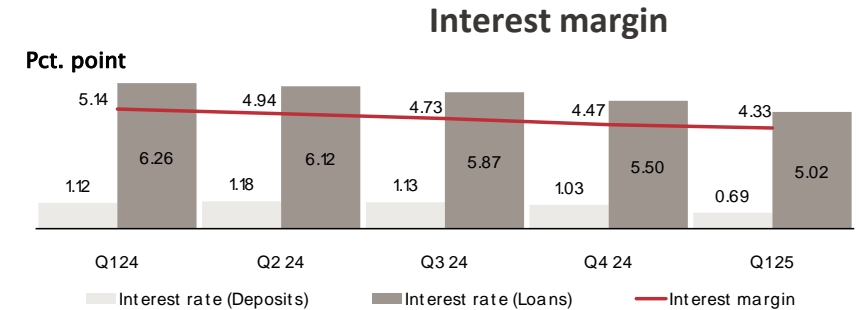
Net interest income down by 14%

- **NII amounted to DKK 783 million versus DKK 909 million in Q1 2024**

- Net interest income relating to the placement of the Bank's excess liquidity reduced by DKK 147 million due to lower market rates
- Net interest income from loans and deposits decreased DKK 15 million due to lower average interest margin, but conversely also higher deposit and lending volumes
- Interest margin of 4.33% in Q1 2025 was 81 bp. lower compared to Q1 2024 – and 14 bp. lower compared to Q4 2024

- **Lending growth of DKK 5.7 billion – y/y increase of 10%**

- Lending to private customers up by DKK 3.0 billion (YTD: DKK 0.7 billion)
 - Growth in bank mortgage loans of DKK 1.0 billion (YTD: DKK 0.4 billion)
- Lending to corporates and SMEs up by DKK 2.8 billion (YTD: DKK 0.7 billion)
 - Leasing business has grown DKK 0.9 billion (YTD: DKK 0.3 billion)
- Lending to public-sector customers down by DKK 0.1 billion (YTD: DKK -0.1 billion)

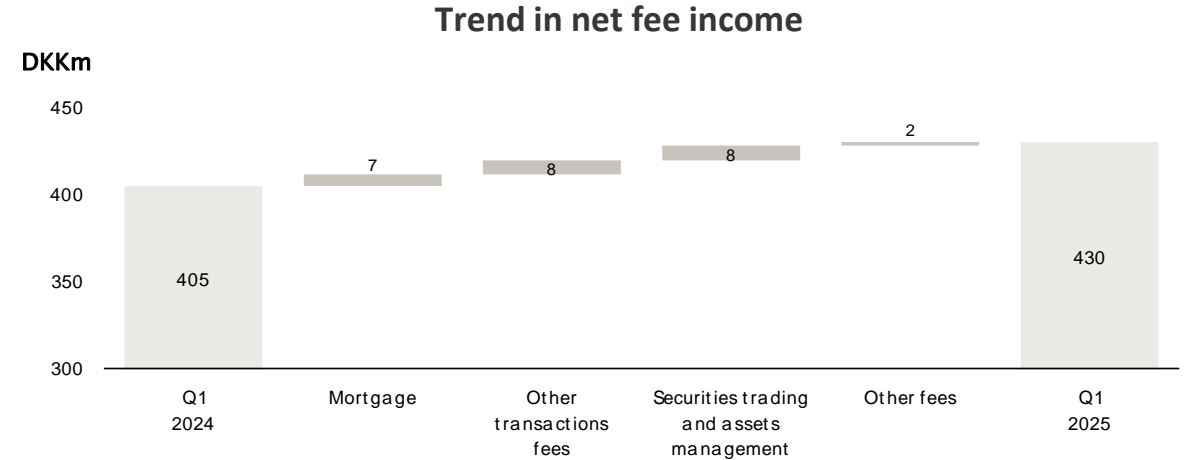


DKKm	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025
Interest income on loans	866	858	849	827	763
Interest expenses for deposits	246	259	249	226	158
Net interest income, deposits and loans	620	599	600	601	605
Interest income from financial items	357	348	337	315	238
Other net interest income	92	100	86	88	64
Net interest income, liquidity surplus	449	448	423	403	302
Interest expenses for capital market issues	161	160	146	153	124
Total net interest income	909	887	876	851	783

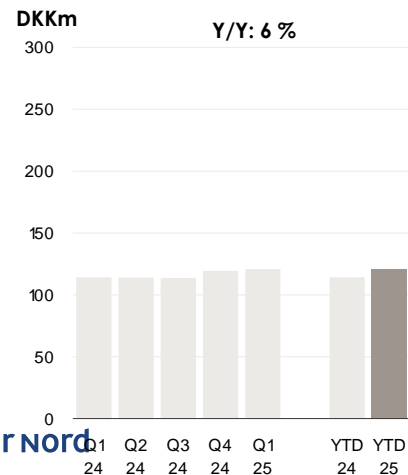
Net fee income up 6%

- Net fee income amounted to DKK 430 million versus DKK 405 million in Q1 2024

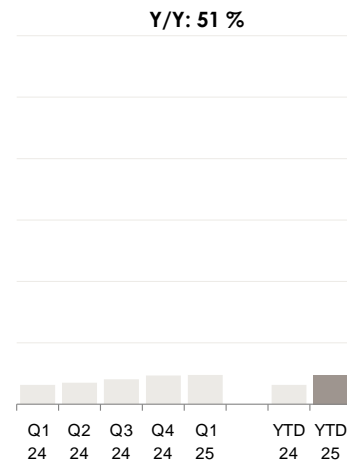
- Increasing level of activity in the housing market, which resulted in improvements within mortgage fees as well as loan transaction fees
- Satisfactory level of activity within asset management, primarily due to the inflow of new funds under asset management
- Finally, other fees relating to payment services and cards as well as insurance and pension were roughly on par with Q1 2024



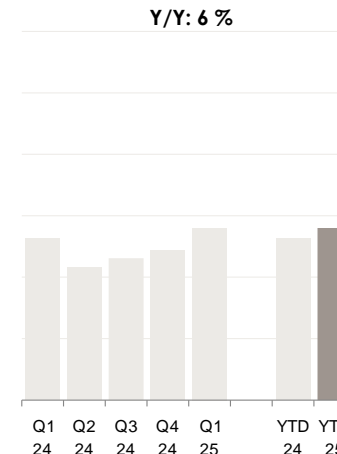
Mortgage



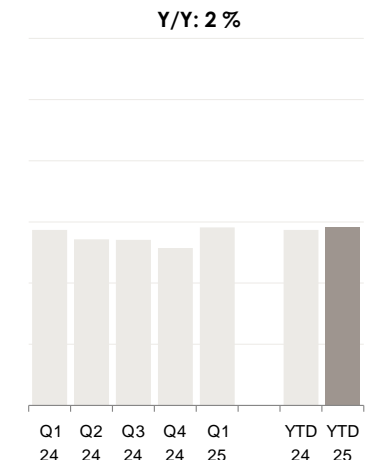
Other transactions fees



Securities trading and asset management



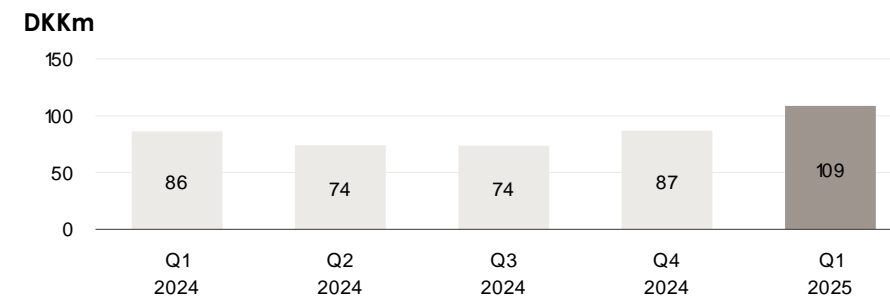
Other fees



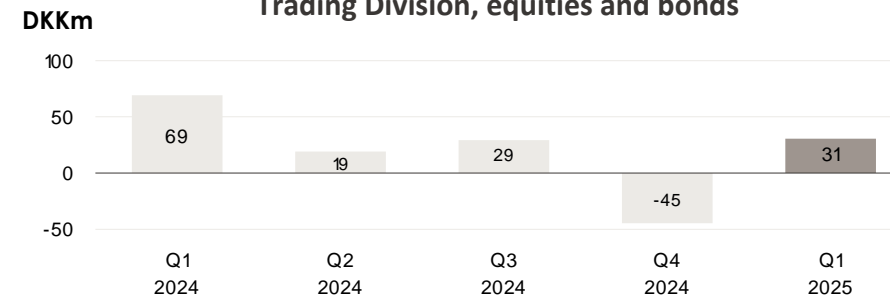
Satisfactory market value adjustments from customer activity and business volume

- **Market-value adjustments and dividends amounted to DKK 139 million versus DKK 155 million in Q1 2024**
- **Market value adjustments from customer activity and business volume of DKK 109 million**
 - Market value adjustments and dividends on the portfolio of strategic shares in the financial sector of DKK 83 million – 40% higher than in Q1 2024
 - The higher income was mainly attributable to higher market value adjustments regarding Spar Nord's shareholdings in BI Holding (BankInvest), among other things as a result of a changed valuation principle adopted by the board of directors of BI Holding
 - Market value adjustments from currency trading and exchange rate gains amounted to DKK 25 million
- **Market value adjustments on equities and bonds were DKK 31 million - exclusively related to the bond portfolio**
 - In the Trading Division, market value adjustments on bonds etc. were related to narrowing credit spreads in January
- **Entire bond portfolio is recognised at fair value**

Market value adjustments from customer activity and business volume



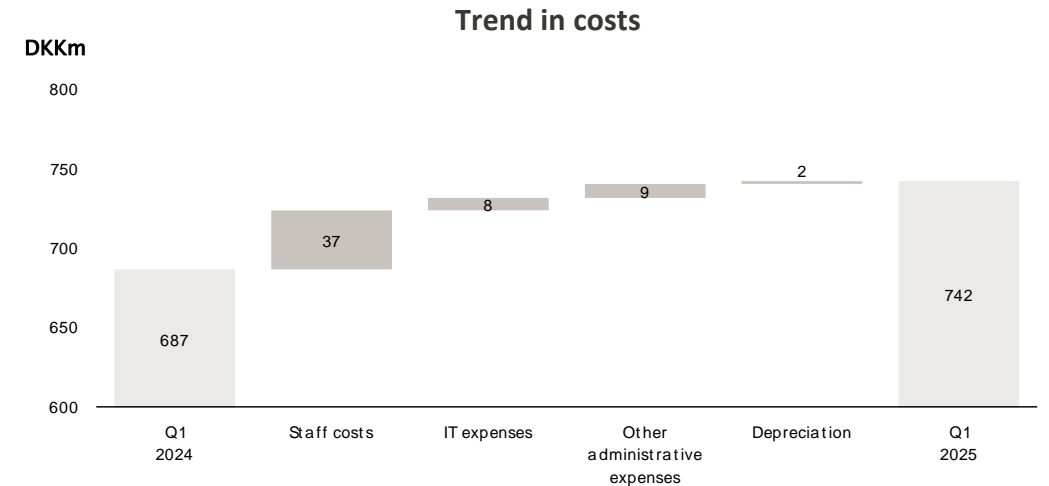
Trading Division, equities and bonds



	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025
DKKm					
Tangible assets incl. dividends	60	48	49	56	83
Currency trade and -agio	27	26	25	30	25
Market value adjustments from customer activity and business volume	86	74	74	87	109
Market value adjustments, equities	9	5	5	-2	0
Market value adjustments, bonds, etc.	60	14	25	-42	30
Market value adjustments in Trading Division	69	19	29	-45	31
Total market value adj. and dividends	155	93	103	42	139

Costs/income ratio at 53

- **Total costs amounted to DKK 742 million versus DKK 687 million in Q1 2024 (8%)**
- **Payroll costs increases by DKK 37 million (9%)**
 - Employed staff was on average 51 higher in Q1 2025 compared to the same period last year
 - The increase was to a large extent attributable to more employees in the local banks, Leasing and the Large Corporates area
 - 1,731 employees (FTE) by end of Q1 2025, which was 19 fewer than at year-end 2024
 - Collective wage increases
- **Operating expenses up by DKK 19 million (7%)**
 - One-off costs for advisory services in connection with Nykredit's take-over offer, totalling DKK 21 million
 - The underlying trend in operating expenses was thus a reduction of DKK 2 million (-1%)



Breakdown on cost types

Operating expenses (DKKm)	YTD 2025	YTD 2024	Change
Staff-related expenses	13	23	-10
Travel expenses	4	4	0
Marketing costs	21	20	1
IT expenses	179	171	8
Cost of premises	12	13	-1
Other administrative expenses	49	32	18
Depreciation	24	22	2
Operating expenses	303	284	19

Limited impairment charges on loans, advances and guarantees

- **Loan impairments amounted to DKK 9 million against DKK -32 million in Q1 2024**

- The modest profit impact in Q1 2025 underlined an unchanged strong credit quality among the Bank's retail and business customers

- **At end Q1 2025, impairments in stage 3 accounts for 37% of the Bank's total impairments**

- Compared to year-end 2024, the share of impairments in stage 3 has decreased by 1 percentage points

- **At the end of Q1 2025, total management estimate was reduced by DKK 13 million to a total of DKK 671 million**

- Fall in management estimate was primarily attributable to lower management estimates related to valuation of commercial real estate

	Q1	Q2	Q3	Q4	Q1
DKKm / pct.	2024	2024	2024	2024	2025
- Impairments, private	-109	-47	21	-49	-1
- Impairments, corporate	77	42	-23	62	10
Impairments of loans and advances	-32	-4	-2	13	9
Impairment ratio	0.0	0.0	0.0	0.0	0.0

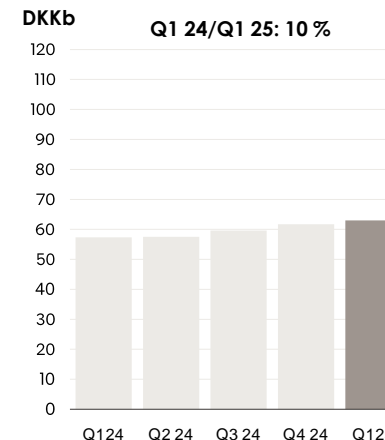
Impairments by type (DKKm)	Q1	Q2	Q3	Q4	Q1
	2024	2024	2024	2024	2025
Management estimates	701	699	709	684	671
Impairments in Stage 1 and 2	361	322	327	337	364
Impairments in Stage 1 and 2 + Estimates	1,062	1,021	1,036	1,022	1,035
Impairments in Stage 3	578	626	612	630	617
Total impairments	1,639	1,647	1,648	1,652	1,652

DKKm	Q1	Q2	Q3	Q4	Q1
	2024	2024	2024	2024	2025
Cyclical downturn	399	407	418	398	411
Commercial real estate	160	177	178	181	159
ESG	98	88	86	88	88
Model uncertainty etc.	44	27	28	17	14
Total management estimates	701	699	709	684	671
<i>Of which Private customers</i>	<i>213</i>	<i>165</i>	<i>177</i>	<i>133</i>	<i>134</i>
<i>Of which Corporate customers</i>	<i>488</i>	<i>534</i>	<i>532</i>	<i>552</i>	<i>537</i>

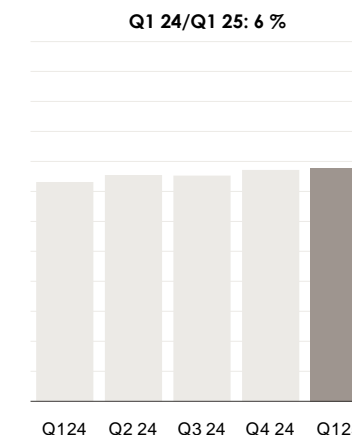
Growth in total business volume of 4%

- End of Q1 2025, total business volume amounts to DKK 377.7 billion – DKK 14.5 billion (4%) higher than end of Q1 2024
- Very satisfactory growth in both bank and leasing lending and bank deposits
 - Bank and leasing lending were up by DKK 5.7 billion (Private: DKK 3.0 billion / Corporate: DKK 2.7 billion)
 - Bank deposits grew DKK 4.7 billion (Private: DKK 3.5 billion / Corporate: DKK 1.2 billion)
- Continued growth of DKK 3.3 billion in asset under management (5%)
- Increase in mortgage loans of DKK 1.8 billion to DKK 107.3 billion at end Q1 2025
- Pensions, life annuities and guarantees contribute positively overall by DKK 3.0 billion, while other customers' custodian accounts fall DKK 4.0 billion

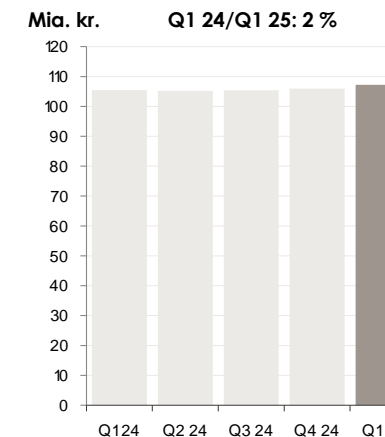
Bank- and leasing lending



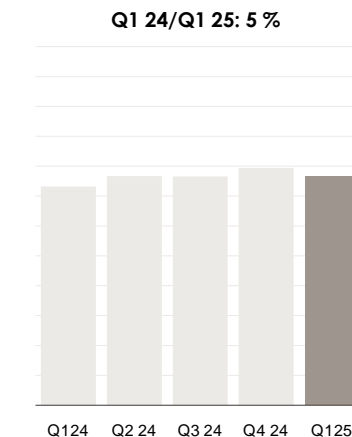
Bank deposits



Mortgage loans



Asset under management



DKKb	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025
Lending, banking and leasing activities	57.3	57.5	59.6	61.7	63.0
Deposits, banking activities	73.2	75.5	75.3	77.2	77.8
Mortgage loan facilitation	105.5	105.2	105.4	105.9	107.3
Asset under management	73.2	76.7	76.6	79.4	76.5
Other customers' custodianship	39.6	40.9	39.0	38.2	35.6
Pension, life annuities	5.2	5.4	5.5	5.7	5.7
Guarantees, etc.	9.2	10.3	10.7	11.0	11.7
Total business volume	363.2	371.4	372.0	379.2	377.7

Extremely solid capital position

- **Capital ratios**

- CET1: 19.1 (strategic target: 13.5)
- Own funds ratio: 22.7 (strategic target: 17.5)

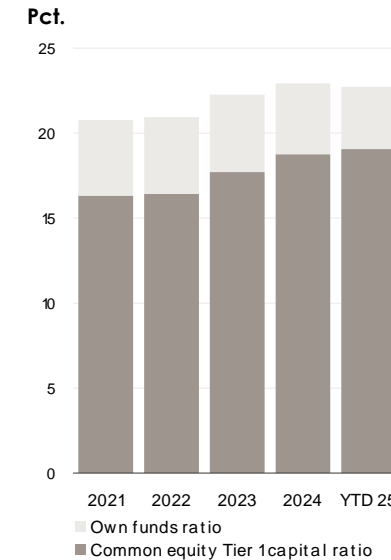
- **Individual solvency requirement of 9.6% and combined buffer requirement of 6.5%**

- Excess coverage of 6.6 percentage points or DKK 4.4 billion

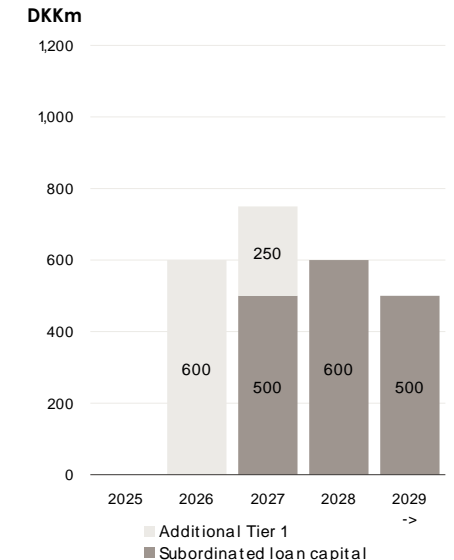
- **Compared with Q4 2024, the Bank's CET1 ratio increased by 0.3 percentage points, while own funds ratio was a 0.2 percentage points lower**

- The Bank's own funds decreased by DKK 233 billion. There was generally a positive contribution from the recognition of the profit for the period less provisions for expected dividends, while the deduction of additional tier 1 capital of DKK 330 million which was cancelled for repayment on 15 April 2025 had the opposite effect
- Total risk exposure decreased DKK 0.4 billion
 - DKK 1.3 billion was attributable to an increase in risk exposure for credit risk, which was more or less equally attributable to the lending growth for the period and effects from the implementation of CRR3
 - DKK 0.5 billion was attributable to a fall in risk exposure for market risk due to a smaller bond portfolio and a reduction in gross interest rate risk
 - DKK 1.3 billion was attributable to a decline in risk exposure for operational risk following the transition to CRR3

Capital ratios



Maturity profile for subordinated debt

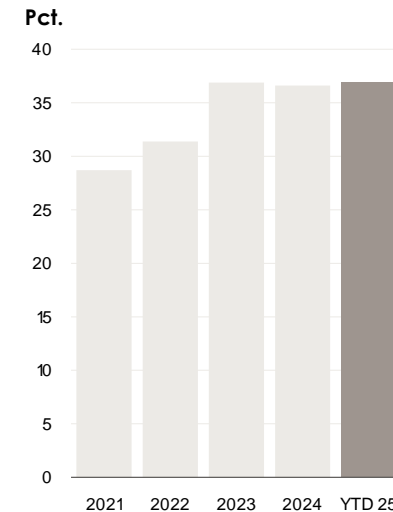


	Q1 2025	2024	2023
Pct. / DKKm	2025	2024	2023
Common equity Tier 1 capital ratio	19.1	18.8	17.7
Additional Tier 1	1.3	1.8	1.9
Tier 1 capital ratio	20.3	20.6	19.7
Tier 2 capital	2.4	2.4	2.6
Own funds ratio	22.7	22.9	22.3
Total Risk Exposure	66,154	66,600	60,369
Of which Credit Risk	55,568	54,223	49,563
Of which Market Risk	3,766	4,296	3,958
Of which Operational Risk	6,820	8,081	6,848

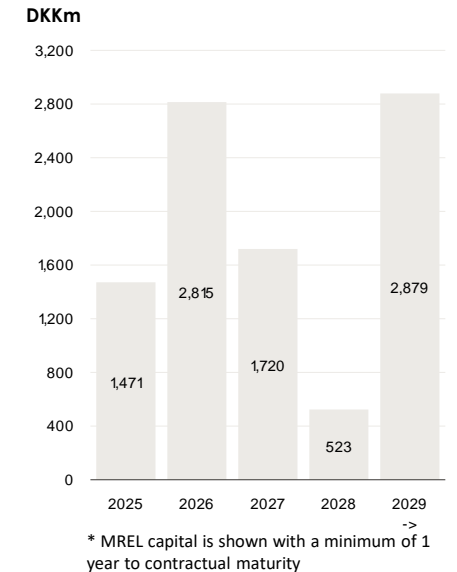
Comfortable coverage for MREL requirement

- **MREL and combined buffer percentage was 36.9% which is 0.3 percentage points higher than at Q4 2024**
 - Increase in MREL and combined buffer percentage was attributable to the decrease in risk exposure, as the bank's MREL-eligible liabilities was unchanged compared to end Q4 2024
- **Excess coverage against MREL and combined buffer requirement of 7.1 percentage points by Q1 2025**
 - The Bank still expects that, going forward, the MREL requirement will lead to a total need for issuing MREL capital of around DKK 9 billion
 - Based on the Bank's capital ratios at the end of Q1 2025, Spar Nord still does not expect to have an issuance requirement of capital market funding in the first half of 2025

MREL and combined buffer percentage



Maturity profile for MREL capital*



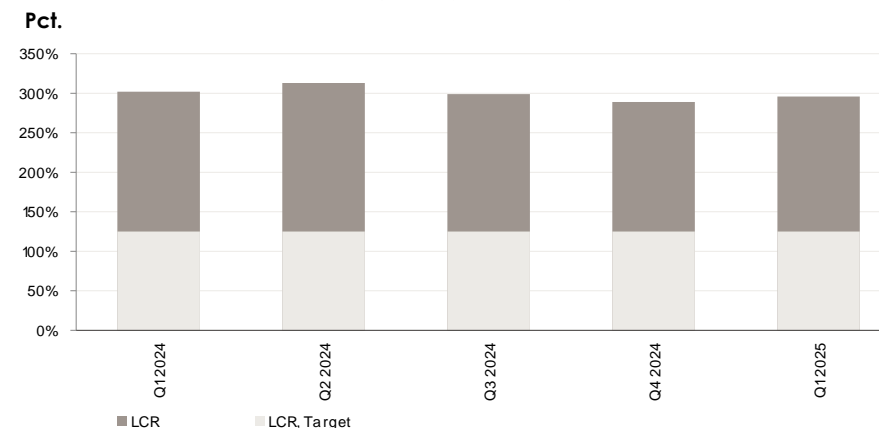
MREL requirement and -coverage

	Q1		
DKKb	2025	2024	2023
Own funds	15.0	15.3	13.4
MREL capital	9.4	9.1	8.8
Deduction – separate combined buffer requirement	-4.3	-4.3	-3.6
Total MREL-eligible liabilities	20.1	20.1	18.7
Pct.			
MREL and combined buffer percentage	36.9	36.6	36.9
MREL and combined buffer requirement	29.7	29.6	29.0
Excess coverage, MREL requirement	7.1	7.1	7.8

Unchanged strong liquidity and funding

- **End of Q1 2025, LCR stood at 296%**
 - Statutory requirement at 100% / Bank's own target at 125%
- **End of Q1 2025, NSFR stood at 131%**
 - Statutory requirement at 100% / Bank's own target at 105%
- **End of Q1 2025, deposits excluding pooled schemes amounted to DKK 77.9 billion or 70 % of the Bank's total funding**
 - 68% of the deposits excluding pooled schemes were covered by the Guarantee Fund
 - The sum of the 20 largest deposits accounted for 5% of the Bank's total deposits excluding pooled schemes

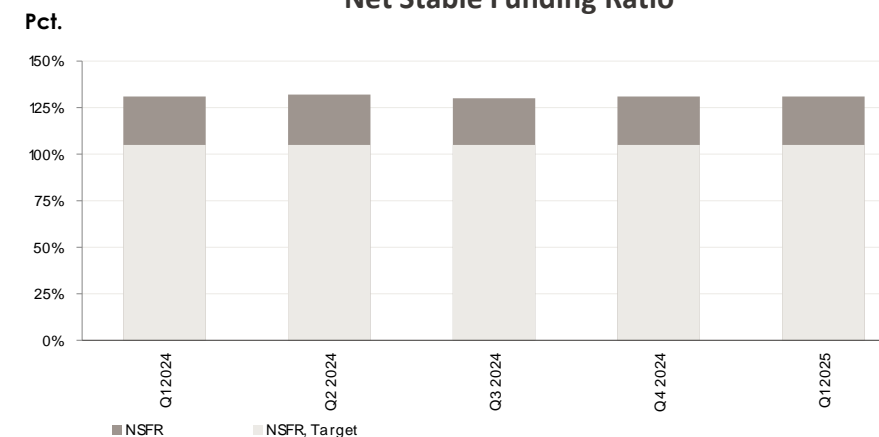
Liquidity Coverage Ratio



Funding profile

DKKb	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025
Money market funding	4.8	4.4	5.1	6.8	6.9
Deposits excluding pooled schemes	73.2	75.5	75.3	77.3	77.9
Issued bonds	9.8	9.1	9.1	9.1	9.4
Tier 2 capital and AT1 capital	3.0	2.8	2.8	2.8	2.8
Shareholders' equity	12.2	12.6	13.1	13.4	14.0
Total funding	103.0	104.4	105.4	109.4	111.0

Net Stable Funding Ratio



Financial guidance for 2025

- **Profit after tax expected to be in the DKK 1.6-1.9 billion range**
 - Corresponding to a ROE after tax in the 11-13% range

5-year trend

DKKm	2024	2023	2022	2021	2020
Profit before impairment charges	2,881	3,108	1,808	1,581	1,227
Impairments of loans and advances	-25	-33	78	-120	309
Profit after tax	2,222	2,421	1,417	1,368	737
ROE after tax (pct.)	16.6	19.7	12.5	12.9	7.4

Because of the geopolitical uncertainty, including trade war and the high financial market volatility, the guidance is subject to greater uncertainty than usual

- **Core income expectations**
 - Net interest income is expected to be reduced due to pressure on the lending margin, a lower deposit margin and lower interest on the Bank's excess liquidity because of expected rate cuts
 - The Bank still expects Danmarks Nationalbank to carry out four rate cuts in 2025 – the final one in June 2025
 - Increase in net fee income due to higher volumes in assets under management and a higher level of activity in the housing market because of expectations of additional rate cuts during 2025
 - Market value adjustments and dividends are expected to be in line with 2024
- **Cost expectations**
 - Payroll costs are expected to rise due to pay rises under collective agreements, while the average number of employees is expected to fall slightly in 2025
 - Operating expenses are generally expected to be on a level with 2024, exclusive of one-off costs
- **Profit before impairment charges expected to be in the DKK 2.2-2.6 billion range**
- **Impairment charges are expected at a level around 0.10% of loans, advances and guarantees**
 - On the basis of expectations of continued, albeit moderate, economic growth in Denmark and high employment