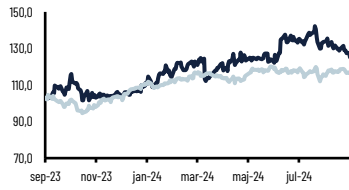


Share information



Ytd: 17.4% 1 year: 21.7%
1 month: -6.3% 3 year: 71.3%

Note: We apply the closing price from 10 September 2024
Index rebased to 10 September 2023. Source: S&P Capital IQ

Financials

(DKKm)	2022	2023	2024E*
Net interest income	2,011	3,538	
Total income	4,145	5,658	
Total costs	2,338	2,550	
Income before tax	1,730	3,141	
Net income	1,417	2,421	1,950-2,250
Shareholder's equity	11,270	12,777	
Bank deposits	72,169	74,308	
Total assets	123,936	134,896	

Note: *Company's own guidance.
Source: Spar Nord

Valuation multiples

	2022	2023	2024E
P/E (x)	9.5	5.4	6.6
P/B (x)	1.14	0.98	1.07
ROE (%)	12.5	19.7	16.9
Dividend/share (ord.)	4.5	10.0	9.7
Dividend yield (%)	4.2	9.3	7.7
Adj. C/I ratio (%)	56.3	46.4	46.8
Total Capital ratio (%)	20.9	22.3	21.6
CET 1 Capital ratio (%)	16.4	17.7	17.1

Note: Multiples for 2022 and 2023 are based on historical numbers while 2024 are consensus estimates apart from Capital ratios which are latest realized.
Source: S&P Capital IQ and Spar Nord

Company description

Spar Nord is a leading Danish bank and the fifth-largest bank in Denmark. The bank is headquartered in Aalborg and currently has around 60 branches spread across the country. Serving customers nationwide, the bank offers various financial products, including savings and investment accounts, loans, mortgages, insurance, and wealth management solutions. Founded in 1824, Spar Nord will celebrate its 200th anniversary in 2024.

Investment case

Strategy 2023-25: In the annual report for 2022 Spar Nord outlined its 2023-25 strategy under the name - "A Committed Bank" with a vision to offer Denmark's best personal banking services.

Spar Nord has identified four current trends that are expected to define the bank's operations in the coming years. They are:

1. Geopolitical and macroeconomic uncertainty
2. Demands for individual customer experience
3. Competition for human resources and expertise
4. Focus on responsibility and sustainability

These trends leads to the following actions to address the threats and opportunities that may arise:

1. Creating more value for our customers
2. An efficient engine room
3. Strengthened local bank model

The strategic direction of the bank leads to the following financial targets for 2023-25 (based on an impairment ratio not expected to exceed 50 bp):

- Return on Equity (after tax): > 11% (2023: 19.7%)
- Cost/Income ratio: < 55 (2023: 45)
- Dividend: 40-60% of profit for the year (2023: 69%)

Current guidance for 2024: Spar Nord expects 2024 to be a repeat of 2023. Still, lower interest rates and limited investment appetite will lead to lower net interest income in 2024 versus the record year 2023. Further higher costs are expected concerning staff, IT and one-offs in connection with the bank's 200th anniversary.

In mid-June Spar Nord upgraded the 2024 guidance, and now expects core earnings before impairments in the range of DKKbn 2.6-3.0 (previously DKKbn 2.4-2.9) for 2024 compared to DKKbn 3.1 in 2023. Profit after tax is now guided for a level of DKKbn 1.95-2.25 (previously DKKbn 1.7-2.1) versus around DKKbn 2.4 realized in 2023.

Upcoming events: Q3 2024 - Thursday 31 October 2024

Table: Historic and current guidance (DKKm)

BANK	Guidance	Result 2022	Number of upgrades of 2023	Initial 2023 guidance		Last 2023 guidance		Growth 2023 versus 2022	Upgrade of initial 2023 guidance at mid-point	Result 2023	Growth 2023 versus 2022	Number of upgrades of 2024	Initial 2024 guidance		Current 2024 guidance		Growth in 2024 at current guidance versus 2023 result
				Low	High	Low	High						Low	High	Low	High	
Spar Nord Bank A/S (CPSE:SPNO)	Profit after tax	1,417	3*	1,500	1,800	2,350	2,550	65.8% / 80.0%	48%	2,421	70.9%	1	1,700	2,100	1,950	2,250	-19.5% / -7.1%

Note: *Guidance was upgraded 3 times and narrowed once

Source: Company announcements

Appendix – Peer group

Peer Group Selection: Spar Nord's peer group consists of other Danish large-cap banks reflecting a somewhat similar business model and market structure. We consider Sydbank to be the closest peer among the four banks.

Estimates and assumptions: Some of the data in the peer group has not been calculated by HC Andersen Capital but is consensus analyst estimates from Refinitiv. HC Andersen Capital assumes no responsibility for the correctness of the numbers in the peer group; however, considers Refinitiv a credible source of information.

Table: Danish Large-Cap Banks

Company	Share price	MCAP (DKKm)	YTD Performance	1-year Performance	P/B			P/E			ROE			Cost / Income	
					2023A	2024E	2025E	2023A	2024E	2025E	2023A	2024E	2025E	2023A	2024E
Danske Bank A/S (CPSE:DANSKE)	DKK 204.9	172,761	13.6%	33.4%	0.88	0.94	0.91	7.3	7.7	7.8	12.7	12.4	11.1	48.6	47.1
Jyske Bank A/S (CPSE:JYSK)	DKK 520	32,027	7.4%	6.5%	0.73	0.71	0.66	5.4	6.6	7.0	14.4	11.4	11.4	42.5	47.0
Ringkjøbing Landbobank A/S (CPSE:RILBA)	DKK 1045	27,016	5.4%	4.0%	2.54	2.45	2.28	12.7	11.8	11.8	21.8	21.6	20.9	25.2	25.0
Spar Nord Bank A/S (CPSE:SPNO)	DKK 125.2	14,464	17.4%	21.7%	0.98	1.07	1.03	5.4	6.6	7.8	19.7	16.9	13.8	45.0	46.8
Sydbank A/S (CPSE:SYDB)	DKK 325.8	17,167	11.0%	-1.4%	1.07	1.11	1.05	5.0	5.8	6.4	23.6	20.1	18.8	42.7	45.3
Simple Average			11.0%	12.8%	1.24	1.25	1.19	7.1	7.7	8.2	18.4	16.5	15.2	40.8	42.2
Median			11.0%	6.5%	0.98	1.07	1.03	5.4	6.6	7.8	19.7	16.9	13.8	42.7	46.8

Disclaimer: HC Andersen Capital receives payment from Danske Bank and Spar Nord for a Digital IR/corporate visibility subscription agreement.

Source: S&P Capital IQ, data pr. 10/09/2024