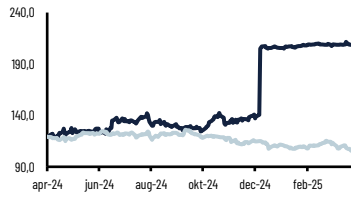


## Share information



Ytd: 1.2% 1 year: 81.0%  
1 month: -0.5% 3 year: 130.6%

Note: We apply the closing price from 28 March 2025  
Index rebased to 4 April 2024. Source: S&P Capital IQ

## Financials

| (DKKm)               | 2023    | 2024    | 2025E*      |
|----------------------|---------|---------|-------------|
| Net interest income  | 3,538   | 3,522   |             |
| Total income         | 5,658   | 5,657   |             |
| Total costs          | 2,550   | 2,777   |             |
| Income before tax    | 3,141   | 2,906   |             |
| Net income           | 2,421   | 2,222   | 1,600-1,900 |
| Shareholder's equity | 12,777  | 13,426  |             |
| Bank deposits        | 99,130  | 105,259 |             |
| Total assets         | 134,896 | 143,785 |             |

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

## Valuation multiples

|                         | 2023 | 2024 | 2025E |
|-------------------------|------|------|-------|
| P/E (x)                 | 5.4  | 11.0 | 12.7  |
| P/B (x)                 | 0.98 | 1.76 | 1.72  |
| ROE (%)                 | 19.7 | 16.6 | 14.1  |
| Dividend/share (ord.)   | 10.0 | 0.0  | 9.2   |
| Dividend yield (%)      | 9.3  | 0.0  | 4.4   |
| Adj. C/I ratio (%)      | 46.4 | 49.0 | 53.7  |
| Total Capital ratio (%) | 22.3 | 22.9 | 22.9  |
| CET 1 Capital ratio (%) | 17.7 | 18.8 | 18.8  |

Note: Multiples for 2023 and 2024 are based on historical numbers while 2025E 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 celebrated its 200th anniversary in 2024.

## Investment case

**Bid from Nykredit:** In December 2024 Nykredit announced its intention to offer DKK 210 per share in Spar Nord representing a premium of around 49% compared to the closing price the day before the offer of DKK 140.6 per share.

On 8 January 2025 the offer document were published with expected expiry of the offer period on 19 February 2025. At this point Nykredit had ownership of around 19,6% of the shares in Spar Nord and combined with the ownership of the Spar Nord Foundation of 20,3% Nykredit had accept from around 40% of the shares in Spar Nord.

On 19 March 2025 Nykredit extended the offer period a second time with expected expiry on 3 April 2025. At this point Nykredit had direct ownership of around 1/3 of the shares in Spar Nord, and information of binding acceptances that totals more than 80% of the shares in Spar Nord thus the 67% acceptance limit has been reached. The purpose of the latest extension is to obtain the needed approval from the Danish Competition and Consumer Authority to complete the offer.

Currently the most likely outcome thus seem to be a full or partly take over of Spar Nord and a subsequent delisting of Spar Nord if or when Nykredit gains full control, i.e. >90% ownership.

**Current guidance for 2025:** Spar Nord announced their 2025 guidance mid-December 2024 and guides for a profit after tax in the range of DKKm 1,600-1,900, while core earnings are expected at DKKm 2,200-2,600. Those expectations are based on 4 rate cuts totalling 1.00% while impairments are expected to remain low in the level of 10bp. Those expectations were reaffirmed at the annual report for 2024 and indicate an expected result in 2025 that will be around 15-30% lower compared to the final result in 2024.

**Upcoming events:** Q1 2025 – Thursday 1 May 2025

## Key investment reasons

**With the current bid from Nykredit the Key investment reasons below may not apply to the same degree as previously.**

Despite market expectations of further rate cuts, higher interest rates relative to the levels before 2023 will continue to be supportive for net interest income, especially with an increasing loan book. Further, lower interest rates could trigger a new round of mortgage loan refinancing that will boost fee income. Overall, the greater earnings level is the basis for an attractive cash redistribution.

For 2023 Spar Nord paid a dividend of DKK 10 per share and initiated a new buyback program of DKKm 500 bringing the total return to shareholders up to almost 70% of the annual result, or DKKm 1,705. For 2024 no dividends will be paid due to the current bid from Nykredit, but applying the same pay-out ratio of 70% around DKKm 1.555 could have been distributed to shareholders.

Spar Nord is expected to transition to internal-rating-based models going into 2025 which should establish the foundation for a more optimized capital application compared to the standard methods which are applied today.

## Key investment risks

**With the current bid from Nykredit the Key investment risks below may not apply to the same degree as previously.**

There is risk that Spar Nord will find itself stuck in the middle as the bank, on some parameters, might be too large to compete with some of the smaller banks with a more local presence, and on the other hand, be too small to compete well with the scale that some of the larger Nordic banks has as their advantage.

Spar Nord aims to bring their Cost/Income ratio to a level below 55%. At the end of 2024 the Cost/Income ratio was at 49% For 2023 the number was 46% due to a record-breaking result, but in the previous year's 2019-22 it was in the range 56%-63%. Although that is more or less in line with its closest peers it is somewhat above the larger Nordic banks with whom Spar Nord is also competing – both in terms of clients and shareholders.

External factors such as recessions and banking crises may affect banks in general and thus also Spar Nord. Recessions are a realistic risk which were also highlighted by Spar Nord themselves in their original 2024 guidance. Bank crises, seen in the beginning of 2023 originating from US banks, could potentially rise again and would affect the sector as a whole.

Table: Historic and current guidance (DKKm)

| BANK                           | Guidance         | Result 2022 | Average number of upgrades of 2023 guidance | Result 2023 | Growth 2023 versus 2022 | Average number of upgrades of 2024 guidance | Result 2024 | Growth 2024 versus 2023 | Average number of upgrades of 2025 guidance | Current 2025 guidance |       | Growth in 2024 at current guidance versus 2023 result |
|--------------------------------|------------------|-------------|---|-------------|-------------------------|---|-------------|-------------------------|---|-----------------------|-------|---|
|                                |                  |             |   |             |                         |   |             |                         |   | Low                   | High  |   |
| Spar Nord Bank A/S (CPSE:SPNO) | Profit after tax | 1,417       | 3*  | 2,421       | 70.9%                   | 2   | 2,222       | -8.2%                   | 0   | 1,600                 | 1,900 | -28.0% / -14.5%                                       |

Note: \*Guidance was upgraded 3 times and narrowed once

# 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 S&P Capital IQ. HC Andersen Capital assumes no responsibility for the correctness of the numbers in the peer group; however, considers S&P Capital IQ 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 |             | Div. Yield   |
|---|-------------|-------------|-----------------|--------------------|-------------|-------------|-------------|------------|-------------|-------------|-------------|-------------|-------------|---------------|-------------|--------------|
|   |             |             |                 |                    | 2024A       | 2025E       | 2026E       | 2024A      | 2025E       | 2026E       | 2024A       | 2025E       | 2026E       | 2024A         | 2025E       |              |
| Danske Bank A/S (CPSE:DANSKE)           | DKK 232     | 193.151     | 13.9%           | 12.3%              | 0,97        | 1,07        | 1,03        | 7,3        | 8,8         | 8,6         | 13,4        | 12,2        | 12,0        | 45,6          | 47,4        | 7,01%        |
| Jyske Bank A/S (CPSE:JYSK)              | DKK 559,5   | 34.384      | 9,7%            | -4,0%              | 0,69        | 0,71        | 0,66        | 6,4        | 7,9         | 7,6         | 11,4        | 9,1         | 8,8         | 46,8          | 50,7        | 4,20%        |
| Ringkjøbing Landbobank A/S (CPSE:RILBA) | DKK 1242    | 31.337      | 3,2%            | 2,7%               | 2,78        | 2,66        | 2,46        | 13,7       | 14,1        | 13,3        | 21,4        | 19,4        | 19,1        | 25,7          | 26,5        | 0,86%        |
| Spar Nord Bank A/S (CPSE:SPND)          | DKK 208,5   | 23.850      | 1,2%            | 81,0%              | 1,76        | 1,72        | 1,63        | 11,0       | 12,7        | 12,2        | 16,6        | 14,1        | 14,0        | 48,0          | 53,7        | 0,00%        |
| Sydbank A/S (CPSE:SYDB)                 | DKK 437,2   | 22.335      | 15,1%           | 22,5%              | 1,30        | 1,44        | 1,37        | 7,5        | 8,9         | 8,6         | 18,6        | 16,6        | 16,5        | 44,2          | 48,9        | 6,04%        |
| <b>Simple Average</b>                   |             |             | <b>8,6%</b>     | <b>22,9%</b>       | <b>1,50</b> | <b>1,52</b> | <b>1,43</b> | <b>9,2</b> | <b>10,5</b> | <b>10,0</b> | <b>16,3</b> | <b>14,3</b> | <b>14,1</b> | <b>42,3</b>   | <b>45,6</b> | <b>3,62%</b> |
| <b>Median</b>                           |             |             | <b>9,7%</b>     | <b>12,3%</b>       | <b>1,30</b> | <b>1,44</b> | <b>1,37</b> | <b>7,5</b> | <b>8,9</b>  | <b>8,6</b>  | <b>16,6</b> | <b>14,1</b> | <b>14,0</b> | <b>45,6</b>   | <b>49,9</b> | <b>4,20%</b> |

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

Kilde: S&P Capital IQ, data pr. 29/03/2025