

Spar Nord update

Danske Bank Nordic Banking Seminar

Lasse Nyby, CEO
7 March 2022

2021 was a great year for Spar Nord

Profitability at very satisfactory level

- Net profit at DKK 1.37 billion
- 12.9 % ROE after tax
- Cautious on capital distribution due to potential M&A

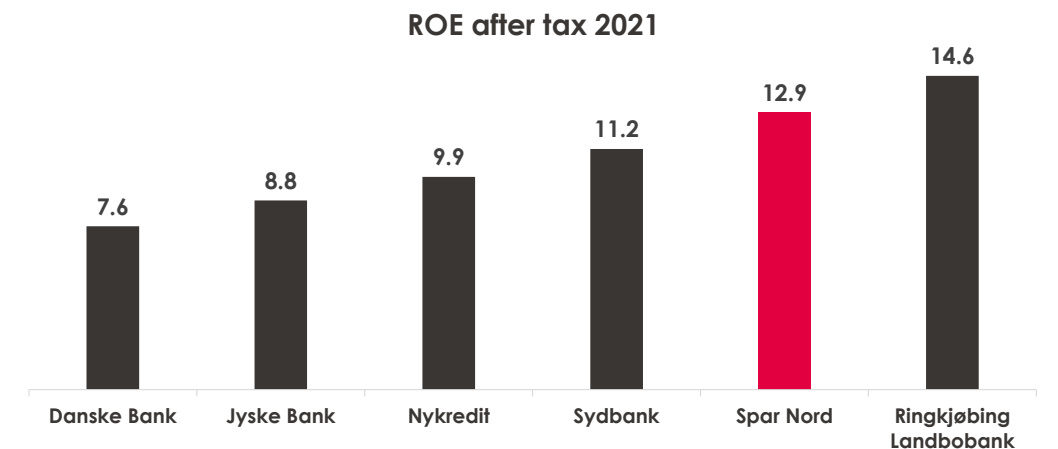
Strong business growth and activity

- 16 % lending growth
- 19 % growth in total business volume
- Fee income at all time high

Successful integration of BankNordiks Danish Business

- Takeover closed 1 February 2021
- IT-migration completed in mid-June 2021
- Unchanged expectation of ROE on the acquired business at around 11% from 2022

SPAR NORD BANK DKKm	2021	2020	Index
Net interest income	1,736	1,584	110
Net fees, charges and commissions	1,541	1,238	124
Market-value adjustments and dividends	407	433	94
Other income	133	71	189
Core income	3,818	3,326	115
Costs and expenses	2,237	2,099	107
Core earnings before impairment	1,581	1,227	129
Impairments of loans and advances, etc.	-120	309	-
Profit before tax	1,701	918	185
Profit	1,368	737	186



Markedly improved NII/NCI less costs

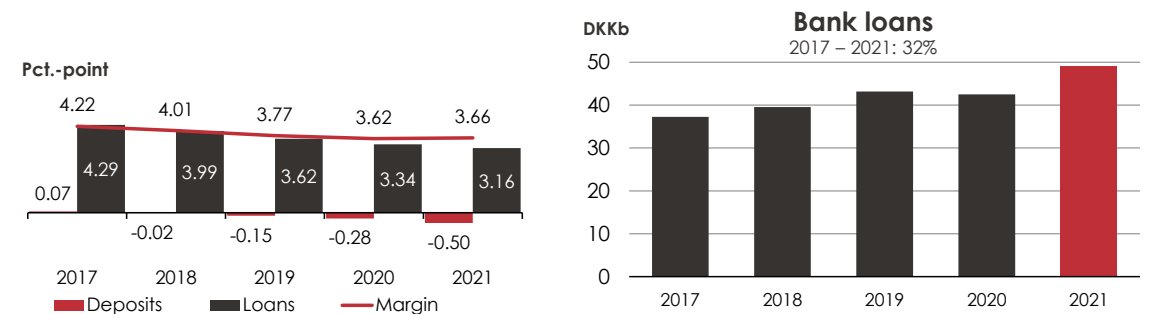
Net interest income

- Focus on re-building/improving positive deposit margin for both private and corporate customers
- Continued but reduced pressure on lending margin offset by volume growth in bank loans
- A 25 bp. interest rate hike would contribute around DKK 30 million
 - A further 25 bp. hike adds an additional DKK 50 million

Net fee income

- Volume based fees account for approximately 2/3 of total net fee income, while activity-based fees account for 1/3
- Firm focus on "Making unprofitable customers profitable"
 - Pricing of free services
 - Review of fee structure of non-loyalty program customers
- Adjustment of fee structure in later years has contributed more the DKK 100 million – and more to come in 2022

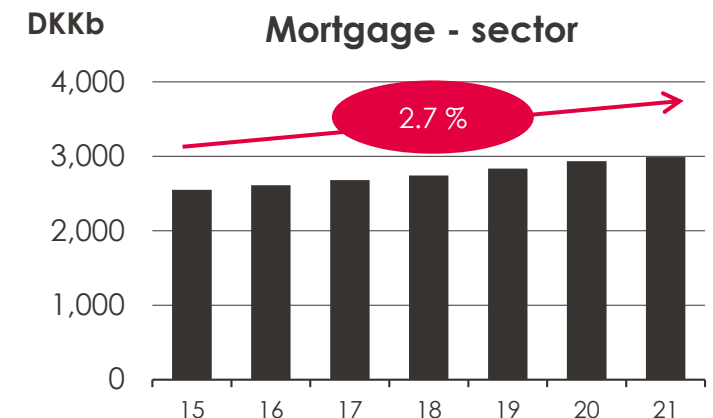
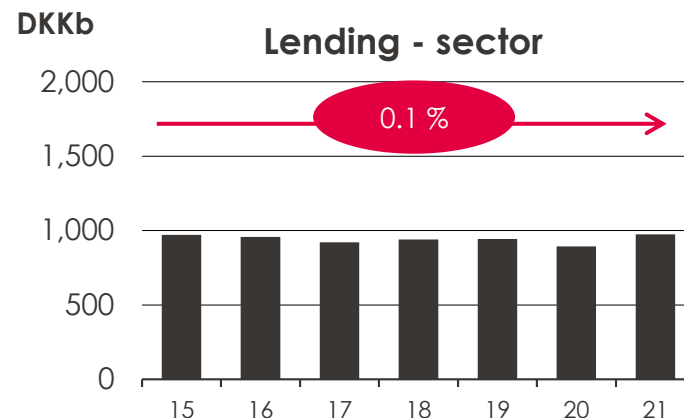
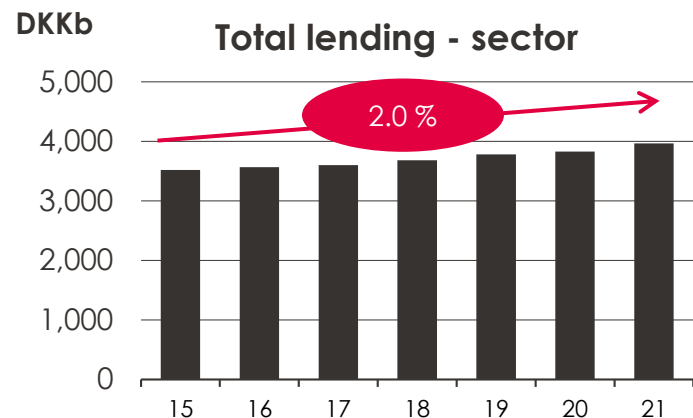
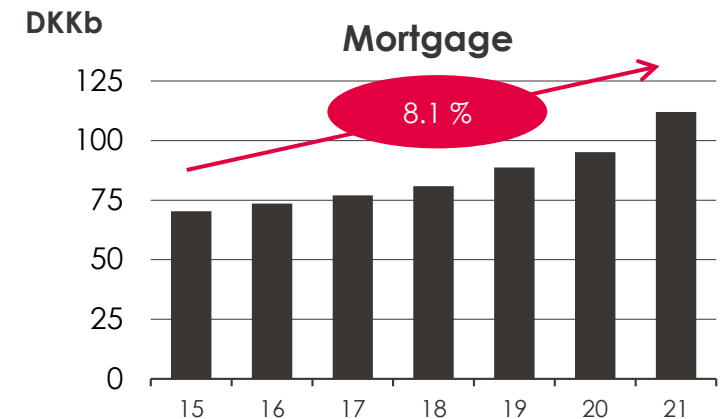
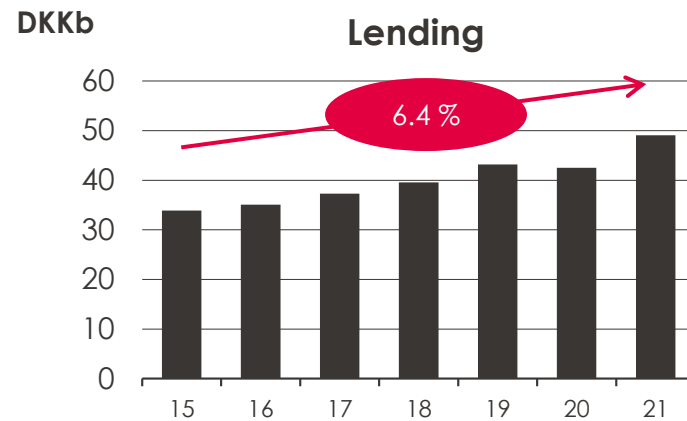
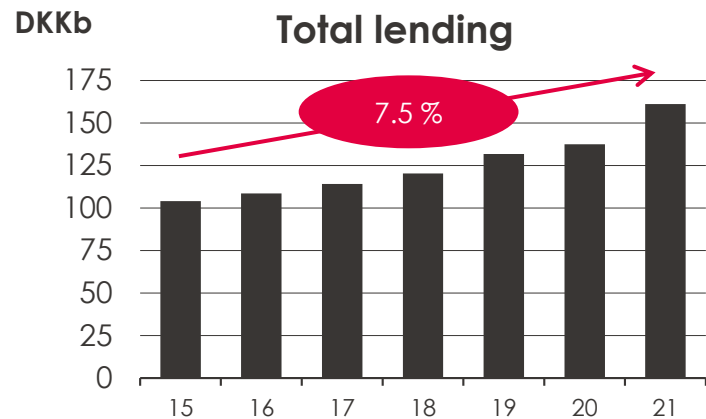
DKKm	2017	2018	2019	2020	2021
Net interest income	1,546	1,548	1,573	1,584	1,736
Net fees, charges and commissions	1,116	1,127	1,225	1,238	1,541
NII and NCI	2,662	2,675	2,799	2,822	3,277
Costs	1,936	1,924	2,014	2,099	2,237
NII and NCI less costs	726	752	784	723	1,040



DKKm	2017	2018	2019	2020	2021
Mortgage fee	380	394	430	434	511
Loan transaction fees	89	92	137	108	130
Securities and asset management	401	382	382	401	471
Other fees	246	258	276	294	429
Total net fees	1,116	1,127	1,225	1,238	1,541

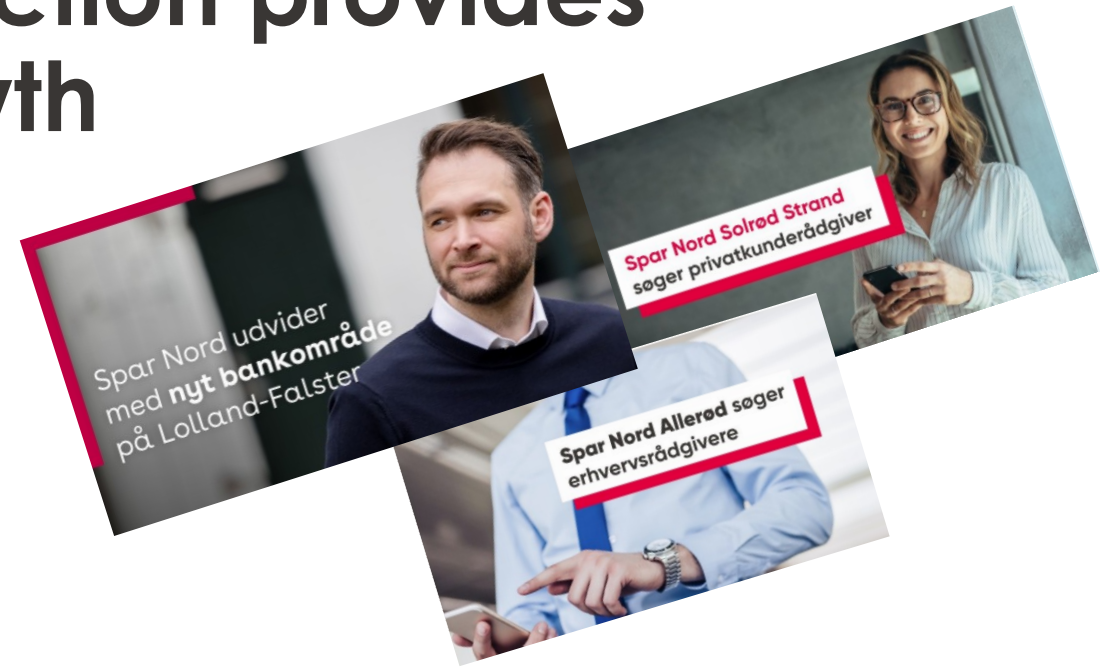
In a period with moderate lending growth in the sector, we have steadily been gaining market share

Spar Nord's bank lending and mortgage-distribution compared to sector lending

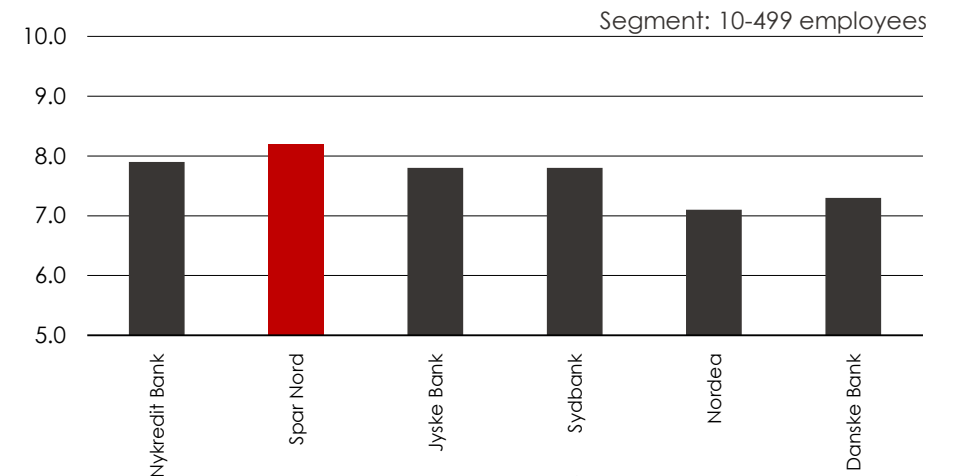


Continued investment in distribution capabilities and high customer satisfaction provides possibilities for future growth

- **2020**
 - Branch in Herlev (29,000 inhabitants)
- **2021**
 - Branch in Korsør (15,000 inhabitants)
 - Branch in Solrød Strand (17,000 inhabitants)
- **2022**
 - Branch in Hørsholm (17,000 inhabitants)
 - Banking area on Nykøbing Falster (100,000 inhabitants)
 - Banking area in Allerød (24,000 inhabitants)



Performance - total satisfaction



On the way to IRB

- IRB project launched in 2019
- 3 years of work completed – entering final phase of the project

- Application to Danish FSA expected late 2022
- Danish FSA approval expected late 2023

- IRB effects implemented in 2024
 - Effects will be phased in – full effects expected from 2028/2029