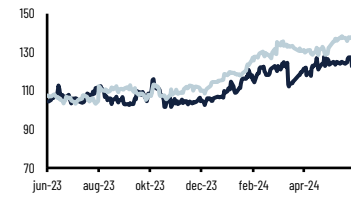


Share information



Ytd: 15.0% 1 year: 15.1%
1 month: -0.2% 3 year: 69.6%

Note: We apply the closing price from 3 June 2024
Index rebased to 7 June 2023. Source: Refinitiv

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	1,700-2,100
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	6.8
P/B (x)	1.14	0.98	1.06
ROE (%)	12.5	19.7	16.2
Dividend/share (ord.)	4.5	10.0	8.9
Dividend yield (%)	4.2	9.3	7.3
Adj. C/I ratio (%)	56.3	46.4	48.6
Total capital ratio (%)	20.9	22.3	n/a
CET 1 Capital ratio (%)	16.4	17.7	17.4

Note: Multiples for 2022 and 2023 are based on historical numbers while 2024 are consensus estimates
Source: 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.

In the strategy process, 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 but lower interest rates and limited investment appetite will lead to lower net interest income in 2024 versus the record year of 2023. Further higher costs are expected in relation to staff, IT and one-offs in connection with the banks 200 years anniversary.

Core earnings before impairments are thus expected in the range of DKKbn 2.4-2.9 for 2024 compared to DKKbn 3.1 in 2023. Profit after tax are guided for level of DKKbn 1.7-2.1 versus around DKKbn 2.4 realized in 2023.

Upcoming events: Q2 2024 - Thursday 15 August 2024

BANK	Guidance	Result 2022	Number of upgrades of 2023 guidance	Initial 2023 guidance		Last 2023 guidance		Upgrade of initial 2023 guidance at mid-point	Result 2023	Growth 2023 versus 2022	Number of upgrades of 2024 guidance	Initial 2024 guidance		Growth in 2024 at current guidance versus 2023 result
				Low	High	Low	High					Low	High	
Spar Nord Bank A/S	Profit after tax	1,417	3*	1,500	1,800	2,350	2,550	48%	2,421	70.9%	0	1,700	2,100	-29.8% / -13.3%

Note: All numbers in DKKm unless otherwise stated

Source: Company announcements

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.

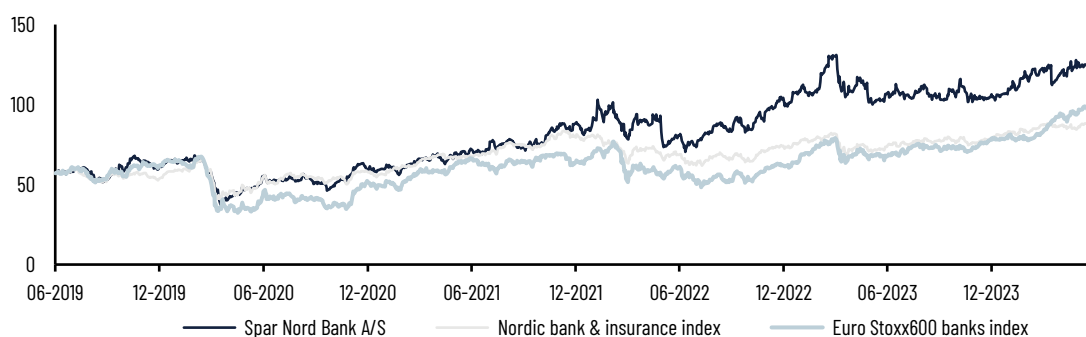
Table: Danish Large-cap Banks

Company	Price (local)	Market cap (DKKm)	Total return		P/B			P/E			ROE			Dividend yield	
			YTD	1-yr	FY2023A	FY2024E	FY2025E	FY2023A	FY2024E	FY2025E	FY2023A	FY2024E	FY2025E	FY2023A	FY2024E
Danske Bank A/S (CPSE:DANSKE)	DKK 205.90	173.455	18%	50%	0.95	0.88	0.84	7.6	7.7	7.5	12.7	11.9	11.4	7.5	7.2
Jyske Bank A/S (CPSE:JYSK)	DKK 548.50	36.625	15%	14%	0.71	0.75	0.68	6.1	7.0	7.3	13.6	11.1	10.1	1.4	4.1
Ringkjøbing Landbobank A/S (CPSE:RILBA)	DKK 1172.00	32.013	19%	24%	3.06	2.74	2.60	14.2	13.4	13.2	21.8	21.7	20.1	0.8	1.1
Spar Nord Bank A/S (CPSE:SPND)	DKK 122.60	14.272	25%	25%	1.08	1.06	1.01	5.9	6.8	7.9	18.3	16.2	13.1	8.1	7.3
Sydbank A/S (CPSE:SYDB)	DKK 353.00	19.601	31%	27%	1.31	1.21	1.16	5.8	6.5	7.1	22.5	19.8	16.9	8.5	8.2
Average		55.193	22%	28%	1.42	1.33	1.26	7.9	8.3	8.6	17.8	16.1	14.3	5.3	5.6

Note: Data from 04/06/24

Source: Capital IQ

5-year share price development vs Nordic Bank & Insurance index and Euro Stoxx600 Banks index (rebased to 01.05.2019)



Market Development: For perspective, we compare Spar Nord with two indexes, the Nasdaq OMX Nordic Bank & Insurance index, and the Euro Stoxx 600 Banks index, showing the bank's share price development against two benchmark indexes. The chart showcases some years of performance in line with the Nordic sector index, however, since the beginning of 2022, Spar Nord's share price has outperformed the indices above.