

# Annual report 2024

The Annual Report has been prepared in a Danish and an English version. In case of discrepancy between the Danish-language original text and the English-language translation, the Danish text shall prevail.



# Group management's report

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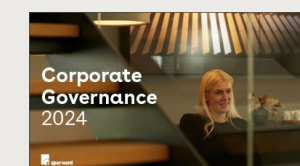
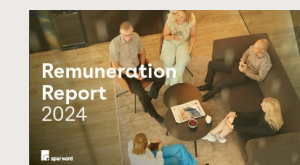
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In accordance with the requirements of the ESEF Regulation, Annual Report 2024 consists of a zip file sparnord-2024-12-31-0-da.zip, which contains an XHTML file. The XHTML file is the official version of Annual Report 2024. The PDF version of Annual Report 2024 is a copy of the XHTML file. In the event of any discrepancies, the XHTML file shall be the governing text.

A person wearing a blue and white striped shirt is seated at a desk in an office. They are looking at a laptop screen. On the desk, there is a black keyboard, a white coffee cup, and several papers. The person's right hand is on the mouse, and their left hand is holding a pen. The background shows a bookshelf with books.

# Group management's report



# Group management's report

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# Our Bank

## General specification in continuation of Nykredit's all-cash voluntary takeover offer

Spar Nord's Annual Report 2024 has been prepared on a going concern assumption. Nykredit's takeover offer is a non-adjusting event, which therefore does not affect recognition or measurement in Spar Nord's Annual Report 2024.

Until there is clarification about Nykredit's all-cash voluntary takeover, Spar Nord's activities will continue as before. As a result, Spar Nord's Annual Report 2024 has been prepared in the same way as if Nykredit had not submitted an offer. This applies for example to descriptions of profit guidance for 2025, business model, strategy and risk overview and policies and targets for areas such as liquidity, capital and credit risk and sustainability.

If Nykredit obtains control of Spar Nord, it could result in material changes for Spar Nord and its current shareholders, which will depend on future decisions.





## Letter to our shareholders

Dear shareholders

On 12 May 2024, Spar Nord celebrated its 200th anniversary, and 2024 was in many ways an eventful and historic year for the Bank.

In terms of financial performance, the Bank's anniversary year delivered the second-best result in the Bank's history with a profit after tax of DKK 2,222 million and a return on equity after tax of 16.6%. In terms of business volume, the Bank grew by 6%, thus continuing the growth and positive developments of recent years.

The biggest news of the year broke on 10 December 2024, when Nykredit announced its intention to submit an all-cash voluntary takeover offer for all shares in Spar Nord with the strategic rationale of merging Nykredit Bank and Spar Nord Bank. Spar Nord's Board of Directors and Executive Board unanimously recommend that the shareholders accept the offer.

In light of the conditions of Nykredit's takeover offer, Spar Nord's Board of Directors has decided not to recommend the distribution of dividends for 2024.

### Continued growth and another historic result

The year 2024 very much underlined that Spar Nord is a bank experiencing continued growth with the foundation for future development further strengthened. The wellbeing survey conducted in

2024 revealed a record-high level of employee satisfaction, while customer satisfaction also improved both for retail and business customers.

In the business customer segment, Aalund's Bank Barometer Business in 2024 named Spar Nord the bank among the six largest banks in Denmark with the most satisfied business customers – a position Spar Nord has held for seven out of the past eight years.

Supported by Spar Nord's local bank model, which focuses on local presence, decentralised decision-making powers and attentive advisory services, the Bank grew its total business volume by 6% during the year to a total of DKK 379 billion at the end of 2024.

In 2024, it was particularly the management of customers' cash funds and pensions that contributed the most to overall growth. The Bank has in recent years experienced a large inflow of new funds in this area, and the Bank's asset management has secured our customers highly competitive returns on their investments and pensions.

Finally, the second half of 2024 delivered strong growth in bank loans. After a flat development in lending in the first half of 2024, we were pleased to see an increase in lending to retail customers and business customers alike in the second half, and annual lending growth of 7% is certainly satisfactory compared to the general trend in the banking market.

In addition to growth in business volume, there were primarily two main explanations on the results side for why 2024 delivered the second-best result in the Bank's history. Market and policy rates stayed elevated for longer than most had expected at the beginning of the year. For the Bank, this primarily resulted in substantially

better returns on the Bank's sizeable excess liquidity, while, on the other hand, the drop in net interest income from deposits and lending did not prove as large as originally anticipated.

At the same time, it was once again highly positive in 2024 to witness the robustness and continued adaptability of both retail and business customers in a society characterised by limited economic growth and relatively high interest rates. The persistently strong credit quality among the Bank's customers mean yet another year of net reversal of impairment charges and thus a positive profit impact. Furthermore, the Bank's management estimates – which primarily concern geopolitical uncertainty and uncertainty about pricing of commercial real estate – were increased by DKK 23 million to a total of DKK 684 million at end-2024.

At the end of the year, Spar Nord is thus well prepared to face any future need for provisions and impairment charges.

### Combination of Spar Nord and Nykredit Bank will create Denmark's largest relationship bank

The final news item of the year was also the biggest: on 10 December 2024 Nykredit announced its intention to submit an all-cash voluntary takeover offer for all shares in Spar Nord. Nykredit offers the shareholders a cash consideration of DKK 210 per share.

The offer price represents a premium of approx. 49% compared to the closing price on the last trading day prior to publication of the offer, underlining Spar Nord's strong market position and good outlook.

The strategic rationale is a planned combination of Nykredit Bank and Spar Nord Bank, which will create Denmark's third-largest bank with total

lending of approximately DKK 160 billion and market shares of approx. 13% in bank loans. At the same time, Spar Nord and Nykredit will offer a market-leading, nationwide branch network with strong offers for the two banks' customer portfolios of private individuals, homeowners, private banking and business customers.

Finally, Nykredit intends to continue the Spar Nord name, which is well known to the customers and a commercially strong brand, while also ensuring that customers continue with the adviser they currently have and are familiar with.

Spar Nord's Board of Directors and Executive Board support Nykredit's offer and unanimously recommends the shareholders to accept the offer.

Spar Nord's Board of Directors believes that a combination with Nykredit Bank will create a solid foundation for the continuing development of Spar Nord in a strong customer ownership structure, ensuring that the customers will obtain benefits and a share in the value creation.

**Strong shareholder returns – also before Nykredit's takeover offer**

After a somewhat subdued equity return in 2023, 2024 proved more positive for Spar Nord's share price – also before 10 December 2024 when Nykredit submitted its takeover offer of DKK 210 per share.

The Spar Nord share opened the year at a price of 107 and closed the year at 206, corresponding to an increase of 93%. The day before Nykredit's takeover offer, the Spar Nord share closed at a price of 141, corresponding to a price appreciation of 32%.

Based on the financial result for 2023, dividends of DKK 10.0 per share were distributed in 2024 and Spar Nord established a share buyback programme of DKK 500 million, equivalent to a total payout ratio of 69%. When the share buyback programme was discontinued on 10 December 2024 with reference to Nykredit's takeover offer, treasury shares for a total transaction value of DKK 423 million had been bought back.

When adding the dividend payment for the year to price developments, the return on Spar Nord's shares in 2024 was 103%.

In light of the conditions of Nykredit's takeover offer, Spar Nord's Board of Directors has decided not to recommend the distribution of dividends for 2024.

**Green bonds and higher sustainability ambitions**

2024 was also a historic year for Spar Nord in terms of debt, as in the spring the Bank established its Green Bond Framework, and in the autumn completed its first issue of green bonds. The Bank issued bonds for a total amount of EUR 250 million, dedicated to funding the Bank's green loans subject to the criteria of the Bank's Green Bond Framework.

The green bond issue was a great success and met with very strong investor demand, which is testament to Spar Nord's strong position in the capital market and overall demand for green investment opportunities among international investors. The issue of green bonds was an important strategic step for Spar Nord, not least with a view to consistently supporting our customers' green transition.

As a further initiative in this transition, in 2024 Spar Nord expanded its value proposition to the Bank's business customers, which are now offered free access to the ESG tool Valified. Valified supports business customers' preparation of climate accounts, transition plans and the publication of ESG reports.

Within our organisation, Spar Nord in 2024 prepared a climate plan and formulated an ambition of achieving net-zero emissions by 2050, in line with the Paris Agreement. The Bank has also defined a number of 2030 reduction targets for our lending and investment activities and for the Bank's own operations.

Finally, the implementation of the EU directive CSRD, which sets requirements for corporate sustainability reporting, has significantly expanded the Bank's sustainability reporting. This year, it is far more comprehensive and thorough compared to previous years.

**Outlook for 2025**

On the capital side, 2025 will be a historic year for Spar Nord, as the Bank expects to start using internal ratings-based models (IRB) for the calculation of capital ratios. The Bank expects the Danish FSA to grant approval by mid-2025 and will subsequently be able to apply IRB models as the basis for a more optimum capital application at Spar Nord.

Going into 2025, additional rate cuts by the Danish central bank are expected to become one of the main themes of the year. For Spar Nord, both the timing and extent of the rate cuts will have a significant impact on the results for the year, as the return on the Bank's excess liquidity is notably affected by the level of and developments in market and policy rates.

Finally, Spar Nord expects to continue gaining market share through organic growth in 2025 – partly as a result of investments in recent years in enhanced distribution capacity. This forecast builds on expectations of continued modest economic growth in Denmark.

For 2025, we expect a profit after tax in the range of DKK 1,600-1,900 million and thus to meet the Bank's overall financial target of a cost/income ratio below 55 and a return on equity of at least 11% after tax.

Kjeld Johannesen,  
Chairman of the  
Board of Directors

Lasse Nyby,  
Chief Executive Officer

## Thematic page on all-cash voluntary takeover offer from Nykredit

On 10 December 2024, Nykredit and Spar Nord agreed on and signed a publication agreement. Immediately upon the conclusion of the agreement, Nykredit and Spar Nord each published announcements regarding the conclusion of the publication agreement and Nykredit's decision to submit the takeover offer.

Nykredit subsequently on 8 January 2025 published an offer document concerning a recommended voluntary public tender offer for Spar Nord Bank A/S.

Nykredit offers to pay DKK 210 cash per share in Spar Nord subject to adjustment for any dividend or other distributions paid by Spar Nord prior to completion of the offer. The offer is made as an all-cash offer without reservations relating to financing and is expected to be completed during the first half of 2025.

The offer price represents a premium of approximately 49% relative to the closing share price of DKK 140.6 on 9 December 2024 Spar Nord's Board of Directors assesses that the offer price represents an attractive price and premium for the shareholders compared to the trading prices of the shares over the past year.

*"The Offer underlines Spar Nord's strong market position and good outlook in a changing Danish banking market where Nykredit will be a strong partner sharing Spar Nord's basic values"*

Kjeld Johannesen, Chairman of the Board of Directors

## Background and strategic rationale of the offer

Nykredit has been a major shareholder of Spar Nord since 2003 and owned 28.7% of the share capital and voting rights at 6 January 2025. Nykredit Bank and Spar Nord, respectively, were Denmark's fourth-largest and six-largest bank in terms of lending volume at the end of the third quarter of 2024. The contemplated combination will create Denmark's third-largest bank with total lending of approximately DKK 160 billion as per the third quarter of 2024 and a market share of approximately 13% measured by lending volumes and approximately 11% measured by deposit volumes. At the same time, Spar Nord and Nykredit will offer a market-leading, nationwide branch network with strong offers for the two banks' complementary customer portfolios of retail customers, homeowners, private banking and business customers.

Nykredit and Spar Nord have collaborated for more than 20 years and have established an operational platform with shared IT systems, business partners and products within mortgage credit, insurance, pension, etc. With the planned combination, Nykredit intends to build on the close collaboration and the strengths of both banks' business models to sharpen competitiveness by ensuring a continued strong local presence based on scalable back-office functions and competence centres in both Aalborg and Copenhagen.

The combination will be based on a strong customer-ownership under Forenet Kredit, which is an association for customers of Nykredit and Totalkredit and majority shareholder in both companies. Forenet Kredit is based on democratic principles and ensures that customers obtain a share in the profits through benefits (ForeningsFordele), which include discounts on loans and fees.

## Conditions

Completion of the offer is subject to the satisfaction of certain conditions, including Nykredit obtaining the necessary approvals and permissions from the Danish FSA and the Danish Competition and Consumer Authority, and Nykredit owning or having received valid acceptances from the shareholders with respect to Spar Nord shares representing in aggregate at least 67% of Spar Nord's share capital and voting rights, exclusive of Spar Nord's treasury shares at the time of completion of the offer, at the end of the acceptance period.

## Statement by the Board of Directors

Spar Nord's Board of Directors has unanimously decided to recommend that the shareholders accept Nykredit's offer.

The Board of Directors' recommendation is supported by an assessment dated 6 December 2024 (the "Fairness Opinion") obtained by the Board of Directors from its financial advisor Carnegie. The Fairness Opinion confirms that the offer price offered to the shareholders is fair from a financial point of view.

## Market capitalisation of Spar Nord based on Nykredit's offer price

# DKK 24.7 billion

## Effect on Spar Nord's Annual Report 2024

Nykredit's takeover offer is a "non-adjusting event" that does not affect recognition or measurement in Spar Nord's Annual Report 2024.

Spar Nord has not material agreements with key suppliers containing change of control provisions. Similarly, employee agreements and obligations relating to e.g. stay-on agreements or severance pay have not affected Annual Report 2024.

## Important dates relating to the Offer

**10 December 2024:** Publication of announcement of Nykredit's decision to submit the offer

**8 January 2025:** Publication of offer document and first day of the offer period.

**19 February 2025:** Expected expiry of the offer period (subject to extension of the offer period and assuming no withdrawal of the offer by Nykredit in accordance with the terms of the offer)

**24 February 2025:** Expected announcement of the final result of the offer

**27 February 2025:** Expected day for settlement of the offer price for each Spar Nord share payable to accepting shareholders under the offer

*The timetable above is subject to any extension of the offer period in accordance with the terms of the offer document and applicable legislation.*

Shareholders of Spar Nord may find all relevant material regarding Nykredit's takeover offer on Spar Nord's IR website: [sparnord.com/takeover-offer](https://sparnord.com/takeover-offer)



## Brief description of Spar Nord and our role in society

### Spar Nord builds on the local bank model

Spar Nord is built on strong customer relationships. We are confident that relations and business are best cultivated and maintained through a local presence and decentralised decision-making powers. That is why Spar Nord operates its business based on the local bank model – which builds on local commitment combined with strong central support.

Spar Nord's business model is inspired by the franchise concept, in which strongly anchored local ownership is the driver of customer management and business volume. Our business model thus supports setting up local teams independently and addressing the market through initiatives and marketing.

However, the Bank's business model also entails that autonomy in dealings with customers and relations is combined with an efficient in-house engine room. A consistent approach to underlying systems, processes and business procedures helps free up more time for customers while also ensuring quality in centrally managed areas such as credit policy, IT, AML and personal data.

### Part of a wider value chain

With a network of 58 local banks, Spar Nord is a key player in local communities throughout Denmark. The Bank is characterised by an open structure based on a number of strategic collaborative relationships. In this sense, Spar Nord is part of a wider value chain in which strong advisory

services and comprehensive distribution capabilities provide retail customers and small and medium-sized enterprises with access to financial solutions and products.

With its nationwide distribution capabilities, Spar Nord serves a broad and diversified group of retail customers and small and medium-sized enterprises in the local communities where the Bank has a presence.

Spar Nord provides services to more than 421,000 customers, which include 373,000 retail customers and 48,000 business customers across the country.

### A sustainable community

As a financial institution, Spar Nord is in many ways a reflection of society and of our customers' conduct. Through the Bank's core activities – lending and investments – we engage every day in the lives and businesses of our customers. Our local bank model helps us to stay close to our customers, their lives and their local communities. Our customers' assets and activities represent the Bank's largest impact on the sustainable transition.

Spar Nord is mindful that our retail and business customers have different starting points and levels of maturity, which is why the Bank's employees and our local branches leverage their local autonomy to support customers precisely where it makes the most sense. Employees and customers are the key stakeholders in Spar Nord's business model and value chain.

In 2024, Spar Nord launched a transition plan for climate change, which sets goals and identifies actions with a view to supporting the ambition of net zero by 2050. The Bank has also set out targets and actions aimed at promoting diversity and inclusion throughout the organisation.

### Vision: Denmark's best personal banking services

At Spar Nord, we believe that personal relations are also important for our ability to attract and retain customers in an increasingly digitalised future. Consequently, the Bank's vision is to provide "DENMARK'S BEST PERSONAL BANKING SERVICES"



### Spar Nord at a glance

- Spar Nord Bank was founded in 1824 and is a nationwide bank with 58 local banks.
- Spar Nord celebrated its 200th anniversary in 2024.
- Spar Nord is a full service bank with strong collaboration partners in the mediation of mortgage loans, unit trusts, pension and insurance.
- Spar Nord is a SIFI institution and is currently Denmark's 6th largest bank in terms of lending volume.
- Spar Nord's sustainability efforts support the targets stipulated in the Danish Climate Act and the Paris Agreement on climate neutrality from 2050 onwards.

## Why invest in Spar Nord



### Strong financial performance

For a number of years, Spar Nord has successfully generated strong results – even in years of difficult and challenging market conditions, the Bank has achieved positive results. Throughout business cycles, the Bank has achieved a satisfactory financial performance, and in recent years it has recorded one of the best returns on equity among the large banks in Denmark.



### Local bank model with strong distribution capabilities

Spar Nord is run on the basis of the local bank model, which is characterised by a high degree of decentralised decision-making powers, local autonomy and initiative and focused primarily on retail customers and small and medium-sized businesses in the local community. More than 20 years of organic growth supplemented by a number of acquisitions has transformed Spar Nord from a regional to a nationwide bank with strong distribution capabilities distributed on more than 58 local banks.



### High customer satisfaction

Spar Nord has a strong reputation and high customer satisfaction across customer segments. At the end of 2024, the Bank's overall NPS score was as high as 52. In the business customer segment, Spar Nord was in 2024 named the bank among the six largest banks in Denmark with the most satisfied business customers – a position Spar Nord has held for seven out of the past eight years (Aalund). In the retail segment, customer satisfaction also rose from 2023 to 2024 (EPSI).



### Robust credit quality

Spar Nord has a well-diversified loan portfolio characterised by a credit quality that has remained strong over the past many years. The credit area in Spar Nord builds on a strong centralised credit management based on close dialogue with the local banks and ongoing monitoring of developments in the Bank's exposures. Finally, Spar Nord has clear strategic goals and limits in the credit area in terms of exposure sizes, customer segments, industries, etc.



### Solid capital position and upcoming IRB implementation

Spar Nord has a strong capital structure and position with a common equity tier 1 capital ratio of 18.8%, which is well above both statutory requirements and the Bank's own capital targets. The expected implementation of internal ratings-based models (IRB) during the first half of 2025 changeover will in future provide the basis for a more optimum capital application and contribute to further consolidating Spar Nord's capital position. Using IRB models requires the approval of the Danish FSA, which is expected to be granted with effect from mid-2025.



### A committed bank

Based on the local bank model, Spar Nord has an ambition that diligent and attentive customer advice combined with a local presence and involvement provide the foundation of strong, long-term customer relations. Accordingly, the Bank's committed employees can make a difference and assume responsibility in the areas where they live – and where the Bank operates. In 2023 and 2024, this was further underpinned by 'The local promise', which gives our employees the opportunity to donate funds for purposes and associations that are important to their own local community and leisure activities.

## Spar Nord highlights in 2024



### All-cash voluntary takeover offer from Nykredit

In continuation of the announcement on 10 December 2024, Nykredit on 8 January 2025 submitted an all-cash voluntary takeover offer for all shares in Spar Nord, in which Nykredit offers the shareholders a cash consideration of DKK 210 per share, which represents a premium of approx. 49% compared to the closing price on the last trading day prior to publication of the offer. Nykredit strategic rationale is a planned combination of Nykredit Bank and Spar Nord Bank, which will create Denmark's third-largest bank with total lending of approximately DKK 160 billion and market shares of approx. 13% in bank loans. Nykredit intends to continue the Spar Nord name, which is well known to the customers and a commercially strong brand, while also ensuring that customers continue with the adviser they currently have and are familiar with.



### Issuance of green bonds

Spar Nord has established a framework for the issuance of green bonds; a Green Bond Framework. Our green framework facilitates the link between financing of eco-friendly green projects and the issuance of green bonds based on four loan categories: Clean Transportation, Green and Energy-Efficient Buildings, Renewable Energy and Sustainable Water, Sewage and Waste Management. By channelling the Bank's financing towards these four categories, we may contribute to climate change mitigation and to driving progress on climate targets. In autumn 2024, Spar Nord conducted its first green bond issue for EUR 250 million, dedicated to funding the Bank's green loans subject to the criteria of the Bank's Green Bond Framework.



### Strong organic growth in business volume

The result of recent years' investments in Spar Nord's local bank model through additional distribution capacity from the opening of new local banks, banking areas and new decentralised Large Corporate departments was quite substantial in 2024. In 2024, Spar Nord thus grew its total business volume by 6%, equal to DKK 21 billion, for a total business volume at the end of 2024 of DKK 379 billion. The increase in the business volume was broadly based, but supported especially by strong increases in assets under management and bank and leasing loans, which rose by 16% and 7%, respectively, compared with the year earlier.



### Moody's has lifted its outlook rating from stable to positive

Since 2019, Spar Nord has held an external credit rating from rating agency Moody's, and during the period until 2024 the Bank had an unchanged rating and a stable outlook. In June 2024, Moody's lifted the outlook for Spar Nord from stable to positive based on recent years' strong financial performance, a significantly improved NPL ratio and unchanged robust capitalisation. The change of outlook is very much testament to the Bank's positive developments in recent years and expectations of continuing positive developments in the years ahead.



### Climate plan and climate targets

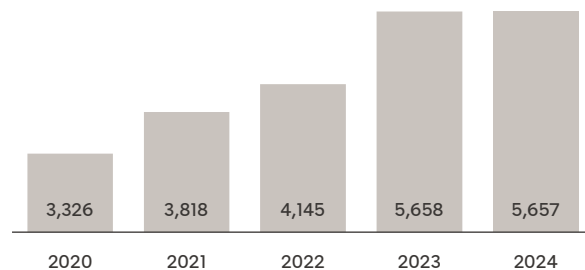
Spar Nord has prepared a climate plan with an ambition of achieving net-zero by 2050, in line with the Paris Agreement's ambition to keep the rise in global average temperatures well below 2°C. The Bank has also defined a number of 2030 reduction targets for our lending and investment activities and for the Bank's own operations. Additionally, Spar Nord has set sub-targets for selected segments, accompanied by specific actions and metrics, all designed to support the Bank's strategic climate ambition.



### Spar Nord celebrated its 200th anniversary

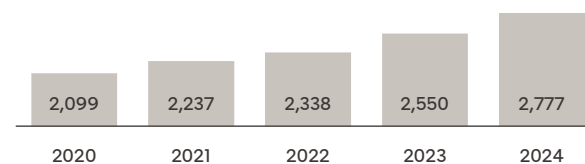
On 12 May 2024, Spar Nord reached a major milestone, celebrating its 200th anniversary. The Bank was founded back in 1824 under the name of Aalborg Byes og Omegns Sparekasse. The anniversary was celebrated with a party for all the Bank's employees, and the occasion was an ideal opportunity to scale up our marketing efforts. Spar Nord builds on its local presence and decision-making powers, which has been the focal point of the marketing efforts that have locally and nationally showcased the Spar Nord name throughout 2024. The 200th anniversary has provided extraordinary visibility, helping to strengthen the relationship with the Bank's customers and generate new business in local branches across the country.

## Key results in 2024



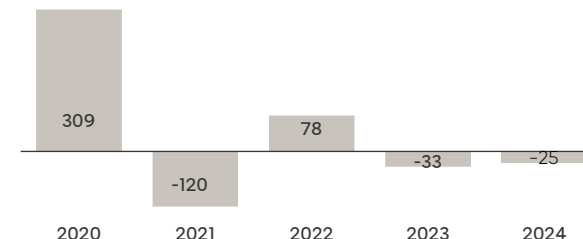
### Core income, DKKm

Spar Nord generated core income of DKK 5,657 million in 2024, which was on a level with 2023. Net interest and net fee income rose by DKK 49 million, while market value adjustments and dividends were down by DKK 59 million.



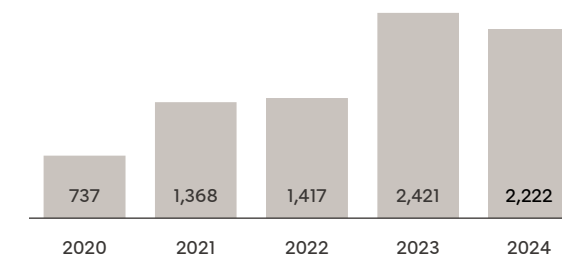
### Costs and expenses, DKKm

Spar Nord's total costs and expenses amounted to DKK 2,777 million, against DKK 2,550 million in 2023. Payroll costs amounted to DKK 1,611 million in 2024, while operating expenses amounted to DKK 1,166 million.



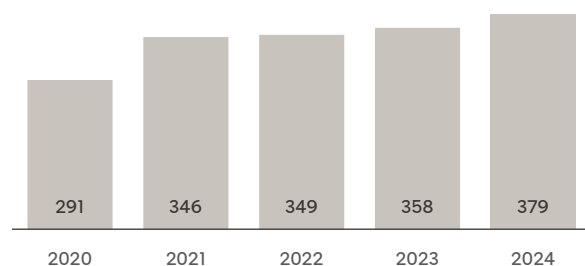
### Loan impairment, DKKm

Loan impairment charges amounted to an income of DKK 25 million in 2024, against an income of DKK 33 million in 2023. The positive profit impact should also be seen in the context of an underlying increase in management estimates of DKK 23 million.



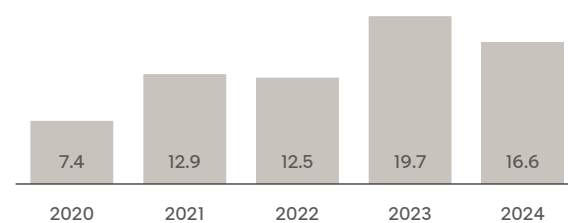
### Profit/loss after tax, DKKm

Profit after tax was DKK 2,222 million in 2024, against DKK 2,421 million in 2023. This marked the second-best financial result in the Bank's 200-year history.



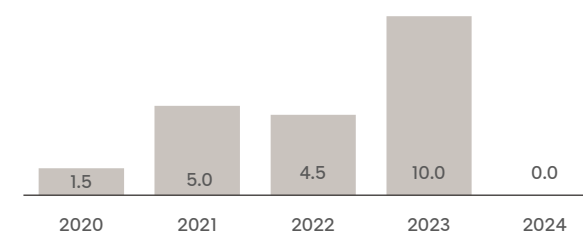
### Business volume, DKKbn

The total business volume grew 6% in 2024 to DKK 379 billion at the end of the year. The increase in the business volume was broadly based, but supported especially by strong increases in assets under management and bank and leasing loans.



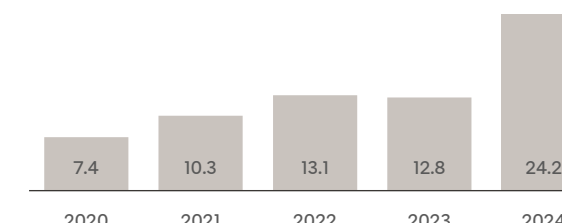
### Return on equity, %

Return on equity after tax stood at 16.6% in 2024, down from 19.7% in 2023. For the period 2020-2024, average return on equity after tax was 13.8%.



### Dividend, DKK

In light of the conditions of Nykredit's takeover offer, Spar Nord's Board of Directors has decided not to recommend the distribution of dividends for 2024.



### Market capitalisation, DKKbn

Spar Nord's market capitalisation rose by a historic 89% in 2024 to DKK 24.2 billion at the end of the year. The day before Nykredit's takeover offer, Spar Nord's market capitalisation was DKK 16.5 billion.

## Follow-up on outlook for 2024

The preconditions that formed the basis of Spar Nord's profit guidance for 2024 in the annual report for 2023 have by and large proven correct. The Bank's assessment of developments in the preconditions set out and which formed the basis of the profit guidance in the annual report for 2023 is shown below.

	Core income/profit before impairment charges	Impairment in % of loans, advances and guarantees	Profit/loss after tax
<b>Outlook for 2024</b>	DKK 2.4 – 2.9 billion	0.3%	DKK 1.7 – 2.1 billion
<b>Most recent revision of forecast 23.10.2024</b>	DKK 2.7 – 3.0 billion	0.0%	DKK 2.1 – 2.3 billion
<b>Actual 2024</b>	DKK 2.9 billion	0.0%	DKK 2.2 billion
<b>As expected</b>	<ul style="list-style-type: none"> <li>Net fee income – the figure covers lower net fee income relating to the housing market and higher net fee income relating to securities trading and asset management.</li> <li>Market value adjustments and dividends – the figure covers higher market value adjustments and dividends from sector shares and lower market value adjustments from the Bank's equity and bond portfolios.</li> </ul>		
<b>Worse than expected</b>	<ul style="list-style-type: none"> <li>Payroll costs because of a slightly higher average number of employees.</li> <li>Operating expenses due to slightly higher IT costs and one-off costs for advisory services in connection with Nykredit's takeover offer.</li> </ul>		
<b>Better than expected</b>	<ul style="list-style-type: none"> <li>Net interest income driven by generally higher market rates throughout 2024. Policy rates developed more or less as expected. Spar Nord had expected three rate cuts, against the four 25bp cuts actually implemented, although the last of these in December will have filter through to the economy in 2025.</li> <li>Positive profit impact from impairment on loans, advances and guarantees because of persistently strong credit quality among the Bank's retail and business customers.</li> <li>Growth in overall business volume, including growth in bank and leasing loans and assets under management.</li> </ul>		

## Outlook for 2025

Spar Nord expects that 2025 will generally deliver modest economic growth. Interest rate cuts during the course of the year are expected to contribute to growing investment appetite among businesses and an increase in demand for loans among retail customers, particularly in the housing market.

	Core income/profit before impairment charges	Impairment in % of loans, advances and guarantees	Profit/loss after tax
<b>Outlook for 2025</b>	DKK 2.2 – 2.6 billion	0.1%	DKK 1.6 – 1.9 billion

Preconditions	
	<ul style="list-style-type: none"> <li>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 currently expects Danmarks Nationalbank to carry out four rate cuts totalling 1.00 percentage point.</li> <li>In terms of net interest income, the greatest uncertainty in 2025 attaches to developments in market and policy rates, which have a strong bearing on returns on Spar Nord's substantial excess liquidity.</li> <li>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. Finally, we expect a continued high level of activity in payment services, cards and insurance and pension.</li> <li>Market value adjustments and dividends are expected to be in line with 2024.</li> <li>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.</li> <li>On the basis of expectations of continued, albeit moderate, economic growth in Denmark and high employment, impairment charges on loans, advances and guarantees are expected to remain low in 2025, to the tune of 10bp.</li> <li>Growth in bank and leasing loans above the sector's lending growth due to recent years' investments in new local banks and banking areas and growth in bank mortgage loans and leasing.</li> </ul>

## Performance indicators and financial ratios - Group

Income statement	2024	2023	Change in %	2022	2021	2020
<b>DKKm</b>						
Net interest income	3,522	3,538	0	2,011	1,736	1,584
Net fee income	1,558	1,493	4	1,689	1,541	1,238
Market value adjustments and dividends	393	452	-13	323	407	433
Other income	185	175	6	122	133	71
<b>Net core income</b>	<b>5,657</b>	<b>5,658</b>	<b>0</b>	<b>4,145</b>	<b>3,818</b>	<b>3,326</b>
Staff costs	1,610	1,493	8	1,384	1,346	1,293
Operating expenses	1,166	1,057	10	953	890	806
<b>Costs and expenses</b>	<b>2,777</b>	<b>2,550</b>	<b>9</b>	<b>2,338</b>	<b>2,237</b>	<b>2,099</b>
<b>Profit/loss before impairment</b>	<b>2,881</b>	<b>3,108</b>	<b>-7</b>	<b>1,808</b>	<b>1,581</b>	<b>1,227</b>
Impairment of loans, advances and receivables etc.	-25	-33	-25	78	-120	309
<b>Profit/loss before tax</b>	<b>2,906</b>	<b>3,141</b>	<b>-7</b>	<b>1,730</b>	<b>1,701</b>	<b>918</b>
Tax	684	720	-5	313	333	181
<b>Profit/loss</b>	<b>2,222</b>	<b>2,421</b>	<b>-8</b>	<b>1,417</b>	<b>1,368</b>	<b>737</b>
Interest expenses to holders of additional tier 1 (AT1) capital (taken to equity)	47	47	0	47	61	49

Balance sheet	2024	2023	Change in %	2022	2021	2020
<b>DKKm</b>						
Total assets	143,785	134,896	7	123,936	116,535	102,077
<b>Lending</b>	<b>76,180</b>	<b>69,366</b>	<b>10</b>	<b>65,806</b>	<b>61,936</b>	<b>52,312</b>
Lending, banking and leasing activities	61,692	57,497	7	55,296	49,086	42,494
Lending, reverse repo transactions	14,488	11,870	22	10,510	12,850	9,819
<b>Deposits</b>	<b>105,259</b>	<b>99,130</b>	<b>6</b>	<b>94,572</b>	<b>89,308</b>	<b>78,881</b>
Deposits, banking activities	77,183	74,308	4	72,169	63,775	58,084
Deposits, repo transactions	143	89	61	0	0	333
Deposits in pooled schemes	27,933	24,733	13	22,402	25,533	20,464
Issued bonds	9,134	9,307	-2	6,216	4,845	2,670
Subordinated debt	1,588	1,593	0	1,597	1,523	1,333
Additional tier 1 (AT1) capital	1,202	1,202	0	1,199	1,197	794
Shareholders' equity	13,426	12,777	5	11,270	10,727	9,596
Guarantees	11,038	9,702	14	12,342	17,566	15,591
Total risk exposure amount	66,600	60,369	10	60,463	60,479	54,865
Common equity tier 1 capital	12,496	10,691	17	9,930	9,872	9,422
Impairment account and discount on commitments taken over	1,652	1,673	-1	1,678	1,633	1,717
Business volume	379,228	358,193	6	348,739	346,189	291,310

Financial ratios		2024	2023	2022	2021	2020
Own funds ratio		22.9	22.3	20.9	20.8	21.0
Tier 1 capital ratio		20.6	19.7	18.4	18.3	18.6
Common equity tier 1 capital ratio		18.8	17.7	16.4	16.3	17.2
Return on equity after tax excl. additional tier 1 (AT1) capital *)	%	16.6	19.7	12.5	12.9	7.4
Cost share of core income	DKK	0.49	0.45	0.56	0.59	0.63
Net Stable Funding Ratio (NSFR)	%	131	131	127	125	-
Liquidity Coverage Ratio (LCR)	%	289	246	211	280	241
Increase in loans and advances for the year	%	7.3	4.0	12.7	15.5	-1.5
Impairment ratio		0.0	0.0	0.1	-0.1	0.4
Overall impairment ratio		2.2	2.4	2.4	2.3	2.9
<b>Spar Nord</b>						
Number of branches		58	59	57	55	47
Number of customers		421,244	420,326	426,485	429,814	383,874
Number of employees (full-time equivalents, end of period)	FTE	1,750	1,703	1,644	1,608	1,545
Full-time workforce (end of period, avg.)	FTE	1,721	1,664	1,628	1,618	1,553
<b>The Spar Nord share</b>						
Share price, end of period		206	107	106	84	60
Net asset value (NAV), *)		117	109	93	87	78
Profit/loss for the year *)		18.7	19.9	11.2	10.6	5.6
Dividend	DKK	0.0	10.0	4.5	5.0**)	1.5
Return	%	103	4	33	42	-8

\*) Financial ratios have been calculated as if the additional tier 1 (AT1) capital were treated as a liability for accounting purposes, which means that the calculation of the financial ratios has been based on the shareholders' share of profit and equity. The shareholders' share of profit and equity appears from the statement of changes in equity.

\*\*\*) In addition to the proposed distribution of ordinary dividends of DKK 2.5 per share, the Board of Directors exercised its authority to distribute an additional DKK 2.5.

The Danish FSA's layout and ratio system is shown in note 6.12 to the consolidated financial statements.

A definition of financial ratios is provided on page 263 of the consolidated financial statements and the section "Alternative performance measures" and the section "Definitions".

Sustainability		2024	2023	2022	2021	2020
<b>Environmental disclosures</b>						
Scope 1	tCO <sub>2</sub> e	194	222	256	213	-
Scope 2 (market-based)	tCO <sub>2</sub> e	403	393	422	468	-
Scope 3	tCO <sub>2</sub> e	787,351	962,239	598,866	715,678	-
Energy consumption	MWh	9,089	8,616	-	-	-
Renewable energy share	%	80	78	-	-	-
<b>Social disclosures</b>						
Gender diversity at Spar Nord	%	50	50	50	51	52
Gender diversity on the Board of Directors, shareholder-elected	%	29	17	0	0	0
Gender diversity at other management levels	%	15	14	-	-	-
Gender diversity on the Executive Board	%	0	0	0	0	0
Gender diversity among the group of executive managers	%	16	15	13	16	14
Gender diversity for managers	%	33	34	31	23	26
Pay difference between genders	%	21.4	22.6	-	-	-
Pay gap between the CEO and employees	Factor	10.2	9.6	9.1	8.9	8.9
Staff turnover rate	%	7.2	14.8	11.0	12.0	9.0
Absenteeism due to sickness	Days/FTE	5.7	6.8	7.7	7.0	4.9
Well-being index	%	90	86	86	86	88
<b>Business conduct</b>						
Reports with NSK	Number	1,915	3,123	3,934	2,194	2,048

Definitions of key figures are provided under accounting policies for environmental disclosures, social disclosures and business conduct in the sustainability reporting.

# Results 2024





## Financial results

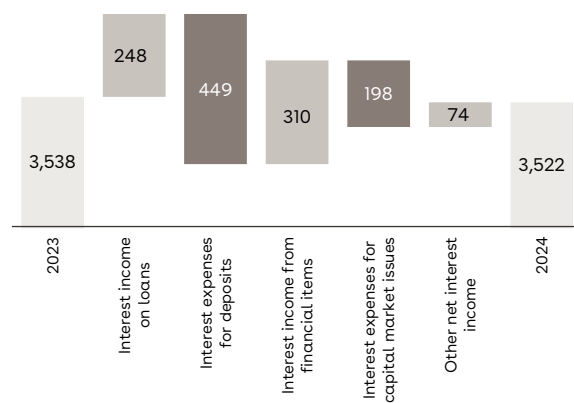
Spar Nord achieved a net profit of DKK 2,222 million in 2024, which corresponds to an annualised return on equity of 16.6%. The profit was merely 8% lower than the record-high profit in 2023 and is considered highly satisfactory.

### Income

Core income for the year amounted to DKK 5,657 million, which was on a level with 2023.

### Developments in net interest income

DKKm (medium grey rising - dark grey falling)



Net interest income was DKK 3,522 million in 2024, against DKK 3,538 million in 2023.

The largely unchanged level of net interest income covers substantial underlying developments across deposits and lending and the Bank's excess liquidity and capital markets funding.

The persistently high level of net interest income in 2024 was to a large extent driven by improved interest on the Bank's strong excess liquidity owing to the higher level of interest rates. Net interest income from financial items and other net interest income in 2024 were thus DKK 384 million higher overall than in 2023.

On the other hand, the higher level of interest rates and increased volumes had an adverse effect on the Bank's interest expenses for capital market issues, which increased by DKK 198 million in 2024 relative to 2023.

Overall, net interest income from deposits and lending was DKK 201 million lower in 2024 than in 2023.

The average lending margin was 43 basis points lower in 2024 than in 2023. This was driven by an increase in the average deposit margin of 53 basis points (y/y), which was partly offset by an increase in the borrowing rate of 10 basis points (y/y).

DKKm	2024	Q4 2024	Q3 2024	Q2 2024	Q1 2024	2023
Interest income on loans	3,401	827	849	858	866	3,153
Interest expenses for deposits	980	226	249	259	246	531
<b>Net interest income, deposits and loans</b>	<b>2,421</b>	<b>601</b>	<b>600</b>	<b>599</b>	<b>620</b>	<b>2,622</b>
Interest income from financial items	1,356	315	337	348	357	1,047
Interest expenses for capital market issues	621	153	146	160	161	422
Other net interest income	366	88	86	100	92	292
<b>Total net interest income</b>	<b>3,522</b>	<b>851</b>	<b>876</b>	<b>887</b>	<b>909</b>	<b>3,538</b>

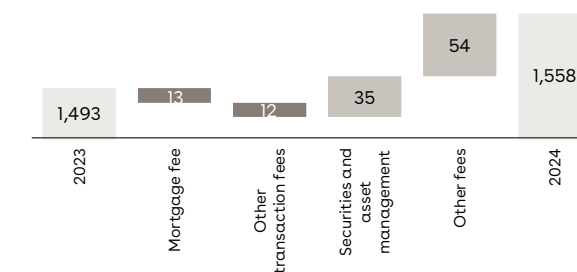
The increase in interest income from lending was thus positively affected by a small increase in the average lending rate combined with an increase in average total lending. Overall, interest income from lending rose by DKK 248 million.

On the other hand, the large increase in the average deposit rate and growth in average deposits prompted a DKK 449 million increase in interest expenses compared with 2023.

Developments in the average interest rate on deposits were to a great extent affected by a shift in deposit funds from transaction accounts to savings accounts and fixed-rate deposit products. Relative to end-2023, deposits placed in savings accounts and fixed-rate deposit products increased by DKK 6.3 billion, but with a fall of DKK 0.7 billion in Q4. At 31 December 2024, the total balance of savings accounts, time deposits and fixed-rate products was DKK 19.6 billion.

### Development in net fee income

DKKm (medium grey rising - dark grey falling)



DKKm	2024	Q4 2024	Q3 2024	Q2 2024	Q1 2024	2023
Mortgage fees	461	119	114	114	114	474
Other transaction fees	77	23	20	17	16	89
Securities and asset management	476	122	115	108	132	441
Other fees	543	129	135	136	143	489
<b>Total net fee income</b>	<b>1,558</b>	<b>393</b>	<b>385</b>	<b>375</b>	<b>405</b>	<b>1,493</b>

Net fee income amounted to DKK 1,558 million, which was DKK 65 million, or 4%, higher than in 2023. Net fee income accounted for 31% of total net interest and fee income in 2024 (2023: 30%).

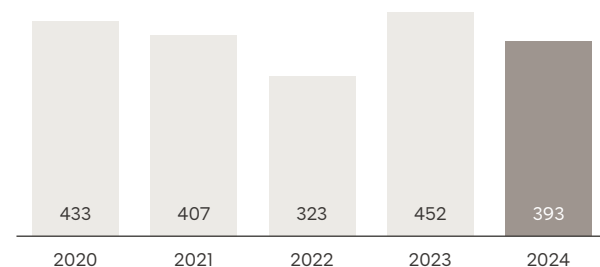
Compared with 2023, net fee income from asset management and securities trading increased by DKK 35 million, or no less than 8%, which was satisfactory. The increase was driven primarily by a higher volume of assets under management, resulting both from an inflow of new funds and positive market value adjustments.

The level of activity in the housing market, including house transactions and loan remortgaging, was generally at a low level in 2024. The overall level of activity in the housing market in 2024 was thus on a level with or slightly lower than in 2023 - but with greater activity in house sales in Q4 2024. Overall, net fee income from mortgage lending and other loan cases was DKK 25 million lower than in 2023.

Overall, 2024 was characterised by satisfactory activity in payment services and cards as well as insurance and pension, which drove a fair increase in other fees. The total increase in other fees of DKK 54 million relative to 2023 should be seen in light of the fact that a negative effect of DKK 26 million was recognised in 2023 concerning erroneous collection of fees in the financing company Sparxpres.

### Market value adjustments and dividends

DKKm



Market value adjustments and dividends totalled DKK 393 million in 2024, against DKK 452 million in 2023. Market value adjustments deriving from customer activity and business volume totalled DKK 320 million, while market value adjustments in the Trading Division amounted to DKK 73 million.

Market value adjustments and dividends on the portfolio of strategic shareholdings in the financial sector were DKK 212 million, which was DKK 23 million higher than in 2023. The increase was mainly attributable to higher market value adjustments regarding Spar Nord's shareholdings in BI Holding (BankInvest) and DLR Kredit.

As a result of highly satisfactory customer activity, market value adjustments from currency trading and exchange rate gains were DKK 108 million, which is DKK 16 million, or 17%, higher than last year.

Financial market developments were generally positive in 2024, including a narrowing of credit spreads in the bond market, notably in Q1 and Q3 2024, and rising equity prices. However, in Q4 2024, widening credit spreads on Danish mortgage bonds resulted in negative market value adjustments. Overall, there were positive value

DKKm	2024	Q4 2024	Q3 2024	Q2 2024	Q1 2024	2023
Market value adjustments and dividends, shares in sector-owned companies, etc.	212	56	49	48	60	189
Market value adjustments, currency and currency trading	108	30	25	26	27	92
<b>Market value adjustments deriving from customer activity and business volume</b>	<b>320</b>	<b>87</b>	<b>74</b>	<b>74</b>	<b>86</b>	<b>281</b>
Market value adjustments, equity portfolio	17	-2	5	5	9	27
Market value adjustments, bond portfolio, etc.	56	-42	25	14	60	144
<b>Market value adjustments in Trading Division, etc.</b>	<b>73</b>	<b>-45</b>	<b>29</b>	<b>19</b>	<b>69</b>	<b>171</b>
<b>Total market value adjustments</b>	<b>393</b>	<b>42</b>	<b>103</b>	<b>93</b>	<b>155</b>	<b>452</b>

adjustments in the Trading Division of DKK 73 million, with value adjustments of the Bank's bond portfolio contributing DKK 56 million, while market value adjustments on the Bank's equity portfolio totalled DKK 17 million.

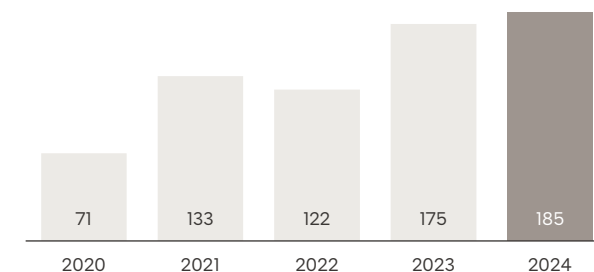
It should still be noted that the Bank's bond portfolio is recognised at fair value irrespective of whether it is placed in the trading book or in the banking book.

Other income amounted to DKK 185 million, against DKK 175 million in 2023.

Of total other income in 2024, investments in associates amounted to DKK 146 million, which was mainly attributable to Spar Nord's holding of

### Other income

DKKm



shares in Danske Andelskassers Bank (DAB) and Vækst-Invest Nordjylland.

At end-2024, Spar Nord's shareholding in DAB amounted to 40.1% (39.7% at end-2023).

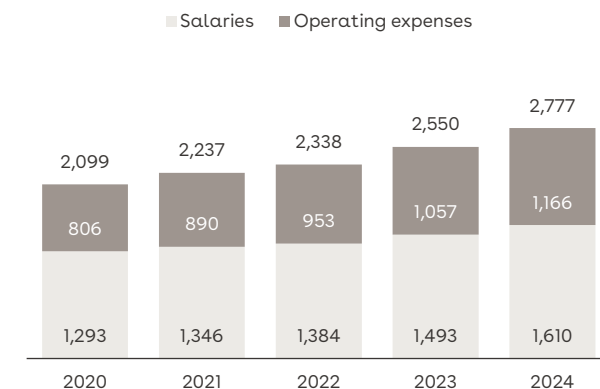
### Costs and expenses

Total costs and expenses amounted to DKK 2,777 million in 2024, against DKK 2,550 million in 2023, equivalent to an increase of 9%.

Wages and salaries accounted for DKK 1,610 million of total costs and expenses. Realised payroll

### Total costs

DKKm



costs were DKK 117 million, or 8%, higher than in 2023.

In 2024, Spar Nord on average employed 57 more staff than in 2023, and combined with pay rises under collective agreements this was the reason for the development.

At 31 December 2024, Spar Nord employed 1,750 people (FTE), which was 47 more than at year-end 2023. The increase was to a large extent attributable to more employees at Spar Nord's local banks and banks and banking areas on Zealand and within leasing and the Large Corporates area.

Operating expenses came to DKK 1,166 million, which was DKK 109 million higher than in 2023, corresponding to an increase of 10%.

The increase in operating expenses was to a large extent ascribable to higher IT costs relating to the Bank's data processing centre, BEC, and other IT costs.

Finally, operating expenses in 2024 included one-off costs of DKK 64 million for activities relating to the Bank's 200th anniversary, in-house IT projects and cloud migration and advice in connection with Nykredit's takeover offer.

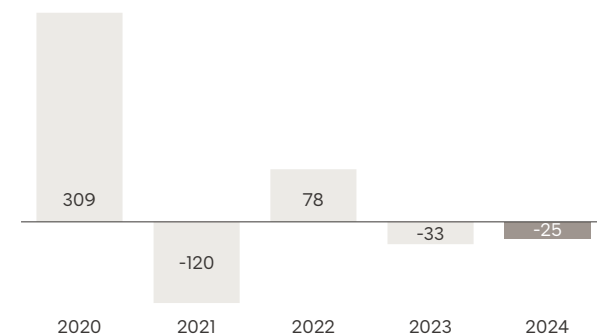
Excluding one-off costs, the increase in the Bank's operating expenses was thus 4%.

The realised core income and costs corresponds to a cost/income ratio of 49, which is below the strategic goal of a cost/income ratio below 55 (cost/income ratio in 2023: 45).

## Loan impairment

Loan impairment etc. was an income of DKK 25 million in 2024, against an income of DKK 33 million in 2023.

### Impairment DKKm



In 2024, an increase in individual impairment charges resulted in an overall increase in stage 3 impairment of DKK 65 million. For combined stage 1 and 2 impairment, the increase of management estimates was more than offset by a reduced need for individual impairment charges in the weak part of stage 2. Overall, stage 1 and 2 impairment was reduced by DKK 86 million relative to end-2023.

At 31 December 2024, total management estimates were increased by DKK 23 million relative to end-2023. The increase covers an increase in management estimates concerning geopolitical uncertainty, uncertainty relating to commercial real estate and ESG, while the management estimate concerning model uncertainty etc. was reduced.

Total management estimates were DKK 684 million at the end of 2024. At 31 December 2024, the model-supported management estimate regarding geopolitical uncertainty amounted to DKK 398 million, while the other management estimates concerning commercial real estate, ESG and model uncertainty, etc. totalled DKK 286 million.

At 31 December 2024, the total management estimates of DKK 684 million broke down into DKK 552 million on business customers and DKK 133 million on retail customers.

By way of comparison, total management estimates of DKK 662 million at end-2023 broke down into DKK 389 million on business customers and DKK 273 million on retail customers.

Stage 3 impairment at 31 December 2023 amounted to DKK 807 million (year-end 2023: DKK 742 million), while stage 1 and 2 impairment totalled DKK 845 million (year-end 2023: DKK 931 million).

Management estimates DKKm	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
Geopolitical uncertainty	398	418	407	399	375
Commercial real estate	181	178	177	160	155
ESG	88	86	88	98	73
Model uncertainty	17	28	27	44	59
<b>Management estimates, total</b>	<b>684</b>	<b>709</b>	<b>699</b>	<b>701</b>	<b>662</b>

### The Group's loans, advances and guarantees \*)

Breakdown by industry Line of business, %	Loans, advances and guarantees		Impairment account	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Public authorities	0.1	1.1	0.0	0.0
Agriculture, hunting, forestry and fisheries	3.7	3.9	8.9	6.9
Industry and raw materials extraction	4.8	5.0	13.0	15.5
Energy supply	3.1	2.7	1.6	0.7
Building and construction	5.0	4.4	9.1	5.8
Trade	7.0	6.5	9.9	6.2
Transport, hotels and restaurants	4.6	4.6	5.9	5.4
Information and communication	0.5	0.5	0.6	0.7
Financing and insurance	4.8	6.1	7.4	7.4
Real estate	12.2	12.2	11.5	11.1
Other business areas	8.1	9.1	8.5	6.9
<b>Business customers, total</b>	<b>53.9</b>	<b>56.1</b>	<b>76.3</b>	<b>66.7</b>
<b>Total retail customers</b>	<b>46.1</b>	<b>43.9</b>	<b>23.7</b>	<b>33.3</b>
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

\*) Excl. reverse repo transactions

At the end of the year, the share of non-performing loans (NPL ratio) at Spar Nord was 1.9%.

NPL ratio	2024	2023
NPL (DKK million)	1,469	1,458
Exposure (DKKm)	79,193	73,110
NPL ratio (%)	1.9	2.0

Growth in lending to retail customers, mainly bank mortgage loans, and an increase in mortgage loan guarantees resulted in a higher share of loans, advances and guarantees to retail customers, which was 46% at 31 December 2024.

## Profit/loss

The profit for the year before tax amounted to DKK 2,906 million compared with DKK 3,141 million in 2023. The Group's effective tax rate was 23.5%, equal to a total tax expense of DKK 684 million, of which DKK 109 million was ascribable to the special tax for financial enterprises of 4%. This brought the net profit to DKK 2,222 million, against DKK 2,421 million last year.

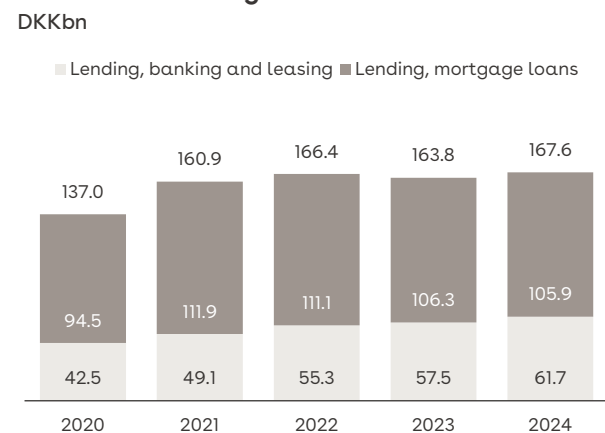
Business volume	2024	2023	2022	2021	2020
<b>DKKbn</b>					
Lending, banking and leasing activities	61.7	57.5	55.3	49.1	42.5
Deposits, banking activities	77.2	74.3	72.2	63.8	58.1
Mortgage loan mediation	105.9	106.3	111.1	111.9	94.5
Assets under management	79.4	68.4	59.7	63.7	47.8
Other customers' custodianship accounts	38.2	37.2	33.9	36.2	29.9
Pension, life annuities	5.7	4.9	4.1	4.0	2.9
Guarantees	11.0	9.7	12.3	17.6	15.6
<b>Total business volume</b>	<b>379.2</b>	<b>358.2</b>	<b>348.7</b>	<b>346.2</b>	<b>291.3</b>

The Group's total business volume amounted to DKK 379.2 billion at 31 December 2024, which was DKK 21.0 billion higher than at end-2023.

The decline in mediated mortgage loans should be seen in the context of an increase in the mediation of bank mortgage loans.

In 2024, the Bank recorded an increase in bank and leasing loans of DKK 4.2 billion, or 7%, to DKK 61.7 billion. Bank lending to retail customers increased by DKK 2.6 billion, while bank lending to business customers increased by DKK 2.3 billion, of which growth in leasing loans accounted for DKK 0.7 billion. Lastly, bank lending to public-sector customers was reduced by DKK 0.7 billion.

### Total credits arranged



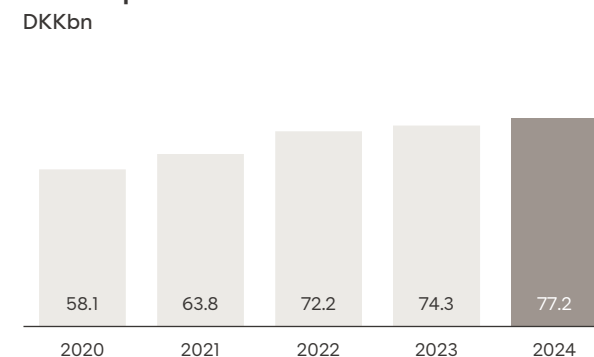
Based on the volume of bank and leasing loans, Spar Nord has a market share in Denmark of about 6%.

The volume of mediated mortgage loans was in 2024 adversely affected by an increase in the mediation of bank mortgage loans and fell by DKK 0.4 billion compared with end-2023. However, developments in the mediation of mortgage loans turned at the end of the year, with Q4 again delivering an increase in mediated mortgage loans. Mediation of mortgage loans amounted to DKK 105.9 billion at end-2024, with mediation of mortgage loans from Totalcredit accounting for DKK 95.8 billion, while mediation of DLR Kredit mortgage loans amounted to DKK 10.1 billion.

In 2024, deposits from banking activities increased by DKK 2.9 billion to DKK 77.2 billion, equal to 4%. Of the increase in deposits, retail customers accounted for an increase of DKK 2.9 billion, while deposits from business customers were unchanged compared with end-2023.

Total deposits of DKK 77.2 billion at the end of 2024 gave Spar Nord a market share in Denmark of about 4%.

### Total deposits



At 31 December 2024, the Bank's total assets under management amounted to DKK 79.4 billion, which was DKK 11.0 billion, or 16%, more than at end-2023. The increase in assets under management was attributable both to an increase in capital and the positive trends in the financial markets.

The other components of the total business volume also developed favourably compared with the end of 2023. Other customers' custodianship accounts thus rose by DKK 1.0 billion, pension, life annuities, rose by DKK 0.8 billion, while guarantees, etc. increased by DKK 1.3 billion.

As a result of developments in deposit and lending volumes, the loan-to-deposit ratio at end-2024 stood at 80.

## The Supervisory Diamond

The Supervisory Diamond lists a number of quantitative reference points, stipulating what can be considered a financial institution with an increased risk.

Failure to comply with the reference points in the Supervisory Diamond will trigger a reaction from the Danish FSA.

In 2024, Spar Nord was comfortably within all the reference points, achieving the values shown below.

The Supervisory Diamond		Threshold values	2024	2023
Sum of large exposures	%	<175	68.2	79.4
Growth in lending	%	<20	7.4	4.0
Property exposure	%	<25	11.5	10.7
Liquidity indicator	%	>100	275	278

### Thematic page on the significance of market interest rates to Spar Nord

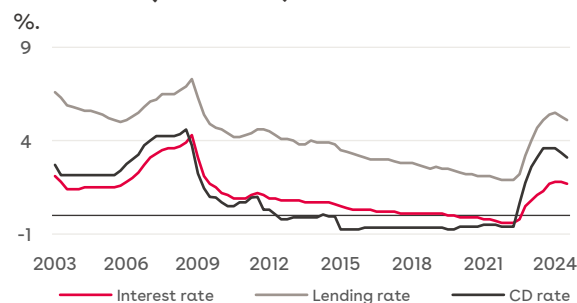
Spar Nord's net interest income has doubled since 2021, which to a large extent is attributable to developments in market rates. The substantial increase should be viewed in light of a 10-year period of low, and for several years negative, interest rates.

Spar Nord's interest income depends on the interest rate margin, which is the difference between the lending rate and the deposit rate, as well as the volume of deposits and especially of lending. Market rates also affect customer demand for lending.

Spar Nord has very robust liquidity with a large deposit surplus, and when the Bank places this deposit surplus with the Danish central bank and in the financial markets, market rates also have a huge earnings impact.

Furthermore, market rates affect Spar Nord's interest expenses on capital market funding, which primarily carries, either directly or through hedge transactions, a Cibor 3 interest rate.

#### Interest rates have increased in recent years from a low level (2003-2024)



Note: Interest rate margins comprise all domestic sectors and all currencies. Latest observation: Q3 2024. Source: Danish central bank, Statistics Denmark and own calculations.

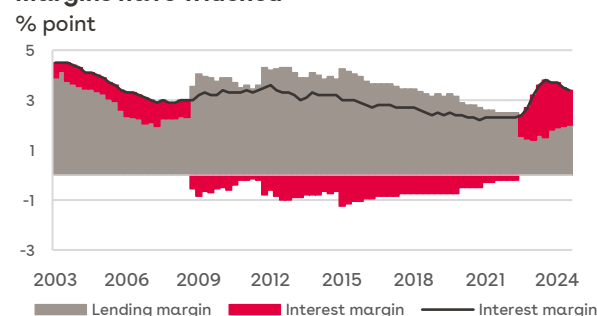
The charts below illustrate banks' deposit and lending rates and market rates in a historical perspective. Concurrently with the increase in market rates from mid-2022, banks' deposit and lending rates have risen, though we started to see a downward trend in 2024.

#### Interest rate margin back to the level of the noughties

Spar Nord's interest rate margin has in all material respects been consistent with that of the Danish banking sector.

The interest margin (deposit rate minus lending rate) has increased in line with the rising market rates. The deposit margin (deposit rate minus CD rate) was negative during the period from mid-2008 to mid-2022, or for 14 years, which was abnormal from a long-term historical perspective. The positive deposit margin in 2023 and 2024 was, in addition to the rising market rates, also driven by the competitive situation with Danish banks maintaining a very large deposit surplus.

#### Lending margins have contracted and deposit margins have widened



Note: Interest rate margins comprise all domestic sectors and all currencies. Latest observation: Q3 2024. Source: Danish central bank, Statistics Denmark and own calculations.

The lending margin (lending rate minus CD rate) has fallen since mid-2022, as lending rates to customers have not risen at the same pace as the increase in market rates, benefitting the Bank's customers.

#### Net interest income in Spar Nord's Local Banks

Net interest income in Spar Nord's Local Banks was DKK 2,978 million in 2024 and DKK 3,178 million in 2023, against DKK 1,586 million in 2021, the year before market rates moved higher.

The interest margin in Spar Nord's local banks developed positively in 2024 and 2023 compared with 2021 and the preceding years. The interest margin fell in 2024 compared with 2023, among other things due to growing competition, product mix and customers' increased use of fixed-term deposit products offering higher deposit rates.

In Spar Nord's local banks, net interest income is also affected by the composition of Spar Nord's loans, where the interest margin on bank mortgage loans, for example, is lower than other loans to retail customers owing to better collateral for Spar Nord.

#### Net interest income in the Trading Division, interest on excess liquidity and interest expenses for capital market issues

Net interest income in the Trading Division and other areas totalled DKK 544 million in 2024 and DKK 360 million in 2023, against DKK 149 million in 2021. The increase was primarily attributable to the placement of excess liquidity in bonds and with Danmarks Nationalbank.

Interest expenses for capital market issues were DKK 621 million in 2024 and DKK 422 million in 2023, which was notably higher than in 2021 due to rising market rates as well as an increase in MREL capital.

#### Effect of drop in market rates for Spar Nord

An overall indication of the effect of a 1% fall in market rates for Spar Nord is a DKK 400 million impact on net interest income, equal to DKK 100 million per 25 basis points.

#### Effect of 25bp drop in market rates

# DKK -100 million

The DKK 400 million generally breaks down into DKK 300 million from interest on excess liquidity and DKK 100 million from deposit and loan products and capital market issues. The above indications are an "all else being equal" assessment, which involves significant uncertainty, and they do not include management initiatives. Furthermore, the final effect will also be affected by factors such as deposit and lending volumes, product mix, pricing policy, and more.

Current expectations for interest rate developments point to lower rates, and all else being equal that will result in lower net interest income for Spar Nord. Reference is made to "Outlook for 2025" for a more detailed review of the impact on interest rate expectations on Spar Nord's earnings forecast for 2025.



## Other disclosures

### Recognition and measurement uncertainty and change in accounting estimates

The measurement of certain assets and liabilities is based on accounting estimates made by the Spar Nord management.

Areas involving assumptions and estimates that are material to the financial statements include impairment charges on loans and advances and the fair values of financial instruments. These are described in greater detail in note 1.2 to the financial statements.

It is difficult to predict the indirect impact on Spar Nord's credit quality of the geopolitical uncertainty resulting from the war in Ukraine, a potential increase in US tariffs and a weakening German economy. These factors cause uncertainty about Spar Nord's future impairment charges.

In the financial year, there were no significant changes to significant accounting estimates, as described in note 1.2.

### Information on material contracts

Spar Nord has not entered into material contracts that could be affected should the control of Spar Nord change.

Nykredit Realkredit A/S' all-cash voluntary takeover offer will therefore not result in any significant changes to material agreements entered into by Spar Nord.

### Spar Nord Group

The Spar Nord Group consists of the parent company Spar Nord Bank A/S and its wholly owned subsidiary Aktieselskabet Skelagervej 15. See note 6.11.

### The Board of Directors' authority to issue shares and acquire treasury shares

The Board of Directors' authority to issue shares and acquire treasury shares is described in note 4.4.



# Capital and liquidity management

## Strategic initiatives relating to liquidity and capital resources

The principal purpose of the Bank's capital and liquidity management is to ensure a prudent capital structure and cash position.

More specifically, the purpose is to ensure compliance with applicable legislation, a good balance in terms of its overall risk profile and profitable support of the Bank's business model.

### Capital management

The capital policy forms the foundation of Spar Nord's risk profile in terms of capital. The capital policy aims to ensure that the Bank consistently complies with applicable legislation in respect of the following three areas:

- Calculation of risk exposure, own funds and capital requirement
- Calculation of the individual solvency need and supervision procedures
- Market discipline through a number of disclosure obligations

The capital policy defines targets for the common equity tier 1 ratio and the own funds ratio. The capital targets at end-2024 are:

- A common equity tier 1 capital ratio of 13.5%
- An own funds ratio of 17.5%

In its endeavours to comply with the described targets, Spar Nord has adopted a number of guidelines intended to ensure that the management of

the Bank's capital matters is appropriate and adequate and in compliance with applicable legislation.

The capital policy also defines a target for the leverage ratio of at least 6%.

### Own funds

In accordance with the Executive Order on Calculation of Risk Exposure Amount, Own Funds and Solvency Need (Executive Order no. 2155 of 3 December 2020), the calculation of Spar Nord's own funds must comply with (Regulation (EU) no. 575/2013 of the European Parliament and of the Council of 26 June 2013 and supplementary implementing regulations known as the Capital Requirements Regulation, or CRR.

Own funds are composed of common equity tier 1, additional tier 1 capital and tier 2 capital. Common equity tier 1 capital, tier 1 capital and own funds are calculated with a view to calculating the capital ratios. The capital ratios express the Bank's capital resources to comply with own targets as per the capital policy as well as the regulatory requirements.

### Total risk exposure amount

The total risk exposure amount (REA) is used for determining the minimum capital requirement and also for calculating capital ratios, buffer requirements and the individual solvency need. The risk exposure thus represents the basis for determining the capital that must be reserved relative to the risk undertaken.

The Executive Order on Calculation of Risk Exposure Amount, Own Funds and Solvency Need (Executive Order no. 2155 of 3 December 2020) stipulates that the calculation of Spar Nord's total risk exposure amount must comply with the CRR. This

entails a number of methodology limitations in relation to the specific sub-components of the REA.

### Individual solvency need

Consolidated Act no. 1031 of 21 August 2024 on financial business stipulates requirements for the individual solvency need and any additional capital requirements. These requirements are to cover the risks not sufficiently covered by the minimum requirement of 8% pursuant to CRR. Such risks include business risks and special credit risks.

Spar Nord uses the so-called 8+ approach recommended by the Danish Financial Supervisory Authority in its guidelines on adequate own funds and solvency needs for credit institutions (Guidance no. 10055 of 15 December 2023). The 8+ approach is based on the statutory minimum capital requirement of 8% of the total risk exposure amount (Pillar 1) plus add-ons for risks and matters not fully reflected in the calculation of the total risk exposure amount. In other words, ordinary risks are assumed to be covered by the 8% requirement, and, consequently a position has to be taken on the extent to which Spar Nord has additional risks that necessitate an add-on to the calculated solvency need (Pillar 2).

### Liquidity management

The liquidity and funding policy determines Spar Nord's overall risk profile for liquidity risks and financing structure, as well as the overall organisational delegation of responsibilities in the liquidity area with a view to profitably supporting the business model.

The aim of the liquidity and funding policy is to ensure that the Bank has a liquidity risk that at all times bears a natural relation to Spar Nord's overall risk profile. In addition, the liquidity and funding policy is intended to ensure that the Bank continuously handles and manages its liquidity

appropriately and is capable of meeting its payment obligations as and when due while complying with applicable legislation and supporting future activities and growth. Lastly, the policy is intended to ensure a financing structure that ensures a correlation between risk and price.

Spar Nord's objective is for the Bank's Liquidity Coverage Ratio (LCR) to amount to at least 125% in compliance with the regulation on LCR. The Bank has also defined a target of maintaining a Net Stable Funding Ratio (NSFR) above 105%. In addition, Spar Nord aims to stay below the liquidity benchmark threshold values in the Supervisory Diamond.

### Management, monitoring and reporting

On the basis of the policies and objectives defined by the Board of Directors, the Executive Board has defined operational frameworks and specific limits for relevant entities of the Bank. The department reports at regular intervals to the Executive Board, the Board of Directors and the Danish FSA.

### Short-term Liquidity

Spar Nord employs fixed models to monitor and manage the Bank's short-term liquidity, including the daily management of LCR and intraday liquidity as well as ongoing preparation of stress tests.

### Long-term liquidity

NSFR has been calculated and reported since the end of June 2021 in accordance with applicable legislation and is reported each quarter to the Danish FSA.

### Liquidity stress test

In accordance with the Executive Order on Management and Control of Banks etc., Spar Nord prepares internal liquidity stress tests based on LCR. The stress tests span a 12-month period and are calculated using three permanently defined

scenarios: a business-specific, a market-specific and a mixed scenario. All scenarios are calculated without any management intervention.

## Capital position

On the capital side, Spar Nord pursues the goal of having a common equity tier 1 (CET1) ratio of 13.5% and an own funds ratio of 17.5%.

	2024	2023	2022	2021	2020
Common equity tier 1 capital ratio	18.8	17.7	16.4	16.3	17.2
Tier 1 capital ratio	20.6	19.7	18.4	18.3	18.6
Own funds ratio	22.9	22.3	20.9	20.8	21.0

At 31 December 2024, the common equity tier 1 (CET1) ratio was 18.8%, while the own funds ratio was 22.9%. The latter should be viewed relative to the individual solvency need calculated by Spar Nord at 9.5% plus the 6.5% combined buffer requirement, bringing the total capital requirement to 16%. Thus, at the end of the year, Spar Nord had an excess capital coverage of 6.9 percentage points, equal to DKK 4.6 billion.

Compared with end-2023, the CET1 capital ratio thus increased by 1.1 percentage point, while the capital ratio was 0.6 percentage point higher.

At 31 December 2024, the Bank's own funds had increased by DKK 1,827 million relative to end-2023. At end-2023, own funds were favourably affected by the recognition of the profit for the year with no deduction for dividends. At end-2024, a dividend of 60% as per the Bank's dividend policy would have resulted in total dividends of DKK 1,333 million.

At 31 December 2024, the total risk exposure was DKK 6.2 billion higher than at 31 December 2023. The credit risk increased by DKK 4.6 billion, while

market risk and operational risk increased by DKK 0.3 billion and DKK 1.2 billion, respectively.

DKKbn	2024	2023	2022	2021	2020
Own funds	15.3	13.4	12.7	12.6	11.5
<b>Total risk exposure amount</b>	<b>66.6</b>	<b>60.4</b>	<b>60.5</b>	<b>60.5</b>	<b>54.9</b>
Credit risk share hereof	54.2	49.6	50.1	50.2	45.3
Market risk share hereof	4.3	4.0	3.9	4.1	4.0
Operational risk share hereof	8.1	6.8	6.5	6.2	5.6

The higher risk exposure amount for credit risk was to a large extent attributable to an increase in loans, advances and guarantees both to retail customers and business customers, while the higher risk exposure amount for market risk was mainly driven by a higher gross interest rate risk.

Finally, the substantial increase in risk exposure amount for operational risk was ascribable to the recognition of core income from 2024 in the 3-year data for calculation using the basic indicator approach.

At 31 December 2024, eligible liabilities for meeting the total MREL and combined buffer requirement were calculated at DKK 24.4 billion, equal to 36.6% of the Bank's total risk exposure amount. Thus, at the end of the year, Spar Nord had an excess coverage to the MREL requirement of 7.1 percentage points, equal to DKK 4.7 billion.

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.

At 1 October 2024, Spar Nord conducted its first EUR issuance of MREL capital in the Senior Non-Preferred format. This also marked the first issuance under the Bank's Green Bond Framework, which has been established during 2024. Spar Nord issued Senior Non-Preferred bonds for DKK 1.9 billion (EUR 250 million).

With reference to Nykredit's takeover offer, Spar Nord's Board of Directors has resolved not to recommend the distribution of dividends on the basis of the results for 2024. Against that background, the Bank's own funds have increased extraordinarily by around DKK 1.3 billion, which means the Bank does not expect to have an issuance requirement of capital market funding in the first half of 2025.

Calibrated MREL requirement, %	01.01.2025	30.06.2025
Solvency ratio	9.5	9.8
<b>Requirement for loss-absorption amount</b>	<b>9.5</b>	<b>9.8</b>
Solvency ratio	9.5	9.8
Capital conservation buffer requirement	2.5	2.5
SIFI buffer requirement	1.0	1.0
Systemic buffer requirement	0.5	0.5
<b>Requirement for recapitalisation amount</b>	<b>13.6</b>	<b>13.7</b>
<b>Total MREL</b>	<b>23.1</b>	<b>23.5</b>
Capital conservation buffer requirement	2.5	2.5
SIFI buffer requirement	1.0	1.0
Systemic buffer requirement	0.5	0.5
Countercyclical buffer requirement	2.5	2.5
<b>Total MREL and combined buffer requirement</b>	<b>29.6</b>	<b>29.9</b>



Excess coverage to the calibrated MREL requirement.	31.12.2024	
	DKKm	%
Own funds	15,269	22.9
Non-preferred senior capital *)	7,269	10.9
Preferred senior capital	1,861	2.8
<b>Total MREL-eligible liabilities</b>	<b>24,398</b>	<b>36.6</b>
Combined buffer requirement	4,333	6.5
<b>Total MREL-eligible liabilities ex. combined buffer requirement</b>	<b>20,065</b>	<b>30.1</b>
<b>MREL requirement (calibrated)</b>	<b>19,694</b>	<b>29.6</b>
Combined buffer requirement	4,333	6.5
<b>MREL requirement ex. combined buffer requirement (calibrated)</b>	<b>15,361</b>	<b>23.1</b>
Deduction for excess capital, cf. subordination requirement	0	0.0
<b>Excess coverage</b>	<b>4,704</b>	<b>7.1</b>

\*) Permissible holding of own issues of DKK 25 million has been deducted.





### Liquidity and funding

With respect to cash resources, Spar Nord's objective is for a minimum Liquidity Coverage Ratio (LCR) of 125% and a minimum Net Stable Funding Ratio (NSFR) of 105%.

At 31 December 2024, the Liquidity Coverage Ratio and the Net Stable Funding Ratio were well above both the statutory requirements and the Bank's own targets.

Spar Nord's LCR ratio at 31 December 2024 was thus 289, while the NSFR ratio was 131.

LCR	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
Liquidity resources, DKKbn	36.5	34.5	35.8	33.4	29.6
Liquidity Coverage Requirement, DKKbn	12.6	11.5	11.4	11.1	12.0
<b>LCR (%)</b>	<b>289</b>	<b>299</b>	<b>313</b>	<b>302</b>	<b>246</b>

NSFR	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
Available stable funding, DKKbn	117.2	113.3	112.2	109.7	109.6
Required stable funding, DKKbn	89.4	86.9	84.7	83.8	83.6
<b>NSFR (%)</b>	<b>131</b>	<b>130</b>	<b>132</b>	<b>131</b>	<b>131</b>

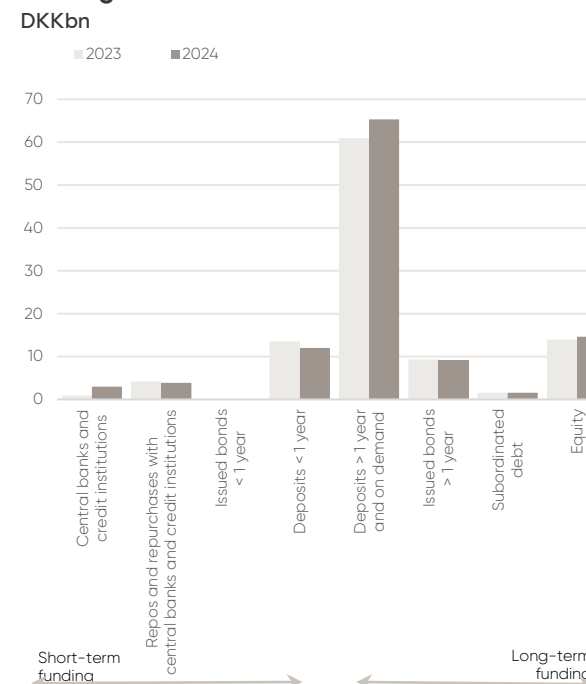
At the end of 2024, Spar Nord's total funding amounted to DKK 109.4 billion. At 31 December 2024, deposits excluding pooled schemes amounted to DKK 77.3 billion, and they are the Bank's principal source of funding.

At 31 December 2024, 64% of the deposits excluding pooled schemes were covered by the Guarantee Fund, which is the Danish guarantee scheme to cover depositors. At the same time, the sum of the 20 largest deposits alone accounted for 5% of the Bank's total deposits excluding pooled schemes.

At end-2024, the Bank had capital market funding totalling DKK 11.9 billion, with tier 2 and additional tier 1 capital accounting for DKK 2.8 billion and MREL capital for DKK 9.1 billion. Issued MREL capital included DKK 1.9 billion of Senior Preferred and DKK 7.2 billion of Senior Non-Preferred.

Funding structure	2024 DKKm	2023 DKKm	2024 %	2023 %
Central banks and credit institutions	2,973	852	2.7	0.8
Repos and repurchases with central banks and credit institutions	3,866	4,154	3.5	4.0
Deposits < 1 year	2,706	3,511	2.5	3.4
Deposits > 1 year and on demand	74,620	70,886	68.1	68.0
Issued bonds > 1 year	9,134	9,307	8.3	8.9
Subordinated debt	1,588	1,593	1.5	1.5
Equity	14,628	13,979	13.4	13.4
<b>Total</b>	<b>109,516</b>	<b>104,282</b>	<b>100.0</b>	<b>100.0</b>

### Funding structure



## Rating

### Rating assigned by Moody's

Throughout 2024, Spar Nord had an unchanged rating from rating agency Moody's, although Moody's in June 2024 revised the Bank's Outlook to Positive.

After Nykredit's takeover offer, in December 2024 Moody's revised the Bank's Outlook to "Under review for upgrade".

### Current credit ratings and outlook

Spar Nord has the following ratings:

- Adjusted Baseline credit assessment of baa1  
"Adjusted Baseline Credit Assessment" expresses the basic assessment of the Bank's credit worthiness, which forms the basis of the assigning of ratings to each instrument type and debt class
- Banking deposit rating of A1  
Rating of the Bank's unsecured money market balances
- Senior Non-Preferred of A3  
Rating of the Bank's MREL issuance in the Senior Non-Preferred format, which may be applied to comply with the Bank's MREL requirement
- Positive outlook / Outlook under review for upgrade  
Moody's has initiated an assessment of whether the Bank's adjusted BCA and long-term ratings should be upgraded because of the potential takeover by Nykredit

## Spar Nord's credit ratings

	Moody's
Outlook	Positive
Counterparty Risk Rating	A1/P-1
Bank Deposits	A1/P-1
Baseline Credit Assessment	baa1
Adjusted Baseline Credit Assessment	baa1
Counterparty Risk Assessment	A1(cr)/P-10(cr)
Senior Unsecured MTN	(P)A1
Junior Senior Unsecured	A3
Junior Senior Unsecured MTN	(P)A3
Subordinate MTN	(P)Baa1

### Moody's classification

Long-term rating	Short-term rating
Aaa Aa1 Aa2 Aa3 A1 A2	Prime - 1
A3 Baa1 Baa2	Prime - 2
Baa3	Prime - 3
Ba1, Ba2, Ba3 B1, B2, B3 Caa1, Caa2, Caa3 Ca, C	Not prime

## ESG ratings

### Sustainalytics ESG Risk Rating

Spar Nord has a Sustainalytics ESG rating of 20.8, reflecting a medium ESG risk. The lower the rating with Sustainalytics, the better the ESG score.

Sustainalytics classification:

Negligible	Low	Medium	High	Severe
0-10	10-20	20-30	30-40	40+

### MSCI ESG Rating

Spar Nord has an MSCI ESG rating of BBB, reflecting an average rating level.

MSCI classification:

CCC	B	BB	BBB	A	AA	AAA
<b>Laggard</b>						
A company lagging its industry based on its high exposure and failure to manage significant ESG risks.						
<b>Average</b>						
A company with a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers.						
<b>Leader</b>						
A company leading its industry in managing the most significant ESG risks and opportunities.						



## Thematic page on Spar Nord's use of IRB rules

Spar Nord has applied to the Danish FSA to apply IRB models to quantify credit risk in connection with the calculation of the Bank's capital requirements using the "foundation" approach.

Spar Nord launched the initiative in 2018, in July 2023 it sent the application to the Danish FSA, and Spar Nord expects to receive approval from the Danish FSA in mid-2025.

### Transition to internal ratings-based models (IRB) for the calculation of risk exposure derived from credit risk in 2024

During the past few years, Spar Nord has benefited in various ways from its IRB model efforts. In February 2024, the new rating models for which Spar Nord applied for approval to be used in calculating risk exposure amounts started to be used for the Bank's internal credit management process. The aim is to benefit from the new and improved rating models for credit management purposes.

The implementation did not affect the calculation of the risk exposure amount in 2024, which continues to be made using the standard method, but PD values according to the new models have been implemented in the Bank's rating system for use in calculating loan impairment in the annual report, and are applied in the Bank's internal credit management and reporting processes and also included in the Bank's modelled impairment charges from 31 March 2024.

During the course of 2024, the Bank regularly implemented IRB deliverables concerning its PD models and rating systems, etc., which overall has not changed the level of the Bank's modelled impairment charges. The management estimates have

also been adjusted to the effect that amounts are no longer allocated to this implementation.

Other than the expected reduced REA, the work with the IRB approval has had a positive impact on Spar Nord's business through improved procedures, data quality and the like.

### IRB approval – expected to apply from mid-2025

Spar Nord is so far the only bank in Denmark to have built its own IRB models to comply with the latest EBA standards. The new standards specify applicable rules and place stricter requirements on credit risk management in financial institutions.

Spar Nord's application covers selected customer portfolios, including retail and business customers. In the period from 2025 to 2028, Spar Nord will work to obtain IRB approval for additional customer portfolios such as SparNord Leasing.

### Expected reduction in REA

The overall effect of IRB approval on Spar Nord's capital position will be realised over the coming years and consists of two effects:

- A positive effect because of a reduction in risk exposure amount relating to credit risk.  
The reduction in REA, calculated as an "all else being equal assessment" based on year-end 2024 numbers, is estimated to be around DKK 10 billion, equal to a reduced capital requirement of DKK 1.4 billion given a common equity tier 1 capital target of 13.5%.
- A negative effect which must be included in Spar Nord's solvency need assessment relating to uncertainty and volatility in IRB models.

The total effect of an IRB approval on overcollateralisation relative to common equity tier 1 capital requirements is estimated to be around

DKK 800-1,000 million, which is expected to be realised over the course of a few years.

## Common equity tier 1 capital released upon IRB approval

**DKK 800 -  
1,000 million**

### Spar Nord's distribution capabilities

Spar Nord's capital and distribution capabilities are affected by several factors – development in Spar Nord's business and new regulations. Moreover, the Bank currently has a comfortable capital position with a substantial overcollateralisation both relative to regulatory requirements and the Bank's own targets.

Spar Nord currently expects that part of the reduction in REA from IRB may be applied to accommodate higher capital requirements, in part from the new CRR III capital rules, which enter into force in 2025. In particular, CRR III will entail higher capital requirements concerning the Bank's market risk due to the FRTB requirements which take effect in 2026.

Due to several uncertainty factors, Spar Nord cannot comment on the impact of IRB approval on its distribution capabilities in the coming years.

### What is an IRB approval?

An IRB approval would mean Spar Nord applying internally developed risk models to quantify credit risk in connection with the calculation of the Bank's capital requirements.

At the end of 2024, Spar Nord applies the standard method for determining the Bank's capital requirements and capital calculations. This entails applying standard capital weights for calculating how much capital Spar Nord must reserve for each loan. Following IRB approval, Spar Nord must apply the IRB models' customer-specific capital weights for calculating credit risk.

IRB credit models result in capital charges being even more differentiated for individual customers. More credit worthy customers are assigned a lower risk weight that better reflects the Bank's risk of loss for the customer in question. Under the standard approach, on the other hand, Spar Nord must reserve the same amount of capital for customers with good credit ratings as for customers with poor ratings. An IRB approval will thus entail that the capital Spar Nord must reserve to withstand credit losses in case of unfavourable economic trends will be more precisely adjusted to Spar Nord's customer portfolio. Spar Nord therefore expects a lower capital requirement when it has received an IRB approval.

The newly developed IRB models are expected to be better at predicting future credit losses on individual customers. The business use of IRB models will therefore affect credit-granting decisions and Spar Nord's pricing for specific customer groups.

## Investor Relations

The overall objective of Spar Nord's dialogue with investors and analysts is to ensure good and lasting relations. It is Spar Nord's ambition to maintain a high level of information and maximum accessibility, and the Bank constantly endeavours to make relevant and timely information available at all times.

The Bank presents financial reports and other information via its IR website, [sparnord.com/ir](http://sparnord.com/ir), and also provides ongoing information to investors and analysts at frequent meetings, conferences and roadshows, among other things after the publication of the Group's annual and interim reports.

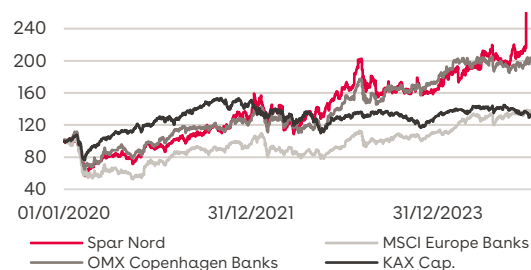
In 2024, analysts from four investment banks were covering the Spar Nord share (ABG Sundal Collier, Carnegie, Danske Bank and SEB).

### The Spar Nord share

Spar Nord is listed on the Nordic exchange, NASDAQ Copenhagen, and is a component of the Large Cap segment. The share capital amounts to DKK 1,177,020,310, divided into shares of DKK 10 each.

### Price developments for the Spar Nord share 2020-2024

Index-linked - Jan. 2020 = 100



The Spar Nord share rose from a price of 107 at end-2023 to 206 at end-2024. The price at the end of the year was to a large extent driven by the submitted takeover offer from Nykredit of DKK 210 per share. The annual price appreciation of 93% and dividend of DKK 10.0 per share made for an overall return on the Spar Nord share of 103% in 2024.

On 9 December 2024 - the day before the announcement of Nykredit's takeover offer - the Spar Nord share closed at a price of 141, corresponding to a price appreciation of 32% and an overall return of 41%. By way of comparison, returns for OMX Copenhagen Banks and MSCI Europe Banks were 25% and 34%, respectively.

In a five-year perspective until 9 December 2024, the price performance of the Spar Nord share has also been strong, with a total price appreciation of 117% for the entire period. By way of comparison, prices for OMX Copenhagen Banks and MSCI Europe Banks rose by 96% and 38%, respectively, during the same period.

At 31 December 2024, the market capitalisation of Spar Nord was DKK 24.2 billion, against DKK 12.8 billion at end-2023. In 2024, the average daily trading volume amounted to about 155,000 shares compared with about 109,000 in 2023.

Based on the financial statements for 2023, a share buyback programme of DKK 500 million was launched in 2024. From 12 February 2024 until 9 December 2024, Danske Bank has been mandated by Spar Nord to manage share buybacks totalling DKK 422.5 million. As announced in company announcement no. 74/2024, the share buyback was discontinued on 10 December 2024 with reference to Nykredit's takeover offer.

### Breakdown of shareholders

At end-2024, Spar Nord Bank had approximately 75,000 shareholders. The ten largest shareholders combined held about 63 % of the share capital. About 76 % of the share capital is held by foundations and institutional investors and other major shareholders, while 24 % of the capital is held by shareholders who each own fewer than 20,000 shares.

In terms of geography, 81% is owned by Danish investors, while 19% is held by foreign investors.

The Bank has two shareholders who have announced that, at 31 December 2024, they each held more than 5% of the share capital. Nykredit Realkredit A/S is the largest shareholder, having an interest of 27.8%. Spar Nord Fonden is the second-largest shareholder, having a shareholding of 20.3%.

Spar Nord share	2024	2023
Share capital (DKKm)	1.177	1.205
Market price, year-end	206	107
Market capitalisation (DKKm)	24.247	12.842
	0	500
Earnings per share for the year (DKK) *)	18,7	19,9
Dividend per share	0,0	10,0
Net asset value per share (DKK)	117	109
Share price/NAV per share	1,8	1,0

\*) The financial ratio has been calculated as if the additional tier 1 (AT1) capital were treated as a liability for accounting purposes, which means that the calculation of the financial ratio has been based on the shareholders' share of profit and equity. The shareholders' share of profit and equity appears from the statement of changes in equity.

### Dividend policy

Spar Nord pursues the goal of generating a competitive return for its shareholders - by way of share price performance and distributions. Thus,

the Bank's policy is to distribute a share of the net profit to shareholders in years when profits permit.

Spar Nord currently pursues the following dividend policy:

*Spar Nord pursues the goal of generating a competitive return for its shareholders - by way of share price performance and distributions. Spar Nord aims to distribute 40-60% of the net profit for the year with due consideration to meeting the Bank's capital targets.*

*The Bank intends to make distributions in the form of cash dividends and share buybacks, always provided that at least 30% of the net profit will be distributed as cash dividends. The distribution of between 40% and 60% is calculated on the net profit and thus before payment of interest on the Bank's additional tier 1 capital.*

On the basis of the conditions of Nykredit's takeover offer, Spar Nord's Board of Directors has resolved not to recommend the distribution of dividends at the Bank's Annual General Meeting to be held in March 2025.

### Financial calendar 2025

18.03.2025	Annual General Meeting
01.05.2025	Interim report for Q1
14.08.2025	Interim report for H1
30.10.2025	Interim report for Q1-Q3
















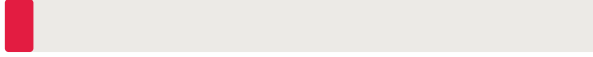





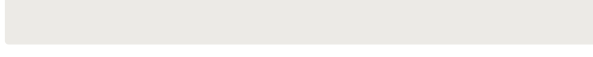






## Sustainability

Spar Nord's ambition to be a committed bank also very much applies to its sustainability initiatives. Consequently, we have defined a set of sustainability targets that serve as the focal point for our business initiatives.

In 2024, we published a climate plan with an overall ambition of achieving net zero in 2050. To support this ambition, we have set 2030 reduction targets for loan and investment activities and for the Bank's own operations. Furthermore, Spar Nord has set sub-targets for selected segments in its loan portfolio and an overall target for lending linked to green activities.

In addition to our climate focus, Spar Nord has also set sustainability targets in relation to gender diversity at management levels. Furthermore, Spar Nord has set a target for employee well-being, as our ambition is to be an attractive workplace with committed and skilled employees.

The illustration gives an overview of the Bank's sustainability-related targets. The target achievement by the end of 2024 illustrates progress relative to the Bank's 2030 targets measured on the basis of the relevant baseline year. This does not apply to the targets for the Board of Directors, other management levels and employee well-being, where the targets are set in 2025, 2026 and annually.

Sustainability target	Target achievement	Target
 <b>Lending</b>		Financed emissions from lending must be reduced by 20% by 2025 and 50% by 2030 relative to a 2021 baseline.
 <b>Electric car</b>		By 2030, 80% of all new loans for the financing of cars are to be for electric cars relative to a 2023 baseline.
 <b>Housing</b>		By 2030, financed emissions from lending to private homes must be reduced by 70% relative to a 2023 baseline.
 <b>Transport</b>		By 2030, financed emissions from lending to the transport sector must be reduced by 30% relative to a 2023 baseline.
 <b>Green financing</b>		Lending linked to the categories in the Bank's Green Bond Framework must amount to at least DKK 10 billion by 2030.
 <b>Investment · asset management</b>		Financed emissions from investments in equities and corporate bonds made on behalf of customers must be reduced by 30% by 2025 and 60% by 2030 relative to a 2020 baseline.
 <b>Own operations · Scope 1 and 2</b>		GHG emissions from the Bank's own operations (scope 1 and 2) must be reduced by 30% by 2025 and 50% by 2030 relative to a 2021 baseline.
 <b>Own operations · Scope 3</b>		GHG emissions from the Bank's own operations (scope 3) must be reduced by 25% by 2030 relative to a 2021 baseline.
 <b>Board of Directors</b>		In 2025, the under-represented gender is to represent 33% on the Board of Directors.
 <b>Other management levels</b>		In 2026, the under-represented gender is to represent at least 20% at other management levels.
 <b>Executive Board</b>		In 2030, the under-represented gender is to represent at least 25% on the Executive Board.
 <b>Executive managers</b>		In the group of executives, the under is to represent at least 20% by 2026 and 40% by 2030.
 <b>Managers</b>		Among the Bank's managers, the under is to represent at least 35% by 2026 and 40% by 2030.
 <b>Employee satisfaction</b>		The proportion of satisfied and very satisfied employees must be at least 85% in the annual employee satisfaction survey.

# Business model, strategy and risk overview



## How we do business and create value

### Spar Nord builds on the local bank model

Spar Nord is built on strong customer relationships. We are confident that relations and business are best cultivated and maintained through a local presence and decentralised decision-making powers. That is why Spar Nord operates its business based on the local bank model - which builds on local commitment combined with strong central support.

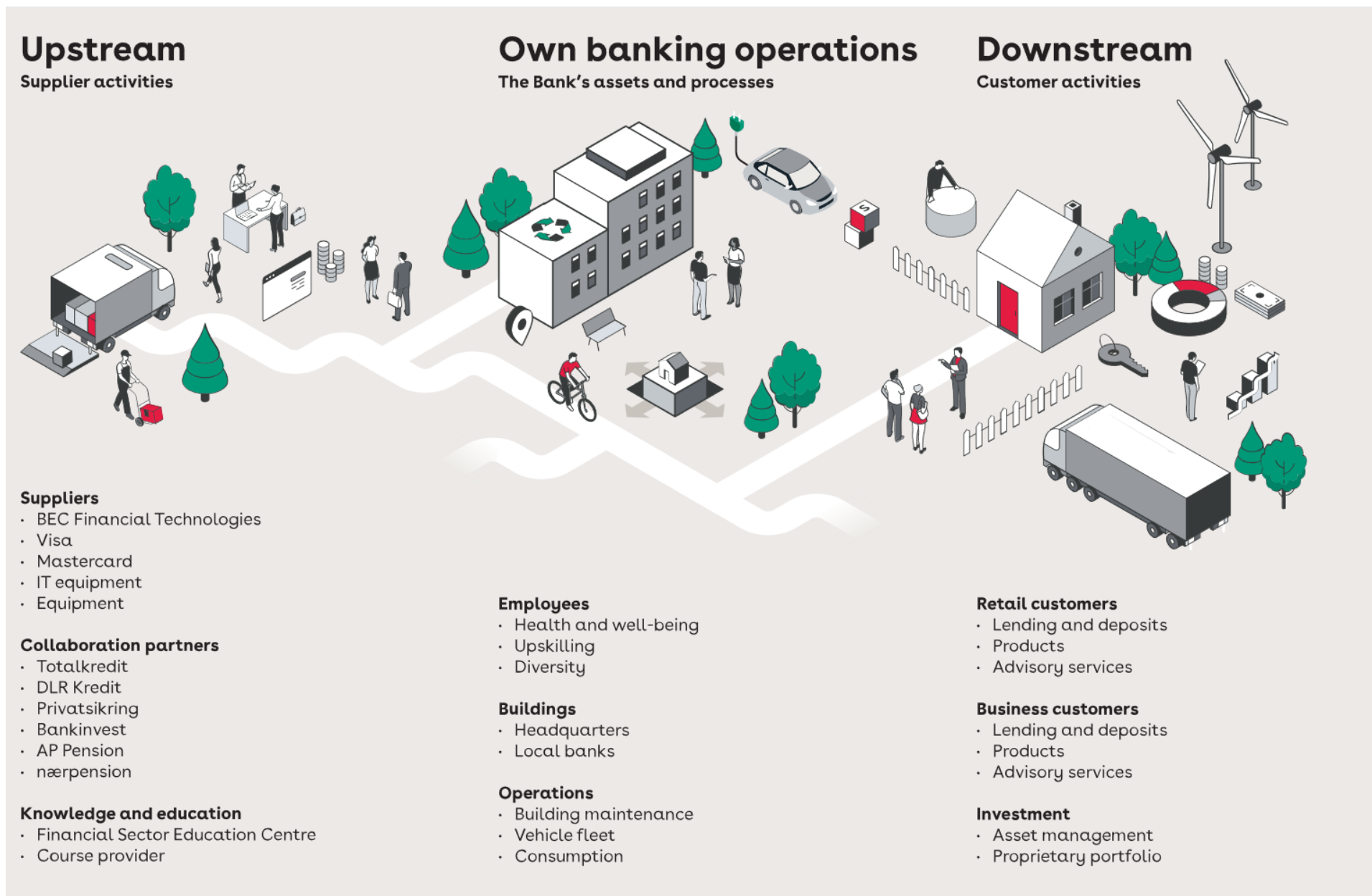
Spar Nord's business model is inspired by the franchise concept, in which strongly anchored local ownership is the driver of customer management and business volume. Our business model thus supports setting up local teams independently and addressing the market through initiatives and marketing.

However, the Bank's business model also entails that autonomy in dealings with customers and relations is combined with an efficient in-house engine room. A consistent approach to underlying systems, processes and business procedures helps free up more time for customers while also ensuring quality in centrally managed areas such as credit policy, IT, AML and personal data.

### Part of a wider value chain

With a network of 58 local banks, Spar Nord is a key player in local communities throughout Denmark. The Bank is characterised by an open structure based on a number of strategic collaborative relationships.

In this sense, Spar Nord is part of a wider value chain in which strong advisory services and comprehensive distribution capabilities provide retail customers and small and medium-sized enterprises with access to financial solutions and products.



The components of the Bank's value chain are supplier activities, own activities and processes and customer activities which include products and other value propositions.

At the centre of our value chain are the Bank's most important internal stakeholders, our employees, whose professional skills and ability to establish and maintain relations as a foundation for generating business are considered key intangible resources. Investments are regularly made in education and upskilling of the Bank's 1,750 employees. In alignment with the local bank model, employees have autonomy to involve themselves in the local communities where the Bank operates, and where the employee lives. The perspectives of Spar Nord's employees are included of the Bank's strategy and business model through annual satisfaction surveys and regular meetings in the Bank's joint consultation committee, on which the Executive Board is represented.

A large part of the Bank's financial solutions and products are supplied by collaboration partners in the fields of financing, investment, personal insurance, non-life insurance and payment services. Listed below are some of the most important suppliers and collaboration partners:

- BEC Financial Technologies
- Visa
- Mastercard
- Totalkredit
- DLR Kredit
- Privatsikring
- BankInvest
- AP Pension
- nærpension

**Customer segments and services**

With its nationwide distribution capabilities, Spar Nord serves a broad and diversified group of retail customers and small and medium-sized enterprises in the local communities where the Bank has a presence. Spar Nord provides services to more than 421,000 customers, which include 373,000 retail customers and 48,000 business customers across the country.

In its retail segment, Spar Nord gives priority to full-service customers in the sense that it wants to be a banker for financially sound customers and their entire families, thus catering to all their financial services needs. In the business customer segment, Spar Nord focuses on sound businesses across industry sectors.

As an entity, the Trading Division serves customers from Spar Nord's Local Banks as well as large retail customers and institutional clients in the field of equities, bonds, fixed income and forex products, asset management and international transactions.

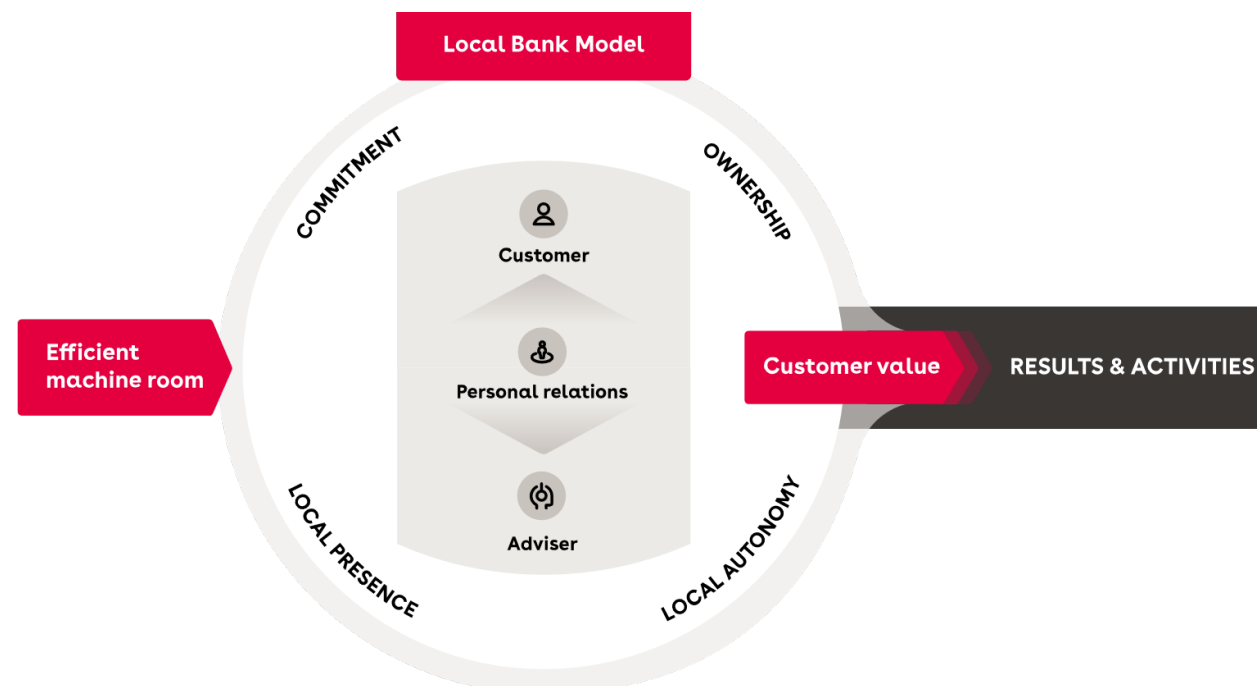
**Relationship bank offering customer proximity**

Based on having a strong local presence, Spar Nord maintains close relations with local communities across Denmark, and the Bank has strong local ties. It also means that Spar Nord's employees are close to the Bank's customers and are able to assess and respond to the developments shaping local communities.

Spar Nord continuously monitors customer satisfaction levels and its reputation. This monitoring aims to ensure that Spar Nord incorporates its customers' perspective into the Bank's strategy and business model by initiating efforts related to advisory services, products and concepts that both meet customers' needs and strengthen the Bank's position in the market.

Customer propensity to recommend the Bank is measured on a quarterly basis (NPS). Furthermore, Spar Nord subscribes to EPSI and Aalund Bank Barometer Business, which report on satisfaction among retail and business customers, respectively, and the Bank's overall reputation.

Based on customer dialogue and monitoring, the Bank launches initiatives. For example, proactive and relevant communication based on data and customer behaviour is a prioritised area in the Bank's current strategy. The conclusion, therefore, is that customers are demanding an even greater extent of unsolicited contact.





# Strategy

## Strategy 2023-25: A committed bank

With the local bank model as its foundation, Spar Nord works with 3-year strategy periods. The strategy for 2023-2025 operates with a vision, a diagnosis of the current situation, a strategic direction and specific actions - with the broad aim of strengthening local presence and decentralised decision-making powers as the Bank's distinctive features. That is why we have named the strategic direction for the period 2023-2025 A COMMITTED BANK.

### Vision: Denmark's best personal banking services

At Spar Nord, we believe that personal relations are also important for our ability to attract and retain customers in an increasingly digitalised future. Consequently, the Bank's vision is to provide DENMARK'S BEST PERSONAL BANKING SERVICES.

### Diagnosis of the current situation: Four defining circumstances in society

The diagnosis encapsulates four current trends which we believe will define the Bank's operations in the 2023-25 strategy period. Hence, the diagnosis comprises the societal circumstances which are directly addressed by specific actions contained in our strategy.

#### Geopolitical and macroeconomic uncertainty

We live in times of historically high uncertainty. Geopolitical tensions are running high, with warfare in Ukraine and the Middle East and the US presidential shift as the most tangible examples causing macroeconomic uncertainty.

#### Demands for individual customer experience

On the customer side, customers increasingly expect personalised services characterised by

keywords such as pro-activity, relevance and simplicity. The Bank's own customer surveys show that customers prefer a bank that pro-actively provides insight and value.

#### Competition for human resources and expertise

We are experiencing growing competition for human resources, which is expected to continue in the years ahead driven by demographic changes. With a business model founded on personal relations, our ability to retain and recruit employees and expertise is paramount for the Bank's continuing growth. With employee well-being at a record-high level in 2024, we have a stronger foundation than ever before.

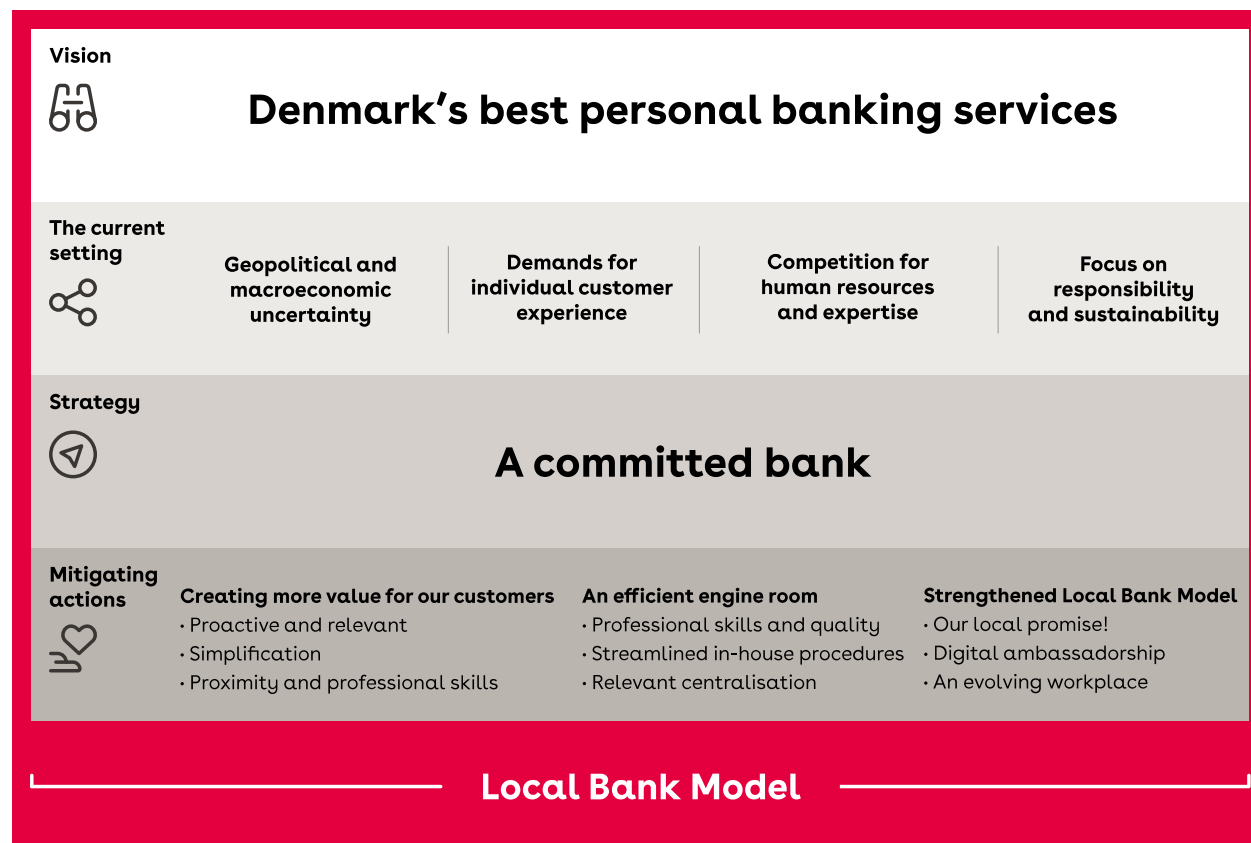
#### Focus on responsibility and sustainability

Being a financial institution with a vision of providing DENMARK'S BEST PERSONAL BANKING SERVICES, trust is a key asset. Responsibility and sustainability thus play a critical role for the Bank in its relations with customers, shareholders, authorities and the rest of society. There is a justified expectation that the Bank is capable of integrating responsibility and sustainability into its advisory services, products and reporting.

In 2024, Spar Nord defined a climate ambition of achieving net zero in 2050 in alignment with the Paris Agreement's goal of limiting global warming to 2°C above pre-industrial levels, with an aspiration to aim for 1.5°C. To support the realisation of net zero, the Bank has set a number of 2030 reduction targets and actions for the Bank's core activities of lending and investments as well as for the Bank's own operations. The climate ambition, targets and actions are described in the Bank's climate plan.

#### Strategic direction: A committed bank

Spar Nord's differentiated market position builds on a local presence and autonomy in customer-



centric areas and relations, which are the Bank's most important external stakeholders. In the 2023-2025 strategy period, we aim to further consolidate the Bank's position and business volume based on local autonomy.

#### Actions: Commitment to customers and streamlined in-house procedures

A number of specific actions address threats as well as opportunities identified in the diagnosis. Execution of the Bank's strategy is on track, and several initiatives have been launched. The actions are grouped under three headings: 'creating

more value for our customers', an efficient engine room' and 'enhanced local bank model'.

#### Creating more value for our customers

In the 2023-2025 strategy period, we will create more value for customers by strengthening our dialogue with them. We want to accommodate our customers' wishes for more personalised service by becoming even more pro-active and relevant in our advisory services and other communications. We continuously aim to increase the use of data in order to ensure a relevant presence towards the individual customer.



In addition, we work to enhance proximity and professional skills in our customer relations. By proximity we mean both geographical closeness and knowledge about our customers and their needs. Furthermore, the Bank is strongly focused on bringing pension expertise into play in the dialogue with our customers. Pension and personal insurance are areas in which we get really close to our customers.

**An efficient engine room**

Autonomy in dealings with customers and relations is combined with an efficient in-house engine room. A consistent approach to underlying systems, processes and business procedures helps free up more time for customers while also ensuring quality in centrally managed areas such as credit policy, IT, AML and personal data.

The Bank has launched specific initiatives aimed at further improving professional skills and quality. This requires a more consistent approach to administrative tasks.

At Spar Nord, we believe that business is generated through relationships, and we therefore aim to retain as many employees as possible in the local marketplace. The centralisation of administrative tasks must be relevant in the sense that the tasks do not add customer value or require knowledge of the customers.

**Strengthened local bank model**

We want to consolidate Spar Nord's market position and therefore give our employees a mandate to make decisions that concern customer-centric areas and relations. This way, our employees have a greater opportunity to make a difference in the areas where they live - and where the Bank operates.

In the current strategy period, we will focus on retaining and attracting human resources and expertise - not least recent graduates within economics and finance. Focus will also be on promoting diversity in management. In 2024, the Bank established the first certified training programme in diversity management, with 27 participants. In addition, the Bank has launched a tailored Leadership Academy targeting managers wishing to take their career to the next level through in-house talent grooming. These measures are also meant to support an equal gender distribution in management.

We see the ability to retain and attract human resources and expertise as well as equal opportunities and equal gender distribution in management as a natural part of being an evolving workplace.

**Financial targets and dividend policy**

For many years, Spar Nord has reported satisfactory financial results which, in terms of business volume growth and return on equity, make the Bank a top performer in the sector.

Based on an impairment ratio, which in the 2023-2025 strategy period is not expected to exceed 0.5, Spar Nord expects to deliver a financial performance in the period that will rank among the best

in the sector with a minimum return on equity of 11% and a cost/income ratio below 55.

Spar Nord pursues the goal of generating a competitive return for its shareholders - by way of share price performance and distributions. Spar Nord aims to distribute 40-60% of the net profit for the year with due consideration to meeting the Bank's capital targets.

The Bank intends to make distributions in the form of cash dividends and share buybacks, always provided that at least 30% of the net profit will be distributed as cash dividends. The distribution of between 40% and 60% is calculated on the net profit and thus before payment of interest on the Bank's additional tier 1 capital.

Strategic targets 2023-25

<p style="font-weight: bold; margin: 0;">Return on equity</p> <p style="margin: 0;">› 11 %</p> <p style="margin: 0;">after tax</p>	<p style="font-weight: bold; margin: 0;">Cost/Income Ratio</p> <p style="margin: 0;">‹ 55</p>	<p style="font-weight: bold; margin: 0;">Dividend</p> <p style="margin: 0;">40-60 %</p> <p style="margin: 0;">of profit for the year</p>
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## Thematic page: Our local promise

A key part of the Bank's strategic focus is to strengthen the local bank model and the Bank's position in the market. In this context, the employees play an important role in granting sponsorships and financial support to dedicated citizens and initiatives where they live – and where the Bank operates.

More specifically, all local banks and corporate functions have made what we call 'The local promise'. This promise entails an agreement on how each individual employee will exercise the autonomy that comes with the local bank model. 'The local promise' includes the means and a mandate to sponsor and act as a representative through small donations.

An important condition in 'The local promise' is that employees sponsor purposes in which they, their family or a colleague are actively involved in the association or the local community. It is important for the Bank that the support is directed towards the specific associations, ideas, and initiatives that employees are passionate about, personally involved in, and believe deserve a helping hand.

'The local promise' has already benefitted a large number of associations and communities in the Bank's local areas, contributing to stronger local involvement and increased visibility. In 2024, the Bank's 1,750 employees granted sponsorships to hundreds of different purposes via 'The local promise'. 'The local promise' is an important part of the Bank's strategy and ambition to be a committed bank. Consequently, we will in 2025 continue to encourage all of the Bank's employees to make use of 'The local promise'.



# Overview of risks and vulnerabilities

Risks are a natural and integral part of the Bank's operations. The Bank's risk management approach is described below.

## Identification and measurement

The Bank ensures that all significant risks are identified by systematically reviewing and performing risk assessments of the Bank's principal business procedures.

The risks identified are placed in a risk matrix according to likelihood and impact. The Bank's business units are responsible for performing this process in accordance with the Bank's risk management policies. Risk assessments are evaluated at least annually or more frequently if incidents or external events warrant a reassessment. Actual and potential incidents are registered in order to identify new risks and qualify existing risk assessments made.

The Bank measures risks on the basis of a risk matrix, which initially assesses the inherent risk (before mitigating measures) and then assesses the residual risk (after mitigating measures).

## Risk management

The Bank's risks are managed by implementing risk-mitigating measures. The business units are responsible for ensuring that risks are managed adequately. If a risk is considered not to be adequately mitigated, action plans will be drawn up to further mitigate the risk in question.

The Bank's risk organisation consists of three lines of defence, where the Bank's first line of defence is responsible for the day-to-day operations and for performing controls. The Bank's second line of defence performs a review of significant business procedures and tests controls in order to ensure that risks have been identified, measured, managed and reported correctly. Any shortcomings in the Bank's risk management are reported to the head of the relevant business area with a requirement to address the identified shortcomings. Observations from the Bank's second and third lines of defence are recorded in a registration system, with structured follow-up and reporting to the Bank's executive management.

## Reporting

The risk management functions prepares quarterly reports to the Executive Board and the Board of Directors, describing the Bank's risks and vulnerabilities. Identified risks outside the Bank's risk tolerance levels are immediately reported to the management.

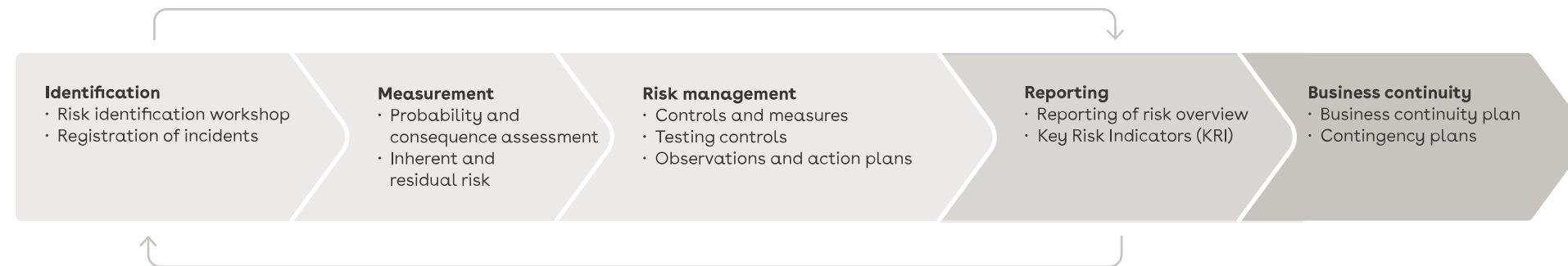
The Bank has defined Key Risk Indicators (KRI) in its policies, with quarterly follow-up and reporting to the management.

## Business continuity

Based on the risk identification process, the Bank has specified business-critical processes that must remain operational to ensure business continuity in the event of an IT-related crisis. Business-critical processes are supported by business continuity plans designed to help ensure that vital business areas can operate sufficiently in the event of, for example, IT system failures. The Bank has also prepared contingency plans to handle crises.

## Significant risks

The Bank is exposed to various internal and external risk factors, and it fundamentally works with the risk types described under the risk taxonomy, as shown in the overview to the right. The most significant risks for the Bank are illustrated and further described on the next page. The risks are listed in a non-prioritised order.



## Risk taxonomy

### Business risk

The risk of loss caused by structural changes in society affecting Spar Nord's business model.

### Credit risk:

The risk of loss because customers and other counterparties fail to meet all or part of their payment obligations.

### Market risk:

The risk of loss because the fair value of Spar Nord's assets and liabilities varies with changes in market conditions.

### Liquidity risk:

The risk that the Bank cannot meet its payment obligations while also meeting the statutory liquidity requirements.

### Funding risk:

The risk of lack of financing/funding preventing the Bank from adhering to the adopted business model, and the risk that costs for procurement of liquidity rise disproportionately.

### Operational risk:

The risk of financial loss owing to deficient or erroneous internal procedures and processes, human or system errors, or losses as a result of external events.

### IT risk:

The risk of ICT systems failing, being compromised, or misused, which may lead to data loss, breaches of confidentiality, downtime, or other damage that could impact the Bank's business.

### Compliance risk:

The risk of failing to comply with laws and regulations, which could have legal and financial consequences.



Significant risks	Description of risk	Risk development	Risk category	Potential impact	Preventive actions
<b>Cyberattacks</b>	Risk of cyberattacks, such as ransomware attacks, that could compromise the Bank's IT systems and render systems and data inaccessible.	 Rising	IT risk	<ul style="list-style-type: none"> <li>Financial blackmail</li> <li>Loss of investor confidence</li> <li>Negative press and media coverage</li> <li>Operational impact and data loss</li> </ul>	<ul style="list-style-type: none"> <li>Robust cyber security systems</li> <li>IT contingency plans</li> <li>Internal controls</li> </ul>
<b>Recession or economic downturn</b>	Risk of a recession or economic downturn, which poses a threat to the Bank due to reduced activity and rising unemployment, potentially affecting customers' creditworthiness.	 Falling	Credit risk Market risk	<ul style="list-style-type: none"> <li>Lower demand for bank products</li> <li>Increase in non-performing loans</li> <li>Lower market rates</li> <li>Widened credit spreads and price falls on several assets</li> </ul>	<ul style="list-style-type: none"> <li>Cost control and ensuring adequate capital and liquidity to withstand an economic downturn</li> <li>Credit policy</li> <li>Conservative investment strategy</li> </ul>
<b>Large customers in financial difficulty</b>	Risks of major credit losses on large customers ending up in financial difficulty.	 Falling	Credit risk	<ul style="list-style-type: none"> <li>Impairment charges and credit losses</li> <li>Higher capital charges</li> </ul>	<ul style="list-style-type: none"> <li>Identification of distressed customers</li> <li>Renegotiation of agreements</li> <li>Limits for single name and single industry concentration</li> <li>Credit policy</li> </ul>
<b>Geopolitical uncertainty</b>	Risk that customers or investments are adversely impacted by political instability, including, for example, war in Ukraine or the Middle East.	 Rising	Credit risk Market risk IT risk	<ul style="list-style-type: none"> <li>Foreign currency, interest rate and credit risks</li> <li>Impairment charges and credit losses</li> <li>Cyberattacks</li> </ul>	<ul style="list-style-type: none"> <li>Conservative investment strategy</li> <li>Credit policy</li> <li>IT risk management</li> </ul>
<b>Money laundering and terrorist financing</b>	Risk that the bank is misused for money laundering or terrorist financing.	 Unchanged	Operational risk	<ul style="list-style-type: none"> <li>Fines and legal proceedings</li> <li>Loss of investor confidence</li> <li>Loss of customer confidence</li> </ul>	<ul style="list-style-type: none"> <li>Robust internal controls and compliance</li> <li>Know-your-customer procedure</li> <li>Transaction monitoring systems</li> </ul>
<b>Compliance</b>	Risk that Spar Nord fails to comply with applicable legislation or guidelines.	 Unchanged	Operational risk Compliance risk	<ul style="list-style-type: none"> <li>Loss of investor confidence</li> <li>Legal proceedings and reputational damage</li> <li>Working environment damage</li> </ul>	<ul style="list-style-type: none"> <li>Internal control to ensure compliance with applicable legislation and guidelines</li> </ul>
<b>Sustainability</b>	Risk that Spar Nord finances or invests in companies that fail to adapt their business with due consideration to sustainability factors.	 Rising	Credit risk Market risk Funding risk Operational risk	<ul style="list-style-type: none"> <li>Impairment of assets due to environmental impacts</li> <li>Customers affected by extreme weather events such as flooding may impact the collateral value of the asset</li> <li>Loss of investor confidence due to a lack of transparency and inclusion</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with environmental standards and new regulations</li> <li>Responsible lending and training of employees</li> <li>Transparent business decisions</li> <li>ESG screening</li> <li>Inclusion of ESG factors in decision-making processes</li> </ul>



## Credit risk

### Developments in 2024

In 2024, Spar Nord experienced growth in loans, advances and guarantees excl. reverse repo transactions of DKK 5.5 billion. The increase covers an increase in loans and guarantees to retail customers of DKK 4.0 billion and DKK 1.5 billion to business customers. The Bank's leasing loans account for a significant part of the increase.

Growth in the retail customer segment was driven mainly by growth in bank mortgage loans. Lending in the business customer segment was composed of an increase in leasing loans of DKK 0.7 billion and a similar DKK 0.7 billion drop in loans and guarantees to public-sector customers. Loans to the Bank's other business customers thus amount to DKK 1.5 billion.

The Bank's share of loans classified as non-performing (NPL) was 1.9% of the total exposure in 2024, which is lower than in 2023, when the NPL ratio was 2.0%.

The total impairment and loss provision account was reduced by DKK 21 million to DKK 1.7 billion in 2024 due to lower modelled and individual impairment charges. In 2024, the management estimates were increased by DKK 23 million. Most of the management estimates are related to geopolitical uncertainty and the market for commercial real estate.

Total mediation of mortgage loans fell by DKK 0.4 billion (0.4%) in 2024 to stand at DKK 105.9 billion.

## Impairment ratio

# 2.2%

## NPL ratio

# 1.9%

## Suspended-interest loans

# 0.2%

### Credit policy

Spar Nord's overall credit risk is controlled on the basis of the Bank's credit policy, which is determined by the Board of Directors. The pivotal objective of the credit policy is to ensure that lending, earnings and risks are balanced, and that the risk of loss is always quantified.

Spar Nord aims to develop long-term relationships with customers and does not want to use risk tolerance as a competitive parameter. The Bank only wants to conclude transactions that conform to good banking practice and do not jeopardise the Bank's reputation or professional image.

It is the Bank's policy that credit must always be granted on the basis of insight into the customer's financial position and that credit quality is a key parameter in all customer relations. In addition, the Bank applies the basic rule of not granting

loans and credit facilities based on collateral alone.

### Management, monitoring and reporting

Spar Nord's business model builds on decentralised decision-making powers. In a decentralised effort, customer advisers, where relevant in consultation with relationship managers in retail and business banking, handle the day-to-day management of Spar Nord's credit risks.

The centralised monitoring of credit risk exposure is handled by a dedicated department named Credit Management. Monitoring covers a range of activities, including verifying that exposures are granted in accordance with the credit policy and ensuring that non-performing exposures are identified in due time. These activities are regularly supplemented with relevant thematic reviews. The Bank's second line of defence in the Risk Management function monitors and safeguards the adequacy of internal controls through ongoing monitoring and testing of controls in the first line of defence.

New exposures to retail and business customers are systematically reviewed to ensure that

### Principal performance indicators

	2024	2023	2022	2021	2020
<b>Lending</b>					
Loans, advances and guarantees to retail customers (DKKm)	34,259	30,234	29,385	32,260	28,500
Loans, advances and guarantees to business customers excl. reverse repo transactions (DKKm)	40,118	38,630	39,905	35,973	31,284
Mediated mortgage loans (DKKm)	105,921	106,342	111,144	111,885	94,550
<b>Impairment</b>					
Accumulated impairment charges and provisions (DKKm)	1,652	1,673	1,666	1,591	1,717
Impairment ratio on loans, advances and guarantees excl. reverse repo transactions (%)	2.2	2.4	2.4	2.3	2.9
NPL ratio (%)	1.9	2.0	2.3	2.8	3.4
<b>The Supervisory Diamond</b>					
Sum of large exposures (%)	68.2	79.4	83.8	81.7	78.1
Lending growth (%)	7.4	4.0	12.7	15.5	-1.5
Property exposure (%)	11.5	10.7	10.7	9.7	10.5

customers meet the Bank's credit policy and data quality requirements. The results of the regular controls are reported at the Bank's quarterly meetings in the credit risk committee, where the Executive Board, the Credit Department, Credit Management and the Risk Management function are represented. Results and conclusions are also reported to the Bank's Board of Directors.

Red flags for retail and business customers are monitored in an ongoing process with a view to identifying non-performing exposures, which are subsequently assessed and handled at the local banks, which assess whether the red flags, either separately or combined, represent an elevated risk to the Bank. A centralised function ensures that objective criteria for an elevated risk level will lead to a red flag for the customer in question.

Analyses of customer advisers' portfolios are made centrally to ensure that portfolios representing an elevated risk level are identified. This monitoring helps ensure that no customer adviser undertakes risks that exceed the Bank's defined risk tolerance.



## Market risk

### Developments in 2024

Market expectations of interest rate developments fluctuated heavily in 2024, causing volatility in the financial markets. Throughout the year, the Bank maintained a conservative investment strategy, under which it actively seeks to mitigate interest rate risk and is affected by credit spread risk.

Compared with end-2023, the net interest rate risk increased by DKK 118 million to DKK 156 million at end-2024. The average interest rate risk for 2024 was DKK 39 million, against DKK 20 million in 2023.

The credit spread risk in the trading book was DKK 262 million at end-2024, which was an increase of DKK 11 million relative to end-2023. The net portfolio of bonds was reduced by DKK 0.8 billion relative to end-2023. The bond portfolio mainly consists of AAA-rated mortgage bonds, which account for 93% of the Bank's bond holding.

The foreign exchange risk was reduced by DKK 12 million relative to end-2023. The foreign exchange risk in 2024 consisted primarily of exposure to EUR, which means the foreign exchange risk is considered low. Equity risk in the trading book increased by DKK 16 million to DKK 137 million in 2024. Throughout 2024, Spar Nord maintained limited equity risk because of the internal limits.

## Net interest rate risk

DKK **156** million

## Credit spread risk

DKK **262** million

## Bond portfolio

DKK **30.3** billion

## Shareholding

DKK **2.9** billion

### Market risk policy

The market risk policy determines Spar Nord's overall risk profile for market risk, as well as the overall organisational delegation of responsibilities in the market risk area with a view to profitably supporting the business model.

The policy identifies and sets limits for the various types of market risk, setting out specific limits for how much risk the Bank is prepared to assume. Market risk is composed of:

- Interest rate risk in the trading book and the banking book

- Credit spread risk on the bond portfolio
- Equity risk in the trading book and the banking book
- Foreign exchange risk
- Option risk
- Commodity risk

The policy describes the types of risk the Bank includes in the market risk area. The Board of Directors has prepared guidelines for the Executive Board describing the methods to be used in calculating the various risk.

### Management, monitoring and reporting

For its day-to-day management of market risks, the Bank has established a two-tier set of guidelines. At the first tier, the Board of Directors issues the definition of the limits for Spar Nord, which are delegated to the Executive Board. At the second tier, the Executive Board delegates limits to the other entities of the Bank, with the Trading Division being the largest entity.

The Finance & Accounts Department is responsible for measuring, monitoring, controlling and reporting market risks. Market risks are controlled and monitored through an integrated risk

management system, with day-to-day follow-up on all market risks subject to the guidelines. Follow-up is made intraday and end-of-day.

If the guidelines are exceeded, the responsible entity will be informed. Information is also conveyed to the Executive Board and, ultimately, the Board of Directors, depending on which of the above-mentioned limits are breached. The Bank's risk management function will be informed about all breaches.

Developments in risk levels and gains or losses are regularly reported to the Executive Board and Board of Directors.

Spar Nord has a front-to-back solution for market risk management, which means that both risk-taking and risk-managing business entities work on the same platform, which contributes to ensuring effective market risk management.

### Principal performance indicators

	2024	2023	2022	2021	2020
<b>Key risk figures</b>					
Net interest rate risk on a 1% change in interest rates (DKKm)	156	38	59	98	116
Interest rate risk, share of tier 1 capital (%)	1.1	0.3	0.5	0.9	1.1
Credit spread risk (DKKm)	262	251	252	291	345
Credit spread risk, share of tier 1 capital (%)	1.9	2.1	2.3	2.6	3.4
<b>Securities holdings</b>					
Bond portfolio (DKKm)	30,345	31,180	22,657	17,299	20,895
Bond portfolio, share of assets (%)	21.1	23.1	18.3	14.8	20.5
Equity portfolio (DKKm)	2,870	2,738	2,471	2,593	2,318
Equity portfolio, share of assets (%)	2.0	2.0	2.0	2.2	2.3



## Operational risk

### Developments in 2024

In terms of operational risk, Spar Nord continues to experience a high number of losses relating to external fraud where fraudsters use tricks to gain access to customers' funds. In recent years, the Bank has taken several steps to reduce the number of incidents, to the benefit of customers and the Bank.

Risks related to IT also make up a large part of the Bank's risks and vulnerabilities, and the war between Russia and Ukraine has given rise to an elevated risk level, prompting the Bank to strengthen our defence against cyber attacks.

Money laundering and terrorist financing, GDPR, outsourcing and data management are also among the most important current focus areas, prioritised highly within the Bank

### Operational risk policy

Spar Nord's Board of Directors defines the Bank's operational risk policy. This includes determining risk tolerance in the area.

The Bank's operational risk policy sets the framework for identification, assessment and management of the Bank's risks. The policy describes how to ensure that the Board of Directors and the Executive Board are kept informed about significant risk areas and developments.

Operational risks are assessed and placed in a risk matrix with the axes of likelihood and impact.

The Bank's risk tolerance is also defined on the basis of the risk matrix.

### Management, monitoring and reporting

All of Spar Nord's activities are subject to operational risk, and therefore a key task is to mitigate the operational risk to a satisfactory level.

Operational risk is managed across the Bank through a comprehensive system of business procedures and control measures developed to ensure an adequate control environment.

Follow-up and reporting with respect to operational risk is anchored with the risk management function, while responsibility for identifying and addressing risks lies with the first line of defence in the unit responsible for the relevant business activity. This helps ensure segregation of controlling and operational functions.

In addition to identifying operational risk, all operational events resulting in a loss of more than DKK 25,000 are systematically recorded, categorised and reported. The Bank also registers operational incidents that could potentially have resulted in a loss (near-miss incidents). To enhance awareness and promote an open risk culture in the organisation, awareness activities are regularly undertaken aimed at operational risk management.

Reporting to the Executive Board and Board of Directors is done on a quarterly basis. The Executive Board and Board of Directors receive a summary of significant changes to the risk patterns and a statement of total loss events. Loss events exceeding DKK 5 million will be reported separately to the Executive Board and Board of Directors.

### Development in operational losses

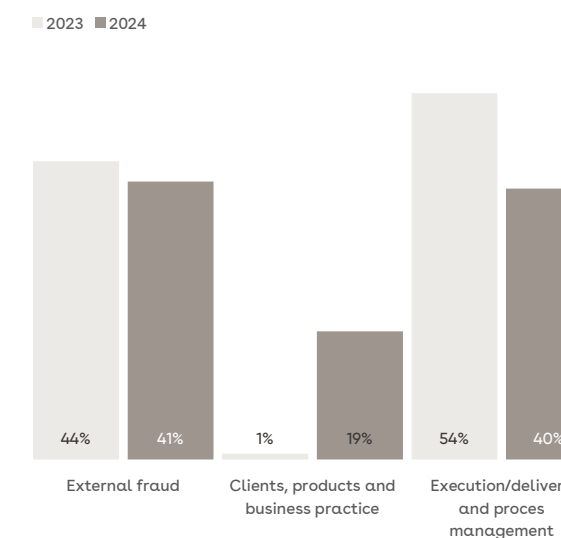
The operational losses are illustrated as a percentage distribution on risk types measured by number of events and loss amounts, respectively.

Most of the loss events are events involving a limited financial effect. As shown in the charts, 67% of the operational losses in 2024 related to external fraud (2023: 78%), which in terms of amounts equal 41% in 2024 (2023: 44%). External fraud includes payment card abuse and online banking fraud. The rest of the loss events relate to ordinary banking operations in connection with services provided to the Bank's customers through the local banks or operational errors relating to the Trading Division.

Percentage distribution of the number of operational loss incidents by risk type



Percentage distribution of loss incidents for operational loss incidents by risk type





# Governance and corporate management





## Governance

Risk assumption is a natural component of banking operations, placing heavy demands on the Bank's risk management organisation and risk management environment. As a result of business activities, Spar Nord is exposed to credit, market and liquidity risk as well as operational risk, including IT, compliance and reputational risk. Risk attaching to sustainability is included in the management of the individual risk areas. Strategic and regulatory risk is also a significant focus area.

For a more detailed description of risk management in the individual risk areas, including a description of policy, monitoring and reporting, reference is made to the respective sections of the report.

### Risk management organisation

In accordance with Danish legislation, Spar Nord has established a two-tier management structure consisting of a Board of Directors and an Executive Board. Moreover, the Bank has established segregation of functions between entities entering into business transactions with customers or otherwise assuming risk on behalf of the Bank, and entities in charge of monitoring and managing the Bank's risks.

The structure of Spar Nord's risk management organisation is based on the Institute of Internal Auditors' (IIA) Three Lines Model and is shown in the figure on the right.

### Board of Directors

The Board of Directors handles the overall and strategic management with a view to running a healthy and competitive bank, thus securing long-term value for the Bank's stakeholders.

Using the strategic objectives as its point of departure, the Board of Directors determines a risk profile, which describes the risk within the Bank's most important risk types that the Board of Directors is willing to undertake while meeting the objectives set forth in the strategy.

The objective is to ensure cohesion between Spar Nord's vision and strategy while ensuring that the risk profile is appropriate at all times, having regard to the Bank's capital and liquidity situation.

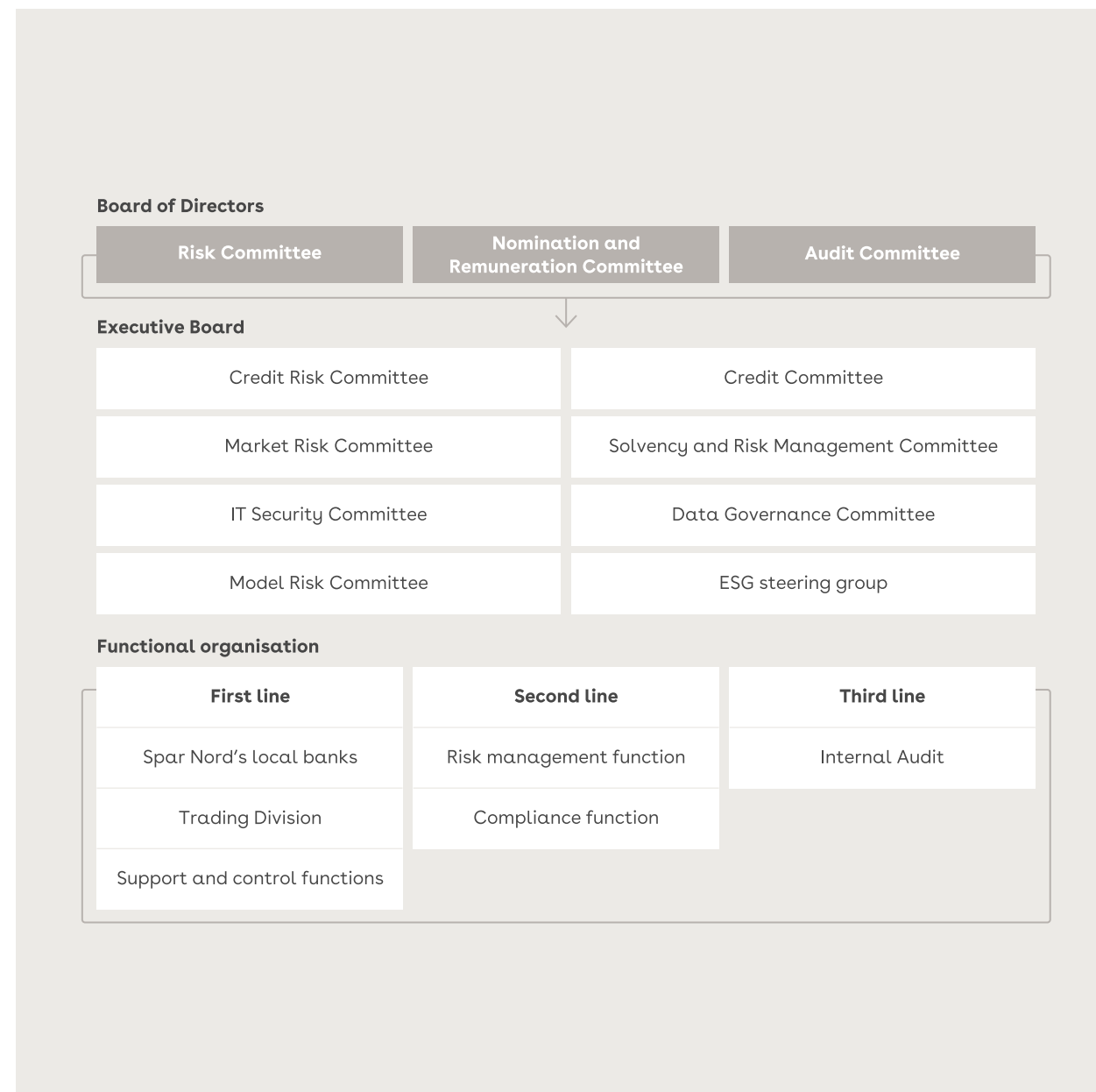
The Board of Directors has defined a number of risk policies that set out the overall handling and management of the Bank's risks. These policies are reviewed and approved by the Board of Directors at least once a year.

In order to underpin the management structure, the Board of Directors has drafted written guidelines for the Executive Board, specifying the areas of responsibility and scope of action. As and when required, the Board of Directors will assess and update these guidelines.

### Board committees

The Board of Directors has set up a Risk Committee, a Nomination and Remuneration Committee and an Audit Committee. The committees are charged with arranging the preparatory work for the Board of Directors' consideration of matters within the respective committee areas.

Establishing these board committees helps ensure a better utilisation of the specific competences held by the board members, thus ensuring in-depth dealing with the board material.





The purpose of the committees is to facilitate the transaction of business by the Board of Directors. The terms of reference of the committees are available at [sparnord.com/committees](https://sparnord.com/committees). A presentation of the board members and their qualifications is provided on pages 47-49.

#### Risk Committee

The principal purpose of the Risk Committee is to handle risk-related matters, including to review and assess the adequacy and efficiency of the Bank's policies, guidelines and systems. The risk committee also serves to advise the Board of Directors on the Bank's overall current and future risk profile and strategy and to ensure the correct implementation of the risk strategy in the Bank.

The Risk Committee consists of three independent board members. The committee held seven meetings in 2024.

#### Nomination and Remuneration Committee

The principal purpose of the Nomination and Remuneration Committee is to facilitate the decisions to be taken by the Board of Directors with respect to remuneration, including the remuneration policy, and other related decisions that may influence risk management. The Committee also serves to facilitate work related to the Bank's diversity policy, the process of board evaluation and nominating new candidates for the Board of Directors and Executive Board.

Regularly, and at least once a year, the Committee evaluates the Board of Directors' and Executive Board's structure, size, composition and results and prepares recommendations for the Board of Directors for any changes.

The Nomination and Remuneration Committee consists of three board members, one of which is an independent member and one a member

elected by the employees. The committee held four meetings in 2024.

#### Audit Committee

The primary task of the Audit Committee is to oversee the statutory audit of annual financial statements, sustainability reporting, etc., as well as to inform the Board of Directors about the results of the statutory audit, including the processes for financial reporting and sustainability reporting. Its duties also include monitoring the efficiency of the Bank's internal control system, Internal Audit and risk management systems for financial and sustainability reporting purposes.

The Audit Committee consist of three members, two of whom are independent. The committee held ten meetings in 2024.

#### Executive Board

In accordance with the guidelines and risk policies issued by the Board of Directors, the Executive Board is in charge of the day-to-day management.

The Executive Board must ensure that risk policies and guidelines are implemented in the Bank's day-to-day operations while also ensuring that business procedures or work descriptions have been prepared for all important areas.

The Executive Board delegates specific guidelines and authorisations to selected departments of the Bank with a view to the practical implementation of the guidelines and policies adopted by the Board of Directors.

#### Executive Board committees

The Executive Board has set up a number of committees which in specific areas contribute to Spar Nord's risk management, preparing issues and themes for consideration by the Executive Board and Board of Directors.

#### Solvency and Risk Management Committee

The Solvency and Risk Management Committee is composed of a member of the Executive Board, Trading Division, Credit Department, Credit Management, Finance & Accounts and the Risk Management function, respectively. The committee meets every quarter and serves to define targets and principles for calculating adequate own funds and the individual solvency need. The Solvency and Risk Management Committee prepares a recommendation for the individual solvency need and passes it on to the Board of Directors for approval. The committee handles input from other committees at executive board level to ensure that any capital consequences are dealt with by the primary capital and solvency authority.

#### Market Risk Committee

The Market Risk Committee is composed of a member of the Executive Board and members of the Trading Division, Finance & Accounts and the Risk Management function. The committee meets every quarter to review developments in Spar Nord's positions, risks as well as the liquidity situation and expectations regarding market developments and future plans.

#### IT Security Committee

The IT Security Committee is composed of a member of the Executive Board, the IT department, the Risk Management function and selected heads of business areas. The committee serves to deal with relevant topics within information security and IT risk management. Moreover, the IT Security Committee supports the Bank's management system for information security.

#### Model Risk Committee

The Model Risk Committee is composed of a member of the Executive Board and representatives from the Risk Management function, the IRB department, Credit Management and the Credit Department. The committee meets once every quarter to discuss and monitor the management of model risks and to consider recommendations of

newly developed and revised models prior to approval and implementation.

#### Credit Committee

The Credit Committee is composed of two members of the Executive Board and two members from the Credit Department. The committee deals with credit facilities that exceed the Credit Department's authorisation limits or involve a matter of principle. The committee meets several times a week. Frequently, matters that have been dealt with by the Credit Committee will be prepared for subsequent discussion among all members of the Board of Directors.

#### Data Governance Committee

The Data Governance Committee is composed of a member of the Executive Board and selected data owners (business area managers). The committee meets twice a year. The Data Governance Committee was set up to ensure a cross-disciplinary focus on data governance and data quality in Spar Nord and it serves to define the strategic direction and focus for the area in the Bank's data strategy within the framework of the Bank's data governance policy, which is defined by the Board of Directors.

#### ESG steering group

The ESG steering group is composed of selected business area managers and Spar Nord's CEO, who chairs the steering group. The ESG steering group meets once every quarter to discuss the status of and monitor progress with the sustainability targets and risks associated with these targets. Also, the ESG steering group prioritises relevant initiatives and areas for attention that follow from the sustainability targets. The ESG steering group has the mandate to make decisions that help ensure a continuous focus on prioritised sustainability factors across the Bank. The responsibility for executing on sustainability-related targets lies with the committee for sustainable finance and the committee for responsible investment, which report regularly to the ESG steering group.



## Functional organisation

### First line

The business units Spar Nord's local banks and the Trading Division together with the support and control functions represent the first line. The Bank's day-to-day risk management is handled through risk policies, guidelines, limits and a number of internal controls and is performed in all major risk areas, including credit, market, liquidity and operational risk. In order to support the business units in relation to preventing money-laundering and terrorist financing, the Bank also has a centralised AML department, which is part of the first line.

### Second line

The second line consists of the Risk Management function and the compliance function. The functions have key assignments of monitoring, controlling and reporting the Bank's risks and control environment.

### Risk management function

The risk management function is responsible for providing an overview of the Bank and its risk exposure to be able to assess whether the Bank's risks are identified, measured, managed and reported correctly. The risk management function's area of responsibility comprises the Bank's risk-prone activities across various risk areas and organisational units and risks attaching to outsourced functions. The risk management function also serves as a secretariat to the Bank's Risk Committee and will assist the Risk Committee in providing information about the Bank's risk exposure.

The risk management function reports to the Board of Directors on a quarterly basis. The activities of the Risk Management function are rooted in the annual plan adopted by the Board of Directors.

The Chief Risk Officer reports directly to the Executive Board. Dismissal of the Chief Risk Officer is subject to the prior approval of the Board of Directors.

### Compliance function

The compliance function is charged with assessing and checking Spar Nord's compliance with applicable legislation, banking sector standards and internal guidelines, as well as advising on how to reduce compliance risk.

The Compliance Function reports to the Executive Board on a quarterly basis and to the Board of Directors twice a year. The activities of the Compliance Function are rooted in the annual plan adopted by the Board of Directors.

The Head of Compliance reports directly to the Executive Board. Dismissal of the Head of Compliance is subject to the prior approval of the Board of Directors.

### Third line

The Internal Audit Department serves as the third line of defence, which on the basis of the audit plan adopted by the Board of Directors is responsible for planning and performing an operational audit. An operational audit encompasses sample audits of internal processes, business procedures and internal controls in significant and high-risk areas, including the financial reporting process. The Internal Audit Department reports to the Board of Directors through the Risk Committee.

### Reporting

To ensure an adequate decision-making basis for the Executive Board and the Board of Directors, management regularly receives reporting material pertaining to the principal risk areas.

The Risk Report shows the Bank's most significant risk policies approved by the Board and an overview of the risk reports submitted to the Board, including their frequency, use and the primary contents of the reports. The Board of Directors is

continually involved in defining the contents to be reported on.

## Organisation and corporate governance

The Board of Directors and the Executive Board of Spar Nord consider corporate governance to be a fundamental requirement for maintaining a good relationship with internal and external stakeholders and for meeting the Group's financial and non-financial objectives.

For that reason, Spar Nord's Management backs the efforts to promote corporate governance and has chosen to comply with a vast majority of the 2020 recommendations from the Danish Corporate Governance Committee. The full wording of Spar Nord's position on the recommendations and on Finans Danmark's corporate governance code is available at [sparnord.com/governance](https://sparnord.com/governance).

### General meetings

The shareholders in general meeting constitute Spar Nord's supreme governing body. Information about the notice of general meetings, exercise of voting rights etc. is set out in the Bank's articles of association, which are available on [sparnord.com/articlesofassociation](https://sparnord.com/articlesofassociation). Only the general meeting can amend the articles of association. Amendments require a two-thirds majority of the votes cast and a two-thirds majority of the share capital represented at the general meeting and entitled to vote.

Pursuant to the Bank's articles of association, the right to vote at general meetings for shareholders holding less than 20,000 shares is exercised through delegates (members of Spar Nord's local bank councils). Shareholders owning at least 20,000 shares may exercise their voting rights at the general meeting.

### Board of Directors and board committees

Spar Nord's Board of Directors is composed of ten members, seven of whom are elected by the shareholders and the remaining three members by the employees. The Bank's Executive Board is not part of the Board of Directors but takes part in all of its meetings. Board members elected by the shareholders are elected for terms of one year. Employee-elected members are elected for terms of four years, in accordance with Danish law.

Spar Nord's Board of Directors has set up three committees:

- An Audit Committee charged with monitoring and controlling accounting and auditing matters.
- A Risk Committee charged with responsibility for preparatory work leading up to the Board of Directors' decisions regarding risk management, etc.
- A Nomination and Remuneration Committee charged with undertaking the preparatory work concerning the annual board evaluation and nomination process.

Each year, Spar Nord's Board of Directors convenes 11 ordinary meetings and holds a strategy seminar and three meetings with the chairmen of the regional bank committees.

In 2024, the Board of Directors held a total of 20 meetings. In addition, 10 meetings were held in the Audit Committee, 7 meetings in the Risk Committee and 4 meetings in the Nomination and Remuneration Committee.

The total board member attendance rate in 2024 was 98.0%. The attendance by each member of the Board of Directors is published on the Bank's website and is shown on [sparnord.com/committees](https://sparnord.com/committees).

### Evaluation and nomination process

The process of nominating members to the Board of Directors is undertaken by the Nomination and Remuneration Committee in dialogue with the combined members of the Board of Directors.

On the basis of the annual evaluation of the Board of Directors' work, competencies and composition, any need for recruiting new board members is assessed. If such a need exists, the Board will prepare a description of the competences and qualifications required for the candidate. The nomination process generally attaches importance to areas such as management experience, business experience, business acumen, insight into finance and risk management and relevant personal skills.

### Election to the Board of Directors

At the Annual General Meeting in March 2025, all members elected by the shareholders are up for election. All shareholder-elected members have announced that they stand for re-election.

The Board of Directors thus nominates Kjeld Johannesen, Per Nikolaj Bukh, Henrik Sjøgreen, Morten Bach Gaardboe, Lisa Lund Holst, Mette Kaagaard and Michael Lundgaard Thomsen for re-election.

### Executive Board

The Executive Board is appointed by the Board of Directors and is composed of Lasse Nyby, CEO, John Lundsgaard, Managing Director, Martin Kudsk Rasmussen, Managing Director and Carsten Levring Jakobsen, Managing Director.

The Executive Board is the supreme decision-making body as concerns the day-to-day affairs of the Bank, in compliance with the guidelines and directions issued by the Board of Directors. The more specific distribution of duties between the Board of Directors and the Executive Board appears from their rules of procedure.

### Meeting attendance and number of meetings 2024

	Board meetings	Audit Committee	Risk Committee	Nomination and Remuneration Committee
Kjeld Johannesen	20/20		7/7	(chair) 4/4
Per Nikolaj Buch	20/20	(chair) 10/10		4/4
Gitte Holmgaard	16/17			
Henrik Sjøgreen	20/20		(chair) 7/7	
Jannie Skovsen	20/20			4/4
Kim Østergaard	3/3	4/4		
Lene Aaen	3/3			
Lise Lund Holst	20/20	6/6		
Mette Kaagaard	14/17			
Michael Lundgaard Thomsen	20/20		7/7	
Morten Gaardboe	20/20	10/10		
Rikke Marie Christiansen	17/17			
Average attendance rate	98%	100%	100%	100%



## Board self-evaluation

The Board of Directors performs an annual self-evaluation, assessing its work and results.

Discussions are ongoing throughout the year, while an actual evaluation of the skills of each board member is performed once a year. In that connection, an evaluation of the Board's combined skills is also made.

In 2024, the evaluation was made using external assistance combined with an in-house evaluation. The external evaluation was based on an anonymous questionnaire survey with each member of the Board of Directors and the Executive Board. The in-house evaluation focused primarily on individual and collective skills as well as a fit-and-proper assessment of the board members.

The individual assessment of competencies is based on the insight and knowledge that a board member of a bank of similar size and complexity would normally be expected to possess in relation to the specific competency.

The following 5-point scale is used:

- Limited insight and knowledge (level 1)
- Basic insight and knowledge (level 2)
- Good insight and knowledge (level 3)
- Very good insight and knowledge (level 4)
- Comprehensive insight and knowledge (level 5)

The overall evaluation has been presented to and discussed among the members of the Board of Directors. The overall conclusion was that the work of the Board of Directors is characterised by openness, constructive dialogue and good board dynamics and that the addition of three new board members in 2024 ought to bring focus on

onboarding and board dynamics. Furthermore, it was concluded that, individually and collectively, the members of the Board of Directors meet the fit-and-proper requirements.

## Remuneration of the Board of Directors and the Executive Board

The remuneration of the Board of Directors and the fees and salaries paid to the Executive Board are shown in the Bank's Remuneration Report 2024. Board members are paid a fixed annual amount and do not participate in any bonus or option programmes.

The Board of Directors finds that the terms of service of Executive Board members, including severance terms, are in line with general practice in the area, and they are regularly reviewed. The Board of Directors also finds that the overall remuneration is competitive and fair in light of the Executive Board's performance and having regard to long-term value generation for shareholders.

According to its remuneration policy, Spar Nord does not operate with incentive schemes for the Board of Directors and the Executive Board.

E = Executive, BC = Board Chairman, DC = Deputy Chairman, BM = Board Member

■ Board competency according to the board self-evaluation Competency is indicated provided the member holds at least "Very good insight and knowledge"

## Board of Directors

### KJELD JOHANNESSEN

Danish citizen, born 1953  
Chairman since 2016  
Elected 2014  
Expiration of term: 2025  
Independent



**Shareholding**  
80,000 (2023: 80,000)

**Title**  
Managing Director  
**Education**  
Diploma in Marketing  
**Member of board committees**  
Nomination and Remuneration Committee (chair)  
Risk Committee (member)

#### Competencies and experience

- Strategy
- Products and customers
- Accounting, auditing and finance
- Management
- HR/Organisation
- Legal and regulatory frameworks
- ESG
- IT and digitalisation
- Outsourcing
- The Bank's business areas within:  
Bank and financial markets, industry, raw materials and energy supply, SME segment, advisory and service, trade/retail, agriculture, public sector, real estate and construction, bank customers and institutional clients
- Risk and risk management within:  
Capital and solvency requirements, Liquidity and funding, credit risk, market risk, operational risk, IT risk, insurance-related risks, risks associated with outsourcing, risk of money laundering, terrorist financing, and other financial crime, compliance and good practice

#### Directorships

E CLK 2016 Holding ApS, Kjeld Johannesen Holding ApS  
BC KP Invest Herning A/S  
BM Aktieselskabet Schouw & Co,  
Direktør Svend Hornsyld's Legat

### PER NIKOLAJ BUKH

Danish citizen, born 1965  
Deputy Chairman 2009-2013 and since 2016  
Elected 2007  
Expiration of term: 2025  
Not independent, time on the board  
**Shareholding**  
31,800 (2023: 31,800)



**Title**  
Professor, Aalborg University  
**Education**  
MSc (economics), PhD  
Board of directors training from Bestyrelsesakademiet  
**Member of board committees**  
Audit Committee (chair)  
Nomination and Remuneration Committee (member)

#### Competencies and experience

- Strategy
- Products and customers
- Accounting, auditing and finance
- Management
- HR/Organisation
- Legal and regulatory frameworks
- ESG
- IT and digitalisation
- Outsourcing
- The Bank's business areas within:  
Bank and financial markets, industry, raw materials and energy supply, advisory and service, public sector, bank customers and institutional clients
- Risk and risk management within:  
Credit risk, operational risk, IT risk, insurance-related risks, risk of money laundering, terrorist financing, and other financial crime, compliance and good practice

#### Directorships

E P. N. Bukh ApS  
BM Jurist- & Økonomforbundets Forlag A/S,  
Oberst H. Parkovs Mindefond

### RIKKE MARIE CHRISTIANSEN

Danish citizen, born 1977  
Elected 2024  
Expiration of term: 2028  
Not independent, employee-elected



**Shareholding**  
3,352 (2023: -)

**Title**  
HR Partner  
**Education**  
MA Communication & Organisation  
HR consultant training, Integration consultant training  
HR law training, Academy profession graduate in management  
**Member of board committees**  
None

#### Competencies and experience

- Strategy
- Products and customers
- Accounting, auditing and finance
- Management
- HR/Organisation
- Legal and regulatory frameworks
- ESG
- IT and digitalisation
- Outsourcing
- The Bank's business areas within:
- Risk and risk management within:

#### Directorships

None

### MORTEN BACH GAARDBOE

Danish citizen, born 1968  
Elected 2016  
Expiration of term: 2025  
Independent



**Shareholding**  
9,435 (2023: 7,505)

**Title**  
Adviser  
**Education**  
Financial services background  
**Member of board committees**  
Audit Committee (member)

#### Competencies and experience

- Strategy
- Products and customers
- Accounting, auditing and finance
- Management
- HR/Organisation
- Legal and regulatory frameworks
- ESG
- IT and digitalisation
- Outsourcing
- The Bank's business areas within:  
Bank and financial markets, industry, raw materials and energy supply, SME segment, advisory and service, trade/retail, public sector, real estate and construction
- Risk and risk management within:  
Capital and solvency requirements, liquidity and funding, credit risk, market risk, operational risk, risk of money laundering, terrorist financing, and other financial crime, compliance and good practice

#### Directorships

BC Ejerforeningen 21-5 DK1 P/S,  
Svend Aage Nielsen. Autoriseret EL-installatør A/S  
BM Spar Nord Fonden



## Board of Directors

### GITTE HOLMGAARD

Danish citizen, born 1965  
Elected 2024  
Expiration of term: 2028  
Not independent, employee-elected



**Shareholding**  
2,847 (2023: -)

#### Title

Deputy chair of regional board

#### Education

Board of Directors training for financial companies

Financial services background and Financial post-graduate training

#### Member of board committees

None

#### Competencies and experience

- Strategy
- Products and customers
- Accounting, auditing and finance
- Management
- HR/Organisation
- Legal and regulatory frameworks
- ESG
- IT and digitalisation
- Outsourcing
- The Bank's business areas within:

- Risk and risk management within:

#### Directorships

BC The Personnel Foundation at Spar Nord  
DC The Financial Services Union "Spar Nord Kredts"  
BM Spar Nord Fonden

### LISA LUND HOLST

Danish citizen, born 1973  
Elected 2023  
Expiration of term: 2025  
Independent



**Shareholding**  
350 (2023: 200)

#### Title

Property director, KAB

#### Education

PLD, Harvard Business School (2014),

M.Sc. Supply Chain Management, Copenhagen Business School (2002),

B.Sc. International Business, Copenhagen, Business School (2000)

#### Member of board committees

Audit Committee (member)

#### Competencies and experience

- Strategy
- Products and customers
- Accounting, auditing and finance
- Management
- HR/Organisation
- Legal and regulatory frameworks
- ESG
- IT and digitalisation
- Outsourcing
- The Bank's business areas within:  
Bank and financial markets, industry, raw materials and energy supply, SME segment, trade/retail, agriculture, public sector, real estate and construction, bank customers and institutional clients
- Risk and risk management within:  
Capital and solvency requirements, Liquidity and funding, credit risk, market risk, operational risk, IT risk, risks associated with outsourcing, risk of money laundering, terrorist financing, and other financial crime, compliance and good practice

#### Directorships

BM Dansk Tennis Fond  
Pensionskassen for Sundhedsfaglige

### METTE KAAGAARD

Danish citizen, born 1968  
Elected 2024  
Expiration of term: 2025  
Independent



**Shareholding**  
0 (2023: -)

#### Title

CEO Microsoft Danmark

#### Education

Diploma in Organisation & IT

Master, Mechanical Engineering, DTU

#### Member of board committees

None

#### Competencies and experience

- Strategy
- Products and customers
- Accounting, auditing and finance
- Management
- HR/Organisation
- Legal and regulatory frameworks
- ESG
- IT and digitalisation
- Outsourcing
- The Bank's business areas within:  
Advisory and service, public sector

- Risk and risk management within:  
IT risk, risks associated with outsourcing, compliance and good practice

#### Directorships

E Microsoft 3366 Denmark ApS  
BM Industriens Arbejdsgivere i Danmark  
IT industry

### HENRIK SJØGREEN

Danish citizen, born 1964  
Elected 2020  
Expiration of term: 2025  
Independent



**Shareholding**  
33,500 (2023: 18,500)

#### Title

Adviser to the executive board of PKA

#### Education

Diploma in business economics and management accounting

#### Member of board committees

Risk Committee (chair)

#### Competencies and experience

- Strategy
- Products and customers
- Accounting, auditing and finance
- Management
- HR/Organisation
- Legal and regulatory frameworks
- ESG
- IT and digitalisation
- Outsourcing
- The Bank's business areas within:  
Bank and financial markets, industry, raw materials and energy supply, SME segment, advisory and service, trade/retail, public sector, real estate and construction, bank customers and institutional clients
- Risk and risk management within:  
Capital and solvency requirements, Liquidity and funding, credit risk, market risk, operational risk, IT risk, insurance-related risks, risks associated with outsourcing, risk of money laundering, terrorist financing, and other financial crime, compliance and good practice

#### Directorships

BC Simon Fougner Hartmanns Fond  
BM Henrik Frode Obels Fond  
Holthøjens Holding A/S  
Højgaard Industri A/S  
Knud Højgaards Fond, Knud Højgaards Medarbejderlegat





## Board of Directors

### JANNIE SKOVSEN

Danish citizen, born 1965  
Elected 2008  
Expiration of term: 2028  
Not independent, employee-elected



#### Shareholding

0 (2023: 0)

#### Title

Senior workplace representative, Spar Nord Bank A/S

#### Education

Board of Directors training for financial companies  
Financial services background  
Financial post-graduate training

#### Member of board committees

Nomination and Remuneration Committee (member)

#### Competencies and experience

- Strategy
- Products and customers
- Accounting, auditing and finance
- Management
- HR/Organisation
- Legal and regulatory frameworks
- ESG
- IT and digitalisation
- Outsourcing
- The Bank's business areas within:

- Risk and risk management within:  
Risk of money laundering, terrorist financing, and other financial crime, compliance and good practice

#### Directorships

BC The Financial Services Union "Spar Nord Kreds"  
BM The Financial Services Union executive committee

### MICHAEL LUNDBGAARD THOMSEN

Danish citizen, born 1964  
Elected 2023  
Expiration of term: 2025  
Independent



#### Shareholding

200 (2023: 0)

#### Title

Managing Director Aalborg Portland A/S

#### Education

Executive MBA in Change Management, Aarhus Business School  
Diploma in Organization and Innovation, Business School of South DK  
M.Sc in Manufacturing, Management and Systems, Aalborg University

#### Member of board committees

Risk Committee (member)

#### Competencies and experience

- Strategy
- Products and customers
- Accounting, auditing and finance
- Management
- HR/Organisation
- Legal and regulatory frameworks
- ESG
- IT and digitalisation
- Outsourcing
- The Bank's business areas within:  
Bank and financial markets, industry, raw materials and energy supply, SME segment, advisory and service, real estate and construction

- Risk and risk management within:  
Capital and solvency requirements, Liquidity and funding, credit risk, IT risk, risks associated with outsourcing, compliance and good practice

#### Directorships

BC Hirtshals Havn A/S  
BM Confederation of Danish Industry  
Erhverv Norddanmark, Erhverv Norddanmarks Fond  
Fonden Musikkens Hus i Nordjylland  
Genan Holding A/S  
Aalborg Symfoniorkester  
Kitron ASA



## Executive Board

### LASSE NYBY

Danish citizen, born 1960

Chief Executive Officer since 2000  
Joined the Executive Board in 1995  
Year of employment 1986.



#### Shareholding

82,451 (2023: 83,902)

#### Title

Chief Executive Officer

#### Education

Financial services background  
Diploma in Management Accounting  
Executive education from Insead

#### Directorships

BC Aktieselskabet Skelagervej 15,  
DC AP Pension Livsforsikringsselskab  
Foreningen AP Pension F.M.B.A.,  
PRAS A/S,  
BM Finans Danmark,  
FR I af 16. september 2015 A/S,  
Nykredit A/S  
National Banks in Denmark

### CARSTEN LEVRING JAKOBSEN

Danish citizen, born 1970

Joined the Executive Board in 2023  
Year of employment 2005.



#### Shareholding

11,585 (2023: 6,376 shares)

#### Title

Managing Director

#### Education

MSc (Economics)  
MBA

#### Directorships

DC DLR Kredit A/S (stepped down at 9 January 2025)  
BM Aktieselskabet Skelagervej 15,  
Tilskuds-fonden for pensionister i DLR

### JOHN LUNDSGAARD

Danish citizen, born 1964

Joined the Executive Board in 2000  
Year of employment 1986.



#### Shareholding

110,919 (2023: 118,609)

#### Title

Managing Director

#### Education

Financial services background  
MBA

#### Directorships

BC BOKIS A/S  
Factor Insurance Brokers A/S  
DC Aktieselskabet Skelagervej 15,  
BEC Financial Technologies a.m.b.a.,  
BM Erhverv Norddanmark,  
Finanssektorens Uddannelsescenter,  
Kunsten Museum of Modern Art Aalborg, vice board leader  
Utzon Center A/S, vice board leader

### MARTIN KUDSK RASMUSSEN

Danish citizen, born 1978

Joined the Executive Board in 2020  
Year of employment 2009.



#### Shareholding

19,417 (2023: 15,077)

#### Title

Managing Director

#### Education

Bachelor in economics and business administration  
Executive education from Insead

#### Directorships

DC BI Asset Management Fondsmæglerselskab A/S,  
BI Holding A/S,  
BM nærpension forsikringsformidling A/S,  
Vækst-Invest Nordjylland A/S,  
SNB IV Komplementar ApS,  
Aktieselskabet Skelagervej 15



# Sustainability reporting



# Sustainability reporting

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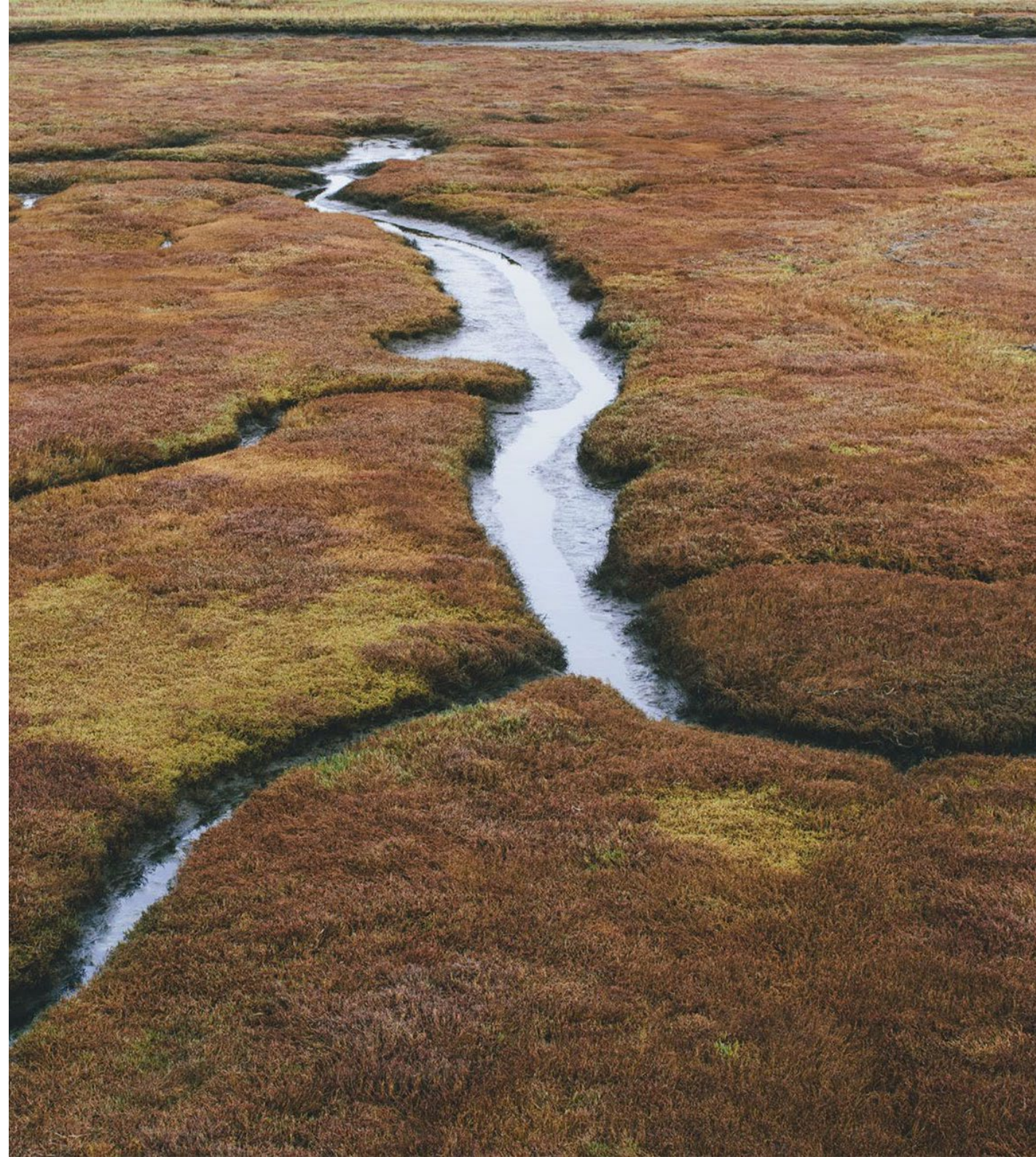
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# General information





## Basis of sustainability reporting

Spar Nord's sustainability reporting has been prepared in accordance with the EU Corporate Sustainability Reporting Directive (CSRD) and the accompanying European Sustainability Reporting Standards (ESRS), which set out detailed requirements for the sustainability information companies must disclose. With its sustainability reporting, Spar Nord also complies with the disclosure requirements pursuant to Article 8 of the EU Taxonomy Regulation with relevant delegated acts.

### General basis for preparation

The sustainability reporting aligns with the financial year and has been prepared on a consolidated basis and encompassing the parent company Spar Nord Bank A/S and its wholly owned subsidiary Aktieselskabet Skelagervej 15, and the sustainability reporting thus covers the entire Group.

In order to provide holistic and credible sustainability reporting, Spar Nord's upstream and downstream value chain has been considered in terms of impacts, risks, and opportunities (IROs). In the coming years, we will continue to seek to expand this engagement both internally in our policies and processes, as well as externally in relation to suppliers and customers.

In accordance with ESRS 1 appendix C, Spar Nord has used the phase-in options that may be used by all reporting undertakings in the sustainability reporting for 2024.

Spar Nord has not used the option of omitting information in its sustainability reporting because

of intellectual property, know-how or the results of innovation.

To enhance readability, Spar Nord's sustainability reporting follows the structure of the disclosure requirements in the ESRS, supplemented by the Bank's entity-specific information relating to GI Business conduct.

### Specific circumstances

The following specific circumstances apply in the preparation of Spar Nord's sustainability reporting.

#### Estimation and uncertainty

The sustainability reporting includes a number of quantitative disclosures which are based on the Bank's value chain. These quantitative disclosures are subject to measurement uncertainty, because the measurement principles contain elements of estimation or are based on sector averages and other proxies used to make estimates. The reporting on E1 Climate change contains quantitative disclosures on GHG emissions, which are calculated using estimates based on sector-average data and other proxies. The reporting on S1 Own workforce contains information on employee training hours. The compilation of the total number of training hours contains elements of estimate for some of the included categories of training hours. The data sources and calculation methods applied in preparing the sustainability reporting are provided under accounting policies.

In its sustainability reporting, Spar Nord's overarching objective is to ensure transparent and accurate reporting, which is why we continuously reassess our use of estimates as data improves and methodologies become formalised.

### Changes to sustainability disclosures

For 2024, it is the first time that Spar Nord prepares sustainability reporting in accordance with the CSRD. However, Spar Nord has previously prepared non-financial reporting of sustainability disclosures pursuant to the Non-Financial Reporting Directive (NFRD).

The sustainability reporting for 2024 contains changes to information which Spar Nord has disclosed in earlier reporting periods. The changes concern quantitative disclosures about the Bank's GHG emissions presented in E1 Climate change in the section GHG emissions. The change of comparative figures for GHG emissions relates to three specific factors. The effect of the three specific factors are described in the following paragraphs.

#### GHG emissions from the Bank's own operations

In 2024, extensive efforts were undertaken to improve the completeness of the compilation of the Bank's GHG emissions for the Bank's own operations. We have thus formalised the calculation processes and have added a calculation for remaining material scope 3 categories. As a result, the comparative figures for earlier years have been restated to the principles and methods applied in 2024. As a result of the updated principles and methods, GHG emissions from own operations have increased sharply compared with previously. Recalculations have been made for all the comparative years in order to report quantitative data that are consistent over time.

#### Changes for own operations

tCO <sub>2</sub> e	2023	2022	2021
Previous reporting	1,944	2,906	2,683
Reporting in 2024	22,681	22,638	25,429
<b>Total changes for own operations</b>	<b>20,737</b>	<b>19,732</b>	<b>22,746</b>

#### GHG emissions from the Bank's business loans

In 2024, sector average data from Statistics Denmark used to calculate GHG emissions from business loans were significantly changed for selected industries back in time. In particular, significant changes have occurred in emission data for the transport sector. The revised sector average data result in a substantial reduction in calculated GHG emissions for the Bank's business loan portfolio, which is why we report the recalculated average figures in order to disclose quantitative data that are consistent over time.

#### Changes for business loans

tCO <sub>2</sub> e	2023	2022	2021
Previous reporting	291,931	295,349	313,866
Reporting in 2024	227,939	225,920	288,696
<b>Total changes for business loans</b>	<b>-63,992</b>	<b>-69,429</b>	<b>-25,170</b>

#### GHG emissions from investments

In 2024, data are based on reported data from Danmarks Skibskredit instead of the previously applied average data. The effect is a sharp increase in GHG emissions from ship mortgage bonds. As a result, comparative figures have been recalculated where practically possible, which means the comparative figures for 2024 have been revised. GHG emissions for 2021 and 2022 have not been changed because it has not been possible to recalculate the figures due to a shift in data provider between 2022 and 2023.

#### Changes for investments

tCO <sub>2</sub> e	2023
Previous reporting	408,977
Reporting in 2024	678,379
<b>Total changes for investments</b>	<b>269,402</b>



### Comparative figures

Comparative figures in the sustainability reporting have not previously been covered by the auditor's limited assurance engagement. The comparative figures are calculated according to the same principles as this year's figures but, unless the comparative figures are mandatory under the ESRS standards, they are not covered by the auditor's limited assurance engagement.

### Takeover offer for Spar Nord

On 10 December 2024, Nykredit announced its intention to submit an all-cash voluntary takeover offer for all shares in Spar Nord. The strategic rationale is a planned combination of Nykredit Bank and Spar Nord Bank, which will create Denmark's third-largest bank with total lending of approximately DKK 160 billion and market shares of approx. 13% in bank loans. Nykredit intends to continue the Spar Nord name, which is well known to the customers and a commercially strong brand.

Notwithstanding an upcoming combination and continuation of the Bank under new ownership, Spar Nord finds it relevant and important to continue working on and reporting on the significant sustainability matters presented in this sustainability report.

### Other legislation

With its sustainability reporting, Spar Nord complies with the requirements of the Danish Executive Order on financial reports presented by credit institutions and investment companies, etc., including, specifically,

- section 150(1)(viii): Description of the Bank's diversity policy
- section 152: Targets for the under-represented gender
- section 154: Description of data ethics policy
- section 156: Sustainability reporting

The Bank sustainability reporting also constitutes Spar Nord's basis for reporting to the UN on its implementation of the principles of the UN Global Compact (UN GC), the UN Principles for Responsible Investment (UN PRI) and the UN Principles for Responsible Banking (UN PRB).

### Incorporation by reference

A few ESRS disclosure requirements are closely related to information which Spar Nord must already disclose, and which is set out in other sections of the management's report. References are made to these sections.

Information incorporated by reference in the sustainability reporting:

### Sustainability governance

- A more detailed description of the Board of Directors, board committees and Executive Board is provided on page 45: Organisation and corporate governance

### Strategy in relation to sustainability matters

- A more detailed description of the strategy, business model and value chain is provided on page 30: Business model, strategy and risk overview

## Sustainability governance

Spar Nord's overall sustainability efforts pervade all levels of the organisation and all layers of management, affecting our internal processes and reporting as well as our products and customer-facing initiatives.

### The role of the administrative, management and supervisory bodies

Spar Nord's sustainability and social responsibility initiatives are naturally anchored in the Bank's Board of Directors, which serves as the most senior supervisory body for the Bank's sustainability initiatives. The Board of Directors approves Spar Nord's strategic direction and level of ambition for sustainability matters, ensuring alignment between the Bank's sustainability-related impacts, risks, and opportunities (IROs), targets and the Bank's strategy and business model.

<b>Board of Directors</b>		ESG and sustainability
Board committees		
Executive Board		
ESG steering group		
Comitee for responsible investment	Comitee for sustainable finance	
The business		

Spar Nord's Board of Directors represents the Bank's most senior management level and consists of ten members, of whom seven are elected by the shareholders. Of the seven shareholder-elected members, 86% are independent, and 14% are non-independent.

No members of the Executive Board are represented on the Board of Directors. Of the board members elected by the shareholders, 29% are women and 71% are men, and all are aged over 50 years. In the overall Board self-evaluation, 90% of the members have stated that they have special competences within ESG, which is considered appropriate for the Board of Directors to properly monitor the bank's sustainability matters. Among other things, the Board uses its sustainability-related expertise in strategic decision-making and in connection with the evaluation of sustainability-related impacts, risks and opportunities in connection with investments and major projects.

A more detailed description of the composition and expertise of the Board of Directors is provided on page 47-49:

Composition of management body					
Share in %	Number	Women	Men	30-50 years	>50 years
Board of Directors	10	50	50	10	90
Board of Directors (shareholder-elected)	7	29	71	0	100
Executive Board	4	0	100	25	75
ESG steering group	11	27	73	36	64

The Bank's Audit Committee, which includes three board members, monitors the Bank's sustainability reporting in order to ensure the quality and completeness of the disclosures.

In 2024, the Bank implemented new governance to ensure that sustainability risks are continuously addressed by the Bank's Risk Committee, which includes three board members.

The Bank's Nomination and Remuneration Committee, which includes three board members, is in charge of preparatory work relative to tasks and

decisions concerning the Bank's remuneration and nomination of members of the Executive Board and Board of Directors. In Spar Nord's joint consultation committee, on which the Executive Board is represented, employee representatives are regularly involved in discussing relevant sustainability matters.

Spar Nord's Executive Board acts as the overall governing body for the Bank's sustainability matters and is responsible for ensuring that the strategic direction set by the Board of Directors is implemented in the business. The Executive Board is composed of four members, all of whom are men, with 25% being aged between 30 and 50 years, while 75% are aged over 50 years.

Furthermore, the Executive Board is responsible for ongoing follow-up on targets and for the involvement of the entire business in the Bank's sustainability matters, facilitated through an ESG steering group. The ESG steering group is chaired by Spar Nord's CEO and also consists of ten executives from relevant professional fields in the Bank. The members of the ESG steering group consist of 27% women and 73% men, of whom 36% are aged between 30 and 50 years, while 64% are aged over 50 years.

The ESG steering group meets once every quarter to discuss the status of and monitor progress with the sustainability targets and risks associated with these targets. Also, the ESG steering group prioritises relevant initiatives and areas for attention that follow from the sustainability targets. The ESG steering group has the mandate to make decisions that help ensure a continuous focus on prioritised sustainability factors across the Bank.

The responsibility for carrying out sustainability-related development tasks and prioritisations is anchored in the Bank's individual business areas, which have the required skill sets to further develop and implement targets. Consequently, the

Bank has set up a committee for responsible investment and a committee for sustainable finance with representation from the Executive Board together with executives and representatives from relevant business units. The committees monitor sustainability-related impacts, risks, and opportunities (IROs) for investments and lending, respectively, ensuring progress in terms of executing the Bank's sustainability-related targets and sub-targets related to the individual core activities. The committees are responsible, among other things, for maintaining and updating the Bank's exclusion lists in the lending and investment area. The committee for sustainable finance is also responsible for regularly approving loan types included in the Bank's Green Bond Framework.

The department for ESG and sustainability serves as a link between the ESG steering group, the committees and the business, ensuring ongoing collaboration, coordination and integration of overall sustainability factors within the Bank. The work involves engagement of key resources, monitoring of legislation, evaluation of actions, as well as the implementation of necessary structures for effective knowledge sharing and reporting. ESG and sustainability is in charge of preparing the Bank's sustainability reporting pursuant to the CSRD.

### Information provided and sustainability matters addressed

Spar Nord's administrative, management and supervisory bodies are kept informed about the status and progress with respect to sustainability matters through meetings in relevant boards and committees. This is to ensure that the Bank's administrative, management and supervisory bodies have the knowledge required to fulfil their roles in the sustainability efforts. The scheme below shows an overview of the number of meetings and topics discussed in the relevant administrative, management and supervisory bodies.





Management body	Topic	Meetings
Board of Directors	Strategy, policies, targets and actions	3
Executive Board	IROs, targets and actions	3
ESG steering group	IROs, targets and actions	3
Committee for responsible investment	Targets and processes for managing IROs	4
Committee for sustainable finance	Targets and processes for managing IROs	6
Audit Committee	Sustainability reporting	3
Risk Committee	Sustainability risk	1
Nomination and Remuneration Committee	Remuneration and diversity	4
Joint consultation committee	Sustainability matters	4

## Sustainability-related performance in incentive schemes

Spar Nord does not use incentive schemes and has not integrated sustainability-related performance in incentive schemes or remuneration policies for the Bank's administrative, management and supervisory bodies.

## Statement on due diligence

The purpose of Spar Nord's due diligence process for sustainability is to ensure that negative impacts on the environment and people are mapped and actively addressed in practice. The aim is to minimise negative impacts on the environment and people and address any derived risks.

As part of the implementation of the CSRD, Spar Nord has prepared a double materiality assessment, which is described in more detail in 'Process for double materiality assessment'. Through its double materiality assessment, the Bank has identified and assessed negative impacts on the environment and people, which have arisen either through the Bank's operations or from business relations in the value chain.

The table below shows the sections in the sustainability reporting that contain the core elements of our due diligence process.

Core elements of due diligence	Paragraph
Embedding due diligence in governance, strategy and business model	GOV-2 SBM-1 SBM-3
Engaging with affected stakeholders in all key steps of the due diligence	SBM-2 IRO-1
Identifying and assessing adverse impacts	SBM-3 IRO-1
Taking actions to address those adverse impacts	E1-1 - E1-3 S1-1 - S1-4 S4-1 - S4-4 G1-1 - G1-3
Tracking the effectiveness of these efforts and communicating	E1-4 S1-9

## Risk management and internal controls over sustainability reporting

In terms of methodology, Spar Nord manages sustainability risks as operational risks with respect to identifying, assessing, managing and reporting identified risks. The Bank applies a risk management system to collect and document sustainability risks.

Risk management of the Bank's sustainability reporting is based on a Three Lines Model, which is widely used in the Bank to help ensure clear responsibilities and effective control mechanisms.

First line: The Bank's business areas are responsible for identifying and managing sustainability risks in their day-to-day operations. The business areas Asset Management, Credit Management, HR and Strategy, ESG, Communications and Marketing are key contributors to the Bank's sustainability reporting.

Spar Nord's department for ESG and sustainability provides support and advice to key business areas and data owners. ESG and sustainability is also responsible for collecting data and contents across business areas and for verifying the quality of the data used in the sustainability reporting. This is achieved by regularly involving data owners and key input providers from relevant business areas. The ESG and sustainability department is focused on ensuring compliance with methods, processes and timelines for sustainability reporting and on implementing improvements in the reporting process.

Second line: The Bank's risk management department conducts monitoring to ensure that sustainability risks are properly managed. This is done by way of an annual risk assessment of the processes used for collecting and reporting sustainability data. This assessment forms part of Spar Nord's overall risk management process, which ensures that potential threats to the accuracy and completeness of sustainability reporting are identified and addressed.

The Bank's compliance department also plays a key role in terms of ensuring that the Bank's sustainability reporting complies with applicable legislation and ethical standards.

Third line: The internal audit department conducts independent evaluations of the effectiveness of the internal control systems, reporting its results directly to management and the Audit Committee.

## Internal controls over sustainability data

Spar Nord's sustainability reporting is anchored in a clearly defined structure that ensures accountability and reliability throughout the reporting process. Spar Nord has established a process for internal controls and risk management of its sustainability reporting designed to identify, assess

and manage risks in connection therewith. The process is regularly monitored by the Audit Committee.

Spar Nord's sustainability reporting has been prepared using relevant qualitative and quantitative data collected across the business by the department for ESG and sustainability and contains information such as upstream and downstream value chain data.

To ensure correct collection and processing and consistent reporting of sustainability data, ESG and sustainability has prepared a policy document outlining the principles for collection of all relevant sustainability data. The policy document describes the specific measures and methods for collecting data and for the contents of the sustainability report. Data collection is based on relevant data sources, and the data collection process ensures that the information is aligned with the material data points defined in the ESRs.

The most material risks related to sustainability reporting include:

- Risk of errors in reporting sustainability data or inadequate report of material sustainability topics
- Risk of failing to meet requirements set by EU legislation and other relevant regulatory bodies concerning sustainability reporting.

The Bank's Audit Committee regularly monitors the process for sustainability reporting in order to ensure the quality and completeness of the disclosures. In this way, the Audit Committee helps to ensure that the reporting of sustainability disclosures is comparable, relevant and reliable.



Spar Nord's sustainability reporting is reviewed and verified by an external third party, which conducts an independent review annually pursuant to the EU's CSRD regulations. For the 2024 financial year, Deloitte was appointed as the Bank's sustainability auditors and will thus assess whether Spar Nord's sustainability reporting is in accordance with both the ESRs and best practices in sustainability reporting.

#### **Periodic reporting**

The Board is kept up-to-date by the ESG steering group, which is responsible for progress in sustainability actions and targets. Sustainability data are validated across business areas and approved in relevant committees before being presented to the ESG steering group.

The Audit Committee also reports on a regular basis to the Board of Directors on their work with monitoring the sustainability reporting process. This encompasses an assessment of risk, monitoring the reporting process and assessing the external auditors' work in relation to sustainability reporting.

#### **Evaluation of disclosures**

Spar Nord at all times aims to prepare transparent and accurate sustainability reporting, which is why the Bank continuously evaluates the use of estimates as data improve and methodologies become formalised. Furthermore, the Bank regularly evaluates internal control systems to ensure that we maintain high-quality sustainability reporting. Based on feedback from both internal and external stakeholders, reporting processes are improved in an ongoing process. This includes automation of data collection, expanding the Bank's sustainability targets and enhancing the management of ESG risks.



## Strategy in relation to sustainability matters

### Strategy, business model and value chain

Like other banks, Spar Nord plays a key role in the transition to a sustainable society characterised by a healthy balance between environmental, economic and social needs. Our business model supports local social cohesion, and our focus on responsibility and community engagement is aimed at enabling a good quality of life for both current and future generations. Spar Nord has undertaken to implement sustainable business practices across all business areas and to promote a sound and responsible corporate culture throughout the organisation. Sustainability and social responsibility are therefore matters of common interest and are integral parts of the Bank's operations and the way we run our business. In Spar Nord's current strategy 2023-2025, we have defined an ambition of being a committed bank. A strategic direction that also applies to our efforts for sustainability and social responsibility. For a more detailed description, see the section 'Business model, strategy and risk overview' on page 30.

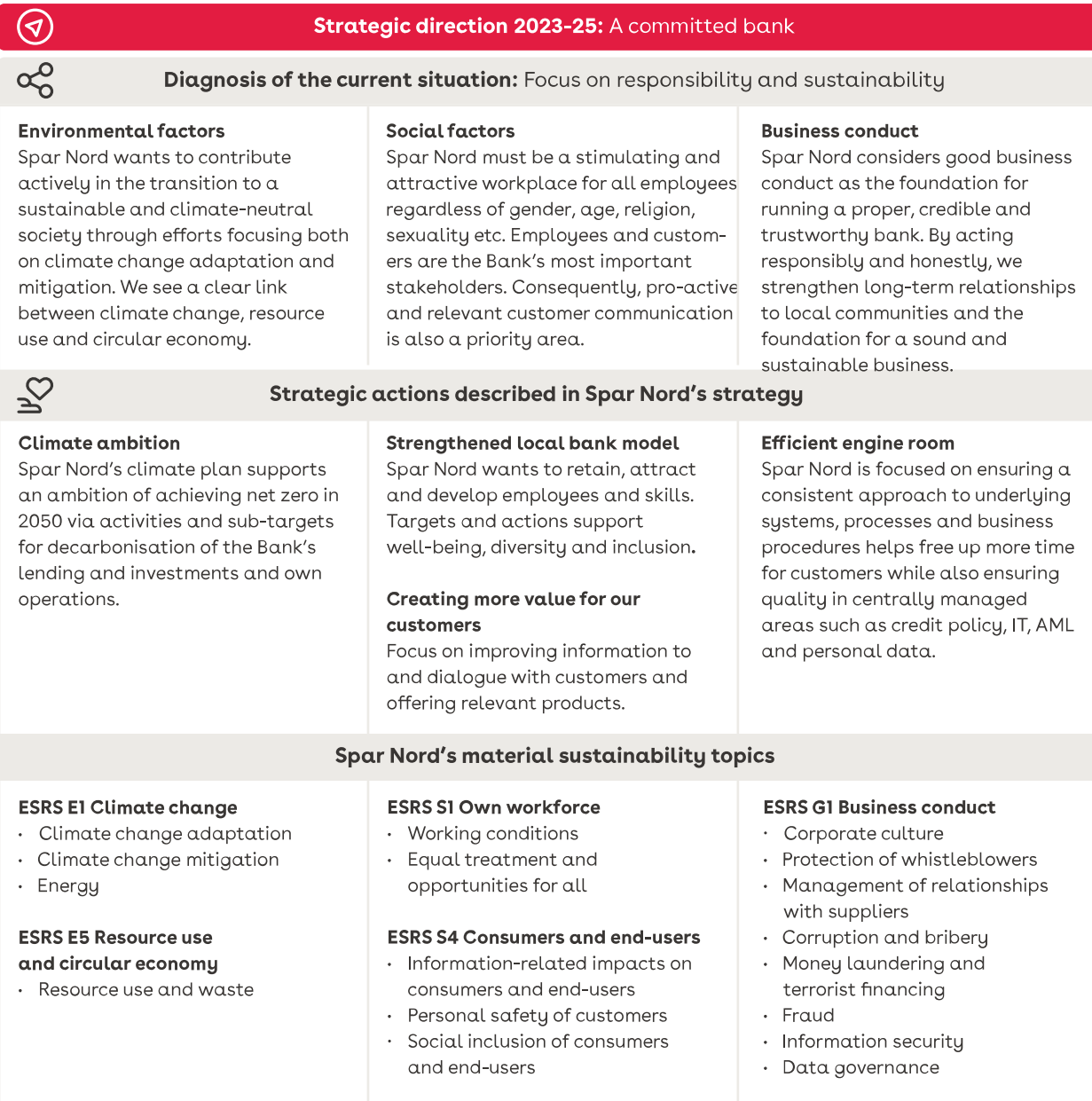
As a financial institution, Spar Nord is in many ways a reflection of society and of our customers' conduct. Through the Bank's core activities - lending and investments - we engage every day in the lives and businesses of our customers. Consequently, our customers' assets and activities represent the Bank's largest impact on the sustainable transition, while the Bank's own operations are significant but on a much smaller scale. Spar Nord's work on sustainability and social responsibility is therefore both about responsibility in its own operations and about supporting customers' sustainability journey by offering products that

promote climate change mitigation, including loans for electric cars, loans for heat replacement or general energy improvement of the home, as well as financing companies and projects that support the sustainable transition. The Bank's sustainability-supporting product range is continuously evaluated to match current social conditions and customer demand. Spar Nord recognises that our retail and business customers have different starting points and levels of maturity, which is why the Bank's employees and our local branches leverage their local autonomy to support customers precisely where it makes the most sense.

Employees and customers are the key stakeholders in Spar Nord's business model and value chain. This is clearly reflected in the Bank's strategy, which outlines a range of strategic actions that take into account the interests of both customers and employees. In this context the Bank's concept of 'Creating more value for our customers' concerns initiatives dedicated to creating personalised customer services and proactive and relevant customer communications. Furthermore, our 'Strengthened local bank model' concept concerns employee interests through initiatives that support local autonomy, education and upskilling.

In addition to its strategy, in 2024 Spar Nord launched a transition plan for climate change, which sets goals and identifies actions with a view to supporting the Bank's ambition of net zero by 2050. Spar Nord has also set out targets and actions aimed at promoting diversity and inclusion throughout the organisation, with a particular focus on the Bank's upper management layers.

The illustration on the right shows how the priorities and described actions in the Bank's business model and strategy are linked to environmental issues, social matters, and business conduct.





## Interests and views of stakeholders

In its strategy and business model, Spar Nord continuously considers the interests and views of stakeholders in relation to material sustainability matters. These efforts are made through regular engagement and interaction with the stakeholders, which helps the Bank to understand and incorporate stakeholder perspectives. The Bank also focuses on ensuring that stakeholders are continuously and adequately informed about relevant sustainability matters through regular meetings in appropriate committees and management bodies. To ensure a balanced inclusion of stakeholder perspectives, they are engaged through various channels and methods adapted to their specific needs and interests.

The illustration outlines the Bank's ongoing engagement with stakeholders and how their interests and perspectives are considered in the Bank's strategy and business model in relation to sustainability matters. Data owners, key resources and employee representatives from the Bank's main business areas are thus regularly engaged and attend recurring working sessions to discuss progress, results and upcoming sustainability initiatives. Furthermore, annual workshops have been arranged with relevant employees to identify IROs associated with the Bank's sustainability actions.

Stakeholder group	Purpose of stakeholder engagement	Organisation of stakeholder engagement	Examples of results of stakeholder engagement
<b>Internal stakeholders</b>			
<b>Spar Nord's Board of Directors</b>	Aligning sustainability efforts with strategy and business model	<ul style="list-style-type: none"> <li>Three board meetings to discuss sustainability matters</li> </ul>	<ul style="list-style-type: none"> <li>Setting Spar Nord's ambition level for sustainability efforts</li> <li>Approval of the Bank's double materiality assessment</li> <li>Targets in relation to ESRS E1 and ESRS S1</li> </ul>
<b>Spar Nord's Executive Board</b>	Implementing sustainability in the business	<ul style="list-style-type: none"> <li>Three Executive Board meetings to discuss sustainability matters</li> </ul>	<ul style="list-style-type: none"> <li>Implementing Spar Nord's strategy</li> <li>CSRD-workshop</li> <li>Targets in relation to ESRS E1 and ESRS S1</li> </ul>
<b>ESG steering group</b>	Defining key priorities and strategic actions	<ul style="list-style-type: none"> <li>Quarterly meetings</li> </ul>	<ul style="list-style-type: none"> <li>Cross-organisational anchoring of sustainability topics</li> <li>Defining IROs</li> <li>Expanding the compilation of GHG emissions</li> <li>Targets in relation to ESRS E1 and ESRS S1</li> <li>Establishing sustainability governance</li> </ul>
<b>Committee for responsible investment</b>	Defining targets and supportive actions	<ul style="list-style-type: none"> <li>Quarterly meetings</li> </ul>	<ul style="list-style-type: none"> <li>Sustainability integrated into investment processes</li> <li>Responsible investment products pursuant to UN principles</li> <li>Scenario-supportive targets in relation to ESRS E1</li> </ul>
<b>Committee for sustainable finance</b>	Defining targets and supportive actions	<ul style="list-style-type: none"> <li>Quarterly meetings</li> </ul>	<ul style="list-style-type: none"> <li>Green Bond Framework (GBF)</li> <li>Product development and mapping of green assets</li> <li>Scenario-supportive targets in relation to ESRS E1</li> </ul>
<b>Employees</b>	Incorporating employee perspectives via representatives	<ul style="list-style-type: none"> <li>Safety and working environment organisation</li> <li>Joint consultation committee</li> <li>Employee-elected board members</li> </ul>	<ul style="list-style-type: none"> <li>High well-being index</li> <li>Training in diversity management</li> <li>IT-supported performance and development review (MUS) tool</li> </ul>
<b>External stakeholders</b>			
<b>Business customers</b>	Mapping customers' greatest challenges and opportunities associated with sustainability	<ul style="list-style-type: none"> <li>Dialogue with over 100 high-emission customers</li> <li>Satisfaction survey via Aalund Bank Barometer</li> </ul>	<ul style="list-style-type: none"> <li>Supporting the sustainable transformation of customers</li> <li>Lending and leasing for green activities</li> </ul>
<b>Retail customers</b>	Supporting a sustainable transition of retail customers' finances	<ul style="list-style-type: none"> <li>Offering products supporting climate change mitigation</li> <li>Satisfaction measurement via NPS and EPSI</li> </ul>	<ul style="list-style-type: none"> <li>Loans and credits for financing electric cars</li> <li>Loan for home energy improvements</li> <li>Agreement on climate-focused investment</li> </ul>
<b>Suppliers and collaboration partners</b>	Performing responsible supplier management	<ul style="list-style-type: none"> <li>Surveys in connection with the code of conduct for suppliers</li> </ul>	<ul style="list-style-type: none"> <li>Ensuring supplier compliance with the ten basis principles of the UN Global Compact and the Bank's code of conduct</li> </ul>
<b>Shareholders and investors</b>	Engaging affected external stakeholders	<ul style="list-style-type: none"> <li>Interview and analysis</li> <li>General meetings</li> </ul>	<ul style="list-style-type: none"> <li>Key investor perspectives have been applied to verify the double materiality assessment</li> </ul>
<b>Industry groups</b>	Considering industry considerations and benchmarks	<ul style="list-style-type: none"> <li>Meetings in the National Banks in Denmark and Finance Denmark</li> </ul>	<ul style="list-style-type: none"> <li>Industry perspectives have been applied as benchmarks</li> <li>Interpretation of sustainability legislation</li> </ul>
<b>Partnerships</b>	Aligning voluntary UN initiatives with the Bank's sustainability efforts	<ul style="list-style-type: none"> <li>Using guidelines and methods</li> </ul>	<ul style="list-style-type: none"> <li>Annual reporting to UN GC, UN PRI and UN PRB</li> </ul>
<b>The local community</b>	Exercising local commitment and local presence	<ul style="list-style-type: none"> <li>Based on the Bank's strategy and business model</li> </ul>	<ul style="list-style-type: none"> <li>Employee sponsorships through 'The local promise'</li> </ul>



### Key sustainability matters

Through its comprehensive process for assessing double materiality, Spar Nord has identified the Bank's positive and negative impacts on the environment and society, the Bank's opportunities and the potential and actual sustainability-related risks the Bank may be exposed to. In the assessment of both impact materiality and financial materiality, it has been determined that sustainability matters with a score of 4 or 5 represent a material impact, risk or opportunity (IRO) for the Bank. As can be seen from the matrix to the right, the Bank's key sustainability matters are placed in the dark grey area, and the Bank must therefore report on the following sustainability matters:

#### E1 Climate change

Spar Nord has identified a number of material climate-related IROs connected to the Bank's core activities, i.e. lending to customers and investments on behalf of customers. The Bank's core activities concern, for example, financing of cars, housing and businesses such as agriculture and transport, all of which emit significant amounts of GHG emissions. Therefore, the Bank also offers a number of products intended to support climate change mitigation. Spar Nord performs annual screenings of climate footprint from its own operations and of lending and investment portfolios and makes quarterly calculations of financed emissions. An annual calculation of GHG emissions from own operations is also carried out.

#### E5 Resource use and circular economy

Spar Nord has identified a material adverse impact associated with resource use and circular economy. As a financial institution in Denmark, the Bank contributes to financing customers' private consumption and businesses' production, which results in a negative impact on nature, climate, and the environment through the consumption of goods and services as well as overall resource use. The

Bank has made an initial screening of its business loan and investment portfolios, enabling the Bank to identify sectors that potentially have a positive or negative impact on resource use and the circular economy.

#### S1 Own workforce

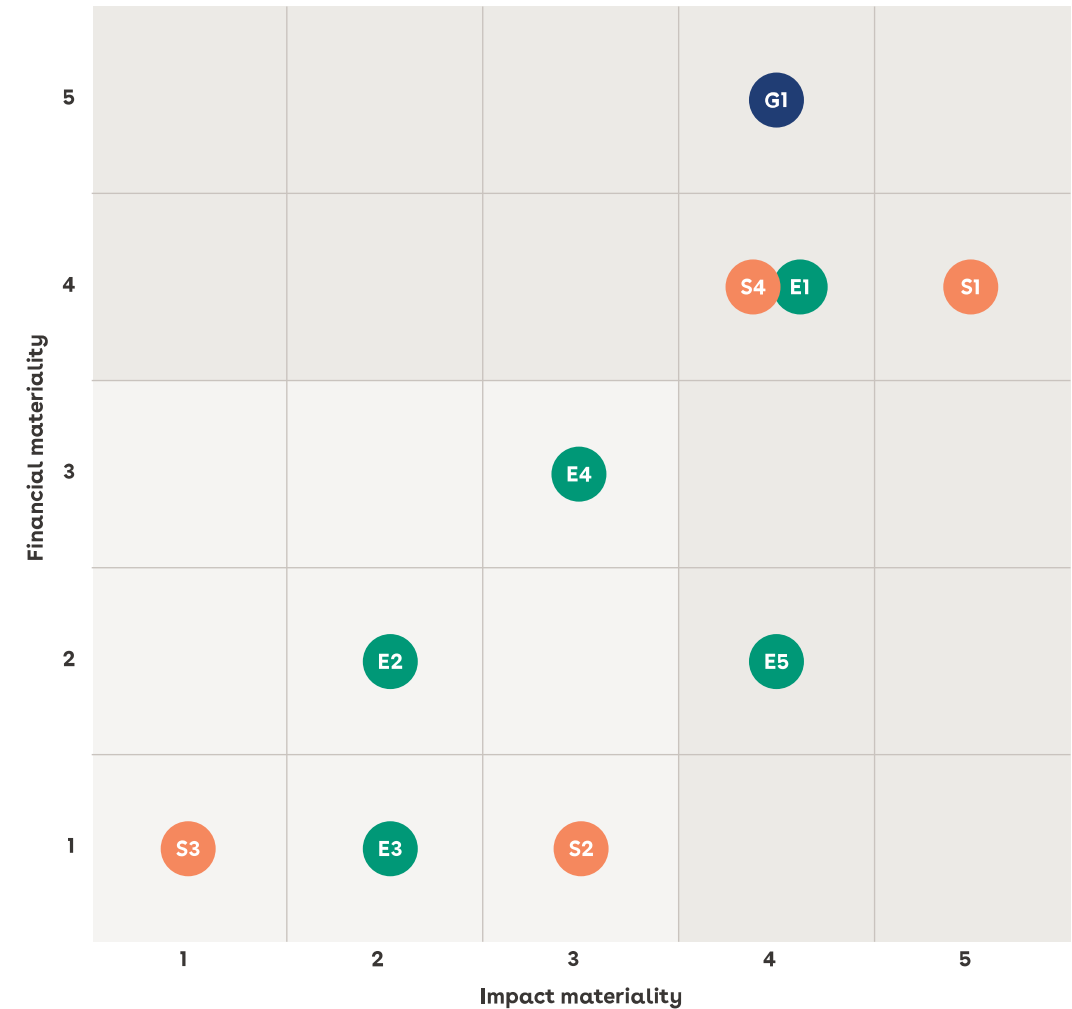
Spar Nord considers its employees as the Bank's most important resource and crucial to fulfilling the Bank's vision and strategy. The Bank has identified a number of positive and negative impacts and opportunities associated with its own workforce.

#### S4 Consumers and end-users

Customers are a central focal point in the Bank's strategy and business model and in the Bank's downstream value chain. Spar Nord has identified a number of material IROs related to customer advice and handling of customer data, offering of products, etc.

#### G1 Business conduct

Spar Nord has identified a number of material IROs in relation to the Bank's business conduct, which is based on the Bank's business and geographical location. In addition to the materiality assessment of the disclosure requirements set by the ESRs, the Bank has also included IROs linked to entity-specific disclosures which, due to specific circumstances, are deemed significant to the Bank. These entity-specific disclosures are identified based on information that the Bank has historically included in previous years' sustainability reporting as well as information representing material sustainability-related IROs for the Bank. The entity-specific disclosures relate to the topics of money laundering and terrorist financing, fraud, information security and data governance.



- E1 Climate change
- S1 Own workforce
- E2 Pollution
- S2 Value chain workers
- E3 Water and marine resources
- S3 Affected communities
- E4 Biodiversity and ecosystems
- S4 Consumers and end-users
- E5 Resource use and circular economy
- G1 Business conduct



The matrix above provides a summary of the overall volume of impacts, risks and opportunities (IROs) associated with each sustainability topic (ESRS) included in the double materiality assessment. The IROs identified in the double materiality assessment are all linked to the Bank's strategy and business model. For example, IROs associated with E1 Climate change, E5 Resource use and circular economy and S4 Consumers and end-users all materialise downstream in the Bank's value chain in relation to the Bank's core activities, i.e. loans to customers and investments on behalf of customers. Also, IROs identified in connection with S1 Own workforce and G1 Business conduct are closely linked to the Bank's own operations.

IROs associated with E1 Climate change and E5 Resource use and circular economy are closely linked to the Bank's strategic focus on responsibility and sustainability and the ambition of achieving net zero in 2050. Furthermore, the Bank's strategic actions concerning 'A strengthened local bank model' are closely linked to IROs associated with S1 Own workforce and S4 Consumers and end-users, both of which cover actions to promote diversity and well-being among employees as well as focus on protecting customers and the Bank's engagement in the local community. With respect to G1 Business conduct, the IROs relate to the strategic action 'An efficient engine room', where the Bank is focused on matters concerning quality control and business procedures associated with money laundering and terrorist financing, anti-corruption and bribery and information security etc.

Spar Nord's material sustainability-related IROs affect both short- and long-term business decisions. As mentioned above, these factors are all linked to the Bank's current strategy and business model, which means the Bank has found that no adjustments to strategy and business model are

necessary to ensure resilience in handling the IROs. However, the Bank has prepared a climate plan in addition to the Bank's strategy. The climate plan constitutes a transition plan for climate change mitigation and thus includes a long-term 2050 target as well as sub-targets and sector sub-targets as well as concrete actions that together will contribute to strengthening the Bank's resilience to climate change.

Spar Nord expects that material sustainability-related IROs will be a central focal area in the coming strategy period and continuously lead to relevant adaptation of the business model in order to ensure resilience and future growth, so that the Bank remains competitive and value-creating for stakeholders, while contributing positively to the environment and society.

The following pages provide a schematic overview of the total number of sustainability-related IROs and how these relate to each ESRS topic. Each of the material ESRS topics is presented in the tables with an indication of the sub-topics to which the material IROs relate and where in the value chain the IRO will materialise. Finally, the material IROs are linked to relevant internal policies and measures that explain how the Bank addresses the IROs in practice.



E1

Sustainability topics	Value chain	IRO description	Policies and measures
<b>Climate change adaptation</b>			
<b>Positive impact</b>	Downstream	The Bank finances and invests in assets/activities that make a significant contribution to climate change adaptation.	<ul style="list-style-type: none"> <li>• Sustainability and social responsibility policy</li> <li>• Credit policy</li> <li>• Responsible investment policy</li> </ul>
<b>Risk</b>	Downstream	There is a risk that the Bank finances and invests in assets/activities that fail to adapt to climate change and are thus more exposed to physical risks and transition risks.	
<b>Climate change mitigation</b>			
<b>Negative impact</b>	Downstream	The Bank finances and invests in assets/activities that do not make a significant contribution to climate change mitigation.	<ul style="list-style-type: none"> <li>• Sustainability and social responsibility policy</li> <li>• Credit policy</li> <li>• Responsible investment policy</li> <li>• Climate plan for Spar Nord</li> </ul>
<b>Positive impact</b>	Downstream	The Bank finances and invests in assets/activities that make a significant contribution to climate change mitigation, such as low-energy properties, electric vehicles and corporate customers with transition plans.	
<b>Opportunity</b>	Downstream	The Bank may attract new customers by offering attractive financing of sustainability-supporting products.	
<b>Energy</b>			
<b>Negative impact</b>	Own operations	The Bank consumes energy both from fossil and renewable sources.	<ul style="list-style-type: none"> <li>• Sustainability and social responsibility policy</li> <li>• Climate plan for Spar Nord</li> <li>• Climate and environmental policy</li> </ul>

E5

Sustainability topics	Value chain	IRO description	Policies and measures
<b>Resource use and waste</b>			
<b>Negative impact</b>	Downstream	The Bank finances and invests in assets/activities that result in resource use and waste.	<ul style="list-style-type: none"> <li>• The Bank has no specific policy governing resource use and circular economy</li> </ul>
<b>S1</b>			
Sustainability topics	Value chain	IRO description	Policies and measures
<b>Working conditions</b>			
<b>Negative impacts</b>	Own operations	The Bank's employees may experience a lack of work-life balance.	<ul style="list-style-type: none"> <li>• Standard collective agreement</li> <li>• Staff handbook</li> </ul>
<b>Positive impact</b>	Own operations	The Bank offers its employees good and attractive working conditions.	<ul style="list-style-type: none"> <li>• Standard collective agreement</li> <li>• Local agreements</li> <li>• Policy on sound corporate culture</li> <li>• Staff policy</li> <li>• Responsible working environment policy</li> <li>• Remuneration policy</li> <li>• Staff handbook</li> </ul>
<b>Opportunity</b>	Own operations	The Bank ensures a continuous focus on high employee well-being to attract and retain employees.	
<b>Equal treatment and equal opportunities for all</b>			
<b>Positive impact</b>	Own operations	The Bank offers equal treatment and equal opportunities for all employees.	<ul style="list-style-type: none"> <li>• Standard collective agreement</li> <li>• Local agreements</li> <li>• Policy on sound corporate culture</li> <li>• Staff policy</li> <li>• Diversity policy</li> <li>• Skills policy</li> <li>• Remuneration policy</li> <li>• Staff handbook</li> </ul>



S4

Sustainability topics	Value chain	IRO description	Policies and measures
<b>Information-related impacts on consumers and end-users</b>			
<b>Negative impact</b>	Downstream	The Bank may unintentionally provide incomplete or misleading advice.	<ul style="list-style-type: none"> <li>Executive Order on good business practice for financial undertakings</li> <li>Skills policy</li> </ul>
<b>Positive impact</b>	Downstream	The Bank collects and uses data based on data ethics principles.	<ul style="list-style-type: none"> <li>Data ethics policy</li> </ul>
<b>Risk</b>	Downstream	There is a risk that the Bank fails to meet the basic data protection principles.	<ul style="list-style-type: none"> <li>Data protection policy</li> </ul>
<b>Personal safety of consumers and end-users</b>			
<b>Negative impact</b>	Downstream	The Bank risks having a negative impact on its customers if its products and services do not offer sufficient customer protection.	<ul style="list-style-type: none"> <li>Product policy for financial products</li> <li>Product policy for other bank products</li> </ul>
<b>Social inclusion of consumers and end-users</b>			
<b>Positive impact</b>	Downstream	The Bank ensures access to financial products and services without discrimination.	<ul style="list-style-type: none"> <li>Executive Order on good business practice for financial undertakings</li> </ul>

G1

Sustainability topics	Value chain	IRO description	Policies and measures
<b>Corporate culture</b>			
<b>Positive impact</b>	Own operations	The Bank's management ensures a sound corporate culture.	<ul style="list-style-type: none"> <li>Policy on sound corporate culture</li> </ul>
<b>Protection of whistleblowers</b>			
<b>Positive impact</b>	Own operations	The Bank's whistleblower scheme ensures the protection of whistleblowers.	<ul style="list-style-type: none"> <li>Whistleblower policy</li> </ul>
<b>Management of relationships with suppliers</b>			
<b>Positive impact</b>	Upstream	The Bank ensures timely payment to its suppliers.	<ul style="list-style-type: none"> <li>Governance documents and processes</li> </ul>
<b>Anti-corruption and bribery</b>			
<b>Risk</b>	Own operations	There is a risk of the Bank's employees contributing to corruption and bribery.	<ul style="list-style-type: none"> <li>Anti-corruption and bribery policy</li> <li>Staff handbook</li> </ul>
<b>Money laundering and terrorist financing - entity-specific</b>			
<b>Risk</b>	Own operations	There is a risk that the Bank unintentionally contributes to money laundering and terrorist financing.	<ul style="list-style-type: none"> <li>AML policies</li> </ul>
<b>Fraud - entity-specific</b>			
<b>Risk</b>	Downstream	There is a risk of abuse of cards and online banking services.	<ul style="list-style-type: none"> <li>Governance documents and processes</li> </ul>
<b>Information security - entity-specific</b>			
<b>Risk</b>	Own operations	There is a risk that due to IT crime, the Bank may lose data and that its operations could be affected.	<ul style="list-style-type: none"> <li>Information security policy</li> </ul>
<b>Data governance - entity-specific</b>			
<b>Risk</b>	Own operations	There is a risk that decisions and assessments are made on the basis of incorrect data.	<ul style="list-style-type: none"> <li>Data governance policy</li> </ul>





## Process for double materiality assessment

As a financial institution, Spar Nord engages with a large number of assets and activities that, directly and indirectly, have an impact on people, the environment and society – positive as well as negative. All these factors may represent risks as well as opportunities for the Bank, and through the Bank's double materiality assessment they have been quantified in accordance with the principles and requirements described in ESRS 1 and ESRS 2.

### Process start-up

Spar Nord's work on identifying impacts, risks and opportunities (IROs) related to sustainability began in spring 2023. Here, the Bank dedicated a considerable amount of time and resources by setting up a CSRD project to create the best conditions and ensure due care in managing the Bank's sustainability matters. Spar Nord's ESG steering group anchored the process by setting up a temporary CSRD steering group consisting of managers from relevant and affected business areas, including Credit, the Trading Division, HR, Finance, Legal, Compliance, Strategy, ESG, Communications and Marketing and Internal Audit as observers. At the same time as the CSRD steering group was established, an interdisciplinary working group was also established, consisting of key resources and professionals from the disciplines concerned.

The initial process was limited to a short period of time, during which work was done to create the insight needed to subsequently decide on further CSRD initiatives. The focus was to start work on the Bank's double materiality assessment and identification of material IROs. Whereas the CSRD

steering group specifically aimed at initiating and monitoring the process of preparing the Bank's double materiality assessment, the working group was to identify methodology and prepare the double materiality assessment as well as the GAP-analysis.

In the first half of 2023, the working group met for weekly workshops, where the group worked on the choice of methodology and the development of methodological tools for the preparation of the double materiality assessment. In this process, both the CSRD steering group and the working group consulted continuously with consultants from Deloitte as well as relevant industry working groups under the auspices of Finance Denmark and the National Banks in Denmark. The working group reported monthly to the CSRD steering group on progress in the process.

The working group started the double materiality assessment process by mapping the Bank's value chain and identifying the Bank's key stakeholders. The working group also carried out an analysis and mapping of relevant data input providers and systems that were deemed significant for sustainability matters.

Central to the double materiality assessment process was the working group's development of a methodology tool that supported the identification and assessment of sustainability-related IROs linked to the core activities of lending and investments as well as the Bank's own operations. As required by the CSRD, the Bank carried out the assessments based on the concepts of 'impact materiality' and 'financial materiality', where impact materiality focuses on the impacts that Spar Nord has on people and the environment in the outside world (inside-out perspective) and financial materiality focuses on the impact of the outside world on Spar Nord (outside-in perspective).

In addition to the materiality assessment of the disclosure requirements in the ESRs, the Bank identified additional entity-specific disclosures that, based on specific circumstances, were deemed material for the Bank. These entity-specific disclosures were identified based on information contained in previous years' sustainability reporting as well as information representing material sustainability-related IROs for the Bank. These entity-specific disclosures are linked to the Bank's business conduct and are therefore included in G1 Business conduct.

Based on the Bank's methodological tool for assessing double materiality, the working group was able to make a preliminary conclusion that identified material IROs and sustainability matters for the Bank. Further to this initial conclusion, the working group also prepared a GAP analysis identifying relevant areas of action for the preparation of the Bank's first sustainability reporting under the CSRD.

The preliminary conclusion was presented to the CSRD steering group and the ESG steering group in June 2023, which led to a decision to anchor the forward-looking work with CSRD in a newly established ESG and sustainability department. Furthermore, it was decided how the division of responsibilities between centralised and decentralised work in the individual business areas should be implemented in relation to the Bank's ESG efforts.

In addition to the further qualification of the double materiality assessment, ESG and sustainability were also put in charge of managing the Bank's overall sustainability reporting. At the same time, it was decided that the CSRD steering group's obligations would in future be transferred to the ESG steering group.

### Impact materiality

Spar Nord has assessed the Bank's impact on the outside world based on the following criteria:

	Negative	Positive
<b>Actual</b>	<ul style="list-style-type: none"> <li>Scale</li> <li>Scope</li> <li>Irremediability</li> </ul>	<ul style="list-style-type: none"> <li>Scale</li> <li>Scope</li> </ul>
<b>Potential</b>	<ul style="list-style-type: none"> <li>Scale</li> <li>Scope</li> <li>Likelihood</li> <li>Irremediability</li> </ul>	<ul style="list-style-type: none"> <li>Scale</li> <li>Scope</li> <li>Likelihood</li> </ul>

### Financial materiality

Spar Nord has assessed the Bank's risks and opportunities based on the following criteria:

	Negative	Positive
<b>Actual</b>	<ul style="list-style-type: none"> <li>Scope</li> </ul>	<ul style="list-style-type: none"> <li>Scope</li> </ul>
<b>Potential</b>	<ul style="list-style-type: none"> <li>Scope</li> <li>Likelihood</li> </ul>	<ul style="list-style-type: none"> <li>Scope</li> <li>Likelihood</li> </ul>

The assessments were made on the basis of the inherent risk. The assessments take into account dependencies on natural, human and social resources.

For impact and financial materiality it generally applies that the assessments have been made on the basis of sustainability matters in ESRS 1 Appendix A, AR 16. The assessments are based on a value-chain consideration and an assessment of the time horizon. The assessments have been made with inspiration from the Bank's risk scale; 'very low', 'low', 'medium', 'high' and 'very high' (equal to a score between 1 and 5). A score of 4 or 5 is determined to involve a material impact, risk or opportunity for the Bank and thus subject to reporting according to the CSRD.



In the second half of 2023, the working group continued to qualify the double materiality assessment and further work on GAPs under the direction of the ESG and sustainability department. The focus was, among other things, to expand the assessment with the inclusion of additional stakeholder perspectives. Spar Nord's key stakeholders were involved in the Bank's double materiality assessment to ensure that the Bank's overall sustainability reporting reflected material IROs and the expectations our stakeholders have of the Bank. Stakeholders were engaged through various methods, including dialogue, workshops and analysis.

For internal stakeholders, Spar Nord included perspectives from the Board of Directors, the Executive Board, the ESG steering group, the CSRD working group, the joint consultation committee and internal specialists and key resources. The Board of Directors was involved through a strategy seminar in September 2023, while a workshop was held on the Executive Board in December 2023. However, the main emphasis in stakeholder engagement was from the internal stakeholders who were part of the working group and thus directly involved in the preparation of the double materiality assessment.

Spar Nord's customers are the Bank's most important external stakeholders, which is why customers' interests, views and respect for human rights were central focal points in the double materiality assessment. The customers' perspective was primarily taken into account through the Bank's strategy and business model, in which the customers are a central focal point. Customer perspectives were also included in the discussion of the weighting of the Bank's core activities in the double materiality assessment, including lending to customers and investments on behalf of customers.

Spar Nord also incorporated input from two of the Bank's largest investors by comparing the results of the double materiality assessment with the investors' perspectives. In this way, the perspectives of our investors were applied for verification of the result of our double materiality assessment. The investors were selected on the basis of the size of their ownership of Spar Nord and an overall assessment of their impact on the Bank.

As far as users of the sustainability report are concerned, Spar Nord included the perspectives of industry associations, investors and educational institutions in the Bank's priorities for sustainability efforts.

On the basis of the double materiality assessment process and following the approval by the Executive Board, Spar Nord's Board of Directors was able to approve the total number of IROs and the basis for this sustainability reporting in February 2024.

#### Results of the process

Spar Nord has assessed ESRS E1 Climate change, E5 Resource use and circular economy, S1 Own workforce, S4 Consumers and end-users and G1 Business conduct as material in the Bank's sustainability reporting.

For E1 Climate change, the Bank's assets and activities related to climate change have been screened and mapped to identify where in the value chain the IROs will materialise. A calculation of GHG emissions from the Bank's own operations and financed emissions from core activities has also been carried out, which forms the basis for the identification of the material IROs related to the sustainability topic. The double materiality assessment has shown that it is primarily through lending to customers and investments on behalf of customers that we find the Bank's most material

impacts, risks and opportunities. In identifying climate-related transition events and substantiating the Bank's targets for E1 Climate change, scientific scenarios have been used. These scenarios use reduction pathways from the UN's Intergovernmental Panel on Climate Change (IPCC), which are consistent across the Bank's impact areas. The IPCC prepares reduction pathways based on the latest climate science and comprehensive analyses of global data. These pathways take into account complex climate interactions, socio-economic factors and technological advances. Spar Nord has chosen the IPCC's reduction pathways to ensure that climate objectives are scientifically substantiated, ambitious and in line with international commitments. They also provide a common frame of reference that makes it easier to understand Spar Nord's climate ambitions in both a national and global context.

With respect to E5 Resource use and circular economy, a preliminary screening has been made of the Bank's business loan and investment portfolios using the EU Taxonomy compass for transition to a circular economy. In addition to this analysis, we have included the sector overview from the UN PRB guidance 'Circular Economy as an Enabler for Responsible Banking', which shows sectors with potential positive and negative impacts on a circular economy. Based on the double materiality assessment, it has not been considered relevant for the Bank to carry out consultations with affected communities in relation to E5 Resource use and circular economy.

In the materiality assessment of G1 Business conduct and identification of IROs, Spar Nord has weighted the business volume of the total Group, which is located in Denmark and subject to Danish legislation. Similarly, the Bank has weighted aspects such as strategy, business conduct and supplier issues in the materiality assessment.

At the same time, Spar Nord has assessed ESRS E2 Pollution, E3 Water and marine resources, E4 Biodiversity and ecosystems, S2 Workers in the value chain and S3 Affected communities as non-material sustainability matters for the Bank. In the materiality assessment of E2 Pollution, E3 Water and marine resources and E4 Biodiversity and ecosystems, Spar Nord has weighted the indirect impact through the Bank's core activities, including customer composition and sectors, as well as the Bank's direct impact through its own operations and its own locations from which we provide or purchase services. Spar Nord has also weighted the geographical location as we, as a Danish bank, only have physical activities at our own locations in Denmark, just as the Bank's lending relates to Danish retail and business customers. This means that Spar Nord's activities are primarily based on a Danish context. However, Spar Nord is aware that the Bank's investments and investments managed on behalf of customers also involve international investment activities. Based on these factors, Spar Nord has estimated that the Bank's impact and financial risks related to E2 Pollution, E3 Water and marine resources and E4 Biodiversity and ecosystems are relatively limited. On the basis of the materiality assessment, it has also not been found relevant to carry out consultation with affected communities or to carry out scenario analyses.

In the future, Spar Nord will re-visit and qualify the double materiality assessment annually in order to ensure that we can continue to report a true and fair view of the sustainability area.

# Environmental disclosures





## E1 Climate change

In recent years, we have seen several extreme weather incidents because of the consistently rising average temperatures, which are a direct consequence of increasing GHG emissions – in Denmark as well as globally. These factors have a negative impact on nature, climate, the environment, people and society. Climate change is undoubtedly one of the greatest challenges of our time, calling for shared responsibility and collective action.

Spar Nord wants to contribute actively in the transition to a sustainable and climate-neutral society. This responsibility is particularly evident when we make financing available to customers' private finances or their businesses. Our customers' actions and ambitions are often reflected directly in the Bank's financing and investment activities, and their demand for new sustainability-supporting products to a large extent helps drive the Bank's development and initiatives.

Spar Nord continuously addresses the Bank's resilience to climate change and includes risk perspectives in its climate change adaptation and mitigation initiatives. The Bank handles climate-related risks, including transition risks and physical risks, as an integral part of its traditional risk management. For lending, Spar Nord makes specific stress calculations on customers within the agriculture and transport sectors as a direct consequence of current and future CO2 taxes. For investment portfolios, Spar Nord also applies an increased focus on resilience and climate considerations. We do this both from a risk perspective and based on the co-responsibility we have assumed as a financial institution, which through investments facilitates

capital flows around society. No portfolio-level climate stress tests are carried out yet.

In Spar Nord's current strategy 2023-2025, we have defined an ambition of being a committed bank. This strategic direction also applies to our contribution to the transition to a sustainable and climate-neutral society and activities aimed at climate change adaptation and mitigation. While adaptation involves protecting society against consequences of current and potential climate change, mitigation refers to activities aimed at decarbonisation of society.

Through Spar Nord's commitment to the UN Principles for Responsible Banking, the Bank has previously identified Sustainable Development Goal 13, Climate Action and climate change as the Bank's most important impact area, as the Bank is assessed to have both positive and negative impacts on climate change. It was also on the basis of the analyses from the work on the UN Principles for Responsible Banking that the Bank's core activities were first identified as an important area of action in relation to climate change. This recognition and conclusions from the analysis have been adopted in Spar Nord's double materiality assessment, where the Bank has performed a screening of assets and activities related to climate change as well as a mapping to identify where in the value chain the IROs materialise.

The table shows the significant IROs identified in relation to climate change and the related sustainability topics adaptation, mitigation and energy. The table indicates where in the value chain the IROs materialise. Also listed are relevant internal policies and measures that explain how the Bank addresses the IROs in practice.

### E1

Sustainability topics	Value chain	IRO description	Policies and measures
<b>Climate change adaptation</b>			
<b>Positive impact</b>	Downstream	The Bank finances and invests in assets/activities that make a significant contribution to climate change adaptation.	<ul style="list-style-type: none"> <li>· Sustainability and social responsibility policy</li> <li>· Credit policy</li> </ul>
<b>Risk</b>	Downstream	There is a risk that the Bank finances and invests in assets/activities that fail to adapt to climate change and are thus more exposed to physical risks and transition risks.	<ul style="list-style-type: none"> <li>· Responsible investment policy</li> </ul>
<b>Climate change mitigation</b>			
<b>Negative impact</b>	Downstream	The Bank finances and invests in assets/activities that do not make a significant contribution to climate change mitigation.	<ul style="list-style-type: none"> <li>· Sustainability and social responsibility policy</li> <li>· Credit policy</li> </ul>
<b>Positive impact</b>	Downstream	The Bank finances and invests in assets/activities that make a significant contribution to climate change mitigation, such as low-energy properties, electric vehicles and corporate customers with transition plans.	<ul style="list-style-type: none"> <li>· Responsible investment policy</li> <li>· Climate plan for Spar Nord</li> </ul>
<b>Opportunity</b>	Downstream	The Bank may attract new customers by offering attractive financing of sustainability-supporting products.	
<b>Energy</b>			
<b>Negative impact</b>	Own operations	The Bank consumes energy both from fossil and renewable sources.	<ul style="list-style-type: none"> <li>· Sustainability and social responsibility policy</li> <li>· Climate plan for Spar Nord</li> <li>· Climate and environmental policy</li> </ul>



## Climate plan

In 2024, Spar Nord prepared a climate plan, which is the Bank's version of the transition plan for climate change mitigation. The climate plan has been approved by the Executive Board and Board of Directors of the Bank.

Spar Nord's Climate Plan sets out the Bank's climate ambition of reaching net zero by 2050 in line with the Paris Agreement target of limiting global warming to 2°C above pre-industrial levels, with a further ambition to achieve 1.5°C. Spar Nord understands that a responsible transition to net zero will require us, as a financial institution, to ensure on the one hand continued access to essential goods and services, while on the other hand focusing on transitioning key GHG-emitting sectors to low-emission or zero-emission technologies. This transformation of society will require significant investment and financing of technological solutions and climate-supporting business models – and this is precisely where we as a financial institution must play an important role.

Spar Nord has chosen to target the Bank's climate ambition towards efforts that contribute to climate change mitigation, as we believe that it is through decarbonisation of our customers' assets and activities that we can deliver the greatest positive impact. Decarbonisation occurs when we channel finance and investments in a more sustainable direction, e.g. by supporting new low-carbon technologies or new climate-supporting business models.

Spar Nord is aware that so-called double counting can occur when we as a financial institution calculate the Bank's GHG emissions. Double counting can be particularly relevant in cases where both we and our customers assume net zero targets and thus choose to compensate for the GHG emissions that cannot be reduced. In such cases, it

may happen that both we and our customers compensate for the same GHG emissions, which will lead to potential double compensation. However, this does not change the fact that Spar Nord considers its climate ambition and targets to be significant and important, as we, as a financial institution, play a central role in driving financing and investments towards a low carbon economy. Our climate ambition therefore also relates to an ambition to continuously improve our reporting and increase the transparency of our climate targets and actions to ensure that emission reductions reflect actual progress.

Spar Nord is aware of that science and legislation in the sustainability area are constantly evolving, which is why we maintain a fact-based approach in our climate change mitigation efforts. We do this by focusing on research and analysis, working proactively to improve data quality, and continuously reviewing our goals, actions, and priorities.

## Policies

Spar Nord has prepared a number of policies and guidelines to support the management of activities in relation to climate change adaptation and mitigation. The most important policies are:

- Sustainability and social responsibility policy
- Environmental and climate policy
- Responsible investment policy
- Credit policy
- Exclusion lists for both financing and investment

Spar Nord's sustainability and social responsibility policy outlines the Bank's initiatives to adapt and mitigate climate change and thus constitutes

the overall guideline for managing IROs in the area of sustainability.

Spar Nord's responsible investment policy, credit policy, exclusion lists for financing and investment and the Bank's climate plan combine to support climate change mitigation actions and measures and the management of identified material IROs.

Climate change adaptation actions and measures, as well as identified IROs, are covered by the Bank's credit policy and responsible investment policy. The Bank's environmental and climate policy particularly addresses the management of IROs related to energy efficiency.

For all of the above policies related to climate change adaptation and mitigation, it is the responsibility of the Executive Board to ensure that the policies are implemented in the Bank's day-to-day operations. The table on the preceding page illustrates how the Bank's policies are linked to the identified material IROs linked to climate change and where in the value chain the IROs materialise.

## Climate actions and resources

The work on implementing the climate plan is anchored in a governance structure with clearly defined roles and responsibilities. Where strategy and ambition are anchored with the Bank's Board of Directors and Executive Board, the ESG steering group evaluates ongoing efforts to ensure progress on the Bank's climate ambition.

Spar Nord's committee for responsible investment and committee for sustainable finance recommend and prioritise concrete actions for the execution of the Bank's climate-related targets and sub-targets. Read more about dedicated

sustainability resources in the section on ESRS 2 Sustainability governance.

## Climate change adaptation actions

Climate change adaptation is about making changes and adjustments to deal with existing and future consequences of climate change. This means focusing both in the short and long term on reducing the damage caused by climate change, which is already inevitable.

For Spar Nord, the Bank's climate change adaptation measures relate in particular to the assets and activities we finance through loans to our customers. For example, we assess that businesses with significant GHG emissions over time will face specific market terms, more stringent regulatory requirements and larger investment requirements for climate initiatives. Climate challenges may thus affect the robustness of a business and will potentially impair its earnings capacity and growth opportunities. Other things being equal, this could limit the creditworthiness of a business. Companies applying a more environmentally sustainable profile are estimated to have a better foundation for tackling any challenges imposed by rising climate considerations.

To Spar Nord, sustainability risk is an inherent credit risk assessed together with other credit factors. Assessments of, in particular, governance factors have historically formed a part of the basic credit assessment of business customers. Physical and transition risks related to climate change are also an element of the Bank's credit policy for assessing credit risk, both in relation to the individual customer, but also at portfolio level.

Spar Nord makes quarterly management estimates to mitigate climate-related credit risk. At the end of 2024, the Bank's management estimate relating to ESG totalled DKK 88 million. The



management estimate primarily concerns the CO<sub>2</sub> levy on agriculture and the transport industry.

#### Climate change mitigation actions

Climate change mitigation focuses on reducing the causes of climate change by preventing further GHG emissions. The goal is to slow down the negative development, which is why decarbonisation is an important tool in the realisation of Spar Nord's climate ambition and climate change mitigation actions.

Spar Nord is a bank built on commitment and strong customer relationships. We believe that the most responsible and effective climate transition occurs by letting capital flow towards customers' transition plans and the development of new climate-supporting business models. Consequently, we prioritise dialogue with customers and society at large as a key element of our prioritised climate change mitigation actions and resources. Spar Nord's ambition is to support our customers in making a sustainable transition of their businesses or personal finances. In the Bank's advisory services and dialogue, we focus on helping customers leverage their existing strengths and new climate-supporting business opportunities.

#### Improved ESG capabilities

To ensure qualified dialogue and advice in relation to climate change mitigation, Spar Nord has chosen to enhance knowledge of sustainability in the financial sector through upskilling initiatives. The ESG upskilling initiatives have been implemented through both online and in-person training and include advisers, managers, and specialist roles. Spar Nord also has an ongoing focus on offering relevant upskilling for both current and future employees within ESG in close cooperation with, among other things, the Financial Sector Education Centre.

#### Energy improvement measures for retail customers

Spar Nord collaborates with Totalcredit on solutions to make it easier for retail customers to improve the energy efficiency of their homes. On Spar Nord's website, customers can find links to Totalcredit's online energy calculator, where they can find ideas and inspiration intended for their particular home. Spar Nord also arranges an energy check, offering a discount to customers who have loans in a home or holiday home via Totalcredit. The arrangement is carried out through a cooperation with Forenet Kredit, which also provides financial support of DKK 10,000 to customers who wish to replace their oil and gas boilers for a heat pump.

#### ESG tool for business customers

To support small and medium-sized businesses in their sustainability efforts, Spar Nord has chosen to offer a free digital ESG tool (Validied) to all business customers. The tool supports the dialogue between advisor and business customer by gauging the customer's knowledge of and work with sustainability. In addition, the ESG tool enables customers to prepare climate accounting and transition plans and to publish a sustainability report that they can use in their own marketing.

#### Structured dialogue with high-emission customers

In 2024, Spar Nord initiated a targeted dialogue with over 100 of our most greenhouse gas-emitting business customers, including, in particular, customers in the transport and agricultural sectors. The purpose of the dialogue is to identify the customers' biggest challenges and to clarify how the Bank can financially support the customers in a sustainable transition of their business. Of the customers surveyed, 89% said that they consider climate change, energy and greenhouse gases to be important topics for their business operations.

Furthermore, 37% replied that they have set targets in this area, while 32% have defined specific actions related to the targets. In 2025, the Bank will continue the customer dialogue and expand the target group in order to include a larger share of the Bank's customers.

#### Clarification of sustainability preferences in the investment process

Spar Nord has a digital investment guide to support clarification of the investment profile of retail and business customers. The digital investment guide helps ensure the Bank is in compliance with MiFID II as well as the identification of customer sustainability preferences in relation to the investment process - including whether the customer wants sustainability integrated into its investment solution.

#### Products supporting climate change mitigation

Spar Nord has the following loan and investment products, which serve to support the realisation of the Bank's climate ambitions and customers' transition.

- Loans and credits for financing electric cars
- Loan for home energy improvements
- Loans to businesses for renewable energy
- Agreement on climate-focused investment

#### Issuance of green bonds

Spar Nord has drawn up a framework for the issuance of green bonds; a Green Bond Framework. Spar Nord's committee for sustainable finance is responsible for regularly approving loan types included in the Bank's Green Bond Framework. Our green framework facilitates the link between financing of eco-friendly and green projects and the issuance of green bonds and is based on the four following loan categories:

- Clean transport
- Green and energy efficient buildings
- Renewable energy
- Sustainable water and waste

By consistently focusing on channelling the Bank's financing towards these four categories, the Bank may contribute to climate change mitigation and to driving progress on climate targets.

Spar Nord has set a target that by 2030 we will have a minimum of DKK 10 billion lent for assets that can be linked to the loan categories included in the Bank's Green Bond Framework. In 2024, Spar Nord issued green bonds for DKK 1.9 billion and identified a larger proportion of green assets in the Bank's loan portfolios. The Bank is continuously working on the development of new products related to the categories in the green framework and on improving data quality and processes for registration and identification of green assets in order to support the target.

#### Energy-enhancing and energy-efficient measures

In order to address the Bank's negative impact through consumption of both fossil and renewable energy sources, and to achieve the climate objectives within scope 1 and 2, the Bank will continuously take the following actions:

- By 2030, 80% of the Bank's driving needs will be covered by electric cars. By 2030, all newly purchased company cars will be exclusively electric cars.
- Towards 2030, the Bank will phase out the three remaining natural gas plants.
- From 2023 and ten year onwards, Spar Nord's consumption of electricity will be from 100% renewable energy sources supplied by Better Energy and supplemented by own production from solar panels.



## Targets














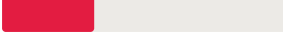


To support the realisation of Spar Nord's climate ambition of net zero by 2050, we have defined a number of 2030 sub-targets for decarbonisation of loan and investment activities and for the Bank's own operations. Additionally, Spar Nord has set sub-targets for selected segments, accompanied by specific actions and metrics, all designed to support the Bank's strategic direction.

The reduction targets and sub-targets defined by the Bank are based on baseline analyses of the Bank's climate footprint through scope 1, 2 and 3. As the Bank's climate change initiatives are an on-going process, the baseline years are not identical across the three impact areas. However, the 2050 ambition is shared across the entire business, just as all activities have been assigned sub-targets for decarbonisation by 2030. Spar Nord's targets have been substantiated using scientific scenarios, which are described in more detail under the specific activity.

The reduction targets for financed emissions from the Bank's core activities of loans and investments relate to significant shares of the Bank's business volume for bank and leasing loans and investments in equities and corporate bonds in the Bank's asset management.

The reduction targets related to the Bank's core activities are calculated in the relative metric tCO<sub>2</sub>e per DKK million, while the reduction targets for own operations are calculated in absolute emissions in the tCO<sub>2</sub>e metric.

The illustration gives an overview of the Bank's climate-related targets. For each target, the baseline years and the sub-targets set for 2025 and 2030 are presented. The target achievement by the end of 2024 illustrates progress relative to the Bank's 2030 targets measured on the basis of the relevant baseline year.

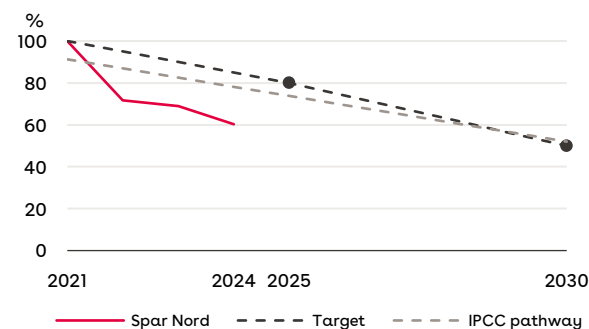
Climate target	Baseline year	Target achievement - 2030	2025	2030	Target
 <b>Lending</b>	2021		- 20 %	- 50 %	Financed emissions from lending must be reduced by 20% by 2025 and 50% by 2030 relative to a 2021 baseline of 8.8 tCO <sub>2</sub> e per DKKm.
 <b>Electric car</b>	2023			+ 80 %	By 2030, 80% of all new loans for the financing of cars are to be for electric cars relative to a 2023 baseline of 41%.
 <b>Housing</b>	2023			- 70 %	By 2030, financed emissions from lending to private homes must be reduced by 70% relative to a 2023 baseline of 11.4 kgCO <sub>2</sub> e/m <sup>2</sup> per year.
 <b>Transport</b>	2023			- 30 %	By 2030, financed emissions from lending to the transport sector must be reduced by 30% relative to a 2023 baseline of 40.7 tCO <sub>2</sub> e per DKKm.
 <b>Green financing</b>	2024			10 DKKb	Lending linked to the categories in the Bank's Green Bond Framework must amount to at least DKK 10 billion by 2030.
 <b>Investment · asset management</b>	2020		- 30 %	- 60 %	Financed emissions from investments in equities and corporate bonds made on behalf of customers must be reduced by 30% by 2025 and 60% by 2030 relative to a 2020 baseline of 11.3 tCO <sub>2</sub> e per DKKm.
 <b>Own operations · scope 1 and 2</b>	2021		- 30 %	- 50 %	GHG emissions from the Bank's own operations (scope 1 and 2) must be reduced by 30% by 2025 and 50% by 2030 relative to a 2021 baseline of 681 tCO <sub>2</sub> e.
 <b>Own operations · scope 3</b>	2021			- 25 %	GHG emissions from the Bank's own operations (scope 3) must be reduced by 25% by 2030 relative to a 2021 baseline of 24,748 tCO <sub>2</sub> e.



### Loan decarbonisation targets

To support Spar Nord's net zero target, in 2022 the Bank defined two sub-targets for the reduction of financed emissions from lending activities to retail and business customers by 20% in 2025 and 45% in 2030, respectively, relative to a 2021 baseline of 8.8 tCO<sub>2</sub>e per DKK million. In 2024, Spar Nord decided to substantiate and refine its climate ambition and the supporting reduction targets for financed emissions from lending activities by aligning them with climate science-based net-zero scenarios from the Intergovernmental Panel on Climate Change (IPCC). This substantiation led to an adjustment of the sub-target for the overall loan portfolio from the previous reduction target of 45% to now 50% by 2030.

### Targets for reducing financed emissions (tCO<sub>2</sub>e per DKK million) from the overall loan portfolio



In 2024, financed emissions from the loan portfolio were reduced by 40% compared to the 2021 baseline. In 2024, financed emissions from the overall loan portfolio amounted to 5.3 tCO<sub>2</sub>e per DKK million.

The positive development in 2024 was driven, among other things, by a general increase in loans for electric cars, which involve lower emissions than loans for conventional cars, and an increase in bank mortgage loans, which involve relatively

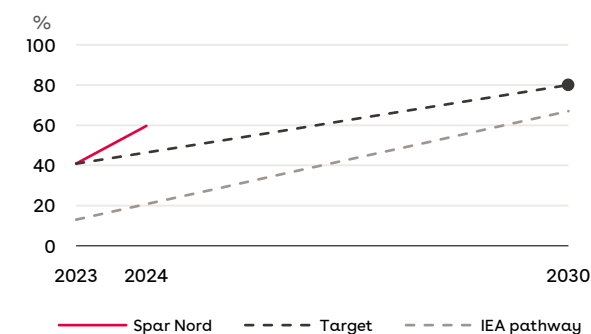
low emissions. In addition, there was a significant reduction in emission factors related to business customers.

The reduction means that the Bank has met the target of a 20% reduction in 2025 compared to the 2021 baseline. By meeting the targets, Spar Nord places itself well below the IPCC scenario.

### Electric vehicle loans to retail customers

Spar Nord's growth target for new loans to electric cars, which in 2030 must amount to at least 80% in terms of number, is set on the basis of the net-zero reduction pathway for Road Transport from the International Energy Agency (IEA). At the baseline in 2023, the share of new loans for electric vehicles was 41%.

### Target for financing electric vehicles (number)



In 2024, new loans for electric cars accounted for 60% of the Bank's total loans for financing cars. This development places the Bank well above the Bank's projection towards the target and at the same time significantly above the IEA's net zero reduction pathway.

Spar Nord's current positive achievement of targets is attributed to Denmark generally having come relatively far in the process of electrifying the car fleet. In 2024, sales of electric cars in

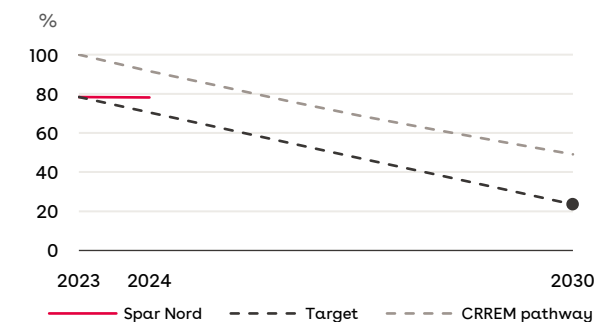
Denmark were record high, and as this was also reflected among Spar Nord's customers, the Bank recorded an increase in loans for electric cars. This development is also supported by the fact that the Bank offers customers a particularly attractive financing of electric cars through dedicated credit and loan products.

### Home loans to retail customers

Spar Nord has defined a sub-target of reducing financed emissions from housing by 70% with a 2030 baseline of 11.4 kgCO<sub>2</sub>e/m<sup>2</sup> per year.

The Bank uses the net-zero scenario from Carbon Risk Real Estate Monitor (CRREM), which provides a net-zero reduction pathway at national level as well as for different property types. The CRREM uses GHG emissions per m<sup>2</sup> per year as a metric.

### Target for the reducing financed emissions (kgCO<sub>2</sub>e/m<sup>2</sup> per year) from home loans

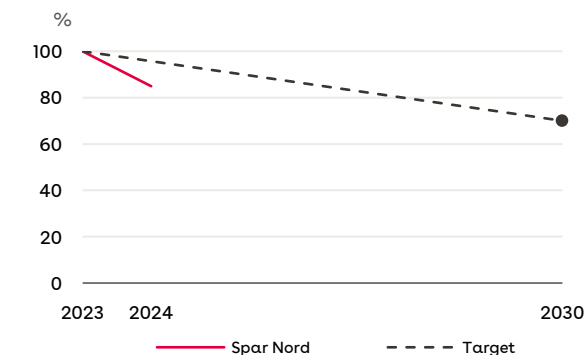


As can be seen from the chart, emissions per m<sup>2</sup> of loans to private homes in 2024 were on a par with the baseline year 2023. Spar Nord expects that, in the coming years, we will look into a reduction in GHG emissions per m<sup>2</sup> in line with the phasing-in of green energy and the increasing focus on energy improvement of the housing stock.

### Corporate loans to the transport sector

Spar Nord has defined a sub-target of reducing financed emissions from loans to the transport sector by 30% by 2030 relative to a 2023 baseline of 40.7 tCO<sub>2</sub>e per DKK million. The target has been substantiated on the basis of KF24.

### Target for reducing financed emissions (tCO<sub>2</sub>e per DKK million) for the transport sector



In 2024, financed emissions from the transport sector amounted to 34.5 tCO<sub>2</sub>e per DKK million, representing a reduction of 15% compared to the 2023 baseline year. In other words, the Bank is well on its way towards meeting the 2030 target.



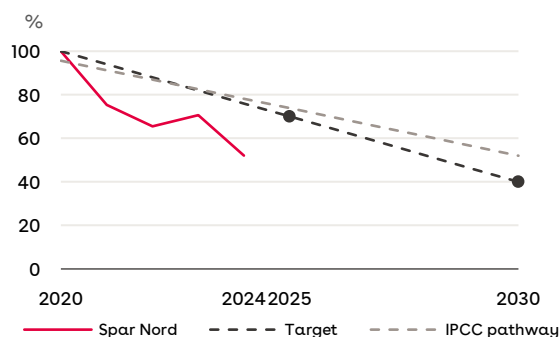


### Asset management decarbonisation targets

One-third of Spar Nord's GHG emissions is linked to the assets we manage on behalf of our customers. To support Spar Nord's net zero target, the Bank has defined a target of reducing financed emissions from investments in equities and corporate bonds in asset management by 30% by 2025 and 60% by 2030, respectively, relative to a 2020 baseline of 11.3 tCO<sub>2</sub>e per DKK million and based on scopes 1 and 2 for underlying businesses.

To substantiate its sub-targets, the Bank has applied the IPCC reduction pathway, which entails a minimum reduction of 48% in GHG emissions by 2030 and net zero by 2050 relative to 2019.

### Target for reducing financed emissions (tCO<sub>2</sub>e per DKK million) from asset management



In 2024, financed emissions from investments in equities and corporate bonds in asset management, including investments in the asset classes through unit trust certificates, were reduced by 48% compared to the 2020 baseline. In 2024, financed emissions thus amounted to 5.9 tCO<sub>2</sub>e per DKK million.

The positive developments in 2024 were attributable in particular to lower financed emissions from investments in corporate bonds, which related

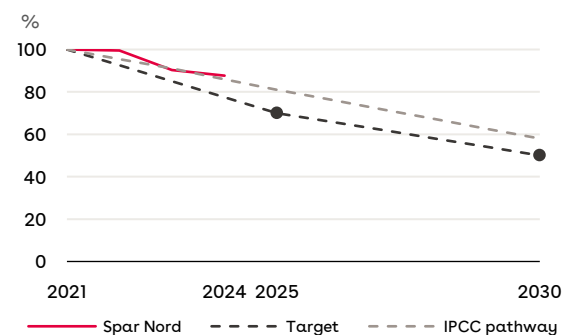
both to conversion to more climate-friendly unit trust certificates and a reduction in emissions from existing unit trust certificates.

The reduction means that the Bank has met the sub-target for 2025 and is well on its way towards meeting the 2030 target.

### Targets for decarbonisation of own operations

Spar Nord is focused on mitigating the environmental and climate impact of the Bank's own activities, for example by proactively promoting environmental responsibility and sustainable technologies in relevant areas of its operations. To support Spar Nord's aspirations of net zero by 2050, the Bank has set a goal of reducing scope 1 and 2 GHG emissions by 30% by 2025 and 50% by 2030 compared to the 2021 baseline of 681 tCO<sub>2</sub>e.

### GHG emission reduction target (tCO<sub>2</sub>e) from scope 1 and 2



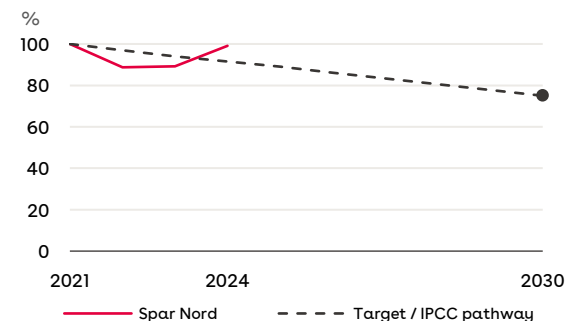
In 2024, GHG emissions from scope 1 and 2 totalled 597 tCO<sub>2</sub>e, representing a reduction of 12% compared to the 2021 baseline.

With this reduction, the Bank follows the projection for the IPCC reduction pathway, but is still above the projection towards own targets for 2025 and 2030. The Bank is focused on energy-

enhancing and energy-efficient measures for working towards the targets.

Furthermore, the Bank has set a target of reducing scope 3 GHG emissions from own operations by 25% by 2030 compared to the 2021 baseline of 24,748 tCO<sub>2</sub>e. Spar Nord has opted to substantiate its targets based on the IPCC reduction pathway.

### GHG emission reduction target (tCO<sub>2</sub>e) from scope 3 for own operations



In 2024, scope 3 GHG emissions from own operations totalled 24,537 tCO<sub>2</sub>e, which, after a couple of years of falling numbers, is on a level with the 2021 baseline.

The increase in 2024 was due to higher operating expenses because GHG emissions for the Bank's own operations are mainly calculated on the basis of the monetary principle. It is generally Spar Nord's ambition to regularly increase the proportion of emissions calculated on the basis of primary data in order to develop measures that will lead to a reduction of GHG emissions.

### Energy consumption

The Bank's energy consumption amounted to 9,089 MWh in 2024 and is calculated on the basis of consumption of electricity, district heating, petrol, diesel and gas. Energy consumption is composed of energy from renewable and fossil sources. In 2024, 80% of energy consumption was from renewable sources, while the remaining 20% was from fossil sources. Spar Nord remains focused on energy optimisation and on implementing energy-saving initiatives.

Energy consumption and mix	
MWh	2024
Energy consumption from fossil sources	
Total energy consumption from fossil sources	1,805
Share of fossil sources in total energy consumption	20
Consumption of energy from nuclear sources	0
Share of nuclear sources in total energy consumption	0
Renewable energy consumption	
Fuel consumption from renewable energy, including biomass	85
Consumption of purchased or acquired electricity, heat, steam, or cooling from renewable sources	7,067
Consumption of self-generated non-fuel renewable energy	133
Total renewable energy consumption	7,284
Share of renewable sources in total energy consumption	80
Total energy consumption	9,089



## GHG emissions

Spar Nord calculates GHG emissions pursuant to E1 Climate change, which refers to the three scopes of the GHG Protocol, where a distinction is made between direct and indirect GHG emissions.

Spar Nord's direct greenhouse gas emissions are generated through the Bank's own operations from driving the Bank's cars and heating with natural gas and are calculated in scope 1.

The Bank's indirect GHG emissions from consumed electricity and district heating are calculated in scope 2.

The Bank's other indirect GHG emissions relate both to its own banking operations and in particular to its core lending and investment activities and are calculated in scope 3.

Indirect GHG emissions from own operations are particularly related to the purchase of goods and services, as well as business travel and staff commuting to and from work.

Indirect GHG emissions from the Bank's core activities are linked to bank and leasing loans and investment activities, which include asset management on behalf of customers and the Bank's proprietary portfolio.

Spar Nord annually compiles GHG emissions for its own operations and core activities, which together form the Bank's climate accounts. The climate accounts make it clear that the majority of the Bank's total climate footprint is attributable to its core activities of lending and investments. In 2024, GHG emissions totalled 787,948 tCO<sub>2</sub>e, of which 97% related to core activities, while 3% related to own operations.

The GHG intensity based on net income amounted to 139 tCO<sub>2</sub>e per DKK million in 2024. The calculation was made using total GHG emissions under the market-based method and core income from the financial statements consisting of net interest income, net fee income, market value adjustments and dividends, and other income.

The principles and methods for compiling the Bank's GHG emissions are described in more detail in the accounting policies for environmental disclosures.

### Own operations

GHG emissions from own operations were in 2024 calculated at 25,134 tCO<sub>2</sub>e compared with 22,681 in 2023 (marked-based method), consisting of scope 1, 2 and 3 emissions, of which the vast majority related to indirect scope 3 GHG emissions.

Scope 1 GHG emissions from driving the Bank's cars and heating with natural gas amounted to 194 tCO<sub>2</sub>e in 2024, against 222 in 2023, corresponding to a 13% reduction.

GHG emissions from consumed electricity and district heating in scope 2 after the marked-based method amounted to 403 tCO<sub>2</sub>e in 2024, against 393 in 2023, or an increase of 2%.

From 2023 and ten year onwards, Spar Nord's consumption of electricity will be from 100% renewable energy sources supplied by Better Energy and supplemented by own production from solar panels.

In relation to scope 3 GHG emissions, 8 of the 15 scope 3 categories are relevant for Spar Nord for calculating emissions. Of these, 7 categories concern emissions relating to own operations, while category 15 relates to the Bank's core activities of lending and investments. Emissions in categories 1,

2, 3, 5, 6, 7 and 13, which all relate to the Bank's own operations, totalled 24,537 tCO<sub>2</sub>e in 2024, against 22,066 in 2023. This 11% increase was primarily attributable to category 1 Purchased goods and services and 2 Capital goods. GHG emissions for the Bank's own operations are mainly compiled on the basis of the monetary principle, and only 1,642 tCO<sub>2</sub>e, equal to 6%, were compiled on the basis of primary data. The development in scope 3 emissions thus widely reflects the increase in costs in 2024 relative to 2023.

The Bank intends to work to increase the proportion of emissions calculated on the basis of primary data in order to make dedicated efforts that will lead to a reduction of GHG emissions.

GHG emissions	2024	2023	Change in %	2022	2021
<b>tCO<sub>2</sub>e</b>					
<b>Scope 1</b>	194	222	-13	256	213
<b>Scope 1 - Percentage of scope 1 GHG emissions from regulated emission trading schemes</b>	0	0	-	0	0
<b>Scope 2 - location-based</b>	784	750	5	963	1,052
<b>Scope 2 - market-based</b>	403	393	2	422	468
<b>Scope 3</b>	787,351	962,239	-18	598,866	715,678
1 Purchased goods and services	19,622	17,479	12	16,562	16,838
2 Capital goods	1,932	1,672	16	2,390	5,209
3 Fuel and energy-related activities	433	418	4	444	456
5 Waste	0	0	-	0	0
6 Business travelling	435	430	1	392	250
7 Employee commuting	1,993	1,954	2	2,083	1,895
13 Downstream leased assets	122	113	9	89	100
15 Investments	762,814	940,173	-19	576,906	690,930
- Of which lending, banking and leasing activities	257,729	261,795	-2	264,694	341,491
- Of which investments	505,085	678,379	-26	312,212	349,439
<b>Total GHG emissions from own operations - location-based</b>	25,556	23,109	11	23,299	26,179
<b>Total GHG emissions from own operations - market-based</b>	25,134	22,681	11	22,638	25,429
<b>GHG emissions from core activities</b>	762,814	940,173	-19	576,906	690,930
<b>Total GHG emissions from own operations and core activities - location-based</b>	788,370	963,283	-18	600,204	717,109
<b>Total GHG emissions from own operations and core activities - market-based</b>	787,948	962,854	-18	599,543	716,359

### Lending activities

Owing to its core banking and leasing activities, the Bank is linked to indirect GHG emissions from its customers' assets and activities. In 2024, GHG emissions from lending activities represented 33% of the Bank's total GHG emissions.

The compilation of financed emissions related to the Bank's lending activities is based on Finance Denmark's CO2 model for the financial sector, which is based on the methods of PCAF (Partnership for Carbon Accounting Financials) and the GHG Protocol. Financed emissions are calculated respectively in absolute terms, which is an expression of GHG emissions measured in tCO<sub>2</sub>e, and in relative terms, which is calculated in tCO<sub>2</sub>e per DKK million lent.

The current statement of financed emissions from lending activities includes the majority of the Bank's total bank and leasing lending, but it is not possible to include the entire business volume in the statement. This is because there are currently no methods that cover the entire business volume. Spar Nord continuously follows the work of expanding and improving the quality of calculation principles and data and continuously aligns its practice with the latest methods.

For the calculation of financed emissions for loans to retail customers, the loans included in the basis for the calculation of GHG emissions are related to the product types directly linked to car and home financing. In 2024, the Bank's car and home loans amounted to DKK 15.6 billion, equivalent to 60% of the total loan portfolio to retail customers. Similarly, for 2023, car and home loans amounted to DKK 13.5 billion, equivalent to 58% of the total loan portfolio to retail customers. The remaining approximately 40% of retail customer loans are credits and other loan categories for

which there are no methods to estimate the related GHG emissions.

For the compilation of financed emissions from corporate loans, the calculation is based on loans linked to industry codes, for which Statistics Denmark makes data available. In 2024, DKK 32.9 billion, equivalent to 88% of the Bank's corporate loan portfolio was included in the calculation of GHG emissions. Similarly, for 2023, DKK 29.6 billion was included in the calculation, corresponding to 83% of the corporate loan portfolio. For the remaining part of the corporate loan portfolio, financing concerns industry codes for which no data for estimating GHG emissions are currently available.

In 2024, Spar Nord estimated the Bank's financed absolute emissions from lending at 257,729 tCO<sub>2</sub>e, against 261,795 in 2023, corresponding to a decrease of 2%. The change should be seen in the light of the fact that the calculations for 2024 included a total business volume of DKK 48.5 billion, compared to DKK 43.1 billion in 2023, which corresponds to an increase of 13%. The decline in the Bank's financed absolute emissions can be attributed to an increase in loans for electric cars and bank mortgage loans and reduced emission factors relating to corporate loans.

In 2024, financed emissions from lending totalled 5.3 tCO<sub>2</sub>e per DKK million, compared with 6.1 in 2023, which corresponds to a decrease of 13%.

Emissions from lending tCO <sub>2</sub> e	2024	2023	2022	2021
Retail loans	31,041	33,856	38,774	52,795
Corporate loans	226,688	227,939	225,920	288,696
<b>tCO<sub>2</sub>e from lending</b>	<b>257,729</b>	<b>261,795</b>	<b>264,694</b>	<b>341,491</b>
<b>tCO<sub>2</sub>e per DKKm</b>				
Retail loans	2.0	2.5	3.2	4.9
Corporate loans	6.9	7.7	7.6	10.3
<b>tCO<sub>2</sub>e per DKKm from lending</b>	<b>5.3</b>	<b>6.1</b>	<b>6.3</b>	<b>8.8</b>

GHG emissions from loans to retail customers amounted to 31,041 tCO<sub>2</sub>e in 2024, against 33,856 in 2023. There was also a decrease in financed emissions, which in 2024 amounted to 2.0 tCO<sub>2</sub>e per DKK million, compared with 2.5 in 2023. The decrease was driven by developments in electric car loans and bank mortgage loans, which involve lower emissions than conventional car loans and home loans.

Corporate loans accounted for the vast majority of total GHG emissions from lending with 226,688 tCO<sub>2</sub>e in 2024, compared with 227,939 in 2023. It was particularly loans to the transport and agricultural sectors that were associated with GHG emissions. In 2024, the transport sector alone accounted for 37% of Spar Nord's total GHG emissions from corporate loans, while agriculture accounted for 27%.

Financed emissions from lending to business customers amounted to 6.9 tCO<sub>2</sub>e per DKK million in 2024, compared with 7.7 in 2023. Thus, there has been a decrease of 11%, which can primarily be explained by the fact that the Bank's lending increased in relative terms to the industries real estate, building and construction and trade, which all involve relatively low emissions. Furthermore, the emission factors from Statistics Denmark were falling for the industries in general.

Emissions from lending - specified tCO <sub>2</sub> e per DKKm	2024	2023	2022	2021
Residential real estate loans	0.7	0.8	0.9	1.5
Car loans	9.2	12.3	14.9	20.7
<b>tCO<sub>2</sub>e per DKKm from retail loans</b>	<b>2.0</b>	<b>2.5</b>	<b>3.2</b>	<b>4.9</b>
Agriculture, hunting, forestry and fishing	23.8	24.3	24.7	24.1
Industry and raw materials extraction	11.2	12.4	11.3	7.9
Energy supply	4.6	3.0	3.0	1.6
Building and construction	5.0	7.0	4.5	6.5
Trade	1.6	2.1	2.0	2.0
Transport, hotels and restaurants	27.2	30.8	30.9	68.8
Information and communication	1.0	1.3	1.2	0.7
Real estate	0.1	0.1	0.1	0.1
Other business areas	1.2	1.5	1.6	0.2
<b>tCO<sub>2</sub>e per DKKm from corporate loans</b>	<b>6.9</b>	<b>7.7</b>	<b>7.6</b>	<b>10.3</b>
<b>tCO<sub>2</sub>e per DKKm from lending</b>	<b>5.3</b>	<b>6.1</b>	<b>6.3</b>	<b>8.8</b>

### Investment

In 2024, GHG emissions from investments represented 64% of the Bank's total GHG emissions.

The calculation of financed absolute and relative emissions from investments is based on investment portfolios at the end of the year and includes Spar Nord's asset management and the Bank's proprietary portfolio. Investments where the Bank has the decision-making authority are included in the calculation. Thus, the calculation of GHG emissions also includes holdings that are not included in the Bank's financial balance sheet. Customers' own investments and investments included in Spar



Nord advisory agreements are not included in the calculation.

The investment portfolios comprise the asset classes equities, corporate bonds, unit trust certificates, mortgage bonds and ship mortgage bonds. The calculation of GHG emissions is based mainly on investments with available data. Where no data are available, average figures have been applied. Of the total investments in Spar Nord's asset management and proprietary portfolio 97% of the portfolios, corresponding to DKK 83 billion, were included in the statement of financed emissions in 2024 compared to 99% of the portfolios in 2023, corresponding to DKK 79 billion

GHG emissions from investments amounted to 505,085 tCO<sub>2</sub>e in 2024 against 678,379 in 2023. Financed emissions from investments amounted to 6.1 tCO<sub>2</sub>e per DKK million in 2024, compared with 8.6 in 2023.

<b>Emissions from investments</b>				
tCO <sub>2</sub> e	2024	2023	2022	2021
Asset management	265,769	318,350	219,204	283,517
Proprietary portfolio	239,316	360,029	93,009	65,922
<b>tCO<sub>2</sub>e from investments</b>	<b>505,085</b>	<b>678,379</b>	<b>312,212</b>	<b>349,439</b>
<b>tCO<sub>2</sub>e per DKKm</b>				
Asset management	5.5	7.3	5.5	6.7
Proprietary portfolio	6.9	10.2	3.7	3.0
<b>tCO<sub>2</sub>e per DKKm from investments</b>	<b>6.1</b>	<b>8.6</b>	<b>4.8</b>	<b>5.4</b>

The reduction in GHG emissions from investments in the proprietary portfolio and asset management was mainly driven by a fall in emissions from investments in ship mortgage bonds. The fall in emissions from ship mortgage bonds was driven both by a reduction in emissions at the underlying issuer and a reduced exposure. For asset

management, the drop was also explained by a fall in emissions from investments in unit trust certificates.

#### Data quality

The compilation of the Bank's GHG emissions is subject to uncertainty in relation to data quality and methodologies. Spar Nord continuously follows the work of expanding and improving the quality data of calculation principles and continuously aligns its practice with the latest methods. The ambition is to achieve more accurate estimates and calculations of Spar Nord's total climate footprint.

The data quality underlying the calculation principles applied to calculate financed emissions from lending and investments has been assessed on the basis of a PCAF data quality score, with score 1 expressing high data quality on the basis of exact data, while score 5 expresses estimates calculated on the basis of statistical data.

<b>Data quality, PCAF</b>				
Weighted score	2024	2023	2022	2021
<b>Lending</b>				
Residential real estate loans	3.6	3.6	3.5	3.7
Car loans	3.2	3.5	3.8	4.0
Corporate loans	5.0	5.0	5.0	5.0
<b>Investment</b>				
Equities	2.4	2.1	1.6	-
Corporate bonds	2.2	2.2	1.7	-
Unit trusts	-	-	-	-
Mortgage bonds	3.8	4.3	4.4	-
Ship mortgage bonds	2.0	2.0	-	-



## E5 Resource use and circular economy

Resource use and circular economy are relatively new concepts in Spar Nord's efforts to better understand the Bank's impact on nature, climate and the environment. Nevertheless, the Bank believes that resource use and circular economy are concepts that, both now and in the future, will play a key role in the sustainable transition.

At Spar Nord, we understand circular economy as an economic model aimed at moving society away from the traditional linear economy, where resources are extracted, used, and then disposed of. Instead, the model seeks to create a system where materials and products are kept in circulation for as long as possible. This paradigm shift entails reducing resource use, minimising waste and maximising the value extracted from each resource. Furthermore, the circular economy concept encompasses efforts to reduce GHG emissions and climate change mitigation initiatives. Additionally, circular economy models are believed to have a positive impact on pollution, biodiversity conservation, and the protection of aquatic and marine environments.

Spar Nord sees a clear and significant connection between E5 Resource use and circular economy and E1 Climate change, as the implementation of circular economy principles can contribute to reducing the GHG emissions that drive climate change. For Spar Nord, resource use and circular economy therefore also relate to the Bank's strategic climate change mitigation actions. By reducing resource extraction, extending product lifespans, promoting reuse and recycling, and minimising waste, resource use and circular economy

can become a practical approach to reducing global GHG emissions and, consequently, slowing climate change.

Spar Nord is conscious that not all re-use, recycling and waste management efforts are necessarily supportive of a circular economy or a net zero pathway. These focus areas are often very energy-intensive and may therefore also cause an increase in GHG emissions if they rely on, for example, fossil fuels.

As a financial institution in Denmark, Spar Nord contributes to financing customers' private consumption and businesses' production, thereby indirectly having a negative impact on nature, climate, and the environment through the consumption of goods and services as well as overall resource use. As a result, we believe it is necessary for the Bank, both now and in the future, to collaborate with customers and local communities on reducing resource consumption and extraction of materials and contribute to developing new circular business models supportive of a sustainable transition.

In addition to societal relevance, Spar Nord believes that resource use and circular economy are important in the context of our commitment to the UN Principles for Responsible Banking and resulting analyses, which have shown that climate change and resource efficiency and circular economy are key impact areas.

Based on the Bank's double materiality assessment, we have identified that Spar Nord has a material negative impact on resource use and circular economy, which is primarily connected with the Bank's lending and investment activities.

E5

Sustainability topics	Value chain	IRO description	Policies and measures
<b>Resource use and waste</b>			
<b>Negative impact</b>	Downstream	The Bank finances and invests in assets/activities that result in resource use and waste.	<ul style="list-style-type: none"> <li>The Bank has no specific policy governing resource use and circular economy</li> </ul>



## Policies

The Bank has not yet defined policies dedicated to supporting resource use and circular economy. As the Bank's knowledge and insights improve, it will also become relevant for the Bank to implement policies and expand initiatives for resource use and circular economy.

However, Spar Nord has defined a number of policies applied in the daily work to manage our climate change mitigation efforts, and they thus also indirectly affect resource use and circular economy initiatives. As described in E1 Climate change, the policies include a sustainability and social responsibility policy, an environmental and climate policy, a responsible investment policy, a credit policy, as well as exclusion lists for both financing and investment.

## Initiatives

Spar Nord considers resource use and circular economy as a key part of the solution to the transition to a sustainable and climate-neutral society - and as an opportunity to minimise risks by supporting circular development and the re-design of the linear take-make-dispose culture, with the aim of ensuring a future balance between extraction and consumption.

To better understand Spar Nord's impact on circular economy and resource use, we have made a preliminary screening of our business loan and investment portfolios using the EU Taxonomy compass for transition to a circular economy. In addition to this analysis, we have performed a mapping based on the sector overview from the UN PRB guidance 'Circular Economy as an Enabler for Responsible Banking', which defines sectors with potential positive and negative impacts on the circular economy. The mapping included the Bank's business loan and investment portfolios, enabling the Bank to identify sectors that potentially have

a positive or negative impact on resource use and the circular economy. For the Bank's lending activities, it has only been possible to map the impact on business customers, as there are not yet methods to include data from retail customer consumption.

Spar Nord's initial mapping of the Bank's loan and investment portfolios has shown that the Bank has a potential negative impact on the circular economy. However, data availability and data quality in the area of resource use and circular economy remain very limited. Spar Nord has learnt that there is a need for developing and maturing data and general methods in the area in order to be able to conduct more concrete and targeted activities aimed at mitigating the negative impact of lending and investment. Spar Nord continuously monitors external data sources and methods to achieve this, while also actively seeking to enhance its understanding of customers' efforts in circular economy practices and their financing needs in this context.

Based on an overall desire to get closer to its business customers in the entire sustainability area, including resource use and circular economy, Spar Nord has been in dialogue with more than 100 selected business customers with particularly high GHG emissions. Approximately 10% of these business customers operate in industries that also have an adverse impact on the circular economy.

Part of the dialogue with business customers has focused on mapping how far the customers are in terms of incorporating circular economy considerations into their businesses. In this regard, 57% of customers have responded that circular economy is important to their work. Furthermore, 15% replied that they have data in this area and have set a target.

It is Spar Nord's ambition in the future to expand and qualify the questionnaire and thus include even more business customers in the sustainability dialogue. Similarly, the Bank will focus on identifying financing projects that positively support circular business models, such as reuse technologies, sharing economies, etc., that extend product lifecycles and support resource efficiency. In the future, the Bank will also focus on expanding methodology and data insight in order to set quantitative targets for the area.

### Circular economy in the Bank's own operations

As a business and workplace, Spar Nord wants to take responsibility for promoting circular solutions in the Bank's own operations, which in recent years has led to an increasing focus on recycling and waste management, food waste reduction, minimising printing, as well as the reuse and donation of used IT equipment, among other initiatives. Spar Nord has also initiated a number of actions aimed at resource optimisation of operations. Several of these initiatives have been one-off efforts driven by strong local commitment to explore new ways of integrating climate and environmental considerations into the Bank's own operations.

In the future, Spar Nord wishes to establish a more structured approach to resource use and circular economy in the Bank's own operations, prioritising the collection of quantitative data in key impact areas, with a view to establishing baseline and subsequently defining quantitative targets and KPI's for the Bank's impact.

### Targets

At present, Spar Nord has not set quantitative targets regarding resource use and circular economy, as the work on determining IROs related to resource use and circular economy is a relatively new exercise for the Bank. The Bank does not

currently track the impact of its investments and loans for assets and activities that result in resource use and waste.

Going forward, the Bank will be expanding methodology and data insight in order to set targets and actions for the area. Similarly, the Bank will henceforth be focused on identifying investment and financing projects supporting circularity, such as reuse technologies, sharing economies and new business models based on product lifespan and resource efficiency.



## Reporting in accordance with the EU Taxonomy

In order to highlight and encourage financing of sustainable activities by the financial sector, the European Commission has established a classification system (EU Taxonomy), which ensures uniform reporting of economic activities that satisfy the criteria for being environmentally sustainable. From the 2023 financial year, Spar Nord has published its taxonomy-eligible assets and activities and how large a proportion are in accordance with the EU Taxonomy's technical screening criteria and thus classified as environmentally sustainable (aligned). As part of the ongoing phasing-in, for the 2024 financial year the Bank will also report on sustainable activities covered by the environmental targets of sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, protection and restoration of biodiversity and ecosystems, as well as on the additional added activities covered by the climate targets. Finally, the Bank reports on nuclear and fossil gas activities.

Spar Nord's reporting under the EU Taxonomy Regulation must be based on the customers' reported KPIs. Therefore, the Bank relies on being able to obtain specific data from covered customers and investments in the financed activities. As the EU Taxonomy Regulation's reporting requirements are implemented in different stages depending on the type and size of the business, there are still quite a few limitations with respect to data availability, which also impacts the data quality of the Bank's reporting. Spar Nord thus does not have the required data quality to identify and document all of the Bank's sustainable activities comprised by

and in accordance with the EU Taxonomy. As the EU Taxonomy's reporting requirements are extended and data quality and availability improve, Spar Nord expects to see a greater diversification in the economic activities on which our exposures report. Furthermore, Spar Nord will continue its efforts to enhance its data quality, among other things through product and IT design and dialogue with its customers. Also, Spar Nord participates in sector collaboration in the financial sector in order to understand, interpret, map and resolve the many data challenges.

Spar Nord's total taxonomy reporting has been carried out under the EU Taxonomy Regulation (EU 2020/852) as well as the delegated acts of Article 8 (EU 2021/2139, EU 2021/2178, EU 2023/2486 and EU 2022/1214) and can be found in the Appendix on page 265. The reporting of assets covered by the Taxonomy, cf. EU 2023/2486, can be found in the template "Eligible non-eligible" on page 285.

### Calculation of Green Asset Ratio (GAR)

Spar Nord's total assets pursuant to the EU Taxonomy's calculation principles amounted to DKK 148.1 billion in 2024. The calculation of the Green Asset Ratio (GAR) does not include exposures relating to the Bank's trading book and exposures to central banks etc. of DKK 22.2 billion, corresponding to 15% of total assets, which means 85% of the total assets were included in the calculation.

On the basis of the EU Taxonomy's classification and data quality principles, Spar Nord's Green Asset Ratio in 2024 stood at 1.3% based on KPI for turnover and 1.1% based on KPI for CAPEX of the total comprised recognised assets of DKK 125.9 billion. Identified activities in accordance with the EU Taxonomy related to the climate change mitigation environmental target. The Bank's total environmentally sustainable assets amounted to DKK 1,664 million in 2024. Of this amount, the

Bank's existing portfolio of home loans to retail customers secured against real property amounted to DKK 1,388 million, which represented a substantial increase relative to reporting in 2023. The development was primarily due to improved data sources that made it possible to identify properties among the 15% most energy-efficient properties according to the technical screening criteria for activity 7.7 Acquisition and ownership of buildings. In addition, it was possible to base the reporting on financial counterparties' taxonomy reporting for 2023, which amounted to DKK 276 million in the calculation of Spar Nord's Green asset ratio in 2024.

Spar Nord expects its Green Asset Ratio to increase going forward. This is partly due to increased focus on financing sustainable assets, partly the fact that the Bank's customers are starting to publish data required for the calculation. As part of Spar Nord's continued focus on sustainable financing and climate change mitigation, the Bank announced a climate plan in December 2024, which includes a number of concrete targets, including reduction targets for financed emissions for residential buildings in 2030.







## Exposures to nuclear energy and fossil gas related activities

As part of the special EU focus on energy-related activities, Spar Nord must publish its activities relating to nuclear energy and fossil gas related activities and the share comprised by and in accordance with the EU Taxonomy. As shown in the table below, Spar Nord has off-balance sheet activities relating to nuclear energy and fossil gas related activities, and for that reason disclosure of templates 2 to 5 is omitted, in accordance with item 28 of the EU Commission's "Draft Commission Notice" of 21 December 2023.

Row	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades	No
	<b>Fossil gas related activities</b>	
4	The undertaking carries out, funds or has exposures to construction or operation of power generation facilities that produce electricity using fossil gaseous fuels	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels	No
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels	No



## Accounting policies for environmental disclosures

### General

Spar Nord's compilation of quantitative data for environmental disclosures covers the Spar Nord Group, consisting of the parent company Spar Nord Bank A/S and its wholly owned subsidiary Aktieselskabet Skelagervej 15 (ASK). The activities placed in the subsidiary ASK are also found in the parent company Spar Nord Bank A/S.

The statements cover 1 January to 31 December and organisational boundaries are set on the basis of the operational control approach. Since Spar Nord does not have operational control in the Bank's associates, 0% of the GHG emissions from these activities are consolidated in the Bank's compilation. GHG emissions from associates are categorised as scope 3, category 15, Investments.

### Energy consumption

Spar Nord's energy consumption is calculated on the basis of the Bank's total consumption of electricity, district heating and fuel such as gas, petrol and diesel. The energy mix between renewable and fossil energy content in the individual energy sources is calculated on the basis of data from the Danish Energy Agency, Energinet and Energy Statistics. The calculation uses the market-based approach, which means that electricity purchased through green guarantees of origin is taken into account.

### GHG Emissions

Spar Nord's compilation of GHG emissions has been prepared in accordance with the regulations of EI Climate change, which refers to the GHG Protocol. The compilation also builds on Finance

Denmark's CO2 model for the financial sector, which is based on PCAF's methods and the GHG Protocol.

- Scope 1 covers direct emissions derived from the Bank's activities and processes, including fuel consumption in the Bank's vehicles and fuel for heating.
- Scope 2 covers indirect emissions from production of the energy consumed by the Bank from the public utility grid, including electricity and district heating.
- Scope 3 covers indirect emissions from the upstream and downstream value chain. GHG emissions derive from, among other things, extraction of raw materials, transportation and production of the materials, goods and services consumed by the Bank. Indirect emissions related to the Bank's lending and investment are also included here.

According to ESRS 1 General requirements, the compilation of GHG emissions includes the seven greenhouse gases CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFC, PFC, CF<sub>6</sub> and NF<sub>3</sub>.

### Emission data sources

The following emission data sources have been used to compile GHG emissions:

#### Own operations

- DEFRA - UK Government GHG Conversion Factors for Company Reporting (DEFRA)
- Exoibase
- IPCC Fourth Assessment Report

#### Lending

- Emission factors for industries based on data from Statistics Denmark

- Emission factors for vehicles from the Danish Centre for Environment and Energy, Aarhus University (DCE)
- Emission factors for housing from e-nettet based on public data sources

### Investment

- Emission data from MSCI
- Emission data from Capital Market Partners
- Emission data from Danmarks Skibskredit A/S

### Scope 1

#### Owned and leased vehicles

Emissions associated with diesel and petrol consumption in owned and leased vehicles. The category covers the Bank's cars, including loan cars and company cars. Emissions from cars are calculated on the basis of the amount of petrol and diesel fuel used. For company cars, all mileage is accounted for in this category, with no distinction made between business and private use.

The emission factor for Kg CO<sub>2</sub>e/litre fuel is based on the Danish Energy Agency and DEFRA. Data are collected in litres of fuel.

#### Consumption of gas

Emissions associated with natural gas consumption for heating buildings.

The emission factor for Kg CO<sub>2</sub>e/m<sup>3</sup> is based on energy statistics from the Danish Energy Agency and DEFRA. Data is read in m<sup>3</sup>.

#### Direct GHG emissions from refrigerants

The category includes direct fugitive emissions related to GHG emissions from the company's refrigeration systems due to refrigerant leaks.

Consumption data is based on estimates from the service provider regarding annual refill requirements.

Emission factors for kg CO<sub>2</sub>e/kg are based on the IPCC Sixth Assessment Report of the Intergovernmental Panel on Climate Change, Chapter 7. Data are calculated in kilogrammes.

### Scope 2

#### Electricity

Full-year consumption data are obtained in kWh directly from the utility company's customer portal at meter level. Emissions are calculated under the two methods in the GHG Protocol: market-based and location-based. The market-based calculation is based on the electricity declaration issued by Energinet. In the calculation of emissions using the location-based method, the Bank uses the environmental declaration issued by Energinet, specified by Western and Eastern Denmark.

#### District heating

Full-year consumption data are obtained in kWh directly from the utility company's customer portal at meter level for locations with own meters. It is not possible to state the consumption at locations where district heating is paid on account with rent as this is not published by the landlord.

### Scope 3

The table below presents an assessment of the relevance of each of the 15 scope 3 categories and pertaining data sources.



Scope 3 category	Description of category	Assessment of relevance	Description of underlying data
1. Goods and services	Emissions associated with the extraction, production and transportation of goods and services purchased or acquired by the reporting company in the reporting year.	The category is considered relevant in view of the extent of the Bank's purchases.	<p>The calculated emissions are mainly based on the monetary principle based on the operating costs for the year. Data processing is performed at the account level.</p> <p>In some places, the monetary principle has been replaced by emission data from the supplier. Much of Spar Nord's scope 3 is indirect GHG emissions from the data processing centre BEC Financial Technologies that provides advice, technology and operational services to Spar Nord. Spar Nord calculates emissions related to BEC based on the supplier's emission data and uses the Bank's share of BEC as key for BEC's scope 1 and 2 emissions.</p> <p>Water consumption is disclosed on the basis of meter readings at the locations where Spar Nord has its own water meters. Consumption at locations where water is paid for on account as part of the rent is not included as we do not have access to specified consumption data.</p>
2. Capital goods	Emissions associated with the extraction of materials for and the production and transportation of capital goods purchased or acquired by the reporting company in the reporting year	The category is considered relevant in view of the extent of the Bank's purchases.	The calculated emissions are based on the monetary principle based on purchasing data of assets acquired during the relevant year.
3. Fuel- and energy-related activities	Emissions associated with the extraction, production, and transportation of fuels and energy purchased or acquired by the reporting company in the reporting year, not already accounted for in scope 1 or scope 2.	The category is considered relevant. Data have already been collected for scope 1 and 2.	<p>Calculated on the basis of the same physical consumption data applied for calculating scope 1 and 2 emissions.</p> <ul style="list-style-type: none"> <li>· Upstream emissions from electricity are calculated on the basis of distribution loss and the distribution of the power grid energy sources from Energinet and IPCC.</li> <li>· Upstream emissions from district heating are calculated on the basis of distribution losses calculated from Energinet</li> <li>· Upstream emissions from natural gas are calculated based on distribution losses</li> <li>· Upstream emissions from diesel and petrol consumption are calculated on the basis of extraction, production and transportation of fuels compiled from DEFRA</li> </ul>
4. Upstream transportation and distribution	Emissions associated with the transportation and distribution of goods purchased by the reporting company in the reporting year in vehicles not owned or controlled by the reporting company.	The category is considered relevant. However, emissions from this category cannot be separated from categories 1 and 2 due to the lack of supplier data. The emissions are thus presented in categories 1 and 2.	
5. Waste generated in operations	Emissions associated with the disposal and treatment of waste generated in the reporting company's operations in the reporting year.	The category is considered relevant. Data are compiled for the Bank's headquarters and other Spar Nord locations where data are available.	<p>Waste volumes have been obtained from waste contractors in physical amounts.</p> <p>According to the GHG Protocol, the allocation principle 'recycled content method' is applied. Emissions associated with waste are calculated at 0, as the waste fractions are sent for further processing.</p> <p>Emission factors for the calculation have been obtained from the Exiobase database.</p>
6. Business travel	Emissions from the transportation of employees for business-related activities during the reporting year in vehicles not owned or operated by the reporting company.	The category is considered relevant.	<p>Employee air travel is primarily based on CO2e calculations provided by travel agencies. In the calculation of emissions, a distinction is made between domestic and international flights, using relevant emission factors from DEFRA without RFI.</p> <p>Travel in employees' private vehicles is based on recorded mileage. Emission factors are based on calculations from the Danish Centre for Environment and Energy (DCE) on passenger transport by means of transport and DEFRA.</p>
7. Employee commuting	Emissions from the transportation of employees between their homes and their worksites during the reporting year.	The category is considered relevant.	Data on employee private commuting are based on estimates calculated using Statistics Denmark data on travel patterns, number of employees in the relevant year, and emissions factors from the Danish Energy Agency and DEFRA.
8. Upstream leased assets	Emissions from the operation of assets leased by the reporting company in the reporting year and not included in scope 1 and scope 2.	The category is not considered relevant because emissions from leased buildings and leased vehicles are included in scope 1 and 2 in accordance with the selected consolidation approach.	



Scope 3 category	Description of category	Assessment of relevance	Description of underlying data
9. Downstream transportation and distribution	Emissions from the transportation and distribution of products sold.	The category is not considered relevant because the Bank does not sell physical products.	
10. Processing of sold products	Emissions from the processing of intermediate products sold in the reporting year by downstream companies.	The category is not considered relevant because the Bank does not sell physical products.	
11. Use of sold products	End use of goods and services sold by the reporting company in the reporting year.	The category is not considered relevant because the Bank does not sell physical products.	
12. End-of-life treatment of sold products	Emissions from the disposal and treatment of waste from products sold by the reporting company in the reporting year at the end of their life.	The category is not considered relevant because the Bank does not sell physical products.	
13. Downstream leased assets	Emissions from the operation of assets owned by the reporting company and leased in the reporting year, not included in scope 1 and scope 2.	The category is considered relevant.	The energy consumption of let properties is estimated on the basis of calculated key energy consumption figures per square metre area (based on the Bank's owned square metres) and the number of square metres let in the relevant year. Emission factors are the same as those used in calculating scope 1 and 2 and scope 3, category 3.
14. Franchises	Emissions from the operation of franchises in the reporting year, not included in scope 1 and scope 2.	The category is not considered relevant because the Bank does not own franchises.	
15. Investments	Emissions from investments, including asset management and proprietary portfolio, as well as loans to retail and business customers.	The category is considered relevant.	<p>GHG emissions associated with the Bank's lending and investments are calculated in accordance with Finance Denmark's CO2 model.</p> <p><b>Lending</b> The calculation of financed absolute and relative emissions from lending is based on the Bank's lending at year-end, calculated before impairment charges. The calculation only includes loans recognised in the balance sheet and thus does not include mediated loans where the loans are recognised in the balance sheet of a collaborating bank such as Totalkredit and DLR Kredit. Reverse transactions are not included in the calculation basis. The loan consists of bank loans and leasing loans. Leasing activities include financial leasing where the lessee acquires control of the asset after the lease expires, and the related emissions are therefore presented together with the Bank's other loans in category 15. The calculation of financed absolute and relative emissions from bank and leasing loans to business customers is based on an industry breakdown of the loan portfolio, and the emission factors are based on data from Statistics Denmark. Emissions from home loans are estimated on the basis of the buildings' energy performance certificate, and where there is no such certificate, the estimate is based on other knowledge about the individual property. For car loans to retail customers, WLTP emission factors are used based on the fuel type of the specific vehicle. Emissions cover scope 1 and 2 emissions.</p> <p><b>Investments</b> The calculation of financed absolute and relative emissions from investments was made on the basis of the Bank's investments in Spar Nord's asset management and proprietary portfolio. Investments where the Bank has the decision-making authority are included in the calculation. This means the calculation also includes holdings that are not part of the Bank's financial balance sheet, such as Stjerneinvest and individual power of attorney agreements. The calculation includes investments in equities, corporate bonds, unit trusts, mortgage bonds and ship mortgage bonds. For equities, corporate bonds and unit trusts, emission data from MSCI is used, for mortgage bonds data from Capital Market Partners is used, and for ship mortgage bonds data from Danmarks Skibskredit A/S is used. The calculation covers scope 1 and 2 emissions and for mortgage bonds and ship mortgage bonds also scope 3 emissions.</p>



## Accounting policies for the EU Taxonomy Regulation

Spar Nord's taxonomy reporting has been prepared according to the EU Taxonomy Regulation (EU 2020/852) as well as the delegated acts of Article 8 (EU 2021/2139, EU 2021/2178, EU 2023/2486 and (EU 2022/1214) and comprises the Spar Nord Group.

As a credit institution, Spar Nord reports on Annexes V, VI, XI and XII to the delegated act. The EU Commission FAQ of 20 December 2021, 21 December 2023 and 29 November 2024 are followed as well as the EU Commission Notice on interpretation (EU 2022/C 385/01). Furthermore, the observations in the Danish FSA's published memos of 24 October 2024 "The environmentally sustainable economic activities of financial institutions (financial year 2023)" and "The reporting of financial institutions under the taxonomy regulation (financial year 2023) - Technical review" as well as the Danish FSA's memo of 21 June 2024 "The Danish FSA examines climate stress preliminary exercise" - have been incorporated.

The key figure calculations, cf. Annexes V, VI, XI and XII, are based on the same data as Spar Nord's reporting under EU 2021/451 (FINREP), and the key figures are furthermore based on reported data from Spar Nord's financial and non-financial customers subject to CSRD reporting requirements. In addition, for households, the ratios are based on actual information on the financed assets.

### Financial customers

The report on eligibility and alignment is based on the customers' most recently published KPIs, and

the reporting for 2024 is therefore based on the counterparties' 2023 reporting. In cases where the customer has not yet published taxonomy reporting, the exposure is not included in the report on eligibility and alignment.

### CSRD companies

The report on eligibility and alignment is based on the customers' most recently published KPIs, and the reporting for 2024 is therefore based on the counterparties' 2023 reporting. In cases where the customer has not yet published taxonomy reporting, the exposure is not included in the report on eligibility and alignment.

### Retail customers

The report on eligibility and alignment is assessed by Spar Nord.

### Residential real estate loans

All home loans to retail customers secured against real property are assessed by Spar Nord to be eligible, cf. activity 7.7, "Acquisition and ownership of buildings" for the environmental target "Climate change mitigation".

For the purpose of assessing alignment, the technical screening criteria distinguish between buildings built before and after 31 December 2020. Buildings built before 31 December 2020 contribute significantly to climate change mitigation if they are among the 15% most energy efficient residential buildings. The assessment of whether a building is among the 15% most energy efficient is based on datasets from e-nettet to the financial sector. E-nettet calculates the energy efficiency of a building (kWh/m<sup>2</sup>/year) and makes a ranking of residential buildings. This is used to identify whether a building is among the 15% most energy efficient.

At present, Spar Nord cannot document the requirements of the technical screening criteria for

buildings built after 31 December 2020, and the exposures are therefore not included in the report on alignment.

The Do No Significant Harm requirement (DNSH) for activity 7.7 means that buildings exposed to physical climate risks cannot be included in the report on alignment. This is evaluated by examining whether the individual financed building is exposed to the following four risks based on an RCP 8.5 scenario (i) flooding from rain, (ii) flooding sea (iii) groundwater rise (iv) coastal erosion. If a building is not exposed to one or more of these risks and meets the technical screening criteria, the exposure is included in the report on alignment.

No minimum social safeguards should be reported for retail customers.

### Car loans

For car loans to retail customers, all car loans are covered by the taxonomy regardless of the type of fuel. However, it follows from Annex V(1.2.1.3)(ii) (EU 2021/2178) that car loans must be granted from 1 January 2022 onwards in order to be eligible (and aligned). Spar Nord Bank is currently unable to document the DNSH requirements, which is why only eligible is reported.

### Investment in companies

The report on eligibility and alignment is based on the companies' most recently published KPIs in the data source applied. In cases where the company has not yet published taxonomy reporting or this is not present in the data source applied, the exposure is not included in the report on eligibility and alignment.

### Off-balance sheet items

The report on eligibility and alignment is based on the counterparties' published KPIs.

### Financial guarantees

The report on eligibility and alignment is based on the counterparties' most recently published KPIs, and the reporting for 2024 is therefore based on the counterparties' 2023 reporting. In cases where the counterparty has not yet published taxonomy reporting, the exposure is not included in the report on eligibility and alignment.

### Assets under management

The report on eligibility and alignment is based on the companies' most recently published KPIs in the data source applied. In cases where the company has not yet published taxonomy reporting or this is not present in the data source applied, the exposure is not included in the report on eligibility and alignment.

### Templates according to Annex VI of EU 2021/2178

#### Template 0. Summary

The GAR amount in "total environmentally sustainable assets DKK millions" is based on KPI for TURNOVER.

KPI TURNOVER (%): Total environmentally sustainable assets weighted by turnover divided by Total GAR assets for turnover.

KPI CAPEX (%): Total environmentally sustainable assets weighted by CAPEX divided by Total GAR assets for CAPEX.

#### Template 1: Covered assets (GAR, off-bal)

Published for both T and T-1, where T-1 is as of 31 December 2023. The template is duplicated for TURNOVER and CAPEX based on published KPIs from financial and CSRD customers. None of Spar Nord's customers with recognised activities have yet reported on the four environmental targets for water and marine resources, circular economy, pollution and biodiversity, which is why it is not yet possible to report on this.

**Template 2: GAR – sector information**

Based on customers' NACE codes and only for customers with published KPIs. The template is duplicated for TURNOVER and CAPEX.

**Template 3: GAR KPIs stock**

Published for both T and T-1, where T-1 is as of 31 December 2023. The template is duplicated for TURNOVER and CAPEX based on published KPIs from financial and CSRD customers.

**Template 4: GAR KPI flow**

Published for both T and T-1, where T-1 is as of 31 December 2023. The template is duplicated for TURNOVER and CAPEX based on published KPIs from financial and CSRD customers. As flows are involved, only exposures established in the financial year with the quarter-end balance after establishment are included.

**Template 5: FinGar AuM KPI**

Published for both T and T-1, where T-1 is as of 31 December 2023. The template is duplicated for TURNOVER and CAPEX. Furthermore, both stock and flow are reported, and thus a total of 4 templates are reported; TURNOVER for stock and flow as well as CAPEX for stock and flow.

Template 6: F&C KPI and template 7. Trading KPI has been omitted from the published templates as these will only be phased in from 2026.

**Annex XII**

Spar Nord has no recognised exposures to nuclear and fossil gas related activities, which is why all the questions in template 1 in Annex XII have been answered with a 'no', and the subsequent templates are therefore not filled in either.

# Social disclosures





## S1 Own workforce

Spar Nord's employees are crucial to fulfilling the Bank's vision and strategy of being Denmark's most personal and committed bank. Without employees, there is no Spar Nord. Based on the Bank's values, the local bank strategy and the strategic focus on being a stimulating workplace, we want to have a positive impact on employees through attractive working conditions and a healthy and stimulating workplace.

Spar Nord aims to support diversity, inclusivity and a balanced gender distribution across the entire workforce with equal treatment and equal opportunities for all employees regardless of gender, age, religion, sexuality etc. It is natural for us to respect human rights, which is why we reject any abuse of power, including forced labour and child labour. Spar Nord is a signatory to the UN Global Compact and generally supports the UN Guiding Principles on Business and Human Rights, the International Labour Organization Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises. In other words, we want to behave properly and responsibly towards employees, customers and the surrounding society, just as we expect the same from our employees.

Spar Nord is characterised by a high job satisfaction throughout the Bank, and employees are able to maintain a good work-life balance in all phases of life. It is also important that all employees experience equal treatment and are aware of their individual development and career opportunities, and we consider ongoing dialogue and good management prerequisites for maintaining a stimulating workplace.

The employees of Spar Nord are characterised by being permanent employees covered by collective agreements. The Bank does not make significant use of the CSRD category 'non-employees'. At the same time, the Bank makes minimal use of temporary employment, which is only used for temporary tasks or temporary jobs for employees on leave. The Bank's hourly-paid staff are primarily student assistants, i.e. young people who are attending a higher-education programme. For several of these young people, the student assistant job is the first step on the way to a career in Spar Nord. The majority of the Bank's employees are trained in the financial sector or have other specialist training.

The Bank's risks and opportunities in relation to its own workforce can be seen as two sides of the same coin. For example, the Bank aims to create a workplace with high levels of well-being to attract and retain employees. However, if this is not achieved, there is a risk that the Bank may lose employees due to low well-being and a lack of work-life balance. The same applies to equal treatment and equal opportunity for all employees. With the Bank's strategic employee focus, values and concrete efforts towards employees, emphasis is placed on opportunities while risks are mitigated.

The Bank has implemented a number of supporting policies that address the impacts, risks and opportunities relating to its own workforce. The table shows the significant IROs identified in relation to the Bank's own workforce. Also listed are relevant policies and measures that explain how the Bank addresses the IROs in practice.

S1

Sustainability topics	Value chain	IRO description	Policies and measures
<b>Working conditions</b>			
<b>Negative impacts</b>	Own operations	The Bank's employees may experience a lack of work-life balance.	<ul style="list-style-type: none"> <li>Standard collective agreement</li> <li>Staff handbook</li> </ul>
<b>Positive impact</b>	Own operations	The Bank offers its employees good and attractive working conditions.	<ul style="list-style-type: none"> <li>Standard collective agreement</li> <li>Local agreements</li> <li>Policy on sound corporate culture</li> <li>Staff policy</li> <li>Responsible working environment policy</li> <li>Remuneration policy</li> <li>Staff handbook</li> </ul>
<b>Opportunity</b>	Own operations	The Bank ensures a continuous focus on high employee well-being to attract and retain employees.	<ul style="list-style-type: none"> <li>Standard collective agreement</li> <li>Local agreements</li> <li>Policy on sound corporate culture</li> <li>Staff policy</li> <li>Responsible working environment policy</li> <li>Remuneration policy</li> <li>Staff handbook</li> </ul>
<b>Equal treatment and equal opportunities for all</b>			
<b>Positive impact</b>	Own operations	The Bank offers equal treatment and equal opportunities for all employees.	<ul style="list-style-type: none"> <li>Standard collective agreement</li> <li>Local agreements</li> <li>Policy on sound corporate culture</li> <li>Staff policy</li> <li>Diversity policy</li> <li>Skills policy</li> <li>Remuneration policy</li> <li>Staff handbook</li> </ul>





## Policies

Spar Nord has prepared a number of policies and internal guidelines related to managing the impacts, risks and opportunities of the Bank's own workforce. The most significant policies are as follows:

- Policy on sound corporate culture
- Staff policy
- Diversity policy
- Skills policy
- Responsible working environment policy
- Remuneration policy
- Local agreements and staff handbook

The policies apply to all employees of the Bank and are used in the day-to-day work as a basis for cooperation with employees, including respect for human rights, prevention of work-related accidents, discrimination and discriminatory treatment. For all of the above policies, it is the responsibility of the Executive Board to ensure that the policies are implemented in the Bank's day-to-day operations.

The table on the previous page illustrates how the Bank's policies and measures are linked to significant IROs for the Bank's own workforce.

### Policy on sound corporate culture

Spar Nord has developed and implemented a policy on sound corporate culture, which establishes the overall framework for the culture the Board of Directors wishes to characterise Spar Nord – both internally and externally.

For a further description of the policy on sound corporate culture, see G1 Business conduct.

### Staff policy

Spar Nord's staff policy is the foundation for the way we create our bank. It describes the relationships we seek to have with our customers and employees and ensures that we all experience a sense of community in running the business.

The staff policy is long-term and addresses the lasting relationships in employment and thereby ensures the employees' sense of security. The security lies in the fact that we constantly develop our business, which is the joint responsibility of employees and managers. This is the best security the Bank can provide to be an attractive workplace. In addition, open and guiding dialogue is a continuous focal point for the Bank.

### Diversity policy

Spar Nord has defined a diversity policy to focus on the under-represented gender and contribute to diversity on the Board of Directors, the Executive Board, in the group of executive managers and among the Bank's other managers. The policy aims to obtain a more equal gender distribution at all management levels of the Bank and to define targets for the proportion of the under-represented gender in the Bank's management, including the Board of Directors.

The diversity policy sets out specific initiatives to achieve the defined targets. For the Board of Directors, the policy also sets out a number of specific skill sets and an ambition that the Board of Directors should be composed of members with difference backgrounds, including education, professional skills, business experience, gender and age. Combined, this will help ensure a diverse composition of board members.

### Skills policy

Spar Nord is aware that the Bank's competitive advantage is conditional on the employees' skills

and commitment, which is why Spar Nord wants to create an evolving working environment where employees can develop their professional and human potential in the best possible way. Therefore, Spar Nord has formulated a skills policy that establishes the framework for continuously increasing the employees' professional, social and personal competences. Spar Nord also emphasises creating long-term employment relationships, which is why good educational and development opportunities are important in the Bank.

### Responsible working environment policy

Spar Nord's ambition is to create a responsible working environment by offering a healthy and safe working environment to all employees, customers and visitors to the Bank. To support this ambition, Spar Nord has drawn up a responsible working environment policy that defines the Bank's work with, among other things, sick days, attrition, work accidents, absence and physical and mental well-being. In order to ensure that the policy is implemented in practice, the Bank has established a working environment organisation responsible for engaging with employees and management about the working environment and improvements thereto.

### Remuneration policy

Spar Nord wants the Bank's remuneration level and principles to conform to the market, enabling the Bank to constantly be able to attract and retain the right employees, regardless of gender. Thus, remuneration is considered to be one of several parameters to our endeavours to remain an attractive place of work.

Spar Nord has drawn up a remuneration policy to promote long-term value creation for shareholders with due consideration to principles regarding sound and effective risk management, corporate governance and considerations for the Bank's

reputation and social responsibility, including the Bank's sustainability impact on the community.

The remuneration policy contributes to the Bank's business strategy, objectives, values and long-term interests and ensure that remuneration of the Bank's employees is in accordance with the statutory provisions on protection of customers and investors and other legislation. The remuneration policy makes a contribution on the basis of the defined principles for remuneration.

The Bank's Nomination and Remuneration Committee prepares the remuneration policy, which is then adopted by the Board of Directors and finally approved at the annual general meeting, which must take place at least once every four years or in case of material changes.

### Local agreements and staff handbook

In addition to defined policies, the Bank has a number of local agreements and a comprehensive internal staff handbook containing specific rules and guidelines for handling employment conditions. Local agreements and staff handbook are thus important tools in the operationalisation of policies relating to the Bank's own workforce and the combined number of material sustainability topics and IROs associated therewith.

### Processes for dialogue

Spar Nord has established processes for dialogue with its employees. The overall guidelines for the dialogue are laid down in the standard agreement between Finance Denmark/Employer and the Financial Services Union. The process for dialogue is also supported by a local agreement on professional work concluded between the Bank and the Financial Services Union "Spar Nord Kreds". The Bank and the Financial Services Union "Spar Nord Kreds" agree that constructive cooperation between the parties is of great importance for the Bank and its employees. The Financial Services Union "Spar Nord Kreds" and the Bank share the



task of safeguarding the interests of the employees and the Bank alike and to contribute to maintaining a beneficial cooperation based on constructive and open dialogue and mutual trust.

In the local agreement on professional work, a special Spar Nord model for dialogue with employees at different organisational levels and in different forums is specified. The dialogue between managers and employees takes place in the joint consultation committee (4 times a year), the working environment committee (4 times a year), the departmental committee with the participation of executives and union representatives (twice a year), local welfare committees (meeting frequency determined locally) and monthly meetings between executives and union representatives. The local agreement also lays down the framework for the regional board of the Financial Services Union "Spar Nord Kreds" and for the local union representatives. In addition, regular status meetings have been agreed between the Bank's HR department and the regional board, where the Bank's daily impact on employees is discussed. Last, but not least, the employees also have three representatives on the Bank's Board of Directors.

The Bank and the Financial Services Union "Spar Nord Kreds" have entered into a number of other local agreements in specific areas concerning working conditions in order to deal with actual and potential consequences for employees, including mitigation measures.

Concurrently with the dialogue with the Financial Services Union "Spar Nord Kreds", the Bank always encourages direct dialogue between the employee and the manager, including an annual performance interview (MUS), as well as dialogue between the employee and the HR department.

### Processes and channels for expressing concerns

Spar Nord seeks at all times to promote an open and secure communication culture. We believe

that a healthy and open culture plays a crucial role in managing situations where errors are inevitable or where the Bank must help to solve specific problems. Therefore, Spar Nord has implemented several channels through which employees can complain or communicate concerns and offences.

Employees who do not wish to approach their immediate manager, can turn to their HR partner, union representative, trade union or health and safety representative. Employees can also raise awareness of both psychological and physical conditions through the annual satisfaction survey and the mandatory workplace assessment (WPA).

Internal processes have been established for reporting work-related accidents, threats and harassment. Annual follow-up and evaluation of reported incidents is carried out under the auspices of the working environment committee.

The bank also has a whistleblower scheme, which is an independent and autonomous channel through which an employee can report concerns or potential violations of financial legislation committed by the Bank, its employees, or members of the Board of Directors. For a more detailed description of the Bank's whistleblower scheme, see the section G1 Business conduct.

### Initiatives

Spar Nord is aware of how the Bank in many ways has both positive and negative impacts on its employees. This applies at a strategic level, where the Bank's values set the agenda alongside the local bank strategy and the ambition to be a stimulating workplace. It also applies in the day-to-day HR work, which focuses on providing employees with the best working conditions while also offering support to mitigate the negative consequences of, for example, illness, life crises, or other challenges to well-being.

Spar Nord has taken a number of steps to address material positive and negative impacts, risks and opportunities relating to the Bank's own workforce.

### Work-life balance

In order to create the best conditions for employees to experience the right work-life balance, Spar Nord is a signatory to the standard collective agreement between Finance Denmark/Employer and the Financial Services Union, which regulates employees' working conditions. In addition, the Bank's supplementary agreements, which have been concluded locally between the Bank and the Financial Services Union "Spar Nord Kreds", concern working conditions in order to deal with actual and potential consequences for employees. Last, but not least, the Bank's internal staff handbook ensures that employees are kept informed about the many opportunities the Bank provides to support work-life balance. The staff handbook is easily accessible to employees at any time via the Bank's intranet.

Measures and initiatives described in the standard collective agreement and the staff handbook are evaluated on an ongoing basis through the Bank's established processes for dialogue with employees.

### Good and attractive working conditions

It is a strategic effort for Spar Nord to be a stimulating workplace that offers attractive working conditions and a healthy working environment for all employees. As part of the Bank's strategy A COMMITTED BANK, a number of specific measures are launched and implemented with a view to supporting a positive impact on the Bank's employees while ensuring that changes do not adversely affect employees. In 2024, Spar Nord focused on training and developing the Bank's managers through a leadership academy and training in

diversity management. This is based on the view that the immediate manager is crucial to the employees' everyday lives. In addition to the strategic efforts, the Bank has a professional HR department that supports the Bank's employees and management and ensures the best conditions for creating attractive working conditions.

The Bank's strategic initiatives are followed up on a quarterly basis, and the general efforts to create good and attractive working conditions are evaluated on an ongoing basis through the Bank's established processes for dialogue with its employees.

### Retention and attraction of labour

Spar Nord's business model is very much based on personal relationships. Therefore, the Bank's ability to retain and recruit employees and skills is crucial for continued growth. At the same time, we are experiencing growing competition in terms of attracting and retaining skilled people. By continuously focusing on creating an attractive workplace characterised by a high level of well-being and good employment conditions, the Bank believes that we can have a positive impact on current and future employees. In this connection, Spar Nord prioritises highlighting the many attractive initiatives that the Bank makes available to its employees through cooperation with external parties such as the Bank's pension provider and health and dental insurance. Initiatives and offers that on the one hand positively support the health and well-being of employees and on the other hand mitigate negative effects caused by e.g. illness.

Measures and initiatives to support well-being and retain and attract labour are evaluated on an ongoing basis through the Bank's established processes for dialogue with employees.



### Equal treatment and equal opportunities

Diversity and equal treatment of employees regardless of gender, age, religion, sexuality etc. are strategically important focus areas for Spar Nord. Consequently, the Bank continuously focuses on offering working conditions that accommodate the different phases of life, for example through networks for young people and late-career interviews to enable seniors to tailor their work schedule, how much they work and the nature of their tasks.

Spar Nord also launched several specific diversity-supporting initiatives during 2024. Among other things, the Bank has established the first certified diversity management course, where 27 of the Bank's executives and managers received training in creating well-being and value by using the differences of employees and customers. The participants were selected for the training course based on a wish to put together a broad team with different levels of management, gender, age, geography and professional competence. The Bank expects to offer the training course again in 2025 on the basis of the same selection principles.

Other measures to support positive effects on equal treatment and equal opportunities include:

- Increased gender equality in the recruitment of managers.
- A repetition of the analysis of the Bank's talent pool to support the composition of local management teams with a focus on diversity and gender equality.
- Analysis of how employees experience equal opportunities for a career in management regardless of gender and whether the Bank has an open and unbiased corporate culture.
- Initiatives targeting a career in professions with a special focus on achieving gender diversity, where a trainee programme targeted at

professions has been developed. The first team started in February 2024.

- Focus on equal pay, for example in the Bank's joint consultation committee and Nomination and Remuneration Committee.

Follow-up and reporting on measures to support equal treatment and equal opportunities for the Bank's employees is carried out on an ongoing basis to the Executive Board, the Nomination and Remuneration Committee and the Board of Directors.

### Targets

Spar Nord has set specific targets in two areas related to its own workforce; targets for employee well-being and targets for the under-represented gender in the Bank's management.

#### Targets for employee well-being

Spar Nord's Executive Board has formulated a board-approved target that the percentage of satisfied and very satisfied employees should be at least 85% in the annual satisfaction survey. The target is still considered ambitious, even if the Bank has met the target for the past four years. The task has therefore been to maintain the high level of well-being.

Each year, Spar Nord measures employee well-being and satisfaction on 10 overall parameters. 2024 was the seventh consecutive year that the current question framework was used to measure well-being and satisfaction. This was the fifth time the survey was not anonymous. However, only the HR department has access to the replies, enabling it to deal with any specific issues.

The sum of the responses to the ten well-being parameters is summarised in an overall well-being index. The total response rate was 97% in 2024 compared to 98% in 2023. This means a total of 1,706 employees responded to the survey in 2024, which Spar Nord believes is an indication that the

employees are confident in our handling of the results. The overall well-being index was at a satisfactory level of 90% in 2024 compared with 86% in 2023.

Follow-up and reporting on well-being goals takes place annually from the HR department to the Bank's Executive Board and Board of Directors.

#### Target for the under-represented gender

In order to achieve an equal gender diversity in Spar Nord's management, including the Board of Directors, the Nomination and Remuneration Committee has set targets for the under-represented gender, which have been approved by the Board of Directors. The targets include statutory targets for the Board of Directors and other management levels as well as voluntary targets for the Executive Board, the group of executive managers and managers. Follow-up and reporting on targets for the under-represented gender takes place annually from the Executive Board to the Nomination and Remuneration Committee and the Board of Directors.

The gender diversity in the Bank's total workforce is largely equal between women and men, whereas women constitute the under-represented gender in the Bank's management.

The targets set for the under-represented gender are assessed as a step on the way to complying with the new Danish gender balance act, but Spar Nord is aware that the Bank's targets for the under-represented gender must be redefined in 2025 according to the new act.

#### Gender diversity on the Board of Directors

Spar Nord has defined a target that the under-represented gender on the Board of Directors should represent at least 33% of the shareholder-elected board members by 2025.

To support target achievement for the under-represented gender on the Board, the Bank in 2024 engaged an external search partner to present qualified candidates of the under-represented gender in connection with the recruitment of a new board candidate.

In 2024, the Bank expanded the Board of Directors by one new member elected at the general meeting, improving the gender balance on the Board. Thus, the shareholder-elected board members now count two women and five men, corresponding to 29% and 71% respectively. The Board of Directors also consists of three members elected by the employees, all of whom are women.

Under-represented gender - Board of Directors	2024
Number of shareholder-elected members	7
Percentage of under-represented gender	29
Target percentage	33
Year of target achievement	2025

#### Gender diversity at other management levels

For the other levels of management, a target has been set for the under-represented gender to constitute at least 20% by 2026. Other management levels are defined as the Executive Board and managers with HR responsibility reporting directly to the Executive Board.

In 2024, the under-represented gender constituted 15% of the other management levels.

Under-represented gender - other management levels	2024
Total number of managers	61
Percentage of under-represented gender	15
Target percentage	20
Year of target achievement	2026



### Gender diversity in relation to voluntary goals

In order to operationalise the efforts and meet the target for the under-represented gender at other management levels, the Bank has set voluntary targets for the under-represented gender as illustrated in the figure below.

#### Target for the underrepresented gender

Executive Board	Executive managers
25% by 2030	20% by 2026
	40% by 2030
Managers	
35% by 2026	
40% by 2030	

In 2024, the under-represented gender represented 0% on the Executive Board, while the number was 16% in the group of executive managers. For managers, the under-represented gender accounted for 33%. Managers are defined as middle-managers who report to the group of executive managers, e.g. heads of departments, etc.

### Characteristics of own workforce

In 2024, Spar Nord employed 1,750 employees, compared with 1,703 in 2023. The increase was to a large extent attributable to more employees at Spar Nord's local banks and banking areas on Zealand and within leasing and the Large Corporates area.

Employees	2024	2023	2022
Number (FTEs)			
Number of employees (year-end)	1,750	1,703	1,644
Number of employees (average)	1,721	1,664	1,628

Out of the Bank's 1,750 employees, 1,744 were permanent employees, distributed equally between women and men.

Employees in 2024				
Number (FTE, year-end)	Women	Men	Other	Total
Permanent employees	865	879	0	1,744
Temporary employees	4	2	0	6
Non-guaranteed hours	0	0	0	0
Full-time employees	648	853	0	1,501
Part-time employees	221	28	0	249

In 2024, 1,501 of the Bank's employees were full-time and 249 part-time employees, corresponding to 86% and 14%, respectively. At Spar Nord, mainly female employees use part-time employment. In 2024, 89% of part-time workers were women.

When compiling gender data, only legal gender based on CPR numbers is considered. Spar Nord fully recognises that employees can define themselves as something other than a woman or a man. For privacy reasons, the Bank has no gender-differentiated registration of information other than legal gender and is therefore unable to disclose this information.

In 2024, employee turnover was 7.2%, against 14.8% in 2023, which is a satisfactory level.

### Collective bargaining coverage and social dialogue

Spar Nord has signed the standard collective agreement between Finance Denmark/Employer and the Financial Services Union. Working conditions and remuneration are regulated by the standard collective agreement for all employees. However, the group of executive managers, corresponding to 3% of the Bank's employees, is only partly covered by the standard collective agreement.

The Bank's joint consultation committee acts on behalf of all employees of the Bank. Likewise, all employees are covered by general agreements concluded between the Bank and the Financial Services Union "Spar Nord Kreds". Whether an employee is represented by the Financial Services Union "Spar Nord Kreds" in individual cases depends on whether the employee in question is a member of the Financial Services Union. If an employee is a member of another trade union, representatives of that union can act as a companion during the employee's individual case.

### Diversity metrics

The Bank's senior management level consists of the Executive Board and the group of executive managers. The distribution between women and men at the senior management level is shown in the table below. The table also contains the category Managers, as Spar Nord also relates to and sets targets for gender diversity for this management layer as described in the section Gender diversity in relation to voluntary goals.

2024	Number / %	Number of women	Number of men	Total number	Proportion of women	Proportion of men
Executive Board		0	4	4	0	100
Group of executive managers		9	48	57	16	84
Managers		52	108	160	33	67

The Executive Board of Spar Nord consists of four members, all of whom are men. In the group of executive managers, 16% were women and 84% were men in 2024, while the distribution among managers was 33% women and 67% men.

Spar Nord wants a broad employee composition in relation to age. In 2024, as part of the Bank's strategy, the focus has been on generational change and the recruitment of more trainees in order to ensure a balanced age distribution.

Employees in 2024		
Number (year-end) / %	Number	Proportion
< 30 year	174	10
30 - 50 years	817	45
Over 50 years	816	45
<b>Employees</b>	<b>1,807</b>	<b>100</b>

### Adequate wages

Spar Nord wants the Bank's remuneration level and principles to conform to the market, enabling the Bank to constantly be able to attract and retain the right employees. The specific remuneration of the individual employee is determined according to an individual agreement, and the point of departure is the job content, wage formation in the market and the employee's overall skills, experience, performance and geographic workplace with a view to ensuring equal pay for equal work or work of equal value. All employees receive at least a salary negotiated under collective agreements. Therefore, all salaries are considered appropriate and adequate.

Benchmarks on the remuneration of the Bank's largest employee groups in relation to the sector are discussed each year in the joint consultation committee and the Nomination and Remuneration Committee. The Bank's wage development is assessed in relation to that of the sector.



## Social protection

Spar Nord's employees are covered by social protection against loss of income in the event of major unforeseen events in life. Employees are covered both under Danish social legislation and through several measures and services by the Bank.

Set out below is an overview of the measures and services the Bank's employees are covered by.

In case of illness: Employees are covered by the Bank's employee insurance schemes (health insurance, dental insurance, occupational injury insurance, full-time accident insurance and group life insurance for critical illness), the standard collective agreement's and the Bank's guidelines for sickness, loss of earning capacity insurance through the employer-funded pension scheme AP Care, and Danish legislation.

In case of unemployment: Employees are covered by the rules of the standard collective agreement regarding fair dismissal, notice periods, severance pay and Danish law, including the Danish Salaried Employees Act.

In case of work-related accidents and disability: Employees are covered as in the case of illness (see above).

In case of parental leave: Employees are covered by the rules of the standard collective agreement regarding maternity and parental leave as well as leave for caring for sick family members. Employees are also covered by Danish legislation, including the Danish Act on Entitlement to Leave and Benefits in the Event of Childbirth.

In case of retirement: Employees are covered by the mandatory employer-funded pension scheme under the standard collective agreement and Danish legislation.

## Training and skills development

A stimulating workplace is part of the Bank's strategy. Society, technology, behaviour and customer requirements are changing constantly, and Spar Nord shares a responsibility for ensuring that employee skills are constantly being updated and developed, continuously enhancing the Bank's competitive strength and the employee's value. This applies to professional and personal as well as social skills, which help ensure competent advice, efficient collaboration and well-being. However, Spar Nord's skills development and education initiatives do not focus only on maintenance. We also attach importance to accommodating requests for developing skills and talent, as this will give our organisation flexibility and mobility. The Bank's employees therefore have access to both internal and external training in the form of a wide range of various education programmes and courses.

In 2024, 45,000 training hours were completed, corresponding to 26 hours on average per employee. Training hours are not necessarily registered in the Bank's HR system at the present time, so the above figures contain an estimate specific to training held by external course providers other than the Danish Financial Sector Education Centre. In 2025, the Bank's HR department will focus on improving the focus on correct registration, so that it will be possible to calculate training hours on the basis of exact data and to make a gender distribution.

In relation to employee development, Spar Nord also has a clear policy that all employees must have an annual performance and development review (MUS). During 2024, the bank implemented a new IT-supported performance and development review (MUS) tool, designed to both improve the quality of the reviews conducted and streamline the data registration of completed meetings. As the tool was implemented in the second half of 2024, it has not been possible to calculate the

number of interviews held for the current year, but it will be possible for 2025.

## Health and safety

Spar Nord's vision is to provide a healthy and safe environment to all employees, customers and visitors to the Bank. Thus, a fundamental element of our commitment to being a proper bank is that we focus strongly on health, physical and psychological safety and well-being for everyone working at Spar Nord and that we maintain a good and safe environment for everyone who frequents the Bank.

In practice, this means the Bank:

- maintains a well-functioning working environment organisation, contributing actively to implementing the working environment policy that covers all employees;
- motivates the employees and management to engage in dialogue about the working environment and any improvements thereof;
- provides the tools and managerial resources required to secure healthy physical and psychological working environment conditions;
- is transparent towards employees, customers and society at large in relation to the Bank's working environment performance, risks and areas for improvement;
- encourages its employees to help create a healthy and safe working environment by way of training, campaigns, competitions, etc.; and
- always complies with applicable legislation and addresses and respects leading standards, conventions and principles in the areas of human rights and labour rights.

In 2024, there were a total of 16 work-related accidents, none of which resulted in fatalities. The Bank does not currently have a separate absence registration for leave caused by work-related accidents. Thus, such absenteeism is included in the

general absence registration in the Bank's HR system. In 2024, absenteeism due to sickness amounted to 5.7 sick days per FTE. In 2025, Spar Nord will examine whether the HR system can be extended to include a separate registration of absence due to work-related accidents. The Bank does not have any records of occupational diseases, as these are generally reported through the general practitioner.

## Work-life balance metrics

Spar Nord wants its employees to thrive in their job and to have a good work-life balance in all phases of life. Irrespective of age, employees must be able to adjust their working life to their life phase.

All employees of the Bank are entitled to family-related leave of absence (maternity, paternity, parental and care leave) based on Danish social legislation. Employees' rights are also guaranteed by the standard collective agreement between Finance Denmark/employer and the Financial Services Union. In 2024, a total of 7% of employees took advantage of family-related leave. Of these, 50% were women and 50% were men.

In addition, the Bank provides the support and flexibility required in the event of family expansion, children's illness, and situations where employees need leave to care for close relatives who have a disability, are seriously ill, or are terminally ill at home. This and other opportunities to balance work and private life are described in more detail in the Bank's internal staff handbook.

## Pay difference between genders

Ensuring equal pay for work of the same kind or work of equal value is one of the basic elements of Spar Nord's remuneration policy. The Bank's joint consultation committee annually reviews gender-disaggregated pay statistics in order to monitor



developments across different job functions. In addition, the Nomination and Remuneration Committee is informed. The HR department has previously supplemented the gender-disaggregated pay statistics with more in-depth analyses, where pay is also related to other factors such as seniority and business performance. These analyses have greatly reduced unexplained pay gaps. In 2025, wage transparency will be one of the Bank's focus areas, which is expected to increase insight into any unexplained pay gaps.

Compensation metrics	2024	2023
Gender pay gap (%)	21.4	22.6
Remuneration ratio (ratio)	10.2	9.6

The gender pay gap is calculated as the difference of average pay levels between male and female employees, expressed as a percentage of the average pay level of male employees. The pay gap is calculated solely on the basis of gender. This does not take into account job functions, seniority, skills, etc., which are important factors in ensuring equal pay for work of the same kind or equal value.

The remuneration ratio shows the ratio between remuneration of the Bank's highest paid individual (the CEO) and the median remuneration of the Bank's other employees.

### Incidents, complaints and human rights

In 2024, no complaints were filed, and no instances of discriminatory treatment or violations, including harassment, were recorded in the Bank's own workforce. Similarly, there were no incidents with a material impact on human rights or complaints related to such matters.

The Bank has a response plan in place to handle discrimination and violations, should such incidents arise. The HR department initiates the

response plan and involves relevant parties, including the management and the union representative. Each employee is supported individually, and the necessary assistance is provided. For the sake of the employee, discretion is exercised. In addition, the joint consultation committee annually discusses the Bank's guidelines and status in this area with a view to ensuring an effective response plan.



## S4 Consumers and end-users

Spar Nord is a bank built on strong customer relationships where the personal, attentive and competent dialogue provides a foundation for establishing and maintaining long-term and mutually beneficial customer relations. Our vision is to be Denmark's most personal bank, which is why our engagement with customers relates to both digital and physical interaction. It is our customers who are the recipients of the Bank's products and services, which is why we consider our customers as the Bank's consumers and end-users.

It is important for Spar Nord to ensure a balance between running a healthy business and supporting local cohesion and social inclusion in the towns where we are present. We prioritise being close to our customers, their lives and their challenges and understanding their financial needs – not only in the big cities but throughout the country. We see potential in small towns and rural areas, because our employees often live there themselves. This enables the Bank to put itself in the customer's position and ensure that our advice and products are perceived as relevant and attentive.

In its business model, Spar Nord defines its primary target groups as retail customers, Private Banking customers and small and medium-sized businesses in the local areas where the Bank has a presence. In addition, there is a focus on leasing and business customers, both of which are handled centrally as business areas. Spar Nord also serves customers from local banks as well as large retail customers and institutional clients in the field of equities, bonds, fixed income, forex products, asset

management and international transactions. Finally, the Bank offers financing solutions via Sparxpres, which includes consumer financing via web shops and retail stores as well as gift voucher solutions via shopping centres and shopping centre associations.

Spar Nord thus serves a broad group of customers, who comprise both private households and small and medium-sized businesses, children and young people, as well as students and the elderly. Spar Nord provides services to more than 421,000 customers, which include 373,000 retail customers and 48,000 business customers across the country.

Customers are a key focal point in the Bank's business model and value chain and are part of the Bank's affected stakeholders. In line with the Bank's strategy, 'A COMMITTED BANK', we continuously focus on increasing customer value. We do this by gauging customer satisfaction, focusing on their financial needs and offering understandable products. Spar Nord also has a continuous focus on managing and protecting customer data.

At Spar Nord, we are mindful of how, through our products and services, we directly affect our customers, but also indirectly and both positively and negatively through policies and business practices. Through the Bank's double materiality assessment, we have identified a number of IROs linked to the Bank's customer relations, the most important of which are set out in the table.

S4

Sustainability topics	Value chain	IRO description	Policies and measures
<b>Information-related impacts on consumers and end-users</b>			
<b>Negative impact</b>	Downstream	The Bank may unintentionally provide incomplete or misleading advice.	<ul style="list-style-type: none"> <li>Executive Order on good business practice for financial undertakings</li> <li>Skills policy</li> </ul>
<b>Positive impact</b>	Downstream	The Bank collects and uses data based on data ethics principles.	<ul style="list-style-type: none"> <li>Data ethics policy</li> </ul>
<b>Risk</b>	Downstream	There is a risk that the Bank fails to meet the basic data protection principles.	<ul style="list-style-type: none"> <li>Data protection policy</li> </ul>
<b>Personal safety of consumers and end-users</b>			
<b>Negative impact</b>	Downstream	The Bank risks having a negative impact on its customers if its products and services do not offer sufficient customer protection.	<ul style="list-style-type: none"> <li>Product policy for financial products</li> <li>Product policy for other bank products</li> </ul>
<b>Social inclusion of consumers and end-users</b>			
<b>Positive impact</b>	Downstream	The Bank ensures access to financial products and services without discrimination.	<ul style="list-style-type: none"> <li>Executive Order on good business practice for financial undertakings</li> </ul>



## Policies

Spar Nord has prepared a number of policies and internal guidelines to support the management of material impacts, risks and opportunities associated with the Bank's customers. The most significant policies are as follows:

- Skills policy
- Data ethics policy
- Data protection policy
- Product policy for financial products
- Product policy for other bank products

The policies apply to all the Bank's employees and are used in the day-to-day operations as a basis for handling customer-related matters. It is the responsibility of the Executive Board to ensure that the policies are implemented in the Bank's day-to-day operations.

Spar Nord endeavours at all times to ensure that the Bank's customer-related policies are consistent with internationally recognised instruments relevant to consumers and end-users, including the UN Guiding Principles on Business and Human Rights, the International Labour Organization Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multi-national Enterprises.

The table on the previous page illustrates how the Bank's policies and measures are linked to significant IROs for consumers and end-users.

For a further description of the Bank's skills policy, see S1 Own workforce.

## Products and services

Spar Nord's policies for financial and other banking products are designed to ensure a structured

and well-documented approach to the development, review and approval of the Bank's products and services.

Structured product development and product follow-up processes ensure that the Bank's products and services are not only profitable and supportive of the Bank's business model, but truly create value for the Bank's customers. In other words, the Bank's products and services must meet customers' needs and protect their interests by minimising risks and costs.

Through its product policies, the Bank has established an approval process, which implies that new products or changes to existing products that involve increased risk for the customer or the Bank are approved by the Bank's Board of Directors. However, minor changes or variations of existing products that do not involve increased risk may be approved by the Bank's Executive Board. This approach ensures that the Bank's management maintains an overview and control over the development, distribution and subsequent management of the products offered by the Bank at all times.

Spar Nord continuously monitors whether approved products and services are sold to the correct target groups. This is to ensure that the Bank's products and services are sold only to the customers for whom the product is appropriate. Deviations are reported to the Board of Directors twice a year for those products or services where deviations have been found to be close to or exceeding the Bank's risk tolerance. In these cases, the product managers are contacted to prepare measures that can reduce the number of deviations in the product.

## Data protection

At Spar Nord, we recognise that protecting our customers' data is essential to maintaining our customers' trust and the integrity of the financial

system. Therefore, data protection is a key priority at Spar Nord, where we continuously improve our security measures, ensuring that customers' data are protected in accordance with the highest standards.

Spar Nord has defined a data protection policy that contains clear guidelines and procedures for how the Bank collects, stores, processes and protects the personal and sensitive information of customers and employees.

Spar Nord has also prepared a privacy policy that clarifies and explains the Bank's principles for receiving, collecting, storing, processing and disclosing personal data. The privacy policy also provides the Bank's customers with insight into where to address their concerns if they are dissatisfied with the Bank's processing of their personal data.

In order to ensure the best possible protection of personal data, the Bank's Executive Board has appointed a Data Protection Officer (DPO) with special insight into data protection. The Bank's DPO is responsible for monitoring compliance with GDPR legislation and carrying out regular risk assessments to identify and minimise security threats. The Bank's DPO reports to the Executive Board and the Board of Directors on its handling of GDPR every six months.

## Data ethics

Data ethics is not only about complying with the General Data Protection Regulation (GDPR), but also about applying ethical considerations when using data for the benefit of people and society. Therefore, we consider data ethics to be a fundamental part of the Bank's responsibility towards customers, employees and society as a whole. In line with the Bank's strategy, integrity and respect for data ethics must be an integral part of the

Bank's day-to-day operations and decision-making processes.

In order to ensure that customer data are collected and used ethically, Spar Nord has formulated a data ethics policy that will be used as a guideline in all data-related processes where the Bank's data ethics principles are considered relevant.

Responsible data ethics at Spar Nord is based on five basic data ethics principles, which are based on the data ethics principles developed by the Danish National Centre for Ethics. The principles focus on protecting the rights and privacy of the individual, ensuring transparency and promoting fairness and equality in data processing.

The data ethics principles are reflected in all work involving data, whether the data belong to the Bank's employees or customers. These principles ensure an ethical and responsible approach to data processing at Spar Nord.

## Complaints handling

Spar Nord's goal is for all customers to consistently experience advice and other services as attentive, professional, competent, and reliable. In cases where this is not the customer's experience, it is important for Spar Nord to address any errors or other issues as quickly and professionally as possible.

Spar Nord has formulated a complaint handling policy, which establishes the overall framework for handling complaints directed against Spar Nord. Furthermore, a clear guidance on the customers' complaints possibilities is provided at [sparnord.dk](http://sparnord.dk).





## Processes for dialogue

With reference to the Bank's values, Spar Nord wants to show integrity and responsibility in our relationship with our customers – both when things are going well and in case of complaints and disagreements. Spar Nord therefore wants the Bank's communication to be transparent and understandable at all times.

Spar Nord interacts regularly with customers through the Bank's daily business processes, which relate to both physical and digital consulting services. In our physical and digital contact with customers, customer satisfaction is a central element of the Bank's strategy. Therefore, Spar Nord continuously considers customers' wishes and expectations regarding product offerings, advice and communication with the Bank, while also incorporating customers' perspectives through selected satisfaction surveys.

Spar Nord participates annually in Aalunds Bank Barometer Business for corporate customers and in EPSI Rating for private customers. Both surveys are based on telephone interviews with more than 2,000 respondents across the country. Both EPSI Rating and Aalund Bank Barometer Business allow Spar Nord the opportunity to benchmark customer satisfaction with the rest of the industry.

In 2024, Aalund Bank Barometer showed that Spar Nord is the bank with the most satisfied business customers among Denmark's six largest banks. Satisfaction among retail customers measured via EPSI Rating showed a score of 67.9 in 2024, against 66.8 in 2023, placing Spar Nord at a satisfactory level, with an ambition to improve the score.

To gain deeper insight into retail customer satisfaction, Spar Nord conducts quarterly Net Promoter Score measurements. On the basis of the

NPS scores, the Bank randomly selects customers aged above 18 who have a NemKonto account with Spar Nord. The selection of customers is structured in such a way that the Bank ensures all customers are surveyed at least every other year. The managers of Spar Nord's local banks can always access the results of their own local and the Bank's overall NPS scores, but anonymously. The NPS score is actively used in the Executive Board's and managers' dialogue on goal tracking and forms the basis for the bank's continued development. At the end of 2024, Spar Nord's NPS score was 52, against 33 at the end of 2023, an increase of 19 points. Although Spar Nord's current NPS score is at a highly satisfactory level, we remain focused on improving the customer experience and, by extension, the Bank's NPS score.

## Processes and channels for expressing concerns

Spar Nord wants to ensure a constructive dialogue with its customers and to resolve disagreements and misunderstandings directly between the customer and the adviser or the local bank. If, however, the customer is dissatisfied with the Bank's actions in a case, it is important for Spar Nord to have any errors corrected and other types of problems resolved as quickly and professionally as possible. In cases that cannot be resolved directly between the customer and the local bank, the customer is always referred to the Bank's complaints officer. Spar Nord has outlined a clear guide to the customers' complaint possibilities at sparnord.dk.

Spar Nord receives and processes complaints submitted to the Bank's complaints officer on an ongoing basis. Cases are reported annually to the Danish FSA and Danmarks Nationalbank (the Danish central bank) via their joint reporting system FIONA. In 2024, Spar Nord received a total of 191 customer complaints via the Bank's complaints officer. Thus, Spar Nord assesses that customers

trust and are aware of the Bank's complaint handling process. Out of the 191 cases, customers were successful in 13 cases, while 46 cases led to settlements and 132 cases were rejected.

In cases where the dialogue between the customer and the Bank's complaint officer does not lead to a settlement, the customer may contact the Danish Financial Complaint Board. In 2024, 16 cases against Spar Nord were closed before the Financial Complaint Board. 12 of these decisions concerned complaints started in 2023.

Spar Nord has not been involved in any complaints or issues of non-compliance with the UN Guiding Principles on Business and Human Rights, the International Labour Organization Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises.

## Initiatives

Spar Nord seeks at all times to ensure responsible and ethical practices towards our customers. As societal focus on financial inclusion and accessibility increases, we, as a bank, have also become more aware that certain groups in society require more assistance with their banking needs. We understand that among Spar Nord's customers, there will also be customer groups who may be at greater risk of harm, including customers with specific characteristics or financially vulnerable customers, such as those lacking financial knowledge. Spar Nord wants to always include respect for the interests, views and human rights of all types of customers in our advice and product offerings. We recognise customers' rights to a basic deposit account regardless of gender, age, ethnicity or religion and comply with the Executive Order on good business practice for financial undertakings. We are also committed to ensuring that our marketing is not misleading and to

strengthening the protection of human rights in any relationship with our customers. We do this, among other things, by continuously investing in technology that improves data protection and by ensuring that our products and marketing meet the highest degree of responsibility.

Spar Nord has launched a number of measures and initiatives to address material impacts, risks and opportunities relating to our customers.

### Action to ensure consumer protection

Based on the Danish Executive Order on good business practice for financial undertakings, Spar Nord continuously focuses on acting fairly and loyally towards our customers by not using misleading or incorrect information or deliberately omitting essential details that could significantly distort customers' financial behaviour. Spar Nord is furthermore mindful that advice and marketing directed at children and young people are designed with special consideration for the characteristics and experience of this customer group.

All of the Bank's advisers undergo continuous mandatory training and further education, which includes principles of good practice, including certifications in insurance, mortgage credit, and investments. This means that all advisors revisit the principles of good practice at least every three years, but often more frequently.

### Action to strengthen data accountability

Spar Nord processes all customer data in accordance with applicable GDPR legislation. To protect customer privacy and data, the Bank conducts comprehensive annual training and education in data protection and data responsibility for all employees.

**Action to prevent fraud**

In order to protect customers from abuse and reduce the risk of fraud and other financial crime, Spar Nord is continuously focusing on informing and warning the Bank's customers, particularly elderly and digitally vulnerable customers who are often at heightened risk of being targeted by fraud. Spar Nord collaborates for example with Finance Denmark and local authorities to disseminate information material and information campaigns that guide customers on how best to protect themselves against fraud. The efforts also focus on informing customers about current fraud methods or increased instances of fraud in their local area. Spar Nord's efforts against abuse and fraud are described in more detail under G1 Business conduct.

**Action to educate young people in personal finance**

Every year in week 11, Spar Nord participates in the Money Week event, which has been developed by Finance Denmark in collaboration with the publisher FORSTÅ and the Danish association of math teachers. During the Money Week, schools across the country include personal finance in the curriculum for students in grades 7-9. The aim is to help improve children and young people's financial understanding through lessons on personal finance, covering topics such as interest rates, debt, APR, stocks, how to read a payslip, and how to best protect themselves against cybercrime, among many other subjects.

In 2024, Spar Nord was responsible for a total of 42 teaching agreements at 35 schools across the country, where the Bank's advisors taught some 1,050 pupils in personal finance.

**Action relating to the management of funds**

Not all people can or are allowed to manage their own finances. Spar Nord's asset management

department has been appointed by the Danish Civil Affairs Agency to administer selected assets in accordance with the Danish Guardianship Act. In the Bank's asset management department, we serve approximately 3,000 customers across the country. Asset management customers include both high-net-worth children, adults under guardianship and property settled by will. Spar Nord maintains a continuous focus on ensuring a high degree of propriety and responsibility in our management practices, with the aim of providing the greatest possible benefit to our asset management clients.

**Targets**

At present, Spar Nord has not set quantitative targets regarding consumers and end-users, as the work on determining IROs related to customers is a relatively new exercise for the Bank. However, the Bank has ongoing follow-up and internal reporting in connection with upskilling, data protection and product follow-up.

It is Spar Nord's ambition to expand and develop the Bank's understanding of and insight into its customers with a view to setting separate targets and metrics for handling significant impacts, risks and opportunities for the sustainability matter.



## Accounting policies for social disclosures

### S1 Own workforce

Social data regarding employees, management, pay, etc. comprise the Spar Nord Group's own workforce.

#### Full-time workforce

The full-time workforce is calculated in full-time equivalents (FTEs) and includes permanent and temporary employees.

#### Full-time and temporary employees

Permanent employees have indefinite employment contracts, while temporary employees have an agreed termination date set at the time of hiring. The number of full-time and temporary employees is expressed in full-time equivalents (FTE).

#### Full-time and part-time employees

Full-time employees have an employment rate equivalent to 100%, while part-time employees have an employment rate below 100%. The number of full-time and part-time employees is expressed in full-time equivalents (FTE).

#### Gender diversity

Number of women (FTE) relative to number of employees (FTE). Both permanent and temporary employees are included in the calculation. Gender diversity is measured as a percentage.

#### Gender diversity for management levels

Number of women in relation to the total number of managers at each management layer. Other management layers include the Executive Board and managers with HR responsibilities who report

directly to the Executive Board. Gender diversity at management levels is calculated as a percentage.

#### Employees on family-related leave

Number of employees who have taken advantage of at least one type of family-related leave during the period compared to the average number of employees during the period. Absence due to child's sick days is not included. Employees on family-related leave are calculated as a percentage.

#### Pay

The starting point is a calculated full-time monthly salary consisting of monthly salary, supplements, employer-paid pension including ATP, bonus/lump sum, tax value of employee benefits and holiday allowance.

#### Pay difference between genders

The difference of average pay levels between male and female employees, expressed as a percentage of the average pay level of male employees. The pay difference between genders is calculated as a percentage.

#### Pay gap between the CEO and employees

The pay gap between the CEO and employees, which is also referred to as the remuneration ratio, is calculated as the ratio between the annual total remuneration of the CEO (the company's highest paid individual) and the median of the Bank's annual total remuneration (excluding the highest paid individual).

#### Staff turnover rate

Staff turnover is calculated for employees leaving voluntarily and involuntarily (excluding employees with temporary contracts and temps) who left the company during the year relative to the average number of employees in 2024. Employee turnover is measured as a percentage.

#### Absenteeism due to sickness

Total number of employee sick days in relation to total number of FTEs. Employee sick days only include absence due to employee's own sickness. Absence due to child's sick days is not included. Absenteeism due to sickness is calculated as days/FTE.

#### Well-being index

The well-being index shows the proportion of satisfied and very satisfied employees measured in the Bank's annual well-being survey. The well-being index is measured as a percentage.

### S4 Consumers and end-users

It is our customers who are the recipients of the Bank's products and services, which is why we consider our customers as the Bank's consumers and end-users.

#### Net Promoter Score (NPS)

The Bank's customer satisfaction is measured through the Net Promoter Score (NPS) method. All customers over the age of 18 who have a Nem-Konto in the Bank are asked every two years about 'how likely are you to recommend Spar Nord to others?'. The customer indicates his or her response on a scale from 0-10, with 10 being the most likely. On the scale, detractors are defined as 0-6, passives as 7-8 and promoters as 9-10. The result is calculated quarterly based on all responses, subtracting the percentage of detractors from the percentage of promoters. This gives a score for the overall customer experience of between -100 and 100.

# Business conduct





## G1 Business conduct

Spar Nord considers good business conduct as the foundation for running a proper, credible and trustworthy bank. By acting responsibly, honestly, and with respect for our customers, suppliers and business partners, we not only strengthen our long-term relationships but also the foundation for a sound and sustainable business. We recognise that our conduct and actions can have both positive and negative impacts on people, the environment and society.

Together with the Bank's values, formal and informal structures and actions set a clear direction for our employees' conduct both internally and in interaction with customers, business partners and other stakeholders. This contributes to maintaining sound and strong business conduct at Spar Nord.

Spar Nord is a signatory to the UN Global Compact and generally supports the UN Guiding Principles on Business and Human Rights, the International Labour Organization Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises. This means that we continuously focus on meeting the highest standards of ethical conduct, integrity and transparency in everything we do. Among other things, this materialises in the Bank's code of conduct and core values and through responsible decisions throughout our value chain.

Through our double materiality assessment, we have identified a number of IROs in relation to the Bank's business conduct. In addition to the materiality assessment of the disclosure requirements set by G1 Business conduct, the Bank has also included additional entity-specific disclosures

which, due to specific circumstances, are deemed significant to the Bank. These entity-specific disclosures are identified based on information that the Bank has historically included in previous years' sustainability reporting as well as information representing material sustainability-related IROs for the Bank. These entity-specific disclosures are linked to the Bank's business conduct and are therefore included in the reporting on G1 Business conduct.

The table indicates where in the value chain the IROs materialise and relevant policies and measures that clarify how the Bank handles the IROs in practice.

G1

Sustainability topics	Value chain	IRO description	Policies and measures
<b>Corporate culture</b>			
<b>Positive impact</b>	Own operations	The Bank's management ensures a sound corporate culture.	• Policy on sound corporate culture
<b>Protection of whistleblowers</b>			
<b>Positive impact</b>	Own operations	The Bank's whistleblower scheme ensures the protection of whistleblowers.	• Whistleblower policy
<b>Management of relationships with suppliers</b>			
<b>Positive impact</b>	Upstream	The Bank ensures timely payment to its suppliers.	• Governance documents and processes
<b>Anti-corruption and bribery</b>			
<b>Risk</b>	Own operations	There is a risk of the Bank's employees contributing to corruption and bribery.	• Anti-corruption and bribery policy • Staff handbook
<b>Money laundering and terrorist financing - entity-specific</b>			
<b>Risk</b>	Own operations	There is a risk that the Bank unintentionally contributes to money laundering and terrorist financing.	• AML policies
<b>Fraud - entity-specific</b>			
<b>Risk</b>	Downstream	There is a risk of abuse of cards and online banking services.	• Governance documents and processes
<b>Information security - entity-specific</b>			
<b>Risk</b>	Own operations	There is a risk that due to IT crime, the Bank may lose data and that its operations could be affected.	• Information security policy
<b>Data governance - entity-specific</b>			
<b>Risk</b>	Own operations	There is a risk that decisions and assessments are made on the basis of incorrect data.	• Data governance policy



## Policies

Spar Nord has prepared a number of policies related to managing the impact, risks and opportunities of the Bank's business conduct. The most significant policies are as follows:

- Policy on sound corporate culture
- Whistleblower policy
- Anti-corruption and bribery policy

In addition, the Bank has developed policies that address the Bank's entity-specific disclosures, including:

- AML policies
- Information security policy
- Data governance policy

The policies related to the entity-specific topics are described in connection with the entity-specific sections that are reported in G1 Business conduct.

The link between the Bank's policies and identified IROs is shown in the table on the previous page.

### Policy on sound corporate culture

Spar Nord has developed and implemented a policy on sound corporate culture, which establishes the overall framework for the culture the Board of Directors wishes to characterise Spar Nord – both internally and externally.

The policy sets out eight principles, the combination of which helps promote a sound corporate culture at Spar Nord. In this way, the policy helps underpin the Bank's strategic goal of being a trustworthy and committed bank.

The policy should be read in conjunction with a number of underlying policies that further elaborate on the Bank's healthy corporate culture in

more specific terms, notably the Bank's remuneration policy, AML policies, anti-corruption and bribery policy, whistleblower policy etc.

The Bank's Executive Board is in charge of ensuring that the policy on a sound corporate culture is effectively implemented and adhered to by all employees at every level. This is ensured, among other measures, through induction courses where all new employees receive training in the Bank's values and principles for a sound and open corporate culture. In addition, annual awareness efforts regarding the content of the policy on sound corporate culture are carried out, either through an article or a video on the Bank's intranet.

In order to examine employees' perception of the Bank's corporate culture, this issue was addressed in the annual employee satisfaction survey in 2024. In the survey, 91% of the Bank's employees replied that they to a high or very high degree experience that the Bank has an open and unbiased culture. The result is a testimony that Spar Nord stands in a very good place. Going forward, we will follow developments annually through the satisfaction survey.

The Executive Board reports annually to the Board of Directors on implementation and compliance with the policy on sound corporate culture. The report is used for discussion at the Bank's annual general meeting, where the Chairman of the Board is required to report on the implementation and compliance with the policy on sound corporate culture.

### Whistleblower scheme

As part of Spar Nord's principles for a sound corporate culture, the Bank wishes to promote a safe and open communication culture where employees can always feel secure in approaching the highest level of management.

In order to support a culture of openness and trust, the Bank has a whistleblower scheme that can be used to report violations or potential violations of financial legislation and other serious matters, including suspicion or knowledge of illegal, unethical or irregular conduct concerning Spar Nord.

The Bank's whistleblower scheme can be used both internally by Spar Nord's employees and externally by suppliers, business partners and other stakeholders. The whistleblower scheme is available 24/7, and reports can be submitted in writing via Spar Nord's whistleblower portal, which can be accessed on Spar Nord's intranet or the website sparnord.dk.

Our whistleblower scheme is anonymous and independent, and it is managed by a third party, which enables the Bank to protect the person reporting the concern from reprisals. The further internal investigation is generally carried out by Spar Nord's whistleblower unit, which is part of the Bank's compliance department.

In connection with the whistleblower scheme, the Bank has developed a whistleblower policy, which sets out the Bank's handling of the whistleblower scheme and a personal data policy for the whistleblower scheme, which describes the Bank's processing of personal data in the whistleblower scheme.

## Suppliers

In 2024, Spar Nord's purchases of goods and services totalled DKK 1,380 million from more than 2,500 Danish and foreign suppliers. Purchases from the 100 largest suppliers accounted for 84% of total purchases.

Spar Nord prioritises maintaining good and transparent supplier relationships that underpin the Bank's good reputation and help attract and

retain good suppliers and customers. Spar Nord requires that the Bank's suppliers support internationally recognised principles for human rights, the International Labour Organization labour market conventions on the dignity of workers, as well as the UN Sustainable Development Goals and the ten general principles described in the UN Global Compact. Spar Nord has prepared a code of conduct for suppliers, and all of the Bank's primary suppliers automatically accede to this when they either establish or renew supplier agreements with the Bank.

In 2024, Spar Nord selected 25 suppliers and asked them in a questionnaire to consider the specific circumstances in their own supply chain and production. Their responses were generally satisfactory, and only very few gave rise to further scrutiny and dialogue.

## Anti-corruption and bribery

At Spar Nord, we have a zero tolerance policy towards corruption and bribery. This applies both internally at Spar Nord and in cooperation with our customers and external partners. In general, Spar Nord estimates that all employees are exposed to corruption and bribery. However, employees in the AML department, key persons and the members of the Bank's Executive Board are particularly exposed, which is why the Bank carries out increased checks on these persons, which, among other things, involves obtaining criminal records on an annual basis according to the Danish AML Act.

In order for the Bank to maintain the highest standard of personal and organisational integrity and prudence and to minimise risks, it is important that Spar Nord's employees are familiar with the conduct and work ethics expected of them. Therefore, Spar Nord has developed an anti-corruption and bribery policy describing the expectations management has of the Bank's employees. The

policy should be read in conjunction with the Bank's internal staff handbook, which elaborates on how employees should act in connection with potential conflicts of interest, receipt and giving of gifts, entertainment, invitations, business partners, close relations, etc.

To increase employee awareness and equip them as well as possible in relation to corruption and bribery, all employees and all customers go through the obligations under the money laundering regulations. Employees also receive mandatory training in anti-corruption and bribery to exemplify where they need to show increased attention.

To reduce the risk of the Bank's employees, customers, or partners being exposed to or engaging in corruption and bribery, the Bank has implemented a range of preventive measures and established a control environment designed to mitigate corruption and bribery associated with various elements, such as gifts, donations, conflicts of interest, third-party providers, and customer-related transaction risks. In addition, the Bank's employees, including the Board of Directors and Executive Board, and other management layers, are screened to determine whether they are, or have been, related to a politically exposed person. Furthermore, monitoring of employees' accounts is conducted.

At the end of 2024, the Bank has not received any convictions or fines related to corruption and bribery, nor has there been any incidents in this regard, which is also stated in the memo on Management statement on fraud, which is discussed annually by the Board of Directors.

## Political influence and lobbying activities

In line with its corporate social responsibility and local commitment, the Bank continuously provides financial contributions and sponsorships to a wide range of causes and organisations in the towns and areas where we operate. Spar Nord is a member of the industry communities National Banks in Denmark and Finance Denmark, both of which aim to promote the interests of banks in the public debate and to increase knowledge and confidence in the financial sector in general. None of Spar Nord's sponsorships or memberships are motivated by an intention to exercise party political influence, nor does the Bank make any financial contribution to, or wish to be associated with, a specific political direction.

## Payment practices

Spar Nord wants to show integrity towards all its suppliers by making timely payment. Therefore, the Bank has established processes and systems that ensure that supplier payment is made according to the payment terms specified by the suppliers. In 2024, the average payment period was 24 days measured from the invoice issue date.

In 2024, the Bank was not involved in, and has no legal proceedings pending on, late payments.

## Money laundering and terrorist financing

As a financial institution, Spar Nord has a special responsibility towards customers, business partners and employees to prevent and combat the misuse of Spar Nord for money laundering, terrorist financing or other financial crime. We strongly distance ourselves from financial crime and do everything in our power to prevent and avoid such activities. Therefore, the Bank has set a goal to

minimise the risk of being misused for money laundering, terrorist financing and breaches of financial sanctions, as well as a zero tolerance policy towards customer relationships suspected of involvement in terrorist financing.

The framework for the operational management of the area is defined by the five following policies in this area.

- Anti-money laundering policy
- Policy on risk tolerance and risk-mitigating measures
- Policy on AML roles and responsibilities
- Policy on training and screening of AML employees
- Policy on transaction monitoring and sanction screening

The policies are approved by the Executive Board and Board of Directors, ensuring that the Bank's AML efforts are anchored at the highest levels of management.

The efforts against money laundering, terrorist financing and other financial crimes are a major focus within Spar Nord, and it is therefore important that all management levels are knowledgeable about and informed of the specific initiatives in this area. For this reason, quarterly reporting is made to both the Executive Board and the Audit Committee and at least half-yearly to the Board of Directors, which ensures that the Bank's highest level of management is informed of developments in the area.

To support its objectives and efforts, the Bank has appointed an AML officer and established an independent AML department, which develops, supports, and carries out ongoing monitoring of the Bank's customers. This ensures that the Bank



meets its due diligence obligations and investigates and reports any matters that may be related to money laundering, terrorist financing or other financial crime. The AML department currently employs more than 45 specialised employees.

In addition to addressing specific tasks, the Bank must be able to handle the constantly evolving threat landscape within this area. This places great demands on knowledge, systems and employees skills. However, the AML department is not alone in preventing money laundering, terrorist financing and other financial crime. This is a shared task for all employees of the Bank. Therefore, ongoing training and skills development are carried out for employees, in the AML department and for employees at the local banks.

Spar Nord also participates in a wide range of external forums and contributes to sector-wide training, consultation responses to laws and regulations as well as solutions that will benefit both the sector and, ultimately, society. Spar Nord adheres to Finance Denmark's principles of conduct on anti-money laundering and counter-terrorist financing in the Danish financial sector.

Spar Nord is continually monitoring transactions for irregularities and reports any suspicious issues to the Danish National Special Crime Unit (National enhed for Særlig Kriminalitet (NSK) and the Danish Security and Intelligence Service (PET). The number of reports and developments are shown in the table below.

Reports with NSK				
Number	2024	2023	2022	2021
Reports	1,915	3,123	3,934	2,194

In 2024, Spar Nord filed 1,915 reports, against 3,123 in 2023, equal to a decrease of 39%. The decrease



in the number of reports in the last two years compared to 2022 should be seen in light of the fact that in 2022 a particularly sharper focus was placed on reporting suspicious situations as a result of a number of money laundering cases in the industry. In 2022, the Ministry of Justice launched a new national strategy for preventing and combating money laundering and terrorist financing. Combined, these factors resulted in a higher frequency of reports on money laundering of both high and low significance. The trend in 2022 was also felt in other banks and a number of other industries, so the number of Spar Nord's reports follows the general trend in society.

At the end of 2024, the Bank has not received any convictions or fines related to money laundering, terrorist financing and breaches of financial sanctions.

## Fraud

As a provider of payment cards and online banking solutions, Spar Nord is aware of the growing threat from criminals employing increasingly sophisticated forms of fraud. The fraud has financial consequences not only for the individual customer, but also for Spar Nord, which risks loss and negative reputation.

In order to reduce the risk of fraud and protect customers and the Bank's interests, Spar Nord's fraud department is committed to monitoring, preventing and managing all types of fraud that can challenge trust and security, and, in the worst-case scenario, lead to life-altering financial and personal consequences for the individual.

Over the years, Spar Nord has built specialist expertise in this area, enabling it to advise and guide affected customers who find themselves in unfamiliar and challenging situations. In addition, the fraud department plays a proactive role in enhancing security awareness among both employees and customers.

The Bank's fraud department reports annually to the Executive Board on developments and trends in fraud and financial crime targeting customers and employees in the financial sector. Furthermore, Spar Nord reports data on fraud to the Danish FSA in accordance with the requirements of PSD2 (EBA). In addition, the Bank files quarterly reports with Finance Denmark, which collects data on online banking fraud for the entire sector. Finally, Spar Nord participates actively in the NFCERT collaboration, a joint Nordic computer emergency response team, where the sector collectively detects and responds to cyber threats and fraud.

At the end of 2024, the Bank has not received any convictions or fines related to fraud.

## Information security

Security in relation to data, IT systems and their use is a prerequisite for Spar Nord's credibility and existence. A digital business such as Spar Nord depends on our ability to keep our IT systems operational and our lines of communication open, while at the same time protecting our customers' and the Bank's vital data from unauthorised parties.

As the threat landscape against the Bank's information systems is constantly evolving, regular threat assessments are conducted. Additionally, the Bank operates with a comprehensive contingency plan that includes processes for design, testing, and continuous reporting. Any material change in Spar Nord's IT platform and IT systems is always based on a risk assessment that includes an assessment of confidentiality, integrity and accessibility.

On behalf of the Board of Directors, the Bank's IT security function, together with the IT department and the business, ensures that the Bank maintains the risk level in the IT area decided by the Board of Directors. This means the Bank retains an overview

of external threats and the Bank's IT risks, while monitoring whether such risks are hedged through appropriate controls and risk-mitigating measures.

The Bank's Chief information Security Officer (CISO) is placed in the IT security function, which reports to the Bank's Chief Risk Officer. The Bank's CISO is responsible for quarterly reporting to the Board of Directors, which enables the Board of Directors to make decisions regarding the Bank's IT risk. The risk level is set out in the Bank's IT risk management policy, information security policy and the objective of the IT contingency plan. The aim is to ensure continued operation of the Bank at a satisfactory level in the case of extraordinary events. The risk management function, the Executive Board and the Board of Directors regularly review the IT security and the IT risk profile. The Bank has an IT security committee, which plays a central role in the Bank's information security management and IT risk management.

To be able to report a true and fair view, the IT security function is charged with continuously performing necessary and adequate controls and security tests regarding IT in the Bank's organisation, including various risk-based tests of the Bank's security measures. The function participates in sector-specific collaborative initiatives to help strengthen the overall robustness concerning IT in the Danish financial sector.

At the end of 2024, the Bank has not received any convictions or fines related to information security.

## Data governance

Data governance is about establishing a framework for the Bank's management of data, ensuring accurate, reliable, and accessible data that can be used efficiently. By integrating data governance practices into the Bank's operations, we

ensure that Spar Nord can maintain a high data quality and thus operate efficiently and data-driven.

Spar Nord has formulated a data strategy that focuses on making data simple and easy to use. The foundation of the data strategy is to meet the Bank's data needs and improve data quality. The Bank's vision is to create a solid foundation with high data quality.

To outline the Bank's work in the area, the Board of Directors has defined a data governance policy that establishes a set of principles. Together, these principles ensure the secure, structured and organised processing of data. This supports the confidentiality, integrity, and availability of the Bank's data, which are crucial for the Bank's operational capability and strategy. The Bank's data governance principles must be adhered to by all employees and for selected business-critical data the data quality is systematically monitored to provide a reliable data basis in the Bank.

The Bank has set up a data governance committee with representation from the Executive Board. The committee works within the framework of the Bank's data governance policy and helps to ensure an interdisciplinary focus on the area and its importance. The data governance committee's work is supported by the Bank's data governance board, which takes a more tactical approach to data governance and data quality. The Bank's Data and Process department reports to the data governance committee and the Executive Board at least twice a year. In addition, the Bank's Board of Directors receives a report twice annually. In order to strengthen the Bank's work with data governance, the Executive Board appointed a Chief Data Officer (CDO) in 2024. The Bank's CDO is responsible for coordinating the Bank's data activities across the organisation and ensuring progress and focus on the area.





## Accounting policies for business conduct

### Average payment period

The average time it takes to pay an invoice is calculated based on data extracted from the year's invoices in the invoice management system. The average is calculated on the basis of the number of days from invoice issue date to payment date per invoice.

### Reports with NSK

The number of reports for the year is calculated on the basis of the number of report submitted via the website [hvidvask.politi.dk](http://hvidvask.politi.dk)

# Annexes



## List of datapoints originating from other EU legislation

Disclosure requirement	Datapoint	Sustainability disclosure	SFDR	Pillar 3	Benchmark Regulation	EU Reference to Climate Act	Page
ESRS 2 GOV-1	21 (d)	Gender diversity on the Board of Directors	Indicator no. 13 Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816, Annex II		56
ESRS 2 GOV-1	21 (e)	Percentage of independent board members			Delegated Regulation (EU) 2020/1816, Annex II		56
ESRS 2 GOV-4	30	Statement on due diligence	Indicator no. 10 Table #3 of Annex 1				57
ESRS 2 SBM-1	40 (d) i	Involvement in activities related to fossil fuels	Indicator no. 4 Table #1 of Annex 1	Article 449a of Regulation (EU) No 575/2013 Commission Implementing Regulation (EU) 2022/2453 Template 1: Qualitative information on environmental risk and table 2: Qualitative information on social risk	Delegated Regulation (EU) 2020/1816, Annex II		n/a
ESRS 2 SBM-1	40 (d) ii	Involvement in activities related to chemical production	Indicator no. 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		n/a
ESRS 2 SBM-1	40 (d) iii	Involvement in activities related to controversial weapons	Indicator no. 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816 Annex II		n/a
ESRS 2 SBM-1	40 (d) iv	Involvement in activities related to cultivation and production of tobacco			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816 Annex II		n/a
ESRS E1-1	14	Transition plan to reach climate neutrality by 2050				Regulation (EU) 2021/1119, Article 2(1)	69
ESRS E1-1	16 (g)	Undertakings excluded from Paris-aligned Benchmarks		Article 449a of Regulation (EU) No 575/2013 Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book - Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, article 12(1) (d) to (g), and Article 12(2)		n/a
ESRS E1-4	34	GHG emission reduction targets	Indicator no. 4 Table #2 of Annex 1	Article 449a of Regulation (EU) No 575/2013 Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book - Climate Change transition risk: Alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		71-73
ESRS E1-5	37	Energy consumption and mix	Indicator no. 5 Table #1 and indicator no. 5 Table #2 of Annex 1				73



## Table continued....

Disclosure requirement	Datapoint	Sustainability disclosure	SFDR	Pillar 3	Benchmark Regulation	EU Reference to Climate Act	Page
ESRS E1-5	38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	Indicator no. 5 Table #1 of Annex 1				n/a
ESRS E1-5	40-43	Energy intensity associated with activities in high climate impact sectors	Indicator no. 6 Table #1 of Annex 1				n/a
ESRS E1-6	44	Gross scopes 1, 2, 3 and Total GHG emissions	Indicators no. 1 and no. 2 Table #1 of Annex 1	Article 449a of Regulation (EU) No 575/2013 Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book - Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		74-76
ESRS E1-6	53-55	Gross GHG emissions intensity	Indicator no. 3 Table #1 of Annex 1	Article 449a of Regulation (EU) No 575/2013 Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book - Climate Change transition risk: Alignment metrics	Delegated Regulation (EU) 2020/1818, article 8(1)		74-76
ESRS E1-7	56	GHG removals and carbon credits				Regulation (EU) 2021/1119, Article 2(1)	n/a
ESRS E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks				Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816 Annex II	n/a
ESRS E1-9	66 (a)	Disaggregation of monetary amounts by acute and chronic physical risk		Article 449a of Regulation (EU) No 575/2013 Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47: Table 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			n/a
ESRS E1-9	66 (c)	Location of significant assets at material physical risk		Article 449a of Regulation (EU) No 575/2013 Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47: Table 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			n/a
ESRS E1-9	67 (c)	Breakdown of the carrying value of its real estate assets by energy-efficiency classes		Article 449a of Regulation (EU) No 575/2013 Commission Implementing Regulation (EU) 2022/2453 paragraph 34 Template 2: Banking book - Climate Change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			n/a
ESRS E1-9	69	Degree of exposure of the portfolio to climate-related opportunities			Delegated Regulation (EU) 2020/1818, Annex II		n/a
ESRS E5-5	37 (d)	Non-recycled waste	Indicator no. 13 Table #2 of Annex 1				n/a
ESRS E5-5	39	Hazardous waste and radioactive waste	Indicator no. 9 Table #1 of Annex 1				n/a
ESRS 2 - SBM3 S1	14 (f)	Risk of incidents of forced labour	Indicator no. 13 Table #3 of Annex 1				n/a
ESRS 2 - SBM3 S1	14 (g)	Risk of incidents of child labour	Indicator no. 12 Table #3 of Annex 1				n/a
ESRS S1-1	20	Human rights policy commitments	Indicator no. 9 Table #3 and indicator no. 11 Table #1 of Annex 1				89



## Table continued....

Disclosure requirement	Datapoint	Sustainability disclosure	SFDR	Pillar 3	Benchmark Regulation	EU Reference to Climate Act	Page
ESRS S1-1	21	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8				Delegated Regulation (EU) 2020/1816, Annex II	89
ESRS S1-1	22	Processes and measures for preventing trafficking in human beings	Indicator no. 11 Table #3 of Annex 1				n/a
ESRS S1-1	23	Workplace accident prevention policy or management system	Indicator no. 1 Table #3 of Annex 1				89
ESRS S1-3	32 (c)	Grievance/complaints handling mechanisms	Indicator no. 5 Table #3 of Annex 1				90
ESRS S1-14	88 (b), (c)	Number of fatalities and number and rate of work-related accidents	Indicator no. 2 Table #3 of Annex 1			Delegated Regulation (EU) 2020/1816, Annex II	93
ESRS S1-14	88 (e)	Number of days lost to injuries, accidents, fatalities or illness	Indicator no. 3 Table #3 of Annex 1				93
ESRS S1-16	97 (a)	Unadjusted gender pay gap	Indicator no. 12 Table #1 of Annex 1			Delegated Regulation (EU) 2020/1816, Annex II	93-94
ESRS S1-16	97 (b)	Remuneration ratio	Indicator no. 8 Table #3 of Annex 1				93-94
ESRS S1-17	103 (a)	Incidents of discrimination	Indicator no. 7 Table #3 of Annex 1				94
ESRS S1-17	104 (a)	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	Indicator no. 10 Table #1 and indicator no. 14 Table #3 of Annex 1			Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Article 12(1)	94
ESRS S4-1	16	Policies related to consumers and end-users	Indicator no. 9 Table #3 and indicator no. 11 Table #1 of Annex 1				96
ESRS S4-1	17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	Indicator no. 10 Table #1 of Annex 1			Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Article 12(1)	96
ESRS S4-4	35	Human rights issues and incidents	Indicator no. 14 Table #3 of Annex 1				97-98
ESRS G1-1	10 (b)	The United Nations Convention against Corruption	Indicator no. 15 Table #3 of Annex 1				102
ESRS G1-1	10 (a)	Protection of whistleblowers	Indicator no. 6 Table #3 of Annex 1				102
ESRS G1-4	24 (a)	Fines for violation of anti-corruption and anti-bribery laws	Indicator no. 17 Table #3 of Annex 1			Delegated Regulation (EU) 2020/1816, Annex II	102-103
ESRS G1-4	24 (b)	Standards of anti-corruption and anti-bribery	Indicator no. 16 Table #3 of Annex 1				n/a

The table includes only those ESRS that have been assessed as significant for Spar Nord.



## List of disclosure requirements met in sustainability reporting

ESRS 2	Paragraph	Page
BP-1	General basis for preparation	54
BP-2	Specific circumstances	54-55
GOV-1	The role of the administrative, management and supervisory bodies	56
GOV-2	Information provided and sustainability matters addressed	56-57
GOV-3	Sustainability-related performance in incentive schemes	57
GOV-4	Statement on due diligence	57
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# Financial reporting

A man with a beard and short brown hair, wearing a white button-down shirt, is seated at a desk in a meeting room. He is looking towards the left of the frame, where a large screen displays a blurred image of a person. The room has a whiteboard in the background and recessed ceiling lights. The overall lighting is warm and professional.





# Financial reporting

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# Consolidated financial statements





## Income statement

Note	2024 DKKm	2023 DKKm
Interest income calculated under the effective interest method	3,963	3,600
Other interest income	1,357	1,047
<b>2.2 + 2.3.1 Interest income</b>	<b>5,320</b>	<b>4,647</b>
<b>2.2 + 2.3.2 Interest expenses</b>	<b>1,798</b>	<b>1,109</b>
<b>Net interest income</b>	<b>3,522</b>	<b>3,538</b>
2.4 Fees, charges and commissions received	1,782	1,679
2.4 Fees, charges and commissions paid	225	186
2.5 Market value adjustments and dividends	393	452
2.6 Other income	185	175
2.7 Staff costs	1,610	1,493
2.8 Operating expenses	1,166	1,057
<b>Profit/loss before loan impairment charges</b>	<b>2,881</b>	<b>3,108</b>
2.9 Impairment of loans, advances and receivables etc.	-25	-33
<b>Profit/loss before tax</b>	<b>2,906</b>	<b>3,141</b>
2.10 Tax	684	720
<b>Profit/loss for the year</b>	<b>2,222</b>	<b>2,421</b>
Appropriation:		
The shareholders of the Parent Company Spar Nord Bank A/S	2,175	2,374
Holders of additional tier 1 (AT1) capital instruments	47	47
<b>Profit/loss for the year</b>	<b>2,222</b>	<b>2,421</b>
<b>Earnings per share for the year</b>		
4.5 Earnings per share for the year (DKK)	18.7	19.9
4.5 Diluted earnings per share for the year (DKK)	18.7	19.9
Proposed dividend per share (DKK)	0.0	10.0

## Statement of comprehensive income

Note	2024 DKKm	2023 DKKm
<b>Profit/loss for the year</b>	<b>2,222</b>	<b>2,421</b>
<b>Other comprehensive income</b>		
<b>Items that cannot be reclassified to the income statement:</b>		
Adjustment relating to associates	4	0
Net revaluation of domicile property	23	6
<b>Items that can later be reclassified to the income statement</b>		
Adjustment regarding cash flows hedging	24	7
<b>Other comprehensive income after tax</b>	<b>51</b>	<b>13</b>
<b>Total comprehensive income</b>	<b>2,273</b>	<b>2,434</b>
Appropriation:		
The shareholders of the Parent Company Spar Nord Bank A/S	2,226	2,387
Holders of additional tier 1 (AT1) capital instruments	47	47
<b>Total comprehensive income</b>	<b>2,273</b>	<b>2,434</b>



## Balance sheet

Note	Assets	2024 DKKm	2023 DKKm
	Cash balances and demand deposits with central banks	863	218
3.1	Due from credit institutions and central banks	1,475	2,201
3.2	Loans, advances and other receivables at amortised cost	76,180	69,366
3.3.1	Bonds at fair value	31,346	32,505
3.3.2	Shares, etc.	1,776	1,766
3.4	Investments in associates	1,094	973
3.5	Assets linked to pooled schemes	27,933	24,733
3.6	Intangible assets	416	419
3.7.1	Land and buildings	727	711
3.7.2	Other property, plant and equipment	108	120
3.12	Current tax assets	88	70
3.12	Deferred tax assets	0	0
3.7.3	Temporary assets	34	2
3.8	Other assets	1,602	1,684
	Prepayments and deferred income	143	128
	<b>Total assets</b>	<b>143,785</b>	<b>134,896</b>

Note	Equity and liabilities	2024 DKKm	2023 DKKm
	<b>Liabilities</b>		
3.9	Due to credit institutions and central banks	6,840	5,006
3.10	Deposits and other payables	77,326	74,397
3.5	Deposits in pooled schemes	27,933	24,733
4.8	Issued bonds at amortised cost	9,134	9,307
3.3.3	Other non-derivative financial liabilities at fair value	1,435	1,936
3.11	Other liabilities	4,357	3,672
	Prepayments and deferred income	97	110
3.12	Deferred tax	389	76
3.13	Provisions	58	87
4.7	Subordinated debt	1,588	1,593
	<b>Total liabilities</b>	<b>129,156</b>	<b>120,917</b>
	<b>Equity</b>		
	Share capital	1,177	1,205
	Revaluation reserves	142	119
4.3	Statutory reserves	389	253
	Retained earnings	11,718	9,995
	Proposed dividend	0	1,205
	<b>Shareholders' equity</b>	<b>13,426</b>	<b>12,777</b>
4.6	Holders of additional tier 1 (AT1) capital instruments	1,202	1,202
	<b>Total equity</b>	<b>14,628</b>	<b>13,979</b>
	<b>Total equity and liabilities</b>	<b>143,785</b>	<b>134,896</b>



## Statement of changes in equity

	Share capital DKKm	Revaluation reserves DKKm	Statutory reserves DKKm	Cash flow hedging DKKm	Retained earnings DKKm	Proposed dividend DKKm	Shareholders of Spar Nord Bank A/S DKKm	Additional tier 1 (AT1) capital *) DKKm	Total equity DKKm
Equity at 31.12.2023	1,205	119	264	-11	9,995	1,205	12,777	1,202	13,979
<b>Comprehensive income in 2024</b>									
Profit/loss for the year	-	-	146	-	2,029	0	2,175	47	2,222
<b>Other comprehensive income</b>									
Adjustment relating to associates	-	-	-34	-	38	-	4	-	4
Net revaluation of properties	-	23	-	-	0	-	23	-	23
Adjustment regarding cash flows hedging	-	-	-	24	-	-	24	-	24
<b>Other comprehensive income, total</b>	<b>0</b>	<b>23</b>	<b>-34</b>	<b>24</b>	<b>38</b>	<b>0</b>	<b>51</b>	<b>0</b>	<b>51</b>
<b>Total comprehensive income</b>	<b>0</b>	<b>23</b>	<b>112</b>	<b>24</b>	<b>2,067</b>	<b>0</b>	<b>2,226</b>	<b>47</b>	<b>2,273</b>
<b>Transactions with owners</b>									
Interest paid on additional tier 1 (AT1) capital	-	-	-	-	-	-	-	-47	-47
Reduction of share capital, net transaction costs	-28	-	-	-	27	-	-1	-	-1
Dividends paid	-	-	-	-	-	-1,205	-1,205	-	-1,205
Dividends received, treasury shares	-	-	-	-	34	-	34	-	34
Disposal upon acquisition of treasury shares and additional tier 1 (AT1) capital	-	-	-	-	-1,294	-	-1,294	-	-1,294
Addition upon sale of treasury shares and additional tier 1 (AT1) capital	-	-	-	-	889	-	889	0	889
<b>Transactions with owners and other adjustments, total</b>	<b>-28</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-344</b>	<b>-1,205</b>	<b>-1,577</b>	<b>-47</b>	<b>-1,624</b>
<b>Equity at 31.12.2024</b>	<b>1,177</b>	<b>142</b>	<b>376</b>	<b>13</b>	<b>11,718</b>	<b>0</b>	<b>13,426</b>	<b>1,202</b>	<b>14,628</b>

\*) Additional tier 1 (AT1) capital is specified in note 4.6.



	Share capital DKKm	Revaluation reserves DKKm	Statutory reserves DKKm	Cash flow hedging DKKm	Retained earnings DKKm	Proposed dividend DKKm	Shareholders of Spar Nord Bank A/S DKKm	Additional tier 1 (AT1) capital *) DKKm	Total equity DKKm
Equity at 31.12.2022	1,230	113	190	-18	9,201	554	11,270	1,199	12,469
<b>Comprehensive income in 2023</b>									
Profit/loss for the year	-	-	107	-	1,062	1,205	2,374	47	2,421
<b>Other comprehensive income</b>									
Adjustment relating to associates	-	-	-23	-	23	-	0	-	0
Net revaluation of properties	-	6	-	-	-	-	6	-	6
Adjustment regarding cash flows hedging	-	-	-	7	-	-	7	-	7
<b>Other comprehensive income, total</b>	<b>0</b>	<b>6</b>	<b>-23</b>	<b>7</b>	<b>23</b>	<b>0</b>	<b>13</b>	<b>0</b>	<b>13</b>
<b>Total comprehensive income</b>	<b>0</b>	<b>6</b>	<b>84</b>	<b>7</b>	<b>1,085</b>	<b>1,205</b>	<b>2,387</b>	<b>47</b>	<b>2,434</b>
<b>Other adjustments</b>									
Adjustment relating to associates, cost of capital increase	-	-	-10	-	-	-	-10	-	-10
<b>Transactions with owners</b>									
Interest paid on additional tier 1 (AT1) capital	-	-	-	-	-	-	-	-47	-47
Reduction of share capital, net transaction costs	-25	-	-	-	24	-	-1	-	-1
Dividends paid	-	-	-	-	-	-554	-554	-	-554
Dividends received, treasury shares	-	-	-	-	13	-	13	-	13
Disposal upon acquisition of treasury shares and additional tier 1 (AT1) capital	-	-	-	-	-840	-	-840	-	-840
Addition upon sale of treasury shares and additional tier 1 (AT1) capital	-	-	-	-	512	-	512	3	515
<b>Total transactions with owners</b>	<b>-25</b>	<b>0</b>	<b>-10</b>	<b>0</b>	<b>-291</b>	<b>-554</b>	<b>-880</b>	<b>-44</b>	<b>-924</b>
<b>Equity at 31.12.2023</b>	<b>1,205</b>	<b>119</b>	<b>264</b>	<b>-11</b>	<b>9,995</b>	<b>1,205</b>	<b>12,777</b>	<b>1,202</b>	<b>13,979</b>

\*) Additional tier 1 (AT1) capital is specified in note 4.6.

The distribution of dividend to Spar Nord's shareholders has no tax consequences for Spar Nord.

No dividends have been proposed for 2024 because of Nykredit's takeover offer for Spar Nord Bank (2023: proposed dividends of DKK 1,205 million, corresponding to DKK 10.00 per share).

Dividends paid in 2024 amounted to DKK 1,205 million, corresponding to DKK 10.00 per share (2023: DKK 554 million, corresponding to DKK 4.50 per share).

Spar Nord launched a share buyback programme for up to DKK 500 million, scheduled to be completed during the period from 12 February 2024 to 31 January 2025. With reference to Nykredit's publication on 10 December 2024 of an all-cash voluntary takeover offer for Spar Nord Bank, Spar Nord's Board of Directors

decided to stop the ongoing share buyback programme. In the period until 10 December, Spar Nord bought back shares for a value of DKK 423 million (3,307,246 shares).

On 25 April 2024, the share capital was reduced by nominally DKK 27,645,950 through the cancellation of 2,764,595 shares from the Bank's portfolio of treasury shares acquired under the Bank's share buyback programme in the period from 13 February 2023 to 31 January 2024.

Net transaction costs relating to the share buyback programme amount to DKK 0.6 million (2023: DKK 1.2 million).



## Cash flow statement

Note	2024 DKKk	2023 DKKk
<b>Operations</b>		
	2,906	3,141
3.7	0	0
2.8.2	91	94
2.6	0	0
2.6	0	0
5.1.7	-21	7
	32	10
4.7+4.8	-189	-49
3.13	-28	20
3.4	-146	-107
	-397	-451
<b>Operating activities, total</b>	<b>2,248</b>	<b>2,665</b>
<b>Working capital</b>		
3.1+3.9	1,959	3,054
	-6,793	-3,567
3.3.1	1,160	-7,084
3.3.2	-11	-31
	235	-1,444
3.10	2,929	2,228
<b>Working capital, total</b>	<b>-521</b>	<b>-6,844</b>
<b>Cash generated from operations, total</b>	<b>1,727</b>	<b>-4,179</b>

Note	2024 DKKk	2023 DKKk
<b>Investments</b>		
3.4	-9	-162
3.4	0	0
3.6	-4	-6
3.6	0	0
3.7	-69	-38
3.7	1	70
3.4	38	23
<b>Investing activities, total</b>	<b>-43</b>	<b>-113</b>
<b>Financing</b>		
4.7	-7	-5
4.6	-47	-44
4.8	17	3,141
	-1,171	-540
	-1,294	-840
	889	512
3.11.1	-26	-26
	-1	-1
<b>Financing activities, total</b>	<b>-1,640</b>	<b>2,197</b>
<b>Movements in cash and cash equivalents for the year</b>	<b>44</b>	<b>-2,095</b>
	2,044	4,139
	44	-2,095
<b>Cash and cash equivalents, end of year</b>	<b>2,088</b>	<b>2,044</b>
<b>Cash and cash equivalents, end of year</b>		
	863	218
3.1	1,225	1,826
<b>Total</b>	<b>2,088</b>	<b>2,044</b>



# Section 1 - Notes basis of preparation

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## 1.1. Accounting policies

### 1.1.1. General

#### Accounting policies

The consolidated financial statements are presented in accordance with the International Financial Reporting Standards as adopted by the EU. The Parent Company's financial statements have been prepared in accordance with the provisions of the Danish Financial Business Act, including the Executive Order on financial reports presented by credit institutions and investment companies.

Moreover, the consolidated financial statements are presented in accordance with additional Danish disclosure requirements for annual reports prepared by listed financial institutions; see the Danish Financial Business Act and the Danish Statutory Order on Adoption of IFRS for financial enterprises issued pursuant to the Danish Financial Business Act.

On 5 February 2025, the Board of Directors and Executive Board reviewed and adopted the 2024 Annual Report of Spar Nord. The Annual Report will be submitted for adoption by the shareholders at the Annual General Meeting on 18 March 2025.

Figures in the financial statements are presented in millions of Danish kroner, unless otherwise stated. Consequently, rounding differences may occur because grand totals are rounded and the underlying decimal places are not shown to the reader. Due to summing requirements in connection with European Single Electronic Format with respect to the Group's income statement, balance sheet, statement of changes in equity and cash flow statement, rounding differences may also occur relative to the figures in the notes.

The difference between the profit or loss in the Group and in the Parent Company is due to the net effect of revaluations and impairment, which in the Group is recognised in other comprehensive income but in the Parent Company in the income statement via profit in subsidiaries. Depreciation of domicile properties in the consolidated financial statements is not made in the subsidiary due to the investment property classification.

Except for the effect of implementation of new and amended accounting standards and interpretations, as described below, the accounting policies are consistent with those applied last year.

The general accounting policies are described in the following.

Specific accounting policies are incorporated in the relevant notes.

#### Implementation of new accounting standards

Effective 1 January 2024, the Spar Nord Group implemented the IFRS standards and interpretations taking effect in the EU for 2024. The following amendments to IFRS relevant to Spar Nord were implemented effective 1 January 2024:

- Amendments to IAS 1 Presentation of liabilities and amendments to IFRS 16 lease liabilities in sale and lease-back transactions.

The implementation of amended standards did not affect recognition and measurement in 2024, thus not impacting earnings per share, diluted earnings per share and equity.

#### Recognition and measurement

Assets within Spar Nord's control as a result of past events are recognised in the balance sheet when it is probable that future economic benefits will flow to Spar Nord and the value of the asset can be reliably measured. Obligations arising from past events are recognised in the balance sheet where it is probable that outflows of future financial resources will be required to settle the obligations and they can be reliably estimated.

On initial recognition, assets and liabilities are measured at fair value, and for assets and liabilities subsequently measured at amortised cost directly attributable transaction costs will be added. Subsequently, assets and liabilities are measured as described for each item.

Recognition and measurement take into consideration any gains, losses and risks that arise before the presentation of the annual report and that confirm or invalidate matters existing at the balance sheet date.

Income is recognised in the income statement as earned. Costs incurred to generate the year's earnings are recognised in the income statement. Value adjustments of financial assets and liabilities and derivative financial instruments are recognised in the income statement.

Financial instruments are recognised at the settlement date and are derecognised when the right to receive or surrender cash flows from the financial instrument has expired, or if the financial instrument has been transferred and Spar Nord has transferred substantially all risks and rewards of ownership.



### Foreign currency translation

The consolidated financial statements and the Parent Company's financial statements are presented in Danish kroner (DKK), rounded to the nearest million DKK, which is the functional currency of Spar Nord Bank A/S and the subsidiary Aktieselskabet Skelagervej 15. Transactions denominated in foreign currency are translated at the exchange rate ruling at the transaction date.

Exchange differences arising between the exchange rate at the transaction date and the exchange rate at the payment date are recognised in the income statement as market value adjustments. Monetary items denominated in foreign currency are translated at the exchange rate ruling at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date when the balance arose is recognised in the income statement as market value adjustments.

### Offsetting

Receivables and payables are offset when the Group has a legally enforceable right to set off the recognised amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

### Consolidated financial statements

The consolidated financial statements consolidate the financial statements of the Parent Company Spar Nord Bank A/S and the associate in which Spar Nord Bank A/S exercises control over financial and operating policy decisions.

Control is said to exist if the Group is exposed or has rights to variable returns from its involvement with the company and has the ability to affect those returns through the power over the company. In the assessment of whether the Group has control, de facto control and potential voting rights that are real and of substance at the balance sheet date are taken into account.

The group enterprise Aktieselskabet Skelagervej 15 is fully consolidated.

The consolidated financial statements have been prepared consolidating the financial statements of Spar Nord Bank A/S and the subsidiary using the Group's accounting policies, eliminating intra-group income and expenses, shareholdings, intra-group balances as well as realised and unrealised gains and losses on intra-group transactions.

### Cash flow statement

The cash flow statement shows the cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as cash and cash equivalents at the beginning and end of the year. Cash flows from operating activities are calculated according to the indirect method as the profit or loss for the year adjusted for non-cash operating items and changes in working capital.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of intangible assets and property, plant and equipment as well as associates and group enterprises, etc. Cash flows from financing activities comprise dividends paid and movements in the equity, subordinated debt, issued bonds, lease liabilities and treasury shares.

Cash and cash equivalents comprise cash balances, demand deposits with central banks and amounts due from credit institutions and central banks with less than three months to maturity. These assets can be readily converted into cash and carry only minimal risk of change in value.

### European Single Electronic Format

Spar Nord's annual report is prepared in the European Single Electronic Format (ESEF), which can be read by all standard browsers.

In accordance with the delegated regulation and the ESEF Taxonomy, the consolidated financial statements, including the notes, are tagged using inline eXtensible Business Reporting Language (iXBRL).

The annual report consists of a zip file: Sparnord-2024-12-31-0-da.zip, containing an XHTML document, which can be read by all standard browsers, and a number of specific technical files.

## 1.1.2. Information about standards not yet effective

### Accounting policies

The International Accounting Standards Board (IASB) has published a number of new and amended financial reporting standards (IAS and IFRS), which Spar Nord is not required to observe in preparing the 2024 Annual Report. This includes:

- IAS 21 Foreign currency translation – Amendments to IAS 21: Lack of Exchangeability.
- IFRS 9 Financial Instruments, and IFRS 7 Financial Instruments: Disclosures – Amendments to the classification and measurement of financial instruments.
- IFRS 18 Presentation and disclosure in financial statements – new IFRS for presentation and disclosure.
- Annual improvements volume 11 in financial statements.

Not all of the above standards, amendments and interpretations have been adopted by the EU.

Spar Nord does not expect to implement the new standards until they become mandatory. None of the above standards are expected to materially affect Spar Nord's financial reporting, including recognition and measurement.



## 1.2. Significant accounting estimates and judgments

### Significant accounting estimates and judgments

In connection with the application of Spar Nord's accounting policies, which are described in note 1.1 and the other notes to the financial statements, management makes a number of assessments, which are material to recognition, measurement and presentation of income, costs, assets and liabilities in the financial statements. In addition, management makes a number of estimates of future events that will significantly affect the carrying amounts of assets and liabilities in the preparation of the consolidated financial statements.

The estimates made by the management are based on assumptions that the management finds reasonable, but which are inherently uncertain and unpredictable. The assumptions may be incomplete or inaccurate, and unexpected future events or circumstances may arise. Therefore, estimates are inherently difficult to make and will always entail uncertainty when they involve transactions with customers and other counterparties. It may be necessary to change previous estimates as a result of changes to the assumptions on which the estimates were based or as a result of new information or subsequent events.

The estimates and assumptions that are deemed critical to the consolidated financial statements are as follows:

Accounting item	Estimate	Assessments	Note
Impairment of loans and provisions against guarantees, etc.	X	X	3.2
Fair value of financial instruments		X	3.3

There have been no changes to significant accounting estimates.

A specific description of significant accounting estimates and judgments is provided in the relevant notes. If there have been significant changes to accounting estimates and judgments, a description hereof and any accounting effect will appear from the relevant notes.

## 1.3. ESEF data

Company's headquarters	Denmark
Name of the Group's ultimate parent company	Spar Nord Bank A/S (listed on Nasdaq Copenhagen)
Description of the company's operations and primary activities	Financial enterprise, banking
Country of incorporation	Denmark
Principal place of business	Denmark
Description of change of name of reporting entity	N/A
Legal form of the business	Public limited company
Name of reporting entity	Spar Nord Bank A/S
Name of parent company	Spar Nord Bank A/S (listed on Nasdaq Copenhagen)
Registered office	Skelagervej 15 9000 Aalborg Denmark



## Section 2 - Notes income statement

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## 2.1. Business segments

### 2.1.1. Accounting policies

#### Accounting policies

Segment information is provided in accordance with Spar Nord's accounting policies and follows the internal management reporting based on net interest income and net fee income.

Inter-segment transactions are settled on an arm's length basis. Expenses incurred centrally such as salaries, rent, depreciation, etc. are allocated to the individual segments based on an assessment of the proportionate share of the overall activity level. Segment assets and liabilities are assets and liabilities that are used for maintaining the operating activities of a segment or have come into existence as a result of such activities and that are either directly attributable or may be reasonably allocated to a segment. A calculated share of shareholders' equity is allocated to each segment.

Other income and expenses are charged to Other areas, which item also includes the activities of the subsidiary Aktieselskabet Skelagervej 15.

#### Description of business segments

Based on the nature of the products and services provided, the Group is organised in a number of business areas and resource and support functions. The reporting segments reflect the Group's organisational and management structure as well as internal follow-up.

Spar Nord's local banks cater to all types of retail and business customers. Spar Nord's local banks (the retail bank unit) constitutes the largest organisational unit in the Spar Nord Group, consisting of 58 local banks throughout the country and a Large Corporates department, which in addition to own large business customers serves large business customers from the other banking areas. The Large Corporates department is based in Aalborg and has centres in Aarhus and Roskilde, and the department also comprises Spar Nord Property Administration. Spar Nord Bank's leasing activities form an integral part of Spar Nord's local banks.

The Trading Division is composed of Markets, Shares and Corporate Bonds, Interest & Forex, Asset Management and capital markets development. The activities of the Trading Division centre on forex and securities, including hedging and managing the transactions made by the local banks' customers. Moreover, the Trading Division cooperates with a number of the Bank's largest business customers and retail customers, as well as managing some of the Bank's own positions.

Other areas comprise central staff and support functions, other income and expenses and eliminations.

#### Principles for Intra-group settlement

An internal interest rate is calculated for all business segments. The internal interest rate is used to equalise differences between assets and liabilities (surplus/deficit of liquidity) among the business segments. The internal interest rate is calculated on the basis of market rates, which were on a slightly downward trajectory in 2024.

Costs incurred centrally and a few income items are basically allocated internally between the individual business segments on the basis of cost. An allocation is made from the unit paying the costs based on an assessment of each individual unit's proportionate share of the overall activity level.

Other income and expenses are allocated to the business segments to whose operation they are directly related or can reasonably be allocated.

The assets and liabilities of the business segments are the operating assets and operating liabilities that are employed by a segment for its operations and that are either directly attributable to the segment or can reasonably be allocated to the segment. The individual business segment includes allocated capital equal to 14.5% (2023: 14.5%) of the average total risk exposure amount of the business area. In the business segment Other areas, the difference between allocated capital and equity is presented.

#### Information about income broken down by products and services

The Group's business areas are organised according to differences in products and services, and products and services are uniform within the individual business areas. Income from the business area Spar Nord's local banks mainly comprises income from interest, fees, charges and commissions related to products within lending and deposits as well as leasing activities. The customers consist of retail, business and public-sector customers.

Income from the business area Trading Division comprises interest and market value adjustments on forex and trading products as well as interest and market value adjustments on the Bank's portfolio of securities.



	Spar Nord's local banks DKKk	Trading Division DKKk	Other areas DKKk	Group, total DKKk
<b>2024</b>				
<b>Income statement</b>				
Net interest income	2,978	454	90	3,522
Net fee income	1,545	9	4	1,558
Market value adjustments and dividends	275	73	45	393
Other income	29	0	156	185
<b>Net core income/revenue total</b>	<b>4,826</b>	<b>536</b>	<b>294</b>	<b>5,657</b>
Staff costs and operating expenses	2,595	96	86	2,777
<b>Profit/loss before impairment</b>	<b>2,232</b>	<b>441</b>	<b>208</b>	<b>2,881</b>
Impairment of loans, advances and receivables etc.	-25	0	0	-25
<b>Profit/loss before tax</b>	<b>2,257</b>	<b>441</b>	<b>208</b>	<b>2,906</b>
<b>Balance sheet</b>				
Loans, advances and other receivables at amortised cost	61,668	14,512	0	76,180
Investments in associates	0	0	1,094	1,094
Intangible assets and property, plant and equipment *)	478	0	772	1,251
Other assets **)	1,388	34,348	29,524	65,260
<b>Allocated assets, total</b>	<b>63,535</b>	<b>48,860</b>	<b>31,390</b>	<b>143,785</b>
Deposits and other payables	72,730	4,596	0	77,326
Equity (allocated capital)	7,247	1,702	5,679	14,628
Other liabilities	28,660	8,644	14,526	51,830
<b>Allocated equity and liabilities, total</b>	<b>108,637</b>	<b>14,943</b>	<b>20,205</b>	<b>143,785</b>

	Spar Nord's local banks DKKk	Trading Division DKKk	Other areas DKKk	Group, total DKKk
<b>2024</b>				
<b>Disclosures - income/revenue, total</b>				
Internal income/revenue	411	-546	212	77
Internal income and eliminations, offset against costs	0	-77	0	-77
Income/revenue, external customers	4,416	1,188	53	5,657
<b>Income/revenue, total</b>	<b>4,827</b>	<b>565</b>	<b>265</b>	<b>5,657</b>
<b>Of which revenue from contracts with customers (see note 2.4)</b>	<b>994</b>	<b>20</b>	<b>25</b>	<b>1,038</b>
<b>Disclosures, cash flow statement</b>				
Depreciation, amortisation and impairment ***)	25	0	66	91
Additions, intangible assets and property, plant and equipment *)	45	0	27	73
Non-cash operating items excl. depr., amort. and impairment of int. assets and prop., plant & equipment	0	0	-143	-143
Impairment and reversal of impairment of loans, advances and receivables, etc.	-21	0	0	-21
<b>Financial ratios</b>				
Return on equity, % ****)	33	27	-	-
Cost share of core income	0.54	0.18	-	-
Total risk exposure amount, end of period	52,016	12,004	2,581	66,600
Number of employees (full-time equivalents, end of period)	1,175	54	521	1,750

\*) All assets are located in Denmark.

\*\*) Temporary assets amount to DKK 34 million, of which DKK 32 million relates to lease activities and DKK 2 million relates to other areas.

\*\*\*) No significant impairment charges have been made.

\*\*\*\*) The rate of return on equity per annum has been calculated on allocated capital, which amounts to 14.5% of the average total risk exposure amount.



	Spar Nord's local banks	Trading Division	Other areas	Group, total
2023	DKKm	DKKm	DKKm	DKKm
<b>Income statement</b>				
Net interest income	3,178	297	63	3,538
Net fee income	1,482	12	-1	1,493
Market value adjustments and dividends	236	159	57	452
Other income	32	0	142	175
<b>Core income/revenue, total</b>	<b>4,928</b>	<b>468</b>	<b>262</b>	<b>5,658</b>
Staff costs and operating expenses	2,330	87	133	2,550
<b>Profit/loss before impairment</b>	<b>2,597</b>	<b>381</b>	<b>129</b>	<b>3,108</b>
Impairment of loans, advances and receivables etc.	-33	-1	0	-33
<b>Profit/loss before tax</b>	<b>2,630</b>	<b>382</b>	<b>129</b>	<b>3,141</b>
<b>Balance sheet</b>				
Loans, advances and other receivables at amortised cost	57,363	12,003	0	69,366
Investments in associates	0	0	973	973
Intangible assets and property, plant and equipment *)	489	0	760	1,250
Other assets **)	1,392	35,793	26,123	63,308
<b>Allocated assets, total</b>	<b>59,244</b>	<b>47,797</b>	<b>27,856</b>	<b>134,896</b>
Deposits and other payables	69,954	4,443	0	74,397
Equity (allocated capital)	6,822	1,611	5,547	13,979
Other liabilities	25,317	7,417	13,786	46,520
<b>Allocated equity and liabilities, total</b>	<b>102,092</b>	<b>13,470</b>	<b>19,333</b>	<b>134,896</b>

	Spar Nord's local banks	Trading Division	Other areas	Group, total
2023	DKKm	DKKm	DKKm	DKKm
<b>Disclosures - income/revenue, total</b>				
Internal income/revenue	483	-563	148	68
Internal income and eliminations, offset against costs	0	-68	0	-68
Income/revenue, external customers	4,444	1,099	114	5,658
<b>Income/revenue, total</b>	<b>4,928</b>	<b>468</b>	<b>262</b>	<b>5,658</b>
<b>Of which revenue from contracts with customers (see note 2.4)</b>	<b>899</b>	<b>22</b>	<b>36</b>	<b>956</b>
<b>Disclosures, cash flow statement</b>				
Depreciation, amortisation and impairment ***)	24	1	69	94
Additions, intangible assets and property, plant and equipment *)	23	0	21	44
Non-cash operating items excl. depr., amort. and impairment of int. assets and prop., plant & equipment	0	0	-78	-78
Impairment and reversal of impairment of loans, advances and receivables, etc.	7	0	0	7
<b>Financial ratios</b>				
Return on equity, % ****)	38	26	-	-
Cost share of core income	0.47	0.19	-	-
Total risk exposure amount, end of period	47,045	11,107	2,216	60,369
Number of employees (full-time equivalents, end of period)	1,136	57	510	1,703

\*) All assets are located in Denmark.

\*\*) Temporary assets amount to DKK 2 million, of which DKK 2 million relates to lease activities and DKK 0 million relates to other areas.

\*\*\*) No significant impairment charges have been made.

\*\*\*\*) The rate of return on equity per annum has been calculated on allocated capital, which amounts to 14.5% of the average total risk exposure amount.



## 2.2. Financial items

	Interest income DKKk	Interest expense DKKk	Net interest DKKk	Market value adjust- ments DKKk	Share dividends DKKk	Total DKKk
<b>2024</b>						
<b>Net financials at amortised cost</b>						
Due from and due to credit institutions and central banks	48	99	-51	-	-	-51
Lending and deposits, banking activities	3,401	980	2,421	-	-	2,421
Repo and reverse repo transactions	514	90	425	-	-	425
Issued bonds	0	518	-518	-13	-	-531
Subordinated debt	0	103	-103	-	-	-103
Other interest	0	9	-8	-	-	-8
<b>Total</b>	<b>3,963</b>	<b>1,798</b>	<b>2,165</b>	<b>-13</b>	<b>-</b>	<b>2,153</b>
<b>Net financials at fair value</b>						
Trading book	1,357	0	1,357	191	2	1,550
Other financial investment assets (shares according to fair-value option)	0	0	0	98	114	212
<b>Total</b>	<b>1,357</b>	<b>0</b>	<b>1,357</b>	<b>290</b>	<b>116</b>	<b>1,763</b>
<b>Total net income from financials</b>	<b>5,320</b>	<b>1,798</b>	<b>3,522</b>	<b>277</b>	<b>116</b>	<b>3,915</b>

	Interest income DKKk	Interest expense DKKk	Net interest DKKk	Market value adjust- ments DKKk	Share dividends DKKk	Total DKKk
<b>2023</b>						
<b>Net financials at amortised cost</b>						
Due from and due to credit institutions and central banks	75	64	10	-	-	10
Lending and deposits, banking activities	3,153	531	2,622	-	-	2,622
Repo and reverse repo transactions	362	72	290	-	-	290
Issued bonds	0	336	-336	-66	-	-402
Subordinated debt	0	86	-86	-	-	-86
Other interest	11	19	-8	-	-	-8
<b>Total</b>	<b>3,600</b>	<b>1,109</b>	<b>2,491</b>	<b>-66</b>	<b>-</b>	<b>2,426</b>
<b>Net financials at fair value</b>						
Trading book	1,047	0	1,047	326	2	1,375
Other financial investment assets (shares according to fair-value option)	0	0	0	109	80	189
<b>Total</b>	<b>1,047</b>	<b>0</b>	<b>1,047</b>	<b>435</b>	<b>82</b>	<b>1,564</b>
<b>Total net income from financials</b>	<b>4,647</b>	<b>1,109</b>	<b>3,538</b>	<b>370</b>	<b>82</b>	<b>3,990</b>





## 2.3. Net interest

### 2.3.1. Interest income

	2024 DKKm	2023 DKKm
Reverse repo transactions with credit institutions and central banks	43	50
Other amounts due from credit institutions and central banks	48	75
Reverse repo transactions, lending	471	312
Loans, advances and other receivables	3,401	3,153
Bonds	1,165	846
Total derivatives	192	201
Other interest income	0	11
<b>Total interest income</b>	<b>5,320</b>	<b>4,647</b>

### 2.3.2. Interest expenses

	2024 DKKm	2023 DKKm
Repo transactions with credit institutions and central banks	86	65
Other payables to credit institutions and central banks	99	64
Repo transactions, deposits	3	7
Deposits and other payables	980	531
Issued bonds	518	336
Subordinated debt	103	86
Other interest expenses	9	19
<b>Total interest expenses</b>	<b>1,798</b>	<b>1,109</b>

Interest for hedge transactions of issued bonds and subordinated debt has been offset. Amounts were offset between the item total derivatives under interest income and issued bonds and subordinated debt under interest expenses, respectively.

#### Accounting policies

Interest income and expenses comprise:

- Interest-bearing financial instruments measured at amortised cost, which are recognised in the income statement applying the effective interest method based on the cost of the financial instrument;
- Amortisation of fees which are an integral part of the effective yield of the financial instrument, including origination fees and document-handling fees in connection with loan establishment etc., and amortisation of any additional difference between cost and redemption price;
- Interest on financial instruments measured at fair value, but not interest on assets and deposits under pooled schemes, which is recognised under market value adjustments;
- Interest income which the lessor on finance leases and purchase contracts has recognised on the basis of the agreed effective interest rate;
- Fees, etc. from operating and finance leases which the lessor accrues over the remaining term of the leases and recognised on an ongoing basis under Interest income; and
- Interest expense on operating leases in which Spar Nord is the lessee.

Interest on loans with credit impairment made on the basis of the value after impairment is presented under impairment of loans, advances and receivables etc.



## 2.4. Fees, charges and commissions received

	2024 DKKm	2023 DKKm
Securities trading and custody accounts	519	484
Payment services	300	251
Loan transaction fees	571	586
of which mortgage credit institutions	461	474
Guarantee commission	29	33
Other fees, charges and commissions	364	324
<b>Total fees, charges and commissions received</b>	<b>1,782</b>	<b>1,679</b>
<b>Total fees, charges and commissions paid</b>	<b>225</b>	<b>186</b>
<b>Total net fees, charges and commissions received</b>	<b>1,558</b>	<b>1,493</b>
<b>Of which</b>		
Transaction fees relating to financial instruments measured at amortised cost	571	586
Income from management activities and other fiduciary activities	305	268
<b>Share of above-mentioned fee types concerning revenue from contracts with customers</b>		
Securities trading and custody accounts	390	354
Payment services	285	251
Loan fee	110	113
Other net fees and other operating income	254	238
<b>Total revenue from contracts with customers</b>	<b>1,038</b>	<b>956</b>

### Accounting policies

Fees, charges and commissions relating to services provided over a period of time are accrued over the service period, which includes guarantee commissions. Income generated upon performing a given transaction, including securities and custodianship fees plus payment services fees, is recognised as income when the transaction has been performed.

Other fees, charges and commissions primarily consist of brokerage commission and account and online banking fees.

### Revenue from contracts with customers

Revenue is recognised with a view to depicting the transfer of promised services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those services. On the basis of this basic principle, a five-step model is applied in a process to ensure systematic assessment of all elements in contracts with customers.

Revenue is recognised on completion of the transaction and is not a part of the effective rate of interest.

At contract inception, Spar Nord determines for each identified performance obligation whether the bank satisfies the performance obligation over time or at a point in time and whether the consideration is fixed or variable, including whether the consideration is susceptible to, for instance, factors outside the Group's influence. The consideration is then allocated to the identified performance obligation.

Examples of revenue from contracts with customers:

- Portfolio management fees
- Credit card transactions
- Securities trading fees
- Other types of income in the form of, for instance, fee income, property management income and rental income



## 2.5. Market value adjustments and dividends

	2024 DKKm	2023 DKKm
Other loans, advances and receivables at fair value	-13	-66
Bonds	169	303
Shares, etc.	113	134
Currency	108	92
Foreign exchange, interest, share, commodity and other contracts and derivatives	-99	-93
Assets linked to pooled schemes	2,370	2,459
Deposits in pooled schemes	-2,370	-2,459
<b>Total market value adjustments</b>	<b>277</b>	<b>370</b>
Dividends on shares, etc.	116	82
<b>Market value adjustments and dividends on shares, etc., total</b>	<b>393</b>	<b>452</b>

### Accounting policies

Market value adjustments include realised and unrealised market value adjustments of items in the trading book and the banking book of securities and derivatives and other shares at fair value (fair value option). In addition, the impact on profits/losses from exchange rate adjustments and fair value hedge accounting is also recognised under market value adjustments.

## 2.6. Other income

	2024 DKKm	2023 DKKm
Payments under operating leases and other rental income	13	12
Gain on sale of other property, plant and equipment	1	1
Gain on sale of properties	0	21
Other income	18	24
Operation of investment properties	7	10
<b>Total other operating income</b>	<b>38</b>	<b>67</b>
Income from investments in associates	146	107
<b>Other income, total</b>	<b>185</b>	<b>175</b>

### Accounting policies

Other operating income includes items of a secondary nature relative to Spar Nord's activities, including gains on the disposal of acquired investment and domicile properties, the disposal of leasing assets and gains from sale of investments in associates etc.

Other operating income also includes the proportionate share of income after tax from investments in associates as well as lease income from operating leases and rental income from properties after deducting operating expenses.

Disposal gains are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal.

Prepaid income is recognised at amortised cost under deferred income (liabilities).



## 2.7. Staff costs

	2024 DKKm	2023 DKKm
Salaries	1,287	1,190
Pensions	150	140
Social security costs	174	163
<b>Total staff costs</b>	<b>1,610</b>	<b>1,493</b>
<b>Number of employees</b>		
Average number of employees in the financial year converted into full-time equivalents	1,721	1,664

### Of which, remuneration to members of the Board of Directors, Executive Board and material risk takers

	2024 DKKm	2023 DKKm
<b>Board of Directors</b>		
Number	10	9
Fixed remuneration	5.6	5.0
Pension	-	-
<b>Total remuneration</b>	<b>5.6</b>	<b>5.0</b>

The Board of Directors' remuneration in the Parent Company and the Group is identical. The subsidiary's board of directors is composed of persons employed by Spar Nord's Parent Company, and none of them have received remuneration as members of the subsidiary's board of directors. The remuneration of the Board of Directors is based on intragroup management agreements.

The members of the Board of Directors receive a fixed fee. In addition, a fixed fee is paid to members of the Audit Committee, the Risk Committee and the Nomination and Remuneration Committee.

The Board of Directors receives no variable pay. The members of the Board of Directors are not covered by any corporate pension schemes.

In accordance with the Danish Financial Business Act, Spar Nord's remuneration policy defines the group of persons who are material risk takers. No variable remuneration components over and above the statutorily allowed lower threshold limit (DKK 100,000 per year) are paid to material risk takers.

	2024 DKKm	2023 DKKm
<b>Material risk takers</b>		
Number (avg. number of risk takers)	18	18
Fixed pay *)	23.9	23.1
Variable pay	0.9	0.7
Pension	3.4	3.4
<b>Total amount earned and remuneration paid</b>	<b>28.2</b>	<b>27.2</b>

\*) The amount includes the value of a company-provided car, etc. and has been deducted from remuneration received from directorships.

The remuneration paid to Group Management (Board of Directors and Executive Board) does not include any variable components or discretionary pension benefits. The remuneration policy was adopted at the Annual General Meeting on 19 March 2024. The remuneration policy is available at [sparnord.com/remuneration](https://sparnord.com/remuneration).

According to the remuneration policy, the Board of Directors and the Executive Board are included in the group of material risk takers.

The Board of Directors' and Executive Board's remuneration and number of members, etc. are not included in the above specification. The specifications of the Board of Directors' and Executive Board's remuneration, etc. must be included in the total calculation and specification of the Bank's material risk takers.

	2024	2023
<b>Executive Board</b>		
Number	4	4
Base salary *)	20.4	19.5
- less fees received from directorships	2.1	2.0
<b>The Bank's expense, base salary</b>	<b>18.3</b>	<b>17.5</b>
Pension	3.2	3.0
<b>Total amount earned and remuneration paid</b>	<b>21.5</b>	<b>20.6</b>

\*) The amount includes the value of a company-provided car etc.

### The members of the Executive Board receive no variable pay.

Members of the Executive Board receive remuneration for their Group executive board duties based on the management agreement with the subsidiary.

Information about the remuneration of individual members of the Board of Directors and Executive Board and termination and severance terms is available in the Remuneration Report at [sparnord.com/remuneration](https://sparnord.com/remuneration).

Note 6.8 provides information on the Board of Directors and the Executive Board's loans, advances and loan commitments, deposits, collateral and interest rates.



### Termination rules

Members of the Executive Board are not comprised by retention schemes.

Two Executive Board members have the following severance agreement on termination on the part of the Bank: Normal consideration during the notice of termination of 12 months and severance payment equalling 24 months of normal monthly salary (without pension). The severance pay is reduced in stages when the two members are aged 64-67. From the age of 67 onwards, no severance pay will be granted. As this is relevant for one Executive Board member, the severance pay has been "frozen" at 14 November 2024 and until Nykredit's potential takeover of Spar Nord has been settled, but not later than 31 December 2025.

Two Executive Board members have the following severance agreement on termination on the part of the Bank: Normal consideration during the notice of termination of 12 months. Severance payment equalling 12 months of normal monthly salary (without pension). They are both comprised by a non-competition clause, which applies for 12 months from the date of termination. As compensation for this clause, they are entitled to 60% of the total monthly salary for as long as the obligation remains in force.

In addition, it should be noted that the severance schemes are only activated if the service contract is terminated on the part of the Bank or if the Bank takes part in a merger with or is acquired by another company, and the Executive Board member does not form part of the continuing entity. Under the severance scheme, termination on the part of the Executive Board member will only lead to standard remuneration during a 6-month termination period and no severance pay. In the event of the death of an Executive Board member during the period of employment, a post-service payment equal to a maximum of six months' salary will be disbursed to the spouse, alternatively to any children under the age of 18.

### Pension obligation

Like the other employees, members of the Executive Board and significant risk takers are comprised by defined contribution pension plans.

### Accounting policies

Staff costs comprise salaries, holiday pay, anniversary lump sums, pension costs, etc. for staff and management.

## 2.8. Operating expenses

	2024 DKKm	2023 DKKm
IT costs	708	620
Marketing expenses	77	70
Cost of premises	56	59
Staff costs and travel expenses	87	77
Office expenses	17	14
Other administrative expenses	130	123
<b>Operating expenses</b>	<b>1,076</b>	<b>963</b>
<b>Depreciation, amortisation and impairment</b>	<b>91</b>	<b>94</b>
<b>Total operating expenses</b>	<b>1,166</b>	<b>1,057</b>

### 2.8.1. Audit fees

	2024 DKKm	2023 DKKm
Fees to the audit firm appointed at the General Meeting	6.2	5.6
Fees to other audit firms for non-audit services	0.6	0.5
<b>Total audit fees</b>	<b>6.8</b>	<b>6.1</b>
<b>Total fees to the audit firm appointed at the General Meeting break down as follows:</b>		
Statutory audit	4.0	4.2
Other assurance engagements	1.8	0.5
Tax and VAT assistance	0.2	0.0
Non-audit services	0.2	0.9
<b>Total fees to the audit firm appointed at the General Meeting</b>	<b>6.2</b>	<b>5.6</b>

The fee for non-audit services provided by Deloitte Statsautoriseret Revisionspartnerselskab to the Group in 2024 amounted to DKK 0.2 million, consisting of other services which included the preparation of a comfort letter relating to the EMTN programme and other advisory services.

For 2023, the fee for non-audit services provided by Deloitte Statsautoriseret Revisionspartnerselskab to the Group amounted to DKK 0.9 million, consisting of other services which included the preparation of a comfort letter relating to the EMTN programme, ESG advisory services and other advisory services.

Deloitte Statsautoriseret Revisionspartnerselskab has met the requirements for total fees for non-audit services pursuant to Regulation (EU) No 537/2014, Article 4(2).



### 2.8.2. Depreciation, amortisation and impairment of intangible assets and property, plant and equipment

	2024 DKKm	2023 DKKm
<b>Intangible assets</b>		
Customer relations, amortisation	5	5
Other intangible assets, amortisation	2	2
<b>Property, plant and equipment</b>		
Domicile properties, depreciation	46	43
Domicile properties, net impairment	-2	3
Temporary property portfolio, impairment	0	0
Other property, plant and equipment, depreciation	40	41
<b>Total amortisation, depreciation and impairment of intangible assets and property, plant and equipment</b>	<b>91</b>	<b>94</b>

### 2.9. Impairment of loans, advances and receivables etc.

	2024 DKKm	2023 DKKm
Impairment of loans at amortised cost	24	84
Writedowns on amounts due from credit institutions and central banks	0	0
Provision for losses on guarantees	-6	-27
Provisions for losses on unutilised credit lines and loan commitments	-2	-6
Loss without prior impairment	40	74
Amounts recovered on previously impaired receivables	62	127
Interest accrued on loans subject to impairment	18	18
Value adjustment of properties taken over	0	0
Reversal of impairment charges taken over	0	13
<b>Total</b>	<b>-25</b>	<b>-33</b>

An additional specification of loan impairment etc. is provided in note 5.1 on credit risk.

#### Accounting policies

Operating expenses include costs of IT, marketing, premises and office expenses. The other administrative expenses include other operating expenses of a secondary nature relative to Spar Nord's activities such as contributions to the Resolution Fund.

Prepaid expenses are recognised at amortised cost under prepayments (assets).



## 2.10. Tax

	2024 DKKk	2023 DKKk
Tax on profit/loss for the year	684	720
Tax on other comprehensive income	8	2
Tax on changes in equity	0	0
<b>Total tax</b>	<b>693</b>	<b>722</b>
<b>Tax on the profit/loss for the year breaks down as follows:</b>		
Current tax	389	386
Deferred tax for the year	308	336
Adjustment of deferred tax, prior years	6	-53
Adjustment of current tax for prior years	-18	57
Change in corporate tax rate (recalculation factor)	0	-7
<b>Tax on profit/loss for the year</b>	<b>684</b>	<b>720</b>
<b>Specification of the effective tax rate:</b>		
Corporate tax rate in Denmark	22.0	22.0
Special tax for financial enterprises in Denmark, %	4.0	3.2
Non-taxable income from investments and market value adjustment of shares, %	-2.4	-2.0
Other non-deductible expenses and non-taxable income, %	0.4	-0.2
Adjustment of prior-year taxes, %	-0.5	0.1
Change in corporate tax rate (recalculation factor), %	0.0	-0.2
<b>Total effective tax rate</b>	<b>23.5</b>	<b>22.9</b>

### Tax policy, governance & compliance

As an integral part of the Bank's corporate social responsibility and corporate culture, Spar Nord wishes to be a responsible taxpayer complying with current tax legislation. As a responsible taxpayer, the Bank supports the society we are a part of and thus contributes to its continued growth and welfare.

The Bank's Board of Directors has prepared a tax policy, the general purpose of which is to provide guidelines, create transparency and maintain accountability in the tax area. As Spar Nord wants to conduct a transparent tax policy, where open dialogue and communication form the basis for our cooperation with tax authorities and other stakeholders, we have published our tax policy on the Bank's website. Spar Nord regularly submits relevant reports to the Danish Tax Agency, and follows the requirements of the Danish Anti-Money Laundering Act on reporting suspected tax evasion.

Spar Nord has no activities in tax havens.

	Before tax 2024 DKKk	Tax 2024 DKKk	After tax 2024 DKKk	Before tax 2023 DKKk	Tax 2023 DKKk	After tax 2023 DKKk
<b>Tax on other comprehensive income</b>						
Relating to associates	4	0	4	0	0	0
Related to cash flow hedges	32	-8	24	10	-2	7
Net revaluation of properties	23	0	23	6	0	6
<b>Tax on other comprehensive income, total</b>	<b>59</b>	<b>-8</b>	<b>51</b>	<b>16</b>	<b>-2</b>	<b>13</b>
<b>Tax on changes in equity</b>						
Relating to associates, cost of capital increase	0	0	0	-10	0	-10
Interest and issuance expenses, additional tier 1 (AT1) capital	-47	0	-47	-47	0	-47
<b>Tax on changes in equity</b>	<b>-47</b>	<b>0</b>	<b>-47</b>	<b>-47</b>	<b>0</b>	<b>-47</b>

### Current tax, paid tax and deferred tax

Spar Nord's current tax, paid tax and deferred tax are described in note 3.12.

The tax rate was changed from 2023 due to changes to the Danish Corporation Tax Act, the Tax Administration Act, the Tax Control Act and the Tax Assessment Act. The changes concern the introduction of "Contributions to society from the financial sector and a cap on deductibility of salary expenses" at 9 June 2022 and mean that the corporate tax rate for financial enterprises will rise to 25.2% in 2023 and 26% in 2024 and the introduction of a cap on deductible payroll costs of DKK 7.5 million per employee (2022 rate).

The effect on deferred tax of the changed corporate tax rate is recognised in 2023.

The deduction cap for salaries does not affect Spar Nord.

The international rules stipulating that multinational enterprises must pay tax of at least 15%, "International Tax Reform – Pillar Two Model Rules", are not expected to affect Spar Nord going forward because Spar Nord has no activities in tax havens (countries considered a low-tax environment). Spar Nord could become subject to the rules because the national implementation also extends to large national enterprises. If Spar Nord should become subject to the rules, it is not expected to have any financial impact, but only an effect on the administrative filings with the tax authorities.

**Accounting policies**

The parent company Spar Nord Bank A/S is jointly taxed with its Danish subsidiary. The current Danish income tax liability is allocated among the Danish companies of the tax pool in proportion to their taxable income. Companies utilising tax losses in other companies pay joint taxation contributions to the parent company equal to the tax value of the utilised losses, while companies whose tax losses are utilised by other companies receive joint taxation contributions from the parent company equal to the tax value of the utilised losses (full allocation). The jointly taxed Danish companies are taxed under the Danish on-account tax scheme.

Tax for the year, consisting of the year's current tax and changes in deferred tax, is recognised in the income statement as regards the amount that can be attributed to the profit or loss for the year, in other comprehensive income as regards the amount that can be attributed to other comprehensive income items and in equity as regards the amount that can be attributed to movements taken directly to equity.





## Section 3 - Notes balance sheet

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### 3.1. Due from credit institutions and central banks

	2024 DKKm	2023 DKKm
Balances at notice with central banks	0	0
Due from credit institutions, reverse repo transactions	759	1,440
Due from credit institutions, other	715	761
<b>Total due from credit institutions and central banks</b>	<b>1,475</b>	<b>2,201</b>
Of which, subordinated receivables	0	0
<b>Shown by term to maturity</b>		
Demand deposits	109	141
Up to 3 months	1,115	1,686
Over 3 months and up to 1 year	250	125
Between 1 year and 5 years	0	250
Over 5 years	0	0
<b>Total</b>	<b>1,475</b>	<b>2,201</b>

#### Accounting policies

Amounts due from credit institutions and central banks comprise amounts due from other credit institutions and time deposits with central banks.

In reverse repo transactions, that is purchases of securities to be repurchased at a later date, the consideration paid is recognised as an amount due from credit institutions and central banks. The difference between the bid and offered price is recognised as interest in the income statement over the term of the relevant instrument. Reverse repo transactions are measured at amortised cost.

Amounts due from credit institutions and central banks are initially recognised at fair value plus transaction costs and less fees and commissions received that are directly related to the establishment. Subsequently, amounts due from credit institutions and central banks are measured at amortised cost using the effective interest method less write-downs for bad debt losses.

### 3.2. Loans, advances and other receivables at amortised cost

	2024 DKKm	2023 DKKm
Lending, reverse repo transactions	14,488	11,870
Lending, banking and leasing activities	61,692	57,497
<b>Loans, advances and other receivables at amortised cost, total</b>	<b>76,180</b>	<b>69,366</b>
<b>Broken down by category</b>		
Loan contracts with access to variable utilisation	25,571	25,350
Lease contracts	9,294	8,606
Other lending	41,315	35,410
<b>Total</b>	<b>76,180</b>	<b>69,366</b>
<b>Shown by term to maturity</b>		
Demand deposits	1,971	1,678
Up to 3 months	15,723	12,985
Over 3 months and up to 1 year	18,176	19,047
Between 1 year and 5 years	10,734	9,602
Over 5 years	29,575	26,055
<b>Total</b>	<b>76,180</b>	<b>69,366</b>

#### Accounting policies

This item comprises loans, advances and receivables, including mortgage deeds, finance leases and reverse repo transactions where the counterparty is not a credit institution or a central bank.

In reverse repo transactions, that is purchases of securities to be repurchased at a later date, the consideration paid is recognised as loans, advances and other receivables. The difference between the bid and offered price is recognised as interest in the income statement over the term of the relevant instrument. Reverse repo transactions are measured at amortised cost.

Loans and other receivables are initially recognised at fair value plus transaction costs and less fees and commissions received that are directly related to the establishment. Subsequently, loans, advances and other receivables are measured at amortised cost using the effective interest method less write-downs for bad debt losses.

Reference is made to note 5.1.1 for a description of the accounting policies concerning loan impairment.



### Significant accounting estimates and judgments, loan impairment

The measurement of impairment pursuant to IFRS 9 across the different categories of financial assets requires estimates, particularly estimates regarding amounts and timing in relation to future cash flows and loan values when determining loss allowances and assessments of significant increases in credit risks. These estimates are based on a number of factors, and changes may result in different levels of loss allowances/provisions.

Under the Bank's expected credit loss model, a loss allowance must be recognised on all credit exposures. The expected credit loss model is based on a complex model involving a number of underlying assumptions concerning choice of variable input and their interdependence. Stage 1 and stage 2 impairment charges are made on the basis of a model calculation, whereas the calculation in respect of exposures from the weak part of stage 2 as well as stage 3 is made as a combination of an individual assessment and a modal calculation.

The following components of the model are considered accounting estimates and judgments:

- The Bank's internal credit assessment model which allocates PD (probability of default) to the individual levels, thus dividing them into stages.
- The Bank's internal calculation of LGD values (loss given default) for each segment.
- The Bank's criteria for assessing whether there has been a substantial increase in credit risks since initial recognition, resulting in stage migration.
- Developing a model, including various formulas and selection of input.
- Determining macroeconomic scenarios and economic input such as unemployment levels and loan values and the impact on PD, EAD (exposure at default) and LGD.
- Selecting forward-looking macroeconomic scenarios.

Spar Nord has defined a list of risk events that indicate credit impairment. Some risks are registered automatically in the systems, while others are registered manually by customer advisers or credit staff members, including flagging customers as having a weak credit quality. The flagging is made by adding a credit flag that indicates the reasons for an elevated risk level for the customer based on significant estimates, particularly affected by factors such as property prices, unemployment rates and demand for various products and services. The flagging of weak credit quality has a direct impact on customer impairments as it affects customer PD values. See note 5.1.11 for a description hereof.

Individually assessed impairment should be founded on the most likely scenario (base case). In addition, a worst case scenario must be calculated taking a more critical approach to customer exposures, including ability to pay and value of collateral, and a best case scenario based on a more positive approach. A calculation is made for each of the three scenarios, which are then weighted based on the probability of each scenario. Assessment of changes in payment ability and collateral values in and weighting of the three scenarios is based on evaluation of individual customer commitments. The model calculation of the expected losses on exposures in stage 1 and 2 includes an add-on/deduction calculated on the basis of a weighting of the various scenarios with different approaches to macroeconomic developments in the coming years.

From end-2023 to end-2024, the impairment account fell from DKK 1,673 million to DKK 1,652 million.

To reduce the risk attaching to individual exposures, Spar Nord accepts collateral consisting mainly of mortgages and charges on physical assets, securities and vehicles, of which mortgages on real property are the most common type. The valuation of such collateral is based on significant estimates made by Management. Loans and advances amounted to DKK 76,180 million, corresponding to about 53% of the Group's assets at end-2024.

Spar Nord does not have the categories "Financial assets at fair value through other comprehensive income" and "Loans at fair value through profit or loss".



### 3.2.1. Finance leases as lessor

	2024 DKK m	2023 DKK m
<b>Lease payments broken down by contractual term to maturity</b>		
Year 1	2,246	2,141
Year 2	2,132	2,099
Year 3	1,837	1,710
Year 4	1,444	1,308
Year 5	1,012	978
Year 6 onwards	1,604	1,442
<b>Total gross investments in finance leases</b>	<b>10,275</b>	<b>9,678</b>
Of which, unearned, future financial income	980	1,072
<b>Total net investments in finance leases</b>	<b>9,294</b>	<b>8,606</b>
Year 1	1,952	1,805
Year 2	1,912	1,847
Year 3	1,682	1,534
Year 4	1,344	1,193
Year 5	952	910
Year 6 onwards	1,452	1,318
<b>Total net investments in finance leases</b>	<b>9,294</b>	<b>8,606</b>
Lease income is recognised in the income statement under the item "Interest income"	413	349
Average remaining term of the lease contracts	2.8 years	2.8 years

The Group's lease contracts consist mainly of finance leases and are recognised in the balance sheet under lending, banking and leasing activities.

Finance lease assets, with the Group as lessor, comprise agricultural equipment, passenger cars and trucks, industrial machinery, contractor's equipment, etc.

The lease contracts are in Danish kroner and foreign currency. The contracts can be terminated during the lease term.

Leasing loans are always backed by security in the assets through ownership.

#### Accounting policies

Leases in which Spar Nord is the lessor are classified as finance leases when all significant risks and rewards of ownership of an asset are transferred to the lessee.

Where Spar Nord is the lessor, finance lease assets are recognised under loans and advances at the net investment in the leases less payments, calculated according to the annuity principle over the term of the lease.

Income from lease assets is recognised based on the effective interest rate in the lease, and is recognised in the income statement under Interest income. Gains or losses on the sale of lease assets are recognised as other income and operating expenses, respectively.



### 3.3. Securities

#### 3.3.1. Bonds at fair value

	2024	2023
	DKKm	DKKm
Mortgage bonds	29,797	30,767
Government bonds	276	107
Other bonds	1,272	1,631
<b>Bonds at fair value, total</b>	<b>31,346</b>	<b>32,505</b>
Of which, subordinated receivables	40	49
Trading book	18,272	21,623
Banking book	13,074	10,882
<b>Bonds at fair value, total</b>	<b>31,346</b>	<b>32,505</b>

#### 3.3.2. Shares, etc.

	2024	2023
	DKKm	DKKm
Shares/unit trust certificates listed on NASDAQ Copenhagen A/S	97	90
Shares/unit trust certificates listed on other stock exchanges	3	2
Unlisted shares at fair value	1,676	1,673
<b>Total shares, etc.</b>	<b>1,776</b>	<b>1,766</b>
Trading book	137	121
Banking book	0	0
Banking book, strategic shares	1,639	1,645
<b>Total shares, etc.</b>	<b>1,776</b>	<b>1,766</b>

#### Accounting policies

At initial recognition at the settlement date, bonds and shares, etc. are measured at fair value less transaction costs. Subsequently, bonds and shares, etc. are measured at fair value. Realised and unrealised gains and losses as well as dividends are recognised in market value adjustments and in dividends on shares in the income statement.

If an active market exists, the fair value of bonds and shares, etc. is measured on the basis of quoted market prices for the relevant financial instruments. A market is considered active when the instrument is traded with sufficient frequency and in sufficient volume to provide a valid pricing basis. The fair value of such instruments is determined on the basis of the most recently observed closing prices on the balance sheet date (Level 1). In the alternative, generally recognised models and observable market data for corresponding assets are used to measure the fair value (Level 2).

Securities are removed from the balance sheet on the settlement date.

#### Strategic shares

Spar Nord's strategic shares that are not included in the Group's trading book are measured at fair value through profit and loss. Strategic shares form part of a portfolio that is managed - and on which the returns are measured on the basis of fair value - in accordance with a documented risk management and investment strategy. Acquired strategic shares, which are not included in the trading book, are measured at fair value on the basis of available trading information or accepted valuation principles and current market data, including an assessment of future earnings and cash flows (Level 3). The fair value is also affected by co-ownership, trading with the relevant company and shareholders' agreements.

#### Securities in the banking book

Bonds and shares in the banking book are recognised and measured in the same way as securities in the trading book as the securities, as part of Management's risk management and monitoring process, are recognised and measured at fair value through profit or loss.



#### Significant accounting judgments, fair value of financial instruments

Spar Nord measures a number of financial instruments at fair value, including all derivatives, as well as shares and bonds.

Assessments are made in connection with determining the fair value of financial instruments in the following areas:

- Choosing valuation method.
- Determining when available listed prices do not reflect the fair value.
- Calculating fair value adjustments to provide for relevant risk factors, such as credit, model and liquidity risks.
- Assessing which market parameters are to be monitored for unlisted shares, including future cash flows and return requirements.

In these situations, the decisions are based on judgments in accordance with Spar Nord's accounting policies. All such decisions are approved by the relevant group functions.

As part of its day-to-day operations, Spar Nord has acquired strategic investments in sector supplier companies.

Strategic investments are measured at fair value based on the available information about trading in the relevant company's shares or, alternatively, by using a valuation model based on generally accepted methods and current market data, including an assessment of expected future earnings and cash flows. The valuation will also be affected by co-ownership, trading with the relevant company and shareholders' agreements, etc. If a reliable fair value cannot be determined, the investment will be valued at cost less any impairment.

Valuations of financial instruments that are only to a limited extent based on observable market data are subject to estimates. This applies for example to unlisted shares and certain bonds for which an active market does not exist.

Financial instruments valued on the basis of non-observable input amounted to DKK 1,639 million, equal to 1% of Spar Nord's assets at year-end 2024.

#### 3.3.3. Other non-derivative financial liabilities at fair value

	2024 DKKm	2023 DKKm
Balancing item to negative bond portfolios in connection with reverse repo transactions	1,435	1,936
Balancing item to negative equity portfolios in connection with share loans	0	0
<b>Total other non-derivative financial liabilities at fair value</b>	<b>1,435</b>	<b>1,936</b>

#### Accounting policies

Other non-derivative financial liabilities at fair value comprise negative holdings in connection with reverse repo transactions and agreements on securities lending.

Negative holdings concerning reverse repo transactions and agreements on securities lending arise when Spar Nord resells assets received as collateral. As such assets are not recognised in the balance sheet, a resale results in a negative holding.



### 3.3.4. Information on fair value of financial instruments and derivative financial instruments

	Amortised cost	Fair value through profit or loss
	DKKm	DKKm
<b>2024</b>		
Cash balances and demand deposits with central banks	863	0
Due from credit institutions and central banks	1,475	0
Loans, advances and other receivables at amortised cost	76,180	0
Bonds at fair value	0	31,346
Shares, etc.	0	1,776
Assets linked to pooled schemes	0	27,933
Positive fair value of derivatives	0	311
<b>Total financial assets</b>	<b>78,517</b>	<b>61,365</b>
Due to credit institutions and central banks	6,840	0
Deposits and other payables	77,326	0
Deposits in pooled schemes	0	27,933
Issued bonds at amortised cost	9,134	0
Other non-derivative financial liabilities at fair value	0	1,435
Lease liabilities	172	0
Negative fair value of derivatives	0	444
Subordinated debt	1,588	0
<b>Total financial liabilities</b>	<b>95,059</b>	<b>29,811</b>

	Amortised cost	Fair value through profit or loss
	DKKm	DKKm
<b>2023</b>		
Cash balances and demand deposits with central banks	218	0
Due from credit institutions and central banks	2,201	0
Loans, advances and other receivables at amortised cost	69,366	0
Bonds at fair value	0	32,505
Shares, etc.	0	1,766
Assets linked to pooled schemes	0	24,733
Positive fair value of derivatives	0	465
<b>Total financial assets</b>	<b>71,785</b>	<b>59,470</b>
Due to credit institutions and central banks	5,006	0
Deposits and other payables	74,397	0
Deposits in pooled schemes	0	24,733
Issued bonds at amortised cost	9,307	0
Other non-derivative financial liabilities at fair value	0	1,936
Lease liabilities	169	0
Negative fair value of derivatives	0	536
Subordinated debt	1,593	0
<b>Total financial liabilities</b>	<b>90,472</b>	<b>27,205</b>



### Accounting policies

Financial instruments are recognised in the balance sheet at fair value or amortised cost.

At initial recognition, financial assets are assigned to one of the following categories:

- Securities in the trading book and the banking book which are measured at fair value (bonds and shares).
- Loans, advances and receivables, which are measured at amortised cost.
- Financial assets at fair value through profit and loss.
- Assets under pooled schemes, which are measured at fair value (trading book - bonds and shares).

At initial recognition, financial liabilities are assigned to one of the following categories:

- Trading book, which is measured at fair value.
- Liabilities concerning pooled schemes at fair value due to accounting mismatch.
- Other financial liabilities, which are measured at amortised cost.

### Fair value measurement of financial instruments

Fair value is the amount at which a financial asset or liability may be traded between market participants at the measurement date in the principal market, or, in its absence, the most advantageous market to which Spar Nord has access at such time

Spar Nord's bond trading takes place primarily directly between professional counterparties and not trading directly on the stock exchange.

Fair value is measured based on the following fair value hierarchy, which reflects the parameters included in the measurement:

- **Level 1 - Quoted market price:** Quoted prices (unadjusted) in active markets for identical assets or liabilities
- **Level 2 - observable input:** Valuation techniques based on inputs other than quoted prices at Level 1, observable either directly (prices) or indirectly (derived from prices). Observable input is obtained from recognised providers of price information, which is used in trading with financial counterparties. Spar Nord primarily uses Refinitiv (previously Reuters).

If a financial instrument is quoted in a market that is not active, the measurement is based on the most recent transaction price. Adjustment is made for subsequent changes in market conditions, for instance by including transactions in similar instruments that are assumed to be motivated by normal business considerations.

- **Level 3 - non-observable input:** Valuation techniques based on inputs for valuing an asset or liability based on unobservable market data. For a number of financial assets and liabilities, no effective market exists. In such situations, an estimated value is used instead, taking account of recent transactions in similar instruments, and discounted cash flows or other recognised estimation and valuation techniques based on the market terms existing at the balance sheet date.

If an instrument is classified differently at the reporting date as compared to the beginning of the financial year, it is transferred to another category in the valuation hierarchy. Any reclassification is considered to have been made as of the reporting date.

### Bonds and other non-derivative financial liabilities are valued according to the following principles:

- In case of quoted prices, the fair value is fixed as a quoted price or a price quotation by a recognised exchange.
- In case of pricing based on observable inputs, the fair value is primarily determined on the basis of published supply and demand prices that build on pricing information from Refinitiv and secondarily calculated using a market-based yield curve plus/minus a credit spread, which is also calculated based on market prices.
- In case of pricing based on non-observable inputs, the calculation includes inputs based on the Bank's own valuations of individual components, and also market data in some cases.

Prices available via Refinitiv are real-time prices provided by large Danish and European banks, which means that end-prices take into account interest rate developments since the latest transactions. Spar Nord believes that these prices express the most correct fair value of the bond portfolios, which are mainly traded between professional counterparties and other large single transactions.

### Shares are valued according to the following principles:

- In case of quoted prices, the fair value is fixed as a price quoted by a recognised exchange or an external party.
- In case of pricing based on observable inputs, the fair value is calculated based on available prices for shares that are not listed.
- In case of pricing based on non-observable inputs, the calculation includes shares valued according to generally accepted valuation principles, e.g. the discounting of expected future cash flows, market expectations as to required rate of return on equity and comparable transactions. Shares priced on the basis of the prices recommended by Lokale Pengeinstitutter (the Association of Local Banks, Savings Banks and Cooperative Banks in Denmark) are included as non-observable inputs.

The fair values are based on shareholders' agreements for the individual companies and share transactions completed. The fair value is often based on the company's equity (net asset value) for accounting purposes, which is used as a basis for the transaction price between shareholders.

The fair value has been reliably measured for all shares, and accordingly no shares have been recognised at cost.





### Derivatives

Derivatives and unsettled spot transactions are recognised at fair value on the transaction date. Positive fair values are recognised under Other assets. Negative fair values are recognised under Other liabilities.

At initial recognition, derivatives and unsettled spot transactions are recognised at fair value less transaction costs. On subsequent recognition, derivatives and unsettled spot transactions are recognised at fair value.

Realised and unrealised gains and losses are recognised in the income statement as market value adjustments. Gains or losses at initial recognition ("day 1 profit/loss") are not recognised for derivative instruments, but are amortised over the term of the relevant instrument.

The calculation of fair value is based on generally recognised models and observable market data (Level 2), including yield curves, exchange rates and volatility curves, for measuring the fair value.

### Day 1 gains (customer margin)

	2024 DKKm	2023 DKKm
Unamortised customer margin at 1 January	38	44
Net development in amortisation of customer margin	-3	-6
<b>Unamortised customer margin at 31 December</b>	<b>35</b>	<b>38</b>

When valuing unlisted derivative instruments, the initial customer margin, etc. is amortised over the remaining term to maturity. At the end of 2024, the customer margin, etc. not yet amortised amounted to DKK 35 million (2023: DKK 38 million).

At end-2024 and 2023, no day 1 gains were not offset from CVA, which is the credit value component of derivatives.

Breakdown of financial instruments relative to the fair-value hierarchy classification and carrying amount	Quoted prices Level 1 DKKm	Observable inputs Level 2 DKKm	Non-observable inputs Level 3 DKKm	Total DKKm
<b>2024</b>				
Bonds at fair value	0	31,346	0	31,346
Shares, etc.	100	37	1,639	1,776
Assets linked to pooled schemes	17,705	10,228	0	27,933
Positive fair value of derivatives	0	311	0	311
<b>Total financial assets</b>	<b>17,806</b>	<b>41,921</b>	<b>1,639</b>	<b>61,365</b>
Deposits in pooled schemes	0	27,933	0	27,933
Other non-derivative financial liabilities at fair value	0	1,435	0	1,435
Negative fair value of derivatives	0	444	0	444
<b>Total financial liabilities</b>	<b>0</b>	<b>29,811</b>	<b>0</b>	<b>29,811</b>

### 2023

Bonds at fair value	0	32,505	0	32,505
Shares, etc.	92	29	1,645	1,766
Assets linked to pooled schemes	14,045	10,688	0	24,733
Positive fair value of derivatives	0	465	0	465
<b>Total financial assets</b>	<b>14,137</b>	<b>43,688</b>	<b>1,645</b>	<b>59,470</b>
Deposits in pooled schemes	0	24,733	0	24,733
Other non-derivative financial liabilities at fair value	0	1,936	0	1,936
Negative fair value of derivatives	0	536	0	536
<b>Total financial liabilities</b>	<b>0</b>	<b>27,205</b>	<b>0</b>	<b>27,205</b>



Level 3	Fair value based on net asset value, cf. shareholders' agreements	Other	Fair value based on net asset value, cf. shareholders' agreements	Other
	2024 DKKm	2024 DKKm	2023 DKKm	2023 DKKm
Equities	1,068	571	1,105	540
Positive fair value of derivatives	-	0	-	0
<b>Sensitivities:</b>				
Change in fair value of shares if the profit/loss of the companies changes by 10%	17	-	14	-

A substantial portion of the shares included under "Other" is valued based on future expected cash flows, market expectations as to the required rate of return on equity and comparable transactions.

For investment and domicile properties measured at fair value, see note 3.7.1

Financial instruments measured at fair value based on non-observable inputs (Level 3)	2024 DKKm	2023 DKKm
Carrying amount, beginning of period	1,645	1,647
Value adjustments through profit or loss	98	109
Market value adjustments in other comprehensive income	0	0
Purchase	17	8
Sale	121	119
Transferred to/from Level 3	0	0
<b>Carrying amount, end of year</b>	<b>1,639</b>	<b>1,645</b>
Value adjustments through profit or loss of assets held at the reporting date	96	109

In 2024, the Bank recognised unrealised market value adjustments of DKK 96 million (2023: DKK 109 million) in respect of financial assets held on the balance sheet date valued on the basis of non-observable inputs.

Financial instruments recognised at amortised cost - fair value disclosure	Carrying amount 2024 DKKm	Fair value 2024 DKKm	Carrying amount 2023 DKKm	Fair value 2023 DKKm
Cash balances and demand deposits with central banks *)	863	863	218	218
Due from credit institutions and central banks *)	1,475	1,475	2,201	2,201
Loans, advances and other receivables at amortised cost *)	76,180	76,389	69,366	69,494
<b>Total financial assets</b>	<b>78,517</b>	<b>78,726</b>	<b>71,785</b>	<b>71,913</b>
Due to credit institutions and central banks *)	6,840	6,840	5,006	5,006
Deposits and other payables *)	77,326	77,241	74,397	74,526
Issued bonds at amortised cost **)	9,134	9,314	9,307	9,316
Lease liabilities *)	172	172	169	169
Subordinated debt **)	1,588	1,657	1,593	1,587
<b>Total financial liabilities</b>	<b>95,059</b>	<b>95,223</b>	<b>90,472</b>	<b>90,603</b>

\*) Level 3 in the fair value hierarchy

\*\*\*) Level 2 in the fair value hierarchy

No active market exists for trading in the Group's receivables, loans and deposits. The Group bases its fair value estimates for these financial instruments on data showing changes in market conditions after the initial recognition of the individual instrument that affects the price that would have been fixed if the terms had been agreed at the balance sheet date. Other parties may make other estimates.

**The Group discloses information about the fair value of financial instruments recognised at amortised cost on the basis of the following assumptions:**

- For most of the Group's deposits, loans and advances, the interest rate depends on interest developments.
- The fair value of loans and advances and deposits is calculated on the basis of a qualified estimate, taking into account that the Bank continuously adapts its terms to existing market conditions.
- The credit risk for loans and advances is reflected in carrying amounts.
- The fair value of fixed-rate deposits is calculated by using the interest rate for similar deposits, based on an estimated yield curve.

The fair value of subordinated debt and issued bonds is adjusted for listed debt at the most recent transaction price, while unlisted debt is recorded at an estimated transaction price.



### 3.4. Investments in associates

	2024 DKKm	2023 DKKm
<b>Total cost, beginning of year</b>	<b>709</b>	<b>547</b>
Additions	9	162
Disposals	0	0
<b>Total cost, end of year</b>	<b>718</b>	<b>709</b>
Revaluations and impairment, beginning of year	264	190
Profit/loss	146	107
Dividend	38	23
Other capital movements recognised in comprehensive income	4	-10
Reversal of revaluations and impairment	0	0
<b>Revaluations and impairment, end of year</b>	<b>376</b>	<b>264</b>
<b>Carrying amount, end of year</b>	<b>1,094</b>	<b>973</b>

Danske Andelskassers Bank A/S is assessed individually to be a significant associate of Spar Nord.

The acquisition of the shares in Danske Andelskassers Bank A/S in 2018 and later years is a strategic investment, and Spar Nord intends to merge Danske Andelskassers Bank A/S with Spar Nord.

Income from this investment is recognised in the income statement under other income in note 2.6.

#### Accounting policies

Associates are businesses, other than group enterprises, in which the Group has holdings and significant but not controlling influence. Significant influence is generally achieved by directly or indirectly holding or controlling more than 20%, but less than 50%, of the voting rights.

In determining whether the Group exercises control or has a significant influence, potential votes exercisable at the balance sheet date are taken into account.

Investments in associates are recognised and measured according to the equity method, which entails that the investments are measured at the proportionate share of the associate's net asset value calculated in accordance with Spar Nord's accounting policies plus the carrying amount of acquired goodwill.

The share of profit/loss for the year after tax is recognised in the income statement under Other income.

In connection with the purchase or sale of associates, the results of such group enterprises or associates are recognised in the income statement from or until the acquisition date, as the case may be. Any gain or loss upon sale is calculated as the difference between the selling price and the carrying amount at the transfer date, including the carrying amount of goodwill, and is recognised under other income/operating expenses.

Financial information for all associates that are not individually significant and are recognised according to the equity method	2024 DKKm	2023 DKKm
<b>Spar Nord's share of:</b>		
Profit/loss for the year	18	-1
Other comprehensive income	0	0
<b>Total comprehensive income</b>	<b>18</b>	<b>-1</b>



### Financial information for associates that are individually significant

Financial information for group associates that are individually significant, adjusted for differences in accounting policies.

The accounting figures in the 2024 column below are from the most recently published annual report for the 2023 financial year of Danske Andelskassers Bank A/S.

Danske Andelskassers Bank A/S	2024 DKKm	2023 DKKm
Registered office	Hammershøj	Hammershøj
Ownership interest (%)	40.1	39.7
Share of votes (%)	40.1	39.7
<b>Statement of comprehensive income</b>		
Revenue (net interest and fee income, market value adjustments and other operating income)	865	586
Profit/loss for the year	296	149
Other comprehensive income	0	0
<b>Total</b>	<b>296</b>	<b>149</b>
Dividend received by Spar Nord	33	16
<b>Balance sheet</b>		
Loans, advances and receivables etc.	7,927	7,153
Other assets	8,217	6,799
<b>Total assets</b>	<b>16,144</b>	<b>13,952</b>
Deposits and other payables	9,730	9,414
Other liabilities	3,581	2,253
<b>Total liabilities</b>	<b>13,311</b>	<b>11,666</b>
<b>Equity</b>	<b>2,834</b>	<b>2,286</b>
Spar Nord's share of shareholders' equity in Danske Andelskassers Bank A/S according to the most recently published annual report	1,030	803

The Group's associates are measured at net asset value based on Spar Nord's accounting policies.

Based on the market price, Spar Nord's share of the fair value of Danske Andelskassers Bank A/S (Level 1 in the fair value hierarchy) was calculated at DKK 1,274 million (2023: DKK 926 million).

### Reconciliation of carrying amount at 31 December

	2024 DKKm	2023 DKKm
Carrying amount of equity investments in individually significant associates	1,030	923
Carrying amount of equity investments in individually non-significant associates	63	49
<b>Total</b>	<b>1,094</b>	<b>973</b>



### 3.5. Pooled schemes

	Pension pools 2024 DKKm	Other pools 2024 DKKm	Total 2024 DKKm	Total 2023 DKKm
<b>Assets</b>				
Cash deposits	675	10	685	736
Bonds	4,671	55	4,726	4,898
Shares, etc.	14,473	217	14,691	13,897
Unit trust certificates	7,682	108	7,789	5,152
Other assets	41	0	42	51
<b>Total assets</b>	<b>27,542</b>	<b>390</b>	<b>27,933</b>	<b>24,733</b>
<b>Equity and liabilities</b>				
Total deposits	27,542	390	27,933	24,733
<b>Total equity and liabilities</b>	<b>27,542</b>	<b>390</b>	<b>27,933</b>	<b>24,733</b>

#### Accounting policies

Assets forming part of pension pools and customers' contributions to pension pools are presented in separate balance sheet items.

The return on pooled assets and contributions is presented together under market value adjustments and dividends.

Assets and liabilities in pooled schemes are recognised at fair value, see note 3.3.4.

### 3.6. Intangible assets

	2024 DKKm	2023 DKKm
Goodwill	379	379
Customer relations	29	34
Other intangible assets	8	7
<b>Total intangible assets</b>	<b>416</b>	<b>419</b>

#### 3.6.1. Goodwill

	2024 DKKm	2023 DKKm
Total cost, beginning of year	380	380
Additions	0	0
Disposals	0	0
<b>Total cost, end of year</b>	<b>380</b>	<b>380</b>
Impairment, beginning of year	2	2
Impairment for the year	0	0
Reversal of impairment on disposals	0	0
<b>Impairment, end of year</b>	<b>2</b>	<b>2</b>
<b>Carrying amount, end of year</b>	<b>379</b>	<b>379</b>



	Cost	Additions/ disposals	Cost	Impairment	Impairment	Impairment	Impairment	Carrying amount
	01.01.2024 DKKk	2024 DKKk	31.12.2024 DKKk	01.01.2024 DKKk	2024 DKKk	2024 DKKk	31.12.2024 DKKk	31.12.2024 DKKk
Banking activities, Roskilde Bank branches	87	0	87	0	0	0	0	87
Banking activities, Sparbank	35	0	35	0	0	0	0	35
Banking activities, BankNordik	220	0	220	0	0	0	0	220
Banking activities, branches, Other	38	0	38	2	0	0	2	37
<b>Total goodwill</b>	<b>380</b>	<b>0</b>	<b>380</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>379</b>
	<b>01.01.2023 DKKk</b>	<b>2023 DKKk</b>	<b>31.12.2023 DKKk</b>	<b>01.01.2023 DKKk</b>	<b>2023 DKKk</b>	<b>2023 DKKk</b>	<b>31.12.2023 DKKk</b>	<b>31.12.2023 DKKk</b>
Banking activities, Roskilde Bank branches	87	0	87	0	0	0	0	87
Banking activities, Sparbank	35	0	35	0	0	0	0	35
Banking activities, BankNordik	220	0	220	0	0	0	0	220
Banking activities, branches, Other	38	0	38	2	0	0	2	37
<b>Total goodwill</b>	<b>380</b>	<b>0</b>	<b>380</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>379</b>

Goodwill concerning all of the above banking activities concerns the business segment Spar Nord's local banks.

#### Accounting policies

Acquired goodwill is recognised at cost less accumulated impairment charges.

Goodwill is not amortised.

Goodwill on associates is recognised in Investments in associates.

The carrying amount of goodwill is allocated to Spar Nord's cash-generating units at the date of acquisition. The determination of cash-generating units is based on the management structure and the in-house financial management.

Goodwill is not amortised; instead each cash-generating unit is tested for impairment of goodwill at least once a year. Goodwill is written down to its recoverable amount in the income statement provided that the carrying amount of the net assets of the cash-generating unit exceeds the higher of the assets' fair value less costs to sell and their value in use, which equals the present value of the future cash flows expected to be derived from the unit.



### 3.6.2. Customer relations

	2024 DKKm	2023 DKKm
Total cost, beginning of year	113	113
Additions	0	0
Disposals	0	0
<b>Total cost, end of year</b>	<b>113</b>	<b>113</b>
Depreciation and impairment, beginning of year	79	74
Depreciation for the year	5	5
Reversal of amortisation on disposals	0	0
<b>Depreciation and impairment, end of year</b>	<b>83</b>	<b>79</b>
<b>Carrying amount, end of year</b>	<b>29</b>	<b>34</b>

#### Accounting policies

Customer relations taken over on the acquisition of undertakings are recognised at cost and amortised on a straight-line basis over the expected useful life, which does not exceed ten years. The expected useful life depends on customer loyalty.

Useful lives are reassessed annually. Any changes in amortisation as a result of changes in useful life are recognised in future reporting periods as a change in accounting estimates.

Customer relations are subjected to an impairment test when there is evidence of impairment. When there is evidence of impairment, software is written down to the value in use.

### 3.6.3. Other intangible assets

	2024 DKKm	2023 DKKm
Total cost, beginning of year	34	31
Additions	4	6
Disposals	0	4
<b>Total cost, end of year</b>	<b>37</b>	<b>34</b>
Depreciation and impairment, beginning of year	27	29
Depreciation for the year	2	2
Reversal of amortisation on disposals	0	4
<b>Depreciation and impairment, end of year</b>	<b>29</b>	<b>27</b>
<b>Carrying amount, end of year</b>	<b>8</b>	<b>7</b>

The remaining amortisation periods are 6 years (2023: 7 years) for customer relations and 1-5 years (2023: 1-5 years) for other intangible assets. Goodwill had an indefinite useful life in both 2024 and 2023.

#### Accounting policies

Acquired software is recognised at cost, including installation expenses, and amortised according to the straight-line method over the expected useful life of a maximum of five years.

Useful lives are reassessed annually. Any changes in amortisation as a result of changes in useful life are recognised in future reporting periods as a change in accounting estimates.

Software is subjected to an impairment test when there is evidence of impairment. When there is evidence of impairment, software is written down to the value in use.



### 3.6.4. Impairment test

Principal assumptions	2024	2023
Acquired goodwill, DKKm	379	379
Budget period	5 years	5 years
Average annual growth during the budget period	1.0%	1.0%
Average annual growth during the terminal period	1.0%	1.0%
Discount factor before tax	9.5%	10.8%
Discount factor after tax	7.0%	8.0%
Share of equity of total risk exposure amount	14.5%	14.5%

The share of equity has been fixed at 14.5% (2023: 14.5%) of the total risk exposure amount.

The impairment test in 2024 did not give rise to any writedowns for impairment of intangible assets.

#### Goodwill

The Spar Nord Group's goodwill is tested annually for impairment. The activities are tested on the identified cash-generating unit to which the assets have been allocated.

Goodwill is included in the cash-generating business area – Spar Nord's local banks – which is the business area comprising the branch network. For a more detailed description of Spar Nord's local banks, reference is made to note 2.1.

#### Principal assumptions

##### Cash flow during the budget period

Cash flow during the budget period (five years) is impacted by expectations of interest rates and the impact on the lending and deposit margins at Spar Nord's local banks.

The assumptions used in the impairment test are conservative with respect to the future profit impact from the implementation of Spar Nord's strategy.

Growth during the budget period is projected at 1.0% (2023: 1.0%). The average annual growth reflects the targets incorporated into the Bank's outlook for the future.

#### Net interest income

The deposit and lending margins reflect the earnings margin, which is calculated as the difference between the interest rate towards the customers of Spar Nord's local banks and an internal funding rate based on the Bank's funding costs.

The interest margin is estimated on the basis of current lending and deposit rates, expectations of future interest rate changes and Management's expectations for future competition. During 2024, the period of rising interest rates was replaced by falling interest rates, after inflation started to cool. In 2025, we expect another four rate cuts totalling 1.00

percentage point by the Danish central bank, which will result in lower net interest income – partly due to a lower interest rate margin, partly due to lower interest on the Bank's excess liquidity.

The Bank expects to see a continuing increase in lending to both retail and business customers and also projects a small increase in bank deposits.

#### Net fee income

The expectations of fee income are based on historical data, adjusted to reflect the current situation. Net fee income is expected to rise in 2025 relative to 2024 based on expectations of a higher level of activity in the housing market and growth in assets under management.

#### Market value adjustments

Market value adjustments are expected to be on a level with 2024.

#### Costs and expenses

Costs and expenses are expected to be on a level with 2024, which was impacted by one-off costs for the 200th anniversary and IT projects. The cost base has been projected by expected activity changes, known and anticipated price increases as well as expected pay increases according to collective agreements, changes in taxes and duties, etc.

#### Loan impairment

Expectations as to loan impairment are based on the Bank's estimate for the next few years. The expectations are based on historical data, adjusted to reflect the current situation. On the basis of expectations of continued, albeit moderate, economic growth in Denmark and high employment, impairment charges on loans, advances and guarantees are expected to remain low in 2025.

#### Cash flow during the terminal period

Cash flow during the terminal period represents earnings in the preceding years, growing at a constant rate. Growth is projected at 1.0% (2023: 1.0%). Growth has been projected on the basis of expectations for macroeconomic growth.

#### Discount rate

The discount rate is determined on the basis of a Capital Asset Pricing Model and comprises a risk-free interest rate, the market risk premium, a factor to hedge the systematic market risk (Beta risk) and a company-specific risk.

The values for risk-free interest rate, market risk premium, the Beta factor and the company-specific risk are updated annually on the basis of external sources.

The discount rate used to calculate the discounted value of future cash flows is 9.5% in 2024 (2023: 10.8%) before tax at a tax rate of 26%.

After tax, the discount rate is 7.0% (2023: 8.0%).

The fall in the discount rate from 2023 to 2024 is driven by a decrease in the risk-free interest rate.





### Accounting policies

The impairment test compares the estimated present value of the anticipated future cash flows (value in use) with the share of equity assigned to the cash-generating business areas. The special debt structure in financial groups means that the calculation basis for the present value of future cash flows is based on a simplified equity model.

The equity model is based on approved strategies and earnings estimates for the cash-generating business areas for the next five years.

### Sensitivity analysis

Management assesses that probable changes in basic assumptions will not cause the carrying amount of goodwill to exceed its recoverable amount.

Sensitivity analyses show that the goodwill relating to Spar Nord's local banks is robust to changes in assumptions.

The following matters do not lead to impairment:	2024	2023
Reduction in pre-tax profit/loss (change in net interest income, fee income, cost ratio or impairment) up to	68%	60%
Increase in the discount rate (after tax) up to	22%	20%

75% of the present value of expected cash flows in Spar Nord's local banks relates to the terminal period (2023: 71%).

### Customer relations

The carrying amount of customer relations recognised in connection with the acquisition of BankNordik's Danish business was DKK 29 million (2023: DKK 34 million).

The assumptions about fee income etc. and the cost ratio used for recognising customer relations have been compared with the corresponding realised results.

The realised results are in line with expectations, for which reason there is no evidence of impairment.

### Other intangible assets

Management has not identified factors indicating any need for carrying out an impairment test in respect of other intangible assets.

Other intangible assets comprise software used by the Bank and are amortised at the rates stated in the accounting policies.



## 3.7. Property, plant and equipment

### 3.7.1. Land and buildings

	2024 DKKm	2023 DKKm
Investment properties	45	33
Domicile properties	518	512
Domicile properties, leasing	164	165
<b>Land and buildings, total</b>	<b>727</b>	<b>711</b>

#### Accounting policies

Properties, with the exception of domicile properties, are recognised at cost upon acquisition and subsequently measured at fair value. Borrowing costs from general borrowing or loans that are directly attributable to the acquisition and construction of qualifying assets (properties) are attributed to the cost of the specific individual asset.

The fair value is calculated on the basis of current market data according to an asset return model that includes the property's rental income, operating expenses, as well as management and maintenance, etc. Operating expenses and maintenance costs are calculated on the basis of the condition of the individual property, construction year, materials used, etc. The fair value of the property is determined based on the calculated return on its operation and the individually determined rate of return.

The return rate is fixed on the basis of the location of the individual property, potential use, the state of maintenance, credit quality, etc. The fair value of the individual property is reassessed once a year based on the current market and the interest level.

An external valuation of all properties is obtained annually from a real estate agent to support the calculation of fair value, including the rental rates and rates of return used.

Land is not depreciated.

Investment properties	2024 DKKm	2023 DKKm
Fair value, beginning of period	33	98
Reclassification from domicile properties	12	0
Additions, incl. improvements	0	0
Disposals	0	65
Unrealised fair value adjustment	0	0
<b>Fair value, end of year</b>	<b>45</b>	<b>33</b>
Required rate of return used in calculating the fair value, %	5.5 - 10.0	5.5 - 10.0
Required rate of return used in calculating the fair value, weighted average, %	6.89	6.55
Note 2.6 includes operating expenses relating to investment properties that did not generate any rental income during the year in the amount of:	0	0

Unrealised fair value adjustment is recognised in the item other income in the consolidated financial statements.

The fair-value method (Level 3 in the fair-value hierarchy) has been chosen for measuring investment properties. Investment properties consist mainly of business leases. The periods of non-terminability for Spar Nord in the leases do not exceed 20 years.

For information regarding return on investment properties, please refer to note 2.6.

#### Accounting policies

Investment property is real property, including real property let under operating leases and acquired properties, which the Group owns for the purpose of receiving rent and/or obtaining capital gains.

Investment property is not depreciated.

Changes in fair value and rental income are recognised in other income.



Domicile properties	2024 DKKm	2023 DKKm
Total cost, beginning of year	706	704
Reclassification to investment properties	-12	0
Additions	8	2
Disposals	0	0
<b>Total cost, end of year</b>	<b>702</b>	<b>706</b>
Value adjustment, beginning of year	193	180
Depreciation for the year	16	16
Net impairment via the income statement	-2	3
Changes in value recognised in other comprehensive income	24	6
Depreciation and impairment on disposals	0	0
<b>Value adjustment, end of year</b>	<b>184</b>	<b>193</b>
<b>Fair value, end of year</b>	<b>518</b>	<b>512</b>
Required rate of return used in calculating the fair value, %	5.0 - 11.0	5.5 - 10.0
Required rate of return used in calculating the fair value, weighted average, %	7.23	7.27
Carrying amount if domicile properties were measured according to the depreciated cost method	392	413
Collateral provided to mortgage credit institutions in the form of mortgages on land and buildings has a carrying amount of	-	-

The required rate of return of between 5.0% and 11.0% varies from one property to the next, depending on the location and physical condition of the property.

Owing to developments in the real estate market, the average required rate of return on domicile properties fell in 2024 from 7.27% to 7.23%.

#### Accounting policies

Domicile property is real property occupied by Spar Nord's administrative departments, branches and other service units.

The carrying amount of domicile property is systematically depreciated over the expected useful life of 50 years for buildings.

Special fixtures in buildings are depreciated according to the straight-line method over a useful life of 20 years.

Allowance is made for the expected residual value when calculating depreciation.

The revaluation of domicile property to fair value is recognised in Other comprehensive income and allocated to a special reserve under equity, Revaluation reserves, while depreciation and impairment are recognised in the income statement under Other operating expenses.

Domicile property which, according to a publicly announced plan, the Group expects to sell within twelve months is recognised as temporary assets.



	Domicile properties		Investment properties	
	Number of properties No.	Fair value year-end DKKm	Number of properties No.	Fair value year-end DKKm
<b>2024</b>				
<b>Required rates of return in %</b>				
-> 7.00	9	161	1	17
7.00 - 8.00	9	221	1	10
8.00 - 9.00	5	97	3	15
9.00 ->	8	39	2	3
<b>Total</b>	<b>31</b>	<b>518</b>	<b>7</b>	<b>45</b>
<b>2023</b>				
<b>Required rates of return in %</b>				
-> 7.00	9	147	1	17
7.00 - 8.00	11	232	1	10
8.00 - 9.00	5	97	2	3
9.00 ->	7	36	2	4
<b>Total</b>	<b>32</b>	<b>512</b>	<b>6</b>	<b>33</b>

In 2024 and 2023, additions, domicile properties did not include any amounts concerning properties under construction or refurbishment of properties from the subsidiary Aktieselskabet Skelagervej 15.

No borrowing costs were recognised in 2024 and 2023.

The fair value method (Level 3 in the fair value hierarchy) has been chosen for measuring domicile properties. Fair value has been determined based on observable prices and other valuation methods.

The annual review of the Bank's investment and corporate properties did not give rise to any significant changes in the required rates of return. The required rate of return is within a range of 5.0 - 11.0% (2023: 5.5 - 10.0%) for domicile properties and 5.0 - 10.0% (2023: 5.0 - 10.0%) for investment properties.

#### Sensitivity analyses

The most important assumptions when calculating the fair value of domicile and investment properties are the required rate of return and the rent level. Other things being equal, an increase of the required rate of return of 0.5 percentage point will reduce the fair value by DKK 37 million (2023: DKK 36 million). Other things being equal, a decrease of the rental level of 5% will reduce the fair value by DKK 28 million (2023: DKK 27 million).

Domicile properties, leasing	Lease liabilities recognised in the balance sheet (discounted) DKKm	Potential future lease liability not recognised in the balance sheet (discounted) *) DKKm
<b>2024</b>		
Domicile properties	171	7
<b>2023</b>		
Domicile properties	169	0

\*) Lease contracts not yet in force at the balance sheet date.

#### Alternative borrowing rate

Spar Nord applies its alternative borrowing rate on discounting of the leases to present value. Spar Nord's alternative borrowing rate is the cost of raising external financing for a similar asset with a financing period equal to the term of the lease in the currency in which the lease payments are settled.

Domicile properties, leasing	2024 DKKm	2023 DKKm
Balance, 1 January	165	157
Additions	2	8
Disposals	0	0
Remeasurement of lease liability	26	28
Depreciation for the year	30	27
<b>Balance, 31 December</b>	<b>164</b>	<b>165</b>

**Accounting policies**

As a lessee, Spar Nord only has property leases for properties used as domicile property from which the Bank pursues banking activities. The lease activities are presented as part of the Bank's land and buildings.

A lease asset is recognised in the balance sheet when, in accordance with a lease entered into regarding a specific, identifiable asset, the asset is made available for use by the Group throughout the lease term and when the Group becomes entitled to obtain substantially all of the economic benefits from use of the identified asset and entitled to direct the use of the identified asset. For information on recognition and measurement of lease liabilities, please refer to note 3.11.1.

On initial recognition, the right-of-use asset is measured at cost, corresponding to the value of the lease liability, adjusted for prepaid lease payments, plus any directly related costs.

On subsequent recognition, the asset is measured at cost less any accumulated depreciation and impairment. The lease asset is depreciated over the longer of the lease term and the expected extension option of the lease asset of 4-6 years (see below under lease term). Depreciation charges are recognised in the income statement on a straight-line basis.

The lease asset is adjusted for changes in the lease liability as described in note 3.11.1.

The Group has decided not to recognise either right-of-use assets of low value or short-term leases in the balance sheet. Instead, lease payments are recognised in the income statement on a straight-line basis.

**Accounting estimates and judgments, leasing****Lease term**

The lease term covers the non-cancellable period of the lease plus periods comprised by an extension option which Spar Nord reasonably expects to exercise and periods comprised by a termination option which Spar Nord reasonably expects not to exercise.

A proportion of Spar Nord's property leases contain options entitling Spar Nord to extend the lease for another lease term of expectedly 4-6 years. On initial recognition of the lease asset, Spar Nord assesses whether it is reasonably probable that it will exercise the extension option. This estimate is reassessed upon the occurrence of a significant event or a significant change in circumstances that is within Spar Nord's control.



### 3.7.2. Other property, plant and equipment

	2024 DKKm	2023 DKKm
Other property, plant and equipment	92	101
Operating lease assets	16	19
<b>Other property, plant and equipment, total</b>	<b>108</b>	<b>120</b>

Other property, plant and equipment	2024 DKKm	2023 DKKm
Total cost, beginning of year	378	366
Additions	28	30
Disposals	25	19
<b>Total cost, end of year</b>	<b>380</b>	<b>378</b>
Depreciation and impairment, beginning of year	277	258
Depreciation and impairment for the year	35	37
Reversal of depreciation and impairment for the year	24	18
<b>Depreciation and impairment, end of year</b>	<b>288</b>	<b>277</b>
<b>Carrying amount, end of year</b>	<b>92</b>	<b>101</b>

The figures at end-2024 include various fully written-off assets used for the Spar Nord Group's operations. The original purchase price of these assets amounts to DKK 215 million (2023: DKK 214 million).

#### Accounting policies

Operating equipment in the form of IT equipment, vehicles, furniture, fixtures and leasehold improvements are recognised at cost less accumulated depreciation and impairment charges.

The basis of depreciation for property, plant and equipment is the difference between cost and residual value at the end of its useful life, and the residual value is assessed regularly.

Leasehold improvements are depreciated over the term of the lease, with a maximum of ten years.

For other operating equipment, depreciation is made on a straight-line basis over the expected useful life of a maximum of five years.

Property, plant and equipment are tested for impairment if indications of impairment exist. An impaired asset is written down to its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. Impairment charges are recognised in the income statement.



Operating lease assets	2024 DKKm	2023 DKKm
Total cost, beginning of year	34	28
Additions	1	6
Disposals	1	0
<b>Total cost, end of year</b>	<b>34</b>	<b>34</b>
Depreciation and impairment, beginning of year	16	11
Depreciation and impairment for the year	5	4
Reversal of depreciation and impairment for the year	1	0
<b>Depreciation and impairment, end of year</b>	<b>19</b>	<b>16</b>
<b>Carrying amount, end of year</b>	<b>16</b>	<b>19</b>
The contracts can be terminated during the lease term.		
<b>Lease payments by term</b>		
Year 1	7	7
Year 2	6	6
Year 3	1	3
Year 4	1	1
Year 5	0	1
Year 6 onwards	0	0
<b>Total lease payments under operating leases</b>	<b>16</b>	<b>19</b>
Income from operating leases in the form of variable lease payments that do not depend on an index or a rate recognised under other income in the amount of	5	5

#### Accounting policies

Where Spar Nord is the lessor, operating lease assets are recognised under Other property, plant and equipment and depreciated as Spar Nord's other property, plant and equipment.

Lease income from operating leases is recognised under other income on a straight-line basis over the current term of the lease.

### 3.7.3. Temporary assets

	2024 DKKm	2023 DKKm
Total cost, beginning of year	7	11
Additions	32	0
Disposals	0	4
<b>Total cost, end of year</b>	<b>39</b>	<b>7</b>
Depreciation and impairment, beginning of year	5	5
Movements during the year:	0	0
<b>Depreciation and impairment, end of year</b>	<b>5</b>	<b>5</b>
<b>Carrying amount, end of year</b>	<b>34</b>	<b>2</b>

Temporary assets comprise properties taken over and leased assets in connection with non-performing loans held by Spar Nord. Properties expected to be sold within a 12-month period according to a published plan are treated as Temporary assets.

Leased assets include trucks, agricultural machinery and heavy construction machinery.

Properties and leased assets are expected to be disposed of within 12 months.

Properties are sold through estate agents, while leased assets are sold on the usual marketplace for the individual types of assets – primarily by auction or through dealers.

If, contrary to expectations, the assets are not sold within 12 months, they are reclassified to investment properties or, as the case may be, other property, plant and equipment.

#### Accounting policies

Temporary assets comprise property, plant and equipment, including assets taken over as a result of the liquidation of customer exposures, the intention being to sell the assets within 12 months. Assets taken over are recognised at the lower of carrying amount and fair value, less costs to sell.

Assets are not depreciated as from the date they are classified as temporary.

Impairment losses occurring in connection with the initial classification as "temporary assets", and gains or losses in relation to subsequent measurement at the lower of the carrying amount and fair value less costs to sell are recognised in the income statement under the items to which they relate. Gains and losses are disclosed in the notes to the financial statements.



### 3.8. Other assets

	2024 DKKm	2023 DKKm
Positive fair value of derivatives, etc.	311	465
Miscellaneous receivables	547	479
Interest and commissions receivable	322	370
Capital contribution to BEC Financial Technologies a.m.b.a.	396	357
Other assets	27	12
<b>Total other assets</b>	<b>1,602</b>	<b>1,684</b>

#### Accounting policies

Other assets include capital contributions to BEC Financial Technologies a.m.b.a., interest and commissions receivable as well as the positive fair value of derivatives.

Fair-value measurement of the positive fair value of derivatives is described in more detail in the section Derivatives in note 3.3.4.

Other items are measured at amortised cost.

### 3.9. Due to credit institutions and central banks

	2024 DKKm	2023 DKKm
Due to central banks	121	61
Due to credit institutions, repo transactions	3,866	4,154
Due to credit institutions, other	2,853	791
<b>Total due to credit institutions and central banks</b>	<b>6,840</b>	<b>5,006</b>
<b>Shown by term to maturity</b>		
Demand deposits	393	226
Up to 3 months	5,701	4,780
Over 3 months and up to 1 year	746	0
Between 1 year and 5 years	0	0
Over 5 years	0	0
<b>Total</b>	<b>6,840</b>	<b>5,006</b>

#### Accounting policies

Amounts due to credit institutions and central banks include amounts received under repo transactions.

In repo transactions (sale of securities which the group agrees to repurchase at a later date), the securities remain in the balance sheet, and the consideration received is recognised under payables. The amount received is recognised as a liability, and the difference between the offered price and the bid price is recognised as interest in the income statement over the term of the relevant instrument. The return on the securities are recognised in the income statement. Repo transactions are measured at amortised cost.

Amounts due to credit institutions and central banks are recognised at the raising of a loan at fair value corresponding to the consideration received less directly attributable transaction costs. Amounts due to credit institutions and central banks not classified as repo transactions are subsequently measured at amortised cost using the effective interest method. Thus, the difference between net proceeds and nominal value is recognised in the income statement under Interest expenses over the loan term.





### 3.10. Deposits and other payables

	2024 DKKm	2023 DKKm
Repo transactions	143	89
Demand deposits	62,604	57,411
Subject to notice	1,642	5,169
Time deposits, excluding repo business	10,139	8,708
Special types of deposits	2,797	3,020
<b>Total deposits and other payables</b>	<b>77,326</b>	<b>74,397</b>
<b>Shown by term to maturity</b>		
Demand deposits	62,604	57,411
Up to 3 months	8,758	10,159
Over 3 months and up to 1 year	3,258	3,316
Between 1 year and 5 years	586	1,361
Over 5 years	2,121	2,150
<b>Total</b>	<b>77,326</b>	<b>74,397</b>

#### Accounting policies

Deposits include amounts received under repo transactions where the counterparty is not a credit institution or a central bank.

In repo transactions (sale of securities which the group agrees to repurchase at a later date), the securities remain in the balance sheet, and the consideration received is recognised under payables. The amount received is recognised as a liability, and the difference between the offered price and the bid price is recognised as interest in the income statement over the term of the relevant instrument. The return on the securities are recognised in the income statement. Repo transactions are measured at amortised cost.

Deposits and other payables are recognised at the raising of a loan at fair value corresponding to the consideration received less directly attributable transaction costs. Deposits and other payables not classified as repo transactions are subsequently measured at amortised cost using the effective interest method. Thus, the difference between net proceeds and nominal value is recognised in the income statement under Interest expenses over the loan term.

### 3.11. Other liabilities

	2024 DKKm	2023 DKKm
Miscellaneous payables	3,205	2,534
Negative fair value of derivatives, etc.	444	536
Interest and commissions payable	216	158
Lease liabilities	172	169
Other liabilities	320	276
<b>Total other liabilities</b>	<b>4,357</b>	<b>3,672</b>

#### Accounting policies

Other liabilities include various creditors, the negative fair value of derivatives, interest payable and employee benefits payable.

Fair-value measurement of the negative fair value of derivatives is described in more detail in the section Derivatives in note 3.3.4. Other items are measured at amortised cost.



### 3.11.1. Lease liabilities

	2024 DKKm	2023 DKKm
Total lease payments for the year concerning leases	34	33
<b>Amount recognised in the income statement</b>		
Interest payments relating to lease liabilities	-8	-7
Variable lease payments not recognised as part of the lease liability	-	-
Costs relating to short-term leases (less than 12 months)	-	-
Costs relating to low-value leases	-	-
<b>Lease liabilities, specification of cash flows</b>		
Payments in respect of principal	-26	-26
Payments in respect of interest element	-8	-7
Lease payments in respect of short-term leases and low-value leases	-	-
<b>Total cash outflows regarding leases</b>	<b>-34</b>	<b>-33</b>
Of which financing activity	-26	-26
Of which operating activity	-8	-7
<b>Total</b>	<b>-34</b>	<b>-33</b>

#### Accounting policies

A lease liability is recognised in the balance sheet when, in accordance with a lease entered into regarding a specific, identifiable asset, the asset is made available for use by the Group throughout the lease term and when the Group becomes entitled to obtain substantially all of the economic benefits from use of the identified asset and entitled to direct the use of the identified asset.

For information on recognition and measurement of lease assets, including extension and termination options, please refer to note 3.7.1.

On initial recognition, the lease liability is measured at the present value of the future lease payments, including extension and termination options, discounted using an alternative interest rate for charging an asset that provides similar security. The lease liability is calculated on the basis of fixed lease payments.

The lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured when there is a specific change in the underlying contractual cash flows.

The lease liability is presented under other liabilities.

Spar Nord has opted to omit recognising short-term leases in the balance sheet if the lease term at the date of contract is 12 months or less or if it is a low-value asset.

Instead, lease payments are recognised in the income statement on a straight-line basis.



### 3.12. Current tax assets, paid tax and deferred tax

Current tax assets	2024 DKKm	2023 DKKm
Beginning of period	70	65
Current tax for the year	-389	-386
Tax on other comprehensive income	-8	-2
Prior-year adjustments	18	-57
Paid corporation tax, net	397	451
<b>End of year</b>	<b>88</b>	<b>70</b>
<b>Which breaks down as follows:</b>		
Current tax assets	88	70
Payable tax liabilities	0	0
<b>Total</b>	<b>88</b>	<b>70</b>
<b>Paid corporation tax by country</b>		
Denmark	397	451
<b>Total</b>	<b>397</b>	<b>451</b>

Deferred tax	2024 DKKm	2023 DKKm
Beginning of period	76	-201
Deferred tax for the year recognised in profit/loss for the year	313	277
Deferred tax for the year recognised in other comprehensive income	0	0
Deferred tax for the year recognised in changes in equity	0	0
<b>End of year</b>	<b>389</b>	<b>76</b>
<b>Which breaks down as follows:</b>		
Deferred tax assets	0	0
Provisions for deferred tax	389	76
<b>Total</b>	<b>389</b>	<b>76</b>

Spar Nord's tax on profit/loss for the year and tax on other comprehensive income is shown in note 2.10 together with a reference to Spar Nord's tax policy.

#### Accounting policies

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured in accordance with the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, no deferred tax is recognised on timing differences regarding non-deductible goodwill and other items for which timing differences have arisen at the acquisition date without affecting the financial results or taxable income. In cases where the tax base may be computed according to several sets of tax regulations, deferred tax is measured on the basis of the intended use of the asset or settlement of the liability planned by Management.

Deferred tax is recognised in the balance sheet under Deferred tax assets and Deferred tax liabilities on the basis of the expected tax rate.

Deferred tax assets, including the tax base of tax loss carry-forwards, are recognised under Deferred tax assets at the expected value of their utilisation, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity and jurisdiction.

Deferred tax assets and tax liabilities are offset if the enterprise has a legally enforceable right to set off current tax liabilities and tax assets or intends either to settle current tax liabilities and tax assets on a net basis or to realise the assets and settle the liabilities simultaneously.

Adjustment is made to deferred tax relating to eliminations of unrealised intra-group profits and losses. Deferred tax is measured on the basis of the tax regulations and rates that, according to the rules in force at the balance sheet date, will apply at the time the deferred tax is expected to crystallise as current tax. Changes in deferred tax resulting from changes in tax rates are recognised in the income statement.



Changes in deferred tax	Beginning of period DKKm	Recognised in profit for the year DKKm	Recognised in other comprehensive income etc. DKKm	End of year DKKm
<b>2024</b>				
Intangible assets	62	9	0	71
Property, plant and equipment, incl. leased assets	99	254	0	353
Loans, advances and other receivables at amortised cost	-53	-6	0	-60
Payables and subordinated debt	-5	63	0	59
Provisions	-19	5	0	-14
Miscellaneous	-7	-12	0	-19
<b>Total</b>	<b>76</b>	<b>313</b>	<b>0</b>	<b>389</b>
<b>2023</b>				
Intangible assets	53	9	0	62
Property, plant and equipment, incl. leased assets	-100	199	0	99
Loans, advances and other receivables at amortised cost	-51	-3	0	-53
Payables and subordinated debt	-117	112	0	-5
Provisions	-16	-2	0	-19
Miscellaneous	31	-38	0	-7
<b>Total</b>	<b>-201</b>	<b>277</b>	<b>0</b>	<b>76</b>

Deferred tax by term to maturity	2024 DKKm	2023 DKKm
Up to 3 months	0	0
Over 3 months and up to 1 year	-3	-27
Between 1 year and 5 years	13	-27
Over 5 years	380	130
<b>Total</b>	<b>389</b>	<b>76</b>

Tax assets not recognised in the balance sheet	Beginning of period DKKm	Recognised in profit for the year DKKm	Additions and disposals DKKm	End of year DKKm
<b>2024</b>				
<b>Tax assets not recognised relate to:</b>				
Losses on properties with deductibility restricted to gains from the same source	17	0	0	17
Cases regarding direct and indirect taxes	17	0	1	17
<b>Total tax assets not recognised</b>	<b>34</b>	<b>0</b>	<b>1</b>	<b>35</b>
<b>2023</b>				
<b>Tax assets not recognised relate to:</b>				
Losses on properties with deductibility restricted to gains from the same source	17	0	0	17
Cases regarding direct and indirect taxes	22	0	-5	17
<b>Total tax assets not recognised</b>	<b>39</b>	<b>0</b>	<b>-5</b>	<b>34</b>

All deferred tax liabilities are recognised in the balance sheet.

Tax assets not recognised in the balance sheet in 2024 and 2023 relating to losses on properties with deductibility restricted to gains from the same source arose on the sale of properties. Furthermore, a tax case was won in 2021, parts of which are still pending.



### 3.13. Provisions

	2024 DKKm	2023 DKKm
Provision for losses on guarantees	16	23
Other provisions	38	58
Provisions for unutilised credit lines and loan commitments	4	6
<b>Total provisions</b>	<b>58</b>	<b>87</b>
<b>Provisions recognised in the income statement</b>		
New provisions	12	70
Reversed provisions	22	49
<b>Total provisions recognised in the income statement</b>	<b>-9</b>	<b>20</b>
<b>Provision for losses on guarantees</b>		
Beginning of period	23	50
New provisions	8	11
Reversed provisions	14	39
Conclusively lost	0	0
<b>End of year</b>	<b>16</b>	<b>23</b>
<b>Losses on guarantees recognised in the income statement</b>		
New provisions	8	11
Reversed provisions	14	39
<b>Recognised in the income statement</b>	<b>-6</b>	<b>-27</b>

	2024 DKKm	2023 DKKm
<b>Other provisions</b>		
Beginning of period	58	4
New provisions	1	57
Reversed provisions	2	2
Applied to cover liabilities	19	0
<b>End of year</b>	<b>38</b>	<b>58</b>
<b>Other provisions recognised in the income statement</b>		
New provisions	1	57
Reversed provisions	2	2
<b>Recognised in the income statement</b>	<b>-1</b>	<b>54</b>
<b>Provisions for unutilised credit lines and loan commitments</b>		
Beginning of period	6	13
New provisions	3	2
Reversed provisions	5	8
<b>End of year</b>	<b>4</b>	<b>6</b>
<b>Provisions for unutilised credit lines and loan commitments recognised in the income statement</b>		
New provisions	3	2
Reversed provisions	5	8
<b>Recognised in the income statement</b>	<b>-2</b>	<b>-6</b>



Provisions by term to maturity, shown by category	Up to 3 months DKKkm	Over 3 months and up to 1 year DKKkm	Between 1 year and 5 years DKKkm	Over 5 years DKKkm	Total DKKkm
<b>2024</b>					
Provision for losses on guarantees	1	1	6	8	16
Other provisions	0	34	2	2	38
Provisions for unutilised credit lines and loan commitments	4	0	0	0	4
<b>Total provisions</b>	<b>6</b>	<b>35</b>	<b>8</b>	<b>10</b>	<b>58</b>
<b>2023</b>					
Provision for losses on guarantees	2	3	9	9	23
Other provisions	0	53	3	2	58
Provisions for unutilised credit lines and loan commitments	6	0	0	0	6
<b>Total provisions</b>	<b>8</b>	<b>56</b>	<b>12</b>	<b>11</b>	<b>87</b>

Uncertainty attaches to the due dates of liabilities for which provision has been made.

Provisions for losses on guarantees have been made based on an individual assessment.

Provisions for losses in connection with legal proceedings have been made based on an individual assessment.

Other provisions include estimated repayments of overpaid fees and interest to customers in the financing company Sparxpres, which offers consumer loans to retail customers.

Other provisions also include provisions for anniversary lump sums.

#### Accounting policies

Provisions include mainly guarantee commitments, provisions for losses on unutilised credit lines and loan commitments, legal actions and any restructuring costs, etc. Restructuring costs are recognised as liabilities, provided that a detailed, formal restructuring plan is available at the reporting date. A provision is recognised when a legal or constructive obligation exists and when it is probable that the obligation will become effective and it can be measured reliably.

Provisions are based on Management's best estimate of the amount of the commitments. In the measurement of provisions, the costs required to settle the liability are discounted if such discounting would have a material effect on the financial statements.

See note 5.1 for an explanation and specification of provision for losses on guarantees and unutilised credit lines.



## Section 4 - Notes capital

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## 4.1. Capital management

Spar Nord's objectives of capital management are:

- to comply with the statutory requirements regarding capital adequacy;
- to ensure that Spar Nord will at all times have adequate capital to support future activities and growth; and
- to maintain a relatively high common equity tier 1 (CET1) ratio and thus keep the dependency on subordinated debt at a moderate level.

During the year under review, Spar Nord met all statutory capital adequacy ratios.

Since early 2019, Spar Nord has pursued the following capital targets:

- a common equity tier 1 capital ratio of 13.5%
- an own funds ratio of 17.5%

Since the beginning of 2023, Spar Nord's has pursued a dividend policy of distributing 40-60% of the net profit for the year. The Bank intends to make distributions in the form of cash dividends and share buybacks, always provided that at least 30% of the net profit will be distributed as cash dividends. The distribution of 40-60% is calculated on the net profit and thus before payment of interest on the Bank's additional tier 1 capital.

Among other things, the capital targets have been fixed to ensure that the Bank maintains adequate own funds to be able to continue its lending operations during periods of difficult market conditions (such as deep economic recession or unexpectedly heavy credit losses).

During the year under review, Spar Nord's common equity tier 1 (CET1) ratio ranged from 16.8-18.8% (2023: 15.4-17.7%) and thus exceeded Spar Nord's internal target for the period of 13.5% (2023: 13.5%). Correspondingly, the Bank's target of an own funds ratio of 17.5% has been met, as it remained within the 21.1-22.9% range during the year (2023: 19.9-22.3%).

Capital management is based on the methods of accounting and financial ratios developed by the Basel Committee, which have been incorporated into Danish legislation. Management currently monitors the Bank's capital adequacy. The figures calculated at the end of each quarter for Spar Nord's own funds, total risk exposure amount and capital adequacy ratios, including the calculation of the Bank's solvency need ratio, are reported to the Danish FSA in accordance with existing rules.

Spar Nord's individual solvency need is an expression of its own assessment as to how high the total capital ratio should be to safeguard depositors against losses. Since the end of 2012, Spar Nord has based the calculation of its individual solvency need on the so-called 8+ approach. This approach is based on the statutory minimum requirement of 8.0% of the total risk exposure amount (Pillar I) plus add-ons for risks and matters not fully reflected in the calculation of total risk exposure amount. Thus, it is assumed that ordinary risks are covered by the 8% requirement, and that it must therefore be determined which additional risks Spar Nord may have that warrant an add-on to the capital requirement (Pillar II); see the guidelines from the Danish FSA in this respect.

Spar Nord's common equity tier 1 capital consists of its share capital, proposed dividends and retained earnings. Additional tier 1 (AT1) capital and tier 2 capital (T2) in the form of subordinated debt are included in the calculation of Spar Nord's own funds. A number of deductions are made in connection with calculating Spar Nord's common equity tier 1 capital, consisting primarily of proposed dividends, intangible assets and equity investments in other credit institutions.

The total risk exposure is the calculated risk associated with Spar Nord's business areas. Total risk exposure is calculated as follows: assets, items subject to a market risk, and exposures in the form of guarantees are weighted on the basis of standard weights that depend on the type of the individual items and counterparty, with due provision being made for any collateral provided. To this comes an add-on to cover Spar Nord's operational risks.

Note 4.2 provides more details about the capital requirement.

The maturity profile for Spar Nord's subordinated debt is shown in note 4.7.

Spar Nord continuously assesses the need for adapting the capital structure, including its goals, policies and processes.

The expected implementation of internal ratings-based models (IRB) during the first half of 2025 will in future provide the basis for a more optimum capital application and contribute to further consolidating Spar Nord's capital position. Using IRB models requires the approval of the Danish FSA, which is expected to be granted with effect from the end of the first half of 2025. In mid-2023, Spar Nord submitted the Bank's IRB application to the Danish FSA and expects to receive the FSA's approval for implementation in the first half of 2025. The implementation and application of the transition to IRB models are expected to lead to a revision of the Bank's current capital targets etc.





## 4.2. Own funds

	2024 DKKkM	2023 DKKkM
Equity	14,628	13,979
Phasing in of IFRS 9	83	199
Additional tier 1 capital recognised in equity	1,202	1,202
Proposed dividend	0	1,205
Intangible assets	323	329
Share buybacks, non-utilised portion	0	10
Deductions for NPE (Non Performing Exposures)	169	183
Other primary deductions	56	60
Deduction - Holdings of insignificant CET1 instruments	0	0
Deduction - Holdings of significant CET1 instruments	464	500
<b>Common equity tier 1 capital</b>	<b>12,496</b>	<b>10,691</b>
Additional tier 1 (ATI) capital *)	1,195	1,173
Other deductions	0	0
<b>Tier 1 capital</b>	<b>13,691</b>	<b>11,864</b>
Subordinated debt, excl. Additional Tier 1 (ATI) capital *)	1,577	1,578
Other deductions	0	0
<b>Own funds</b>	<b>15,269</b>	<b>13,442</b>
Weighted risk exposure amount, credit risk etc.	54,223	49,563
Weighted risk exposure amount, market risk	4,296	3,958
Weighted risk exposure amount, operational risk	8,081	6,848
<b>Total risk exposure amount</b>	<b>66,600</b>	<b>60,369</b>
Common equity tier 1 capital ratio	18.8	17.7
Tier 1 capital ratio	20.6	19.7
Own funds ratio	22.9	22.3

\*) Limit for holding of own issues has been deducted.

## 4.3. Equity

### Accounting policies

#### Revaluation reserves

Revaluation reserves comprise revaluations of Spar Nord's domicile property after the recognition of deferred tax. The reserve is dissolved when properties are impaired, sold or otherwise disposed of.

#### Statutory reserves

Statutory reserves comprise value adjustments of investments in associates and group enterprises according to the equity method. The reserves are reduced by the dividends distributed to the Parent Company and other movements in the equity of group enterprises and associates, or if the investments are realised in whole or in part.

#### Cash flow hedging

Cash flow hedging comprises the reserve for market value adjustment of derivatives used for the hedging of cash flows. In the balance sheet, cash flow hedging is classified together with statutory reserves and is recognised separately under the statement of changes in equity. For further information, see note 6.5.

#### Proposed dividend

Proposed dividend is recognised as a liability at the time of adoption at the annual general meeting (the declaration date). Dividend proposed to be distributed for the year is included under equity until adoption of the dividend proposal. In accordance with the Bank's dividend policy, Spar Nord aims to distribute 40-60% (2023: 40-60%) of the net profit for the year. The Bank intends to make distributions in the form of cash dividends and share buybacks, always provided that at least 30% of the net profit will be distributed as cash dividends. The distribution of 40-60% is calculated on the net profit and thus before payment of interest on the Bank's additional tier 1 capital.

#### Treasury shares and own bonds

Treasury shares and own bonds are not recognised as assets. Cost and selling prices of treasury shares as well as dividends are recognised directly in retained earnings under equity. Capital reduction by cancellation of treasury shares will lower the share capital by an amount equal to the nominal value of the investments at the time of registration of the capital reduction.

The acquisition of own bonds is recognised directly in Subordinated debt. Upon the acquisition of own bonds, any loss or gain is recognised in the income statement as the difference between the acquisition cost and the carrying amount of the liability.



## 4.4. Equities

Issued shares	Number of shares		Nominal value (DKKm)	
	2024	2023	2024	2023
1 January	120,466,626	123,002,526	1,205	1,230
Share buyback programme	2,764,595	2,535,900	28	25
<b>31 December - fully paid</b>	<b>117,702,031</b>	<b>120,466,626</b>	<b>1,177</b>	<b>1,205</b>

The share capital is divided into shares with a nominal value of DKK 10. The Bank has only one share class. No shares carry any special rights. No shares are subject to restrictions on transferability or voting rights.

Treasury shares deposited as collateral comprise collateral provided by customers in the form of Spar Nord shares.

The Bank uses treasury shares for trading with customers.

Until the next Annual General Meeting, the Board of Directors is authorised to let the Bank acquire treasury shares with a nominal value of up to 10% of the share capital based on the market price at the date of acquisition subject to a deviation of up to 10%.

The Board of Directors is authorised to make a decision to increase the Company's share capital in the period ending on 30 April 2026 by a maximum of nominally DKK 246,005,052 by way of one or more issues. The new shares, which are issued to named holders, will rank pari passu with existing shares.

The increase can take place by:

- a cash deposit with pre-emption rights for the company's existing shareholders at a discount to the market price, or
- a cash deposit or otherwise at market price without pre-emption rights for the company's shareholders.

On 25 April 2024, the share capital was reduced by nominally DKK 27,645,950 through the cancellation of 2,764,595 shares from the Bank's portfolio of treasury shares acquired under the Bank's share buyback programme in the period from 13 February 2023 to 31 January 2024.

	2024	2023
<b>Number of shares in circulation</b>		
Beginning of period	117,667,820	120,711,126
Share buyback programme (15 June 2022 to 31 January 2023)	-	293,400
Share buyback programme (13 February 2023 to 31 January 2024)	86,495	2,678,100
Share buyback programme (12 February 2023 to 10 December 2024)	3,307,246	-
Acquisition/sale of treasury shares, trading book	114,500	-71,806
<b>End of year</b>	<b>114,388,579</b>	<b>117,667,820</b>
Shares issued, beginning of year	120,466,626	123,002,526
Share buyback programme (15 June 2022 to 31 January 2023), cancellation of shares	-	2,535,900
Share buyback programme (13 February 2023 to 31 January 2024), cancellation of shares	2,764,595	-
Share buyback programme (13 February 2023 to 31 January 2024)	-	2,678,100
Share buyback programme (12 February 2023 to 10 December 2024)	3,307,246	-
Group's portfolio of treasury shares, trading book	6,206	120,706
<b>Outstanding shares in circulation</b>	<b>114,388,579</b>	<b>117,667,820</b>
<b>Treasury share portfolio</b>		
Number of shares, trading book	6,206	120,706
Share buyback programme no. of shares	3,307,246	2,678,100
Nominal value, DKKm	33	28
Fair value, DKKm	683	298
Percentage of share capital	2.8	2.3
<b>Treasury share portfolio, fair value, DKKm</b>		
Portfolio, beginning of year	298	244
Share buyback programme (15 June 2022 to 31 January 2023)	-	-225
Share buyback programme (13 February 2023 to 31 January 2024)	-300	290
Share buyback programme (12 February 2023 to 10 December 2024)	423	-
Acquisition of treasury shares	872	550
Sale of treasury shares	889	512
Market value adjustments	279	-49
<b>Portfolio, end of year</b>	<b>683</b>	<b>298</b>
<b>Treasury shares deposited as collateral</b>		
Number of shares	534,369	551,302
Nominal value, DKKm	5	6
Fair value, DKKm	110	59
Percentage of share capital	0.4	0.4



## 4.5. Earnings per share for the year

	2024 DKKm	2023 DKKm
<b>The profit/loss of shareholders of the Parent Company, Spar Nord Bank A/S</b>	<b>2,174</b>	<b>2,373</b>
Number of shares, beginning of year	120,466,626	123,002,526
Reduction of share capital (Share buyback programme 15 June 2022 to 31 January 2023)	2,764,595	2,535,900
Average number of treasury shares	1,788,179	1,277,153
<b>Average number of shares in circulation</b>	<b>115,913,852</b>	<b>119,189,473</b>
Average dilutive effect of outstanding share options	0	0
<b>Average number of outstanding shares (diluted)</b>	<b>115,913,852</b>	<b>119,189,473</b>
Earnings per share for the year (DKK)	18.7	19.9
Diluted earnings per share for the year (DKK)	18.7	19.9

Earnings per share for the year have been calculated as if the additional tier 1 (AT1) capital were treated as a liability, which means that the calculation of the financial ratio has been based on the shareholders' share of profit and equity.

The shareholders' share of profit and equity appears from the statement of changes in equity.

## 4.6. Additional tier 1 (AT1) capital

Currency	Note	Principal millions	Interest rate	Received	Maturity	2024 DKKm	2023 DKKm
DKK	a	330	6.00%	2020	Perpetual	344	344
DKK	b	600	3.25%	2021	Perpetual	606	606
DKK	c	250	3.125%	2021	Perpetual	252	252
<b>Additional tier 1 (AT1) capital issued under CRR, total</b>						<b>1,202</b>	<b>1,202</b>

- a.** Issued on 15.04.2020, with an option of early redemption as from 15.04.2025. The loan carries interest at a rate of 6.00% p.a. until 15.04.2025, after which date interest will be fixed at CIBOR6 + a 6.00% margin, but a minimum of 6.00%. If Spar Nord's common equity tier 1 (CET1) ratio falls below 5 1/8%, the loans will be written down. The loans can be written up again based on the rules laid down in CRR.
- b.** Issued on 08.03.2021, with an option of early redemption as from 08.09.2026. The loan carries interest at a rate of 3.25% p.a. until 08.09.2026, after which date interest will be fixed at CIBOR6 + a 3.244% margin. If Spar Nord's common equity tier 1 (CET1) ratio falls below 7%, the loans will be written down. The loans can be written up again based on the rules laid down in CRR.

- c.** Issued on 30.09.2021, with an option of early redemption as from 30.09.2027. The loan carries interest at a rate of 3.125% p.a. until 30.09.2027, after which date interest will be fixed at CIBOR6 + a 2.962 % margin. If Spar Nord's common equity tier 1 (CET1) ratio falls below 7%, the loans will be written down. The loans can be written up again based on the rules laid down in CRR.

Loan agreements contain no change of control provisions.

Specification of cash flows	2024 DKKm	2023 DKKm
Issue of additional tier 1 (AT1) capital	-	-
Redemption of additional tier 1 (AT1) capital	-	-
Net transaction costs	-	-
Change in portfolio of own bonds	0	3
Interest paid	-47	-47
<b>Total cash flows for the year</b>	<b>-47</b>	<b>-44</b>

### Accounting policies

Additional tier 1 (AT1) capital issued with a perpetual term and without a contractual obligation to make repayments of principal and pay interest (additional tier 1 capital under CRR) fulfils the conditions for being classified as equity according to IAS 32. Therefore, any such issue of additional tier 1 (AT1) capital is considered equity.

The net amount at the time of issue is recognised as an increase in equity. The payment of interest is treated as dividend and recognised directly in equity at the time when the liability arises.

Upon Spar Nord' redemption of the bonds, the equity will be reduced by the redemption amount at the time of redemption. Cost and selling prices on the purchase and sale of additional tier 1 (AT1) capital under CRR are recognised directly in equity in the same way as the portfolio of treasury shares.

Early redemption of additional tier 1 capital is subject to the approval of the Danish FSA. Additional tier 1 capital is included in own funds, etc. pursuant to the Danish Financial Business Act.



## 4.7. Subordinated debt

Currency	Note	Principal millions	Interest rate	Received	Maturity	2024 DKKm	2023 DKKm
DKK	a	350	CIBOR6 + 2.40%	2018	29.05.2029	0	350
DKK	b	150	2.9298%	2018	29.05.2029	0	150
DKK	c	500	5.131%	2022	07.07.2032	499	498
DKK	d	400	CIBOR6 + 3.25%	2023	11.04.2033	399	398
DKK	e	200	CIBOR3 + 1.30%	2021	30.09.2033	200	199
DKK	f	500	CIBOR3 + 2.55%	2024	08.06.2034	498	-
<b>Supplementary capital contributions, total</b>						<b>1,595</b>	<b>1,596</b>
Portfolio of own bonds relating to subordinated debt						-7	-3
<b>Total subordinated debt</b>						<b>1,588</b>	<b>1,593</b>
Interest on subordinated debt						101	85
Amortised costs expensed on raising subordinated debt						2	1

- a. Redeemed at 29.05.2024.
- b. Redeemed at 29.05.2024.
- c. Redeemable as from 07.07.2027. If the loan is not redeemed, interest will be fixed at CIBOR6 +  $\alpha$  3.00% margin.
- d. Redeemable as from 11.04.2028. If the loan is not redeemed, interest will be fixed at CIBOR6 +  $\alpha$  3.25% margin.
- e. Redeemable as from 30.09.2028. If the loan is not redeemed, interest will be fixed at CIBOR3 +  $\alpha$  1.30% margin.
- f. Redeemable as from 08.06.2029. If the loan is not redeemed, interest will be fixed at CIBOR3 +  $\alpha$  2.55% margin.

Subordinated debt has been issued under Spar Nord's EMTN programme, which contains no change of control provisions.

Specification of cash flows	2024 DKKm	2023 DKKm
<b>Beginning of period</b>	<b>1,593</b>	<b>1,597</b>
<b>Cash flows</b>		
New Loans	500	400
Redeemed	-500	-400
Net transaction costs	-2	-2
Change in portfolio of own bonds	-4	-3
<b>Net cash flows</b>	<b>-7</b>	<b>-5</b>
<b>Other movements</b>		
Change in exchange rate adjustments	0	0
Amortised costs expensed	1	1
<b>Total other movements</b>	<b>1</b>	<b>1</b>
<b>End of year</b>	<b>1,588</b>	<b>1,593</b>

### Accounting policies

Subordinated debt consists of liabilities in the form of tier 2 capital and other capital contributions which, in the event of the Bank's voluntary or compulsory winding up, will not be repaid until after the claims of ordinary creditors have been met.

Early redemption of subordinated debt is subject to the approval of the Danish FSA. Subordinated debt is included in own funds, etc. pursuant to the Danish Financial Business Act.

Subordinated debt is recognised at the raising of a loan at fair value less directly attributable external transaction costs. Subsequently, subordinated debt is measured at amortised cost using the effective interest method.

For further information on the issuing of additional tier 1 capital under CRR, see note 4.6.



#### 4.8. Issued bonds at amortised cost

Currency	Note	Principal millions	Interest rate	Received	Maturity	2024 DKKm	2023 DKKm
DKK	a	750	CIBOR3 + 1.20%	2022	15.05.2025	0	750
DKK	b	1,350	CIBOR3 + 1.00%	2019	05.12.2025	0	1,349
DKK	c	400	0.7290%	2019	05.12.2025	0	386
SEK	d	800	STIBOR3 + 0.80%	2021	26.05.2026	519	537
NOK	e	950	2.1110%	2021	26.11.2026	581	599
DKK	f	300	CIBOR3 + 1.40%	2023	04.12.2026	300	299
SEK	g	350	4.8330%	2022	09.03.2027	228	235
EUR	h	25	EURIBOR3 + 1.40%	2023	23.03.2027	186	186
NOK	i	600	5.5450%	2022	09.09.2027	371	397
NOK	j	200	NIBOR3 + 2.00%	2022	09.09.2027	125	132
EUR	k	250	5.3750%	2023	05.10.2027	1,901	1,900
NOK	l	750	NIBOR3 + 1.05%	2021	26.05.2028	471	496
SEK	m	1,100	STIBOR3 + 3.00%	2022	01.12.2028	713	739
NOK	n	724	NIBOR3 + 3.00%	2022	08.12.2028	456	480
NOK	o	800	NIBOR3 + 2.45%	2023	01.12.2029	504	531
SEK	p	1,000	STIBOR3 + 2.45%	2024	23.01.2030	647	-
EUR	q	250	4.1250%	2024	01.10.2030	1,859	-
NOK	r	500	2.8230%	2021	30.06.2032	273	296
<b>Issued bonds, total</b>						<b>9,134</b>	<b>9,314</b>
Portfolio of own issued bonds						0	-6
<b>Issued bonds, total</b>						<b>9,134</b>	<b>9,307</b>

Issued bonds at amortised cost have been issued under Spar Nord's EMTN programme, which contains no change of control provisions.

- a. Redeemed at 15.05.2024.
- b. Redeemed at 05.12.2024
- c. Redeemed at 05.12.2024
- d. Redeemable as from 26.05.2025. If the bonds are not redeemed, interest will be fixed at STIBOR3 +  $\alpha$  0.80% margin.
- e. Redeemable as from 26.11.2025. If the bonds are not redeemed, interest will be fixed at NIBOR3 +  $\alpha$  0.86% margin.
- f. Redeemable as from 04.12.2025. If the bonds are not redeemed, interest will be fixed at CIBOR3 +  $\alpha$  1.40% margin.
- g. Redeemable as from 09.03.2026. If the bonds are not redeemed, interest will be fixed at STIBOR3 +  $\alpha$  1.80% margin.
- h. Redeemable as from 23.03.2026. If the bonds are not redeemed, interest will be fixed at EURIBOR3 +  $\alpha$  1.40% margin.
- i. The bonds cannot be redeemed early.
- j. The bonds cannot be redeemed early.
- k. Redeemable as from 05.10.2026. If the bonds are not redeemed, interest will be fixed at 1-year Mid-Swap Rate +  $\alpha$  1.85% margin.
- l. Redeemable as from 26.05.2027. If the bonds are not redeemed, interest will be fixed at NIBOR3 +  $\alpha$  1.05% margin.
- m. Redeemable as from 01.12.2027. If the bonds are not redeemed, interest will be fixed at STIBOR3 +  $\alpha$  3.00% margin.
- n. Redeemable as from 08.12.2027. If the bonds are not redeemed, interest will be fixed at NIBOR3 +  $\alpha$  3.00% margin.
- o. Redeemable as from 01.12.2028. If the bonds are not redeemed, interest will be fixed at NIBOR3 +  $\alpha$  2.45% margin.
- p. Redeemable as from 23.01.2029. If the bonds are not redeemed, interest will be fixed at STIBOR3 +  $\alpha$  2.45% margin.
- q. Redeemable as from 01.10.2029. If the bonds are not redeemed, interest will be fixed at 1-year EUR Mid-Swap Rate +  $\alpha$  1.85% margin.
- r. Redeemable as from 30.06.2031. If the bonds are not redeemed, interest will be fixed at NIBOR3 +  $\alpha$  1.166% margin.

The loans e, g, i, k, q and r are comprised by the rules on hedge accounting, see note 6.5.

Loan k is Senior Preferred, while the other loans are Senior Non-Preferred.

##### Accounting policies

Issued bonds at amortised cost comprise Preferred and Non-Preferred Senior debt issued to comply with the MREL requirement for SIFI institutions. Issued bonds are recognised on issuance at fair value less directly attributable external transaction costs. Subsequently, issued bonds are measured at amortised cost using the effective interest method.



Specification of cash flows	2024 DKKm	2023 DKKm
<b>Beginning of period</b>	<b>9,307</b>	<b>6,216</b>
<b>Cash flows</b>		
New loans	2,521	3,149
Redeemed	-2,500	0
Net transaction costs	-11	-8
Change in portfolio of own bonds	6	1
<b>Net cash flows</b>	<b>17</b>	<b>3,141</b>
<b>Other movements</b>		
Change in exchange rate adjustments	-211	-122
Adjustment for effect of interest rate hedging	13	66
Amortised costs expensed	8	6
<b>Total other movements</b>	<b>-190</b>	<b>-50</b>
<b>End of year</b>	<b>9,134</b>	<b>9,307</b>
<b>Shown by contractual term to maturity</b>		
Up to 3 months	0	2
Over 3 months and up to 1 year	1,399	755
Between 1 year and 5 years	7,462	7,722
Over 5 years	273	828
<b>Total</b>	<b>9,134</b>	<b>9,307</b>

In addition to repayment, maturity distribution also comprises amortised loan costs.



## Section 5 - Notes risk management

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## 5. Risk management

Spar Nord is exposed to a number of risks in various categories. The most important categories of risks are as follows:

### Credit risk

The risk of losses because counterparties fail to meet all or part of their payment obligations.

### Market risk

The risk of loss because the fair value of Spar Nord's assets and liabilities varies with changes in market conditions.

### Liquidity risk

The risk of loss because Spar Nord cannot meet its payment obligations via the ordinary liquidity reserves.

### Operational risk

The risk of financial loss owing to deficient or erroneous internal procedures and processes, human or system errors, or losses as a result of external events.

The following notes to the Annual Report contain qualitative and quantitative information regarding Spar Nord's credit, market, liquidity and operational risks.

### 5.1. Credit risk

Credit risk is the risk of loss as a result of borrowers or other counterparties defaulting on their payment obligations, including the risks attaching to customers in financial difficulty, risks relating to large exposures, concentration risks and risks attaching to granted, unutilised credit lines.

In 2024, Spar Nord made no major changes in assumptions, objectives, exposures and calculation methods, etc. as compared to the year before.

Overview of principal figures in the credit risk note	2024 DKKm	2023 DKKm
<b>Credit exposure for financial reporting purposes</b>		
Loans, advances and guarantees	88,865	80,734
Loans and guarantees excl. reverse repo transactions	74,377	68,864
Lending excl. reverse repo business, carrying amount	61,692	57,497
Lending growth (carrying amount, excl. reverse repo transactions)	7.3%	4.0%
<b>Credit exposure to loans, advances and guarantees excl. reverse repo transactions</b>		
Retail customers	46.1%	43.9%
Business customers	53.9%	56.1%
<b>Recognised impairments</b>		
Retail customers	-164	-47
Business customers excl. agriculture	109	98
Agriculture	30	-85
<b>Total (positive amounts indicate a negative profit impact)</b>	<b>-25</b>	<b>-33</b>
Impairment ratio, loans, advances and guarantees (impact on operations)	0.0%	0.0%
<b>Impairment etc., end of year</b>		
Stage 1, credit risk has not increased significantly	413	391
Stage 2, credit risk has increased significantly	432	540
Stage 3, credit-impaired	807	742
<b>Total</b>	<b>1,652</b>	<b>1,673</b>
Total impairment in % of loans, advances and guarantees (excl. reverse repo transactions)	2.2%	2.4%





### Overall comments on credit risk

In 2024, the Bank recorded an increase in bank and leasing loans of DKK 4.2 billion, or 7%, to DKK 63.3 billion. Bank lending to retail customers increased by DKK 2.6 billion, while bank lending to business customers increased by DKK 1.6 billion, of which growth in leasing loans accounted for DKK 0.7 billion.

Impairment of loans and advances, etc. amounted to an income DKK 25 million in 2024, equal to 0.03% of total loans, advances and guarantees. This compares to an income from loan impairment in 2023 of DKK 33 million (0.04% of total loans, advances and guarantees). Retail customers without Sparxpres represented an income of DKK 183 million, while Sparxpres resulted in an expense of DKK 19 million. For business customers, there was an expense of DKK 109 million, while the impact on operations from agriculture was an expense of DKK 30 million.

In spite of persistently strong credit quality among the Bank's retail and business customers in 2024, an increase in individual impairment charges resulted in an overall increase in stage 3 impairment of DKK 65 million. For combined stage 1 and 2 impairment, the increase of management estimates was more than offset by a reduced need for individual impairment charges in the weak part of stage 2 Overall, stage 1 and 2 impairment was reduced by DKK 86 million relative to end-2023.

At end-2024, total management estimates amounted to DKK 684 million, which was an increase of DKK 23 million relative to 31 December 2023. The increase covers an increase in management estimates concerning geopolitical uncertainty, uncertainty relating to pricing of commercial real estate and ESG initiatives, while the management estimate concerning model uncertainty etc. was reduced. At 31 December 2024, the model-supported management estimate regarding geopolitical uncertainty amounted to DKK 398 million, while the other management estimates concerning commercial real estate, ESG and model uncertainty, etc. totalled DKK 286 million.

At 31 December 2024, the total management estimates broke down into DKK 552 million on business customers and DKK 133 million on retail customers. By way of comparison, total management estimates of DKK 662 million at end-2023 broke down into DKK 389 million on business customers and DKK 273 million on retail customers.

At DKK 398 million at end-2024, geopolitical uncertainty represents by far the largest management estimate. The estimate covers enhanced credit risk due to geopolitical uncertainty and is a re-labelling of the previous estimate of cyclical downturn. Developments in 2024 (+ DKK 23 million) were driven by stress of customers whose credit quality may be flagged as weak.

### Transition to internal ratings-based models (IRB) for the calculation of risk exposure derived from credit risk in 2025

The current macroeconomic uncertainties are believed to be covered and explained by the Bank's management estimates. As mentioned, there is a high degree of uncertainty involved, and therefore a need may arise to adjust the management estimate in the coming year.

Spar Nord has applied internal models in its credit risk management for more than ten years, and since 2018 the Bank has worked intensively to prepare an application for permission to switch to the use of internal ratings-based models (IRB) for calculating risk exposure derived from credit risk. During 2024, the Bank started to apply the new compliant models from IRB.

The new PD models were phased into the Bank's rating system and credit management process during the first half of 2024. In this connection, the Bank adjusted its credit procedures, IT systems and internal and regulatory reporting comprising PD/ratings. The new PD values were implemented in the Bank's modelled impairment charges in this connection.

The Bank currently employs the standard method for calculating its risk exposure. The use of ratings-based models from IRB may provide a more precise calculation of credit risk exposure. Owing to the generally strong quality of Spar Nord's credit portfolios, it is expected that Spar Nord may achieve lower risk weights, thus attaining a more appropriate capital application. These expected lower risk weights will contribute to underpinning the competitive strength going forward. On 4 July 2023, Spar Nord sent an application to the Danish FSA for approval to use own models for calculating risk exposure amounts. The Danish FSA is currently processing the application, and an approval is expected to be granted during 2025.

### 5.1.1. Accounting policies, credit policy, management, monitoring and reporting

#### Accounting policies

##### Impairment model

Spar Nord recognises a provision for expected credit losses pursuant to IFRS 9 for all financial assets recognised at amortised cost or at fair value through other comprehensive income, lease receivables, certain loan commitments and financial guarantees. For financial assets recognised at amortised cost, the impairment for expected credit losses is recognised in the income statement and set off against the asset in the balance sheet. Provisions for unutilised credit lines and loan commitments and financial guarantees are stated at expected credit losses in the income statement and recognised as a liability.

The above impairment model implies that provisions must be recognised on all Spar Nord's financial assets measured at amortised cost and certain loan commitments and financial guarantees based on statistically expected credit losses ("expected loss" model). Losses caused by regulation of a financial asset will be considered as having been written off.

Under the expected loss model, on initial recognition, a loss allowance will be recognised in an amount equivalent to the 12-month expected credit losses (stage 1). If, on measurement subsequent to initial recognition, the credit risk increases significantly, a loss allowance will be recognised in an amount equivalent to the lifetime expected credit losses of the exposure (stage 2). Where it is established that the exposure is credit-impaired (stage 3), a loss allowance will be recognised in an amount equivalent to the lifetime expected credit losses of the exposure, while revenue will be recognised in the income statement using the effective interest method relative to the recognised impairment loss.

The classification into stages and the calculation of expected credit losses are largely based on Spar Nord's rating models.



The expected credit loss is measured for each facility. Impairment models support the calculation of expected credit losses based on loss ratios and the concepts of PD (Probability-of-Default), LGD (Loss-Given-Default) and EAD (Exposure-at-Default). The calculation of the expected credit losses on exposures in stages 1 and the normal part of stage 2 is made using the above-mentioned impairment models. As mentioned, these models are based on the Bank's PD model, which has formed a part of the credit management work for a number of years. The impairment models have been supplemented by a macroeconomic model, which adjusts the calculated PD values.

The calculation of the expected credit losses on exposures in the weak part of stage 2 as well as stage 3 is made as either as an individual assessment or a model calculation. For customer groups objective evidence of impairment (OEI) and also with total exposures exceeding DKK 500,000, the Bank performs an individual assessment of the expected credit losses and the pertaining probabilities. For exposures flagged for OEI with total exposures of DKK 500,000 or less, model-based calculations will be used, employing the same method as for the individual assessments. For customers with no OEI, the Bank uses the same impairment models as in stage 1 and the normal part of stage 2.

#### Low credit risk portfolio

All exposures to public authorities and credit institutions were categorised as having a low credit risk based on recognised analyses of risk of loss and collateral assessment for these customer segments. Moreover, reverse repo transactions are also categorised as having a low credit risk as this type of exposures are characterised by short maturities and a high degree of collateral. Exposures to these customers are maintained in stage 1.

The following loss percentages are applied for the three types of exposures:

- Public sector: 0.00%
- Credit institutions: 0.09%
- Reverse repo transactions: <0.01%

Reverse repo transactions totalled DKK 13,310 million (including DKK 1,440 million for credit institutions). Loans, advances and guarantees to public-sector customers totalled DKK 760 million, while amounts due from credit institutions (ex. reverse repo transactions) amounted to DKK 761 million.

#### Substantial increase in risk

On transition from stage 1 to stage 2, a substantial increase in the credit risk is defined as follows:

- A minimum 100% increase in the PD for the applied remaining life of the exposure and an increase of at least 0.5% point in the 12-month PD where the 12-month PD was below 1,0% on initial recognition.
- A minimum 100% increase in the PD for the applied remaining life of the exposure or an increase of at least 2.0% point in the 12-month PD where the 12-month PD was 1,0% or higher on initial recognition.
- If the exposure has been in arrears for more than 30 days.

Exposures with a substantial increase in the credit risk belonging to customers whose ability to pay shows considerable signs of weakness will be categorised as the weak part of stage 2. A customer's ability to pay in this category is defined as a 12-month PD that exceeds 5.0%.

#### Improvement of credit risk

If the exposure that has been in arrears for more than 30 days ceases to exist or the customers' PD level is subsequently improved (see above with respect to time of initial recognition), it will no longer be considered a significant increase in credit risk, and the exposure will be transferred back to stage 1.

#### Transition to stage 3 (credit impairment)

If one of the customer's exposures is believed to be credit-impaired, all exposures of the customer in question will be transferred from stage 1 or stage 2 to stage 3. The criteria for credit impairment are determined on the basis of the Bank's credit management and credit policy. Generally, the criteria for business customers will be significant breach of contract or likely bankruptcy, while for retail customers they will include major negative events.

The Bank's criteria for default follow the CRR, and a customer's exposure is considered to be in default, if for example:

- there are credit-impaired exposures, and the customer is not considered to be able to settle its credit liabilities as calculated in the most likely scenario;
- for retail customers in case of a negative change in income, insufficient disposable income, listing in the Danish credit information agency RKI, material tax debt or substantial consumer loans;
- for business customers in case of negative results and negative equity, substantial negative equity or conversion of debt to subordinated capital;
- for agricultural customers in case of a negative change in income, substantial negative equity or non-compliance with the Bank's requirements for break-even and solvency;
- the payment obligations have been put on hold, or significantly relaxed terms have been granted with respect to interest rate, repayment profile or respite due to the customer's critical financial situation; or
- the customer's exposure for a long period of time (90 days or more) has been in arrears or overdrawn.

If one of the owners of the exposures are considered to be in default, the exposure will subsequently be assessed relative to a substantial increase in credit risk and subsequently place in stage 1 and 2 via using the model's stage motor.



### Prospective information

The model calculation of the expected losses includes output from the Bank's newly developed rating models from IRB. This model includes expectations of economic developments for the coming year, provided by the Bank's economists.

Included in the impairment calculation are the following expectations of economic indicators:

- GDP -> +2.5%
- Unemployment (AKU\*) -> 6.1%
- House prices -> +3.3%

The model calculation of expected losses is based, among other things, on the most likely scenario (base case), and worst and best case scenarios are also set up applying a more critical and a more positive approach, respectively, to macroeconomic developments in the coming years than in the base case scenario. A calculation is made for each of the three scenarios and subsequently a total weighted calculation of the expected loss based on an assessment of the probability of each scenario.

In 2024, a new method for weighting of the various scenarios was incorporated. It is now determined on the basis of an expert assessment by the Bank's scenario committee. The current scenario weights are 60% in base case, 20% in best case and 20% in worst case (88%, 5% and 7% in 2023).

\* Statistics Denmark Labour Survey

### Scenario sensitivity

If either best-case or worst-case both from the model calculation and from the individual impairment calculations are exclusively applied, it would result in the following index-linked impairment distribution between the stages:

Scenarios	Stage 1	Stage 2	Stage 3	Total
<b>2024</b>				
Total	25	26	49	100
Best	24	25	30	80
Worst	26	27	76	128
<b>2023</b>				
Total	24	32	44	100
Best	23	32	24	79
Worst	24	34	71	129

The total current impairment amount is used as index 100. Best-case would reduce impairment by DKK 335 million (2023: DKK 359 million), while worst-case would increase impairment by DKK 466 million (2023: DKK 489 million). The calculation does not take into account any customers shifting between model and individual calculations in the best and the worst case, respectively.

The slightly higher share of impairment in stage 3 in 2024 in the current scenario is explained by a few new impairment customers in stage 3 and lower modelled impairment charges in stages 1 and 2, among other things due to the implementation of new rating models from IRB.

### Sensitivity in management estimates

The management estimates supplement the individual and modelled impairment charges when these are not assessed to provide an accurate view of the current risk exposure level. The estimates are based on various calculations in which the impairment calculation for relevant exposures is stressed. To understand the sensitivity of these calculations, we have made computations that adjust the stressed variables to a scenario of reduced stress and a scenario of increased stress, respectively.

The management estimate concerning geopolitical uncertainty was calculated at DKK 398 million at end-2024. When calculating a reduced stress scenario/increased stress scenario, based on the values in the table below, the estimate would have been DKK 335/464 million.

The management estimate concerning commercial real estate was calculated at DKK 181 million. When calculating a reduced stress scenario/increased stress scenario, the estimate would have been DKK 146/206 million, respectively.

The management estimate concerning ESG was calculated at DKK 88 million. When calculating a reduced stress scenario/increased stress scenario, the estimate would have been DKK 71/115 million, respectively.

The management estimate concerning model uncertainty was calculated at DKK 17 million. When calculating a reduced stress scenario/increased stress scenario, the estimate would have been DKK 13/26 million, respectively.



Management estimates (DKKm)			
	Reduced	Applied	Increased
<b>2024</b>			
Geopolitical uncertainty	335	398	464
Commercial real estate	146	181	206
ESG	71	88	115
Model uncertainty	13	17	26
<b>Total</b>	<b>565</b>	<b>684</b>	<b>810</b>
<b>2023</b>			
Geopolitical uncertainty	303	375	427
Commercial real estate	121	155	200
ESG	59	73	87
Model uncertainty	46	59	75
<b>Total</b>	<b>529</b>	<b>662</b>	<b>789</b>

Developments in management estimates are shown in note 5.1.8.

The following sensitivity analyses were made in 2024 and 2023: The table below shows sub-components of management estimates included in the sensitivity analysis and how these are stressed in % or DKK in respectively the reduced, applied and increased stress scenario.

Overview of sensitivity analyses (%/‰/DKK)			
	Reduced	Applied	Increased
<b>2024</b>			
<b>Geopolitical uncertainty, Commercial real estate and ESG</b>			
Scenario stress OEI customers (min. weight in worst case in %)	35	40	45
PD stress construction industry (current PD in %)	100	200	250
PD stress Leasing (without accounting-based credit score in %)	50	100	150
PD stress SME (current PD in %)	15	34	50
PD stress EMVL (current PD in %)	15	28	50
PD stress EMVS (current PD in %)	75	100	125
Collateral stress leasing equipment (new haircut percentage)	70	60	50
<b>Additional geopolitical uncertainty</b>			
PD stress retail (current PD in %)	100	122	150
PD stress Sparxpres (%)	100	150	200
<b>Commercial properties, additional</b>			
Collateral stress commercial real estate (new haircut percentage)	80	75	70
LGD stress commercial real estate (add-on to unsecured share in %, max 100%)	50	100	100
<b>ESG additional</b>			
PD stress transport (current PD in %)	50	100	150
CO2 levy, cattle (additional cost per cow per annum in DKK)	5,000	7,000	10,000
<b>Model uncertainty</b>			
Stress LGD (added in ‰ point)	5	10	20
Stress CCF (added ‰ point)	25	50	100



## Overview of sensitivity analyses (%/DKK)

	Reduced	Applied	Increased
<b>2023</b>			
<b>Geopolitical uncertainty, Commercial real estate and ESG</b>			
Scenario stress OEI customers (min. weight in worst case in %)	35	40	45
PD stress business general (current PD in %)	60	64	70
PD stress Leasing (without accounting-based credit score in %)	50	100	150
Collateral stress leasing equipment (new haircut percentage)	80	70	65
<b>Additional geopolitical uncertainty</b>			
PD stress retail (current PD in %)	100	113	120
PD stress Sparxpres (%)	100	150	200
Collateral stress private residential (new haircut percentage)	80	70	65
<b>Commercial properties, additional</b>			
PD stress retail (current PD in %)	100	113	120
PD stress Sparxpres (%)	100	150	200
Collateral stress private residential (new haircut percentage)	80	70	65
<b>ESG additional</b>			
PD stress transport (current PD in %)	50	100	150
CO2 levy, cattle (additional cost per cow per annum in DKK)	5,000	7,000	10,000
<b>Model uncertainty</b>			
PD stress retail (historic PD in %)	30	38	50
PD stress business (historic PD in %)	20	29	40
PD stress business, weak (historic PD in %)	10	22	30

## Credit losses

The lifetime expected credit losses cover the expected remaining lifetime of the facility. For most facilities, the expected lifetime is limited to the remaining contractual maturity, however, capped at five years. For facilities comprising both a loan and an undrawn loan commitment, Spar Nord's exposure to credit losses is not limited to the contractual notice period. For such facilities, the expected lifetime is assumed to be the period during which Spar Nord expects to be exposed to credit losses. For facilities, for which the expected lifetime is longer than the remaining contractual maturity, an expected maturity of one year has been applied. This includes for example credit cards and overdraft facilities.

## Write-off policy

All write-offs are performed by the Debt Collection Department. When the exposure is handed over to Debt Collection, they assess any need for write-off or interim write-off on the unsecured part of the exposure. Exposures covered by collateral will remain on a zero-interest account until the collateral has been realised, and the final loss/write-off has been assessed.

## Credit policy

Spar Nord's overall credit risk is controlled on the basis of the Bank's credit policy, which the Board of Directors determines in conjunction with the general policies and frameworks for risk assumption. The pivotal objective of Spar Nord's credit policy is to ensure that earnings and risks are balanced, and that the assumption of risk is always quantified.

It is the Spar Nord's policy that credit must always be granted on the basis of insight into the customer's financial position and that credit quality – the customer's ability and intention to meet current and future obligations – is a key parameter in all customer relations. For purposes of assessing creditworthiness, the Bank applies statistical rating models which risk-classify its customers.

Spar Nord aims to develop long-term relationships with customers and does not want to use risk tolerance as a competitive parameter.

Spar Nord only wants to conclude transactions that conform to good banking practice and do not jeopardise the Bank's reputation or professional image.

As a basic rule, Spar Nord does not grant loans and credit facilities based on collateral alone. Thus, the customer should show the intention and have the ability to repay loans without Spar Nord having to realise the collateral.

In order not to lose its ability to act towards a customer, the Bank generally aims not to increase its exposure towards a customer to such an extent that the customer would not be creditworthy in other banks.

Exposure caps have been determined on the basis of the following rules:

- Exposure is capped at DKK 1 billion for exposure groups within the same legal entity with more stringent requirements for collateral to secure exposure amounts exceeding DKK 500 million. The unsecured share in the exposure group must not exceed DKK 250 million.
- Exposure is capped at DKK 1.25 billion for exposure groups consisting of customers who, financially, legally and in terms of risk, are independent of each other and are only affiliated because of a common administrative body. The unsecured share in the exposure group must not exceed DKK 250 million, and individual exposures in the group must not exceed the limits set out above.
- For unrated customers subject to supervision by the Danish FSA, exposure is capped at DKK 1 billion.

In determining the amount of exposure, generally accepted credit risk adjustments are made, as appears from the section regarding large exposures in the CRR Regulation. The statutory limitations apply to trading partners in the financial sector with an external credit rating at investment grade level. For other trading partners in the financial sector, an internally-fixed cap of DKK 700 million applies.

On the basis of the breakdown of the Bank's loans and advances guarantees by industry, targets for the maximum distribution within selected industries are shown below. The maximum figures stated serve to ensure that the Bank maintains a strongly diversified customer portfolio and prevents large concentration risks in individual industries.



The Bank pursues the policy that business customers' share of total loans and advances guarantees cannot exceed 70% of the Bank's total loans, advances and guarantees excl. reverse lending.

This means the Bank has set a minimum limit of 30% for retail customers' share of the Bank's total loans and advances guarantees. The Bank has no upper limit for retail customers' share of total loans, advances and guarantees because a high proportion of loans to retail customers is considered a strength in terms of credit.

The credit policy sets out main credit-granting rules. There are tighter credit-granting rules for exposures that deviate from the credit policy. Specific deviation possibilities are set out in the credit policy. The Bank may apply other compensatory factors than those set out in the credit policy provided they are assessed to reduce the credit risk for the Bank and for the customer to the same extent as if the main rules had been observed.

Finally, in its credit policy Spar Nord has stipulated that it wants insight into any commitments that its customers may have towards other financial institutions.

Targets for industry diversification in %	Maximum share
Agricultural sector	10
Property sector	20
<ul style="list-style-type: none"> <li>The part of the exposure with an LTV/LTC above 50% cannot exceed 7% of the Bank's loans, advances and guarantees. Calculated exclusive of exposures to subsidised housing associations, private cooperative housing associations and owner associations.</li> <li>The part of the exposure with an LTV/LTC above 70% cannot exceed 3% of the Bank's total loans, advances and guarantees. Calculated exclusive of exposures to subsidised housing associations, private cooperative housing associations and owner associations.</li> <li>Construction financing for unsold projects cannot exceed 5% of the Bank's total loans, advances and guarantees.</li> </ul>	
Financing and insurance	10
Industry and raw materials development	10
Trade	15
Energy supply	10

### Climate risk

The Bank's credit granting is always made based on a pre-calculated risk assessment in accordance with the customer's interests and abilities to comply with any obligations undertaken, against appropriate collateral and with due consideration to environmental, social and governance (ESG) issues.

ESG risk is an inherent credit risk assessed together with other credit factors. Assessments of especially governance factors have historically formed a part of the basic credit assessment of business customer exposures. Driven by both regulation and the current climate crisis, the inclusion of physical and transition risks related to climate change is also an important assessment of the credit risk – both in relation to the individual customer, but also at portfolio level. Businesses with significant CO2e emissions will face special market terms and conditions, more stringent regulatory requirements

and an increased requirement to invest in the transition to a more sustainable production for climate measures. Climate challenges may affect the robustness of a business and will potentially impair its earnings capacity and growth opportunities. Other things being equal, this could limit the creditworthiness of a business. Companies applying a more environmentally sustainable profile are estimated to potentially have a better foundation for tackling any challenges imposed by rising climate considerations.

In 2022 and 2023, the Bank's corporate advisers and corporate specialists improved their ESG capabilities by getting access to tools that enable them to start engaging with customers about sustainability. These customer dialogues are used for example to assess any significant ESG-related credit risks.

To support small and medium-sized businesses in their sustainability efforts, Spar Nord has chosen to offer a free digital ESG tool (Validated) to all business customers. The tool supports the dialogue between advisor and business customer by gauging the customer's knowledge of and work with sustainability. In addition, the ESG tool enables customers to prepare climate accounting and transition plans and to publish a sustainability report that they can use in their own marketing.

In autumn 2024, the Bank started to collect data in the ESG area at an overall level. A structured collection of strength profile data has been initiated – including the gathering of statements in the ESG area – to identify any challenges related to environmental and climate issues and the management of sustainability risks.

At 1 January 2023, the Bank started to report on Pillar III ESG risks, initially focusing on physical and transition risks for residential buildings and industries with the highest CO2e emissions.

Relative to the Bank's impairment calculations, climate risk is a parameter in the individually calculated impairment charges to ensure the most accurate impairment calculation. This may be in relation to the future earnings capacity and the value of the customer's assets, if the customer is facing climate challenges.

Although it might be relevant, the model-calculated impairment charges do not yet incorporate climate risks because data in the area is still not sufficient to make qualified calculations.



## Management, monitoring and reporting

Spar Nord's business model builds on decentralised decision-making powers. In a decentralised effort, customer advisers, where relevant in consultation with relationship managers in retail and business banking, handle the day-to-day management of Spar Nord's credit risks.

The centralised monitoring of credit risk exposure is handled by a dedicated department named Credit Management. Monitoring covers a range of activities, including verifying that exposures are granted in accordance with the credit policy and ensuring that non-performing exposures are identified in due time. These activities are regularly supplemented with relevant thematic reviews. The Bank's second line of defence in the risk management function monitors and safeguards the adequacy of internal controls through ongoing monitoring and testing of controls in the first line of defence.

New exposures to retail and business customers are systematically reviewed to ensure that customers meet the Bank's credit policy and data quality requirements. The results of the regular controls are reported at the Bank's quarterly meetings in the credit risk committee, where the Executive Board, the Credit Department, Credit Management and the risk management function are represented. Results and conclusions are also reported to the Bank's Board of Directors.

Red flags for retail and business customers are monitored in an ongoing process with a view to identifying non-performing exposures, which are subsequently assessed and handled at the local banks, which assess whether the red flags, either separately or combined, represent an elevated risk to the Bank. A centralised function ensures that objective criteria for an elevated risk level will lead to a red flag for the customer in question.

Analyses of customer advisers' portfolios are made centrally to ensure that portfolios representing an elevated risk level are identified. This monitoring helps ensure that no customer adviser undertakes risks that exceed the Bank's defined risk tolerance.

## Credit risk management

In a decentralised effort, customer advisers, where relevant in consultation with relationship managers in retail and business banking, handle the day-to-day management of Spar Nord's credit risks. Most of the credit process in the form of granting of large credits, risk signals, rating and the impairment process is centrally managed.

## Credit granting process

Spar Nord's credit granting hierarchy is structured so as to support local autonomy while ensuring centralised management and insight into large exposures and/or more risky exposures. The credit granting hierarchy is shown in the chart.

### Credit granting structure for existing and new customers

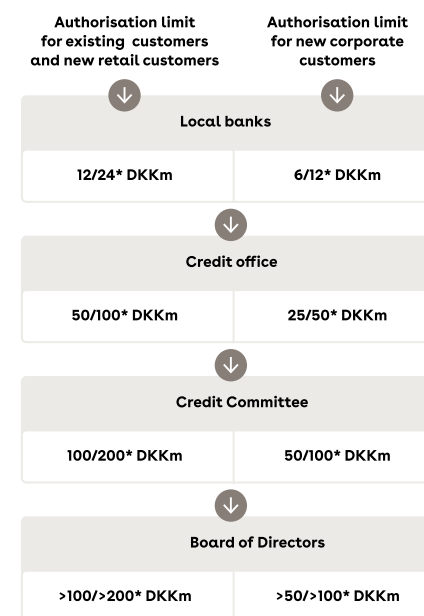
As shown in the chart, the credit granting authority for new business customers is generally capped at half the authority for existing customers and new retail customers.

The cap in the decentralised credit granting authority is DKK 12 million for existing customers and new retail customers and DKK 6 million for new business customers. In cases where at least 50% of the grant is covered by type 1 collateral, the granting authority is DKK 24 million for existing customers and new retail customers and DKK 12 million for new business customers.

The actual decentralised credit granting authority depends on the individual local managers' ability and requirements with respect to the customer base. At the same time, the decentralised credit granting authority is graded according to the credit quality of the individual customer based on a central rating score for existing customers or application score for new customers. The weaker the credit quality, the lower the decentralised credit granting authority. If the local manager is not present, they may delegate their authority to specific middle-managers or employees.

If a credit facility exceeds the local loan approval limits, it will be passed on and dealt with by the Credit Department, the Credit Committee or the Board of Directors, as shown in the figure below.

### Credit granting structure for existing and new customers



*\*\*The limit is restricted by the fact that at least 50% of lending is covered by type 1 collateral, which is defined as collateral values based on low property LTV ratios, government/mortgage bonds or guarantees/sureties from municipalities, government or banks.*

## Risk classification - rating categories

The Bank's rating system regularly calculates a statistically based rating of both retail and business customers. This rating is included in the decentralised credit assessment of the individual loan case, and together with other credit parameters it decides the extent of the decentralised authorisation power. Customers in the rating categories accorded the least risk exposure are more likely to be given higher credit limits or extensions than those with the greatest risk exposure. The risk categorisation based on ratings is also used in early warning processes, in the Bank's impairment processes



(IFRS 9), for managing overdrafts, profitability calculations and for pricing purposes to help ensure a correlation between the risk assumed by the customer and the price paid.

The Bank's rating system risk-classifies all non-defaulting customers into "rating categories" according to the probability that the individual customer defaults within the next 12 months.

The following events will trigger a default:

- 90-day significant overdraft/arrears
- Transfer to debt collection
- Full or partial write-off
- Bankruptcy-like proceedings
- Forbearance measures
- Individual impairment with stage 3 classification.

The probability of default is estimated on the basis of statistical models adapted to the individual customer segment. On the basis of this probability, customers are classified into rating categories from 1 to 9, with category 9 containing customers with the highest risk of default. Customers in default are placed in rating category 11.

Customer with only deposits, lines, guarantees or temporary facilities and no accounts or financial ratios are placed in the "Unrated" rating category.

Customers with objective evidence of impairment (OEI) with no breach of contract or need for writedown in the most likely scenario are placed in rating category 9, OEI customers with a need for writedown and other default customers are placed in rating group 11. The remaining customers with exposures that have still not been rated and customers who exclusively have unutilised credit facilities or only have guarantees, are placed in the "Unrated" rating category.

For business customers, the rating model is based on an aggregation of:

- A component that classifies the customer based on annual accounts data
- A component that classifies the customer based on its account behaviour and credit history.
- Master customer data and, where relevant, flagged as weak and OEI
- Up to several macro variables that adjust the risk classification to current and expected macroeconomic developments.

If the adviser or another person believes that the rating of a major business customer does not reflect their true credit-worthiness, for example due to inefficiencies in the data or otherwise, a process will be identified to evaluate and, where relevant, change the "rating" (rating override).

New business customers are classified based on the accounting component and master customer data until the sixth month, at which time the behavioural component is also applied.

For retail customers, the model is similarly based on an aggregation of:

- A component used to risk-classify the customer based on its financial ratios.
- A component that classifies the customer based on its account behaviour and credit history.
- Master customer data and, where relevant, flagged as weak and OEI
- Up to several macro variables that adjust the risk classification to current and expected macroeconomic developments.

In addition to the above-mentioned models, Spar Nord applies a qualitative risk classification, in which the Spar Nord adviser flags the credit quality as weak if a customer shows signs of default risk. For retail customers, these signs of default risk may for instance be divorce, unemployment repeated unauthorised overdrafts or critical illness, and for business customers they could be earnings challenges, mistrust in management, the loss of key employees, repeated unauthorised overdrafts or loss of major supplier agreements and customers. The flagging of weak credit quality is assessed and made as soon as it is considered likely that the customer will become financially challenged, which is thus often before the situation is discernible in data for the statistically based models. Customers flagged as having a weak credit quality are reviewed at least once a year.

If a retail customer is flagged as having a weak credit quality but is not in default, the customer will automatically be downgraded by one rating category; it should be noted that a customer flagged as having a weak credit quality can never qualify for rating in the best rating categories (1 and 2).

### 5.1.2. Credit exposure

Credit risk, loans, advances and receivables	2024	2023
	DKKm	DKKm
<b>Balance sheet items</b>		
Loans, advances and other receivables at amortised cost	76,180	69,366
Impairment account for loans and other receivables	1,631	1,643
<b>Off-balance sheet items</b>		
Guarantees, etc.	11,038	9,702
Provisions for guarantees	16	23
<b>Total credit exposure for financial reporting purposes, loans, advances and guarantees</b>	<b>88,865</b>	<b>80,734</b>
Unutilised credit lines and loan commitments	24,576	25,928
Impairment account for unutilised credit lines and loan commitments	4	6
<b>Total credit exposure for financial reporting purposes, loans, advances and guarantees, incl. unutilised credit lines and loan commitments</b>	<b>113,445</b>	<b>106,668</b>
<b>Financial credit risk</b>		
Bonds at fair value	31,346	32,505
Due from credit institutions and central banks	1,475	2,201
Positive fair value of derivative instruments, financial enterprises	304	329
<b>Total credit exposure for financial reporting purposes</b>	<b>33,124</b>	<b>35,036</b>





Credit exposure relating to loans, advances and guarantees, gross, and impairment account by industry	2024				2023			
	Loans, advances and guarantees		Total impairment and provisions *)		Loans, advances and guarantees		Total impairment and provisions *)	
	DKKm	%	DKKm	%	DKKm	%	DKKm	%
<b>Business customers</b>								
Public authorities	65	0.1	0	0.0	760	0.9	0	0.0
Agriculture, hunting, forestry and fisheries	2,767	3.1	146	8.9	2,699	3.3	115	6.9
Industry and raw materials extraction	3,541	4.0	214	13.0	3,416	4.2	259	15.5
Energy supply	2,324	2.6	26	1.6	1,903	2.4	11	0.7
Building and construction	3,748	4.2	150	9.1	3,046	3.8	98	5.8
Trade	5,239	5.9	163	9.9	4,465	5.5	104	6.2
Transport, hotels and restaurants	3,399	3.8	98	5.9	3,157	3.9	90	5.4
Information and communication	380	0.4	10	0.6	351	0.4	12	0.7
Financing and insurance	17,788	20.0	123	7.4	15,722	19.5	124	7.4
Real estate	9,103	10.2	190	11.5	8,393	10.4	186	11.1
Other business areas	5,992	6.7	140	8.5	6,241	7.7	115	6.9
<b>Business customers, total</b>	<b>54,346</b>	<b>61.2</b>	<b>1,261</b>	<b>76.3</b>	<b>50,153</b>	<b>62.1</b>	<b>1,115</b>	<b>66.7</b>
<b>Total retail customers</b>	<b>34,519</b>	<b>38.8</b>	<b>391</b>	<b>23.7</b>	<b>30,581</b>	<b>37.9</b>	<b>558</b>	<b>33.3</b>
<b>Total loans and guarantees</b>	<b>88,865</b>	<b>100.0</b>	<b>1,652</b>	<b>100.0</b>	<b>80,734</b>	<b>100.0</b>	<b>1,673</b>	<b>100.0</b>

\*) incl. provisions for unutilised credit lines and loan commitments of DKK 4 million (2023: DKK 6 million).

Gross credit exposure relating to loans, advances and guarantees and impairment account, by industry without reverse repo transactions	2024				2023			
	Loans, advances and guarantees		Total impairment and provisions *)		Loans, advances and guarantees		Total impairment and provisions *)	
	DKKm	%	DKKm	%	DKKm	%	DKKm	%
<b>Business customers</b>								
Public authorities	65	0.1	0	0.0	760	1.1	115	0.0
Agriculture, hunting, forestry and fisheries	2,767	3.7	146	8.9	2,699	3.9	259	6.9
Industry and raw materials extraction	3,541	4.8	214	13.0	3,416	5.0	11	15.5
Energy supply	2,324	3.1	26	1.6	1,872	2.7	98	0.7
Building and construction	3,748	5.0	150	9.1	3,046	4.4	104	5.8
Trade	5,239	7.0	163	9.9	4,465	6.5	90	6.2
Transport, hotels and restaurants	3,399	4.6	98	5.9	3,157	4.6	12	5.4
Information and communication	380	0.5	10	0.6	351	0.5	123	0.7
Financing and insurance	3,560	4.8	121	7.3	4,231	6.1	186	7.3
Real estate	9,103	12.2	190	11.5	8,393	12.2	115	11.2
Other business areas	5,992	8.1	140	8.5	6,241	9.1	0	6.9
<b>Business customers, total</b>	<b>40,118</b>	<b>53.9</b>	<b>1,259</b>	<b>76.3</b>	<b>38,630</b>	<b>56.1</b>	<b>1,114</b>	<b>66.7</b>
<b>Total retail customers</b>	<b>34,259</b>	<b>46.1</b>	<b>391</b>	<b>23.7</b>	<b>30,234</b>	<b>43.9</b>	<b>557</b>	<b>33.3</b>
<b>Total loans and guarantees</b>	<b>74,377</b>	<b>100.0</b>	<b>1,651</b>	<b>100.0</b>	<b>68,864</b>	<b>100.0</b>	<b>1,672</b>	<b>100.0</b>

\*) incl. provisions for unutilised credit lines and loan commitments of DKK 4 million (2023: DKK 6 million).

Spar Nord's impairment balance amounted to DKK 1.7 billion, equal to 2.3% of Spar Nord's total loans, advances and guarantees at end-2024. The impairment balance fell by DKK 21 million relative to the beginning of the year.

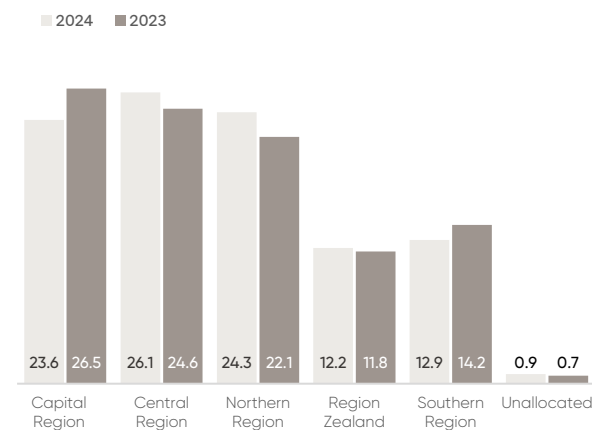


Loans, advances and guarantees by exposure size excl. reverse repo transactions and Sparxpres DKKm/%	2024	2023	2024	2023
	Number	Number	%	%
0 - 0.1	47,486	48,492	0.6	0.8
0.1 - 0.5	33,697	35,244	8.0	9.0
0.5 - 1.0	13,058	13,347	9.2	10.1
1.0 - 5.0	12,592	11,592	29.3	27.9
5.0 - 10.0	1,324	1,154	9.8	8.8
10.0 - 20.0	544	466	7.9	7.2
20.0 - 50.0	306	280	10.9	10.1
50.0 - 100.0	118	117	8.4	9.5
100.0 ->	73	63	15.9	16.4
<b>Total</b>	<b>109,198</b>	<b>110,755</b>	<b>100.0</b>	<b>100.0</b>

As concerns size of exposures, Spar Nord's credit portfolio is considered to be well-diversified, because 56.9% of the total exposure is attributable to exposures below DKK 10 million each, and Spar Nord only has 73 exposures that exceed DKK 100 million.

**Gross credit exposure relating to loans, advances and guarantees excl. reverse repo transactions and Sparxpres by geography**

**Loans, advances and guarantees by region**  
%



Spar Nord's credit portfolio is considered to have an excellent geographical spread.

At end-2024, there was a wider spread of loans, advances and guarantees on the regions. Historically, the North Denmark Region has had the largest concentration. At end-2024, loans, advances and guarantees to the Capital Region and Central Region were on a level with the North Denmark Region.

**5.1.3. Spar Nord's exposure by customer portfolios**

Spar Nord's total loans, advances and guarantees before offsetting impairment were DKK 88.9 billion at end-2024, which is DKK 8.1 billion higher than in the preceding year.

Reverse repo loans rose by DKK 2.6 billion to DKK 14.5 billion at end-2024.

In addition, the Bank's loans and advances rose DKK 4.2 billion to DKK 63.3 billion at end-2024, corresponding to lending growth of 7.1% in 2024.

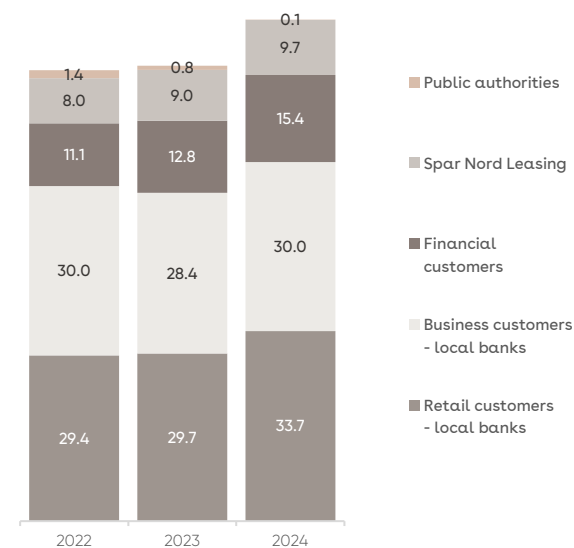
Furthermore, guarantees rose by DKK 1.3 billion to stand at DKK 11.1 billion at 31 December 2024.

Customers are categorised into five groups as part of the ongoing risk monitoring: 1) Retail customers - local banks, 2) Business customers - local banks, 3) Public-sector customers, 4) Financial customers and 5) Spar Nord Leasing.

The development in these customer groups appears from the figure.

**Exposures by category**

DKKbn



### Retail customers with Spar Nord's local banks

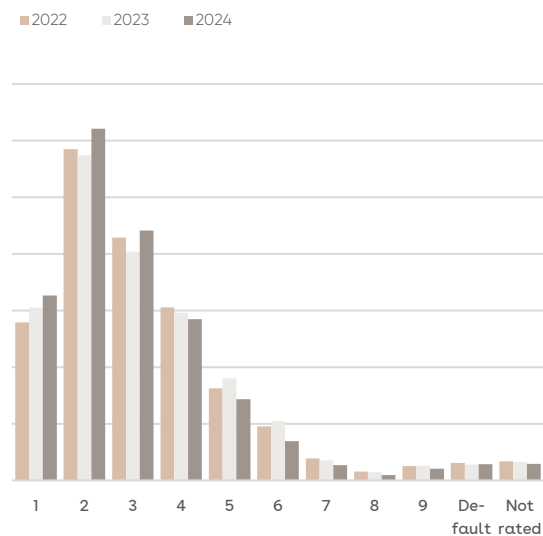
The total credit exposure to retail customers at Spar Nord's local banks amounted to DKK 33.7 billion at end-2024 compared with DKK 29.7 billion at end-2023. The credit exposure to retail customers amounts to 37.9% of Spar Nord's total credit exposure. As appears from the figure below, the average credit quality of retail customers has developed favourably over the past few years and is currently at a very satisfactory level.

The rating level for Spar Nord's retail customers was improved in 2024. The average rating improved from 3.2 at end-2023 to 3.1 at end-2024, driven by a combination of improved financial ratios for retail customers and behaviour in 2024. Expectations are that retail customers in 2025 will experience increased financial latitude as central banks cut policy rates. From a credit point of view, this is positive for the Bank, as it strengthens the customers' ability to pay.

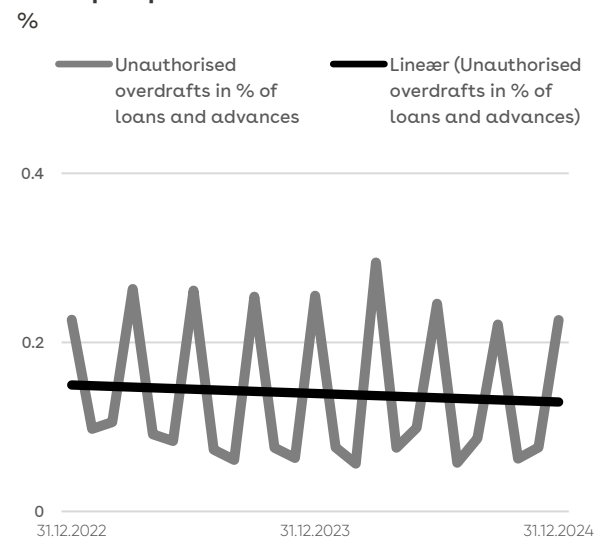
In 2024, the Bank implemented new rating models because of the Bank's upcoming IRB approval. Ratings indicated in tables and charts in the following section are based on the new rating models, with historical data being restated to ensure year-on-year comparability.

Retail customers' unauthorised overdrafts and past due exposures were at a low level from 2023-2024, showing an unchanged trend.

### Exposures to retail customers by rating category excl. Sparxpres



### Business customers - local banks Development in unauthorised overdrafts/arrears excl. Sparxpres



The average rating for Spar Nord's retail customers shows an improved rating level relative to end-2023.

The level of unauthorised overdrafts remains low.

Average rating *)	2024	2023	2022
Average rating	3.1	3.2	3.3

\*) Exposure after impairment excl. reverse repo agreements and public-sector customers

There was a small improvement of the rating level for Spar Nord's retail customers.

Claims due, but not impaired - Retail	2024		2023	
	Unauthorised overdraft	Collateral	Unauthorised overdrafts	Collateral
<b>DKKm</b>				
0 - 30 days	66	31	68	27
31 - 60 days	0	0	1	0
61 - 90 days	0	0	0	0
> 90 days	0	0	0	0
<b>Total</b>	<b>66</b>	<b>31</b>	<b>68</b>	<b>28</b>

Collateral amounts are calculated on the basis of the Bank's collateral registration system. The collateral registration is based on a prudent valuation of all pledged/mortgaged assets.

### Business customers with Spar Nord's local banks

The total credit exposure to business customers at Spar Nord's local banks amounted to DKK 30.0 billion at end-2024 compared with DKK 28.4 billion at end-2023.

The exposure to business customers amounted to 33.8% of Spar Nord's total credit exposure.

The rating level for Spar Nord's business customers was improved in 2024. The average rating fell from 3.6 at end-2022 to 3.1 at end-2024, which expresses an improvement of the rating level. The positive effect was mainly attributable to the macroeconomic variables included in the Bank's rating model. These include the positive growth prospects for the Danish economy and low unemployment. There is also a positive effect in strong financial data from the Bank's customers. Behavioural variables are at the same level as at the end of 2023 and therefore do not significantly impact the average rating.

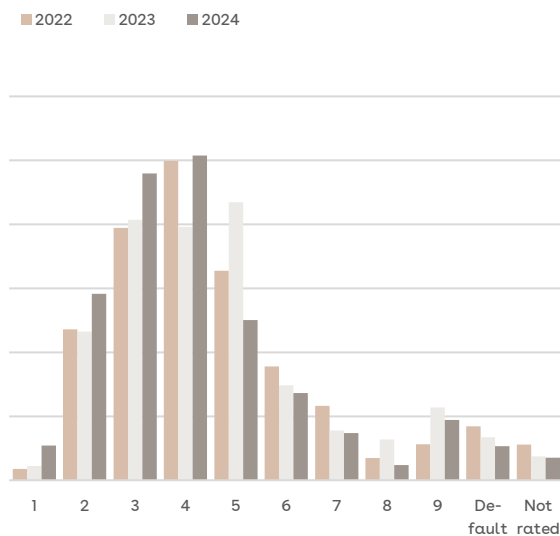


In 2024, the Bank implemented new rating models because of the Bank's upcoming IRB approval. Ratings indicated in tables and charts in the following section are based on the new rating models, with historical data being restated to ensure year-on-year comparability.

Business customers' unauthorised overdrafts and past due exposures remained at a stable, low average level of below 0.2% in the period from 2023 to 2024.

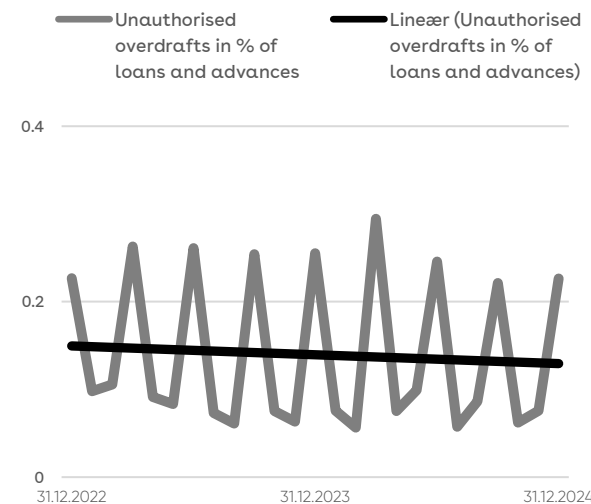
**Exposures to business customers by rating category excl. public authorities**

%



**Business customers ex. agriculture - local banks Development in unauthorised overdrafts/arrears"[Chart - heading]"**

%



**Average rating \*)**

	2024	2023	2022
Average rating	3.1	3.5	3.6

\*) Exposure after impairment excl. reverse repo agreements and public-sector customers

The level of unauthorised overdrafts remains low.

**Claims due, but not impaired - Business**

	2024 Unauthorised overdraft	2024 Collateral	2023 Unauthorised overdrafts	2023 Collateral
<b>DKKm</b>				
0 - 30 days	122	70	154	115
31 - 60 days	1	0	1	0
61 - 90 days	8	8	0	0
> 90 days	0	0	0	0
<b>Total</b>	<b>131</b>	<b>78</b>	<b>154</b>	<b>115</b>

Collateral amounts are calculated on the basis of the Bank's collateral registration system. The collateral registration is based on a prudent valuation of all pledged/mortgaged assets.

**Leasing activities**

Spar Nord's total credit exposure in the leasing area amounted to DKK 9.7 billion at end-2024, which is DKK 0.7 billion, or 8.2%, more than at end-2023. Credit exposure in the leasing area equals 11.0% of Spar Nord's total loans, advances and guarantees.

The volume of repossessed leasing equipment remains at a very low level below 0.33% of leasing loans.

In the context of risks, it is important to note that leasing lending is always backed by security in the assets, either through charges or ownership.

**Repossessed equipment**

	2024 DKKm	2023 DKKm
Repossessed equipment, total	32	2



Claims due, but not impaired – Leasing	2024		2023	
	Unauthorised overdraft	Collateral	Unauthorised overdrafts	Collateral
<b>DKKm</b>				
0 - 30 days	1	102	0	116
31 - 60 days	1	14	1	34
61 - 90 days	0	6	0	0
> 90 days	0	0	0	0
<b>Total</b>	<b>2</b>	<b>122</b>	<b>2</b>	<b>151</b>

The level of unauthorised overdrafts remains low.

Collateral amounts are calculated on the basis of the Bank's collateral registration system. The collateral registration is based on a prudent valuation of all pledged/mortgaged assets.

Leasing loans by industry	Lending		Impairment account	
	2024	2023	2024	2023
	%	%	%	%
<b>Business customers</b>				
Public authorities	0.1	0.0	0.0	0.0
Agriculture, hunting and forestry	10.3	10.4	5.0	3.1
Fisheries	0.0	0.0	0.0	0.1
Industry and raw materials extraction	11.1	11.0	35.1	57.3
Energy supply	13.3	9.1	10.0	3.5
Building and construction	13.7	14.9	21.6	7.4
Trade	7.0	7.7	4.4	5.2
Transport, hotels and restaurants	20.0	19.0	7.5	12.3
Information and communication	0.4	0.4	1.7	3.0
Financing and insurance	2.1	2.6	0.4	0.3
Real estate	0.3	2.0	0.2	0.3
Other business areas	21.6	22.7	13.8	7.2
<b>Business customers, total</b>	<b>99.9</b>	<b>99.9</b>	<b>99.8</b>	<b>99.6</b>
<b>Total retail customers</b>	<b>0.1</b>	<b>0.1</b>	<b>0.2</b>	<b>0.4</b>
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

#### 5.1.4. Collateral

An important component of Spar Nord's management of credit risks is to reduce the risk attaching to individual exposures by accepting collateral, such as mortgages and charges over physical assets, securities and guarantees, etc. Mortgages and charges on real property, securities and vehicles make up the most common type of collateral. Mortgages on property are by far the most important collateral type provided to Spar Nord. Mortgages on real property consist mainly of mortgages on private housing.

For a description of collateral with reverse repo transactions, see note 6.2 and for collateral provided through clearing systems with central banks and other infrastructure institutions see note 6.3.

The credit quality of the individual exposure categories broken down by Spar Nord's internal credit rating is shown in notes 5.1.8 and 5.1.10.

#### Collateral accepted and type

Spar Nord wants to reduce the risk attaching to individual exposures by accepting collateral such as mortgages and charges over physical assets, securities and guarantees, etc. whenever possible.

In the event that Spar Nord calls up collateral that cannot easily be converted to cash, Spar Nord pursues the policy of attempting to dispose of such assets as soon as possible.

In 2024, the Group repossessed equipment and took over properties in connection with non-performing exposures for DKK 34 million (2023: DKK 2 million).

The leased assets are valued and depreciated on an ongoing basis. Thus, in periods of declining prices for leased assets, the collateral calculated for the Bank's leasing activities is reduced.

The property value broken down by property type in the mortgage table is calculated at DKK 51.5 billion, while only DKK 32.3 billion is recorded as security on properties. This is because the former amount represents the amount mortgaged to Spar Nord and is recorded as collateral accepted, while the latter amount is the share actually used for calculating collateral regarding a specific exposure. Some exposures are smaller than the collateral value, and collateral has also been provided by customers who do not currently have any facilities. Spar Nord monitors the value of collateral provided on an ongoing basis. When the risk associated with a counterparty increases, monitoring of the collateral provided will be intensified. A haircut of 5% of the value is made when the property collateral is allocated to the exposures.

The total loan amounts for customers for which no impairment charge has been recognised as a result of collateral for 2024 is DKK 507 million (2023: DKK 502 million).



Collateral accepted and type	2024 DKKm	2023 DKKm
<b>Collateral accepted</b>		
Credit exposure on loan, advances and guarantees for financial reporting purposes	88,865	80,734
Value of collateral	71,921	63,558
<b>Unsecured, total</b>	<b>16,944</b>	<b>17,176</b>
<b>Types of collateral</b>		
Properties	32,310	27,899
Custody accounts/securities	16,790	13,827
Guarantees/sureties	524	721
Vehicles	623	574
Cash	411	248
Other collateral	4,681	5,162
<b>Collateral used, total</b>	<b>55,339</b>	<b>48,431</b>
Specialty secured transactions (mortgage credit institution guarantees)	8,704	7,768
<b>Total collateral accepted, excl. leasing activities</b>	<b>64,042</b>	<b>56,199</b>
Collateral accepted, leasing activities	7,878	7,358
<b>Total</b>	<b>71,921</b>	<b>63,558</b>

Collateral accepted and type for stage 3	2024 DKKm	2023 DKKm
<b>Collateral accepted</b>		
Carrying amount of loans, advances and guarantees	731	789
Value of collateral	957	975
<b>Unsecured, total</b>	<b>-227</b>	<b>-185</b>
<b>Types of collateral</b>		
Properties	503	466
Custody accounts/securities	10	4
Guarantees/sureties	87	148
Vehicles	7	6
Cash	6	2
Other collateral	105	192
<b>Collateral used, total</b>	<b>717</b>	<b>818</b>
Specialty secured transactions (mortgage credit institution guarantees)	58	63
<b>Total collateral accepted, excl. leasing activities</b>	<b>775</b>	<b>881</b>
Collateral accepted, leasing activities	182	94
<b>Total</b>	<b>957</b>	<b>975</b>

### Mortgage on real property

Geographical breakdown of mortgages %	2024	2023
Capital Region	27.5	26.0
Central Region	22.7	21.4
Northern Region	23.3	25.7
Zealand region	13.4	13.2
Southern Region	12.7	13.3
International	0.4	0.5
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

Spar Nord continuously monitors the value of the collateral furnished. If the risk exposure to a counterparty increases, the collateral is subjected to a particularly critical review. The value is assessed based on the expected price to be fetched in a compulsory sale of the collateral, less any expenses arising from its realisation.

Mortgages broken down by property type	2024 DKKm	2024 %	2023 DKKm	2023 %
Private housing	36,492	70.9	32,684	71.4
Holiday homes	2,028	3.9	1,844	4.0
Offices and businesses	8,007	15.6	5,663	12.4
Agriculture	1,742	3.4	1,751	3.8
International	3,195	6.2	3,817	8.3
<b>Total</b>	<b>51,464</b>	<b>100.0</b>	<b>45,759</b>	<b>100.0</b>

Spar Nord's evaluation of mortgages on rental properties is based on the capacity of the properties to generate a return. Various requirements are made with regard to the rate of return, depending on the use of the property, the condition of the buildings and the physical location in Denmark. Residential rental property is valued on the basis of a required rate of return greater than 5%.



### Unsecured shares

The table below shows that the total unsecured share at end-2024 was 19.1%. Net of reverse loans, the total unsecured share at end-2024 amounted to 22.8%. At end-2023, the unsecured share without reverse repo transactions was 24.9%.

Unsecured share of exposure	2024	2023
%		
< 10	65.9	63.3
10 - 50	18.2	18.2
50 - 75	4.2	4.7
> 75	11.7	13.7
<b>Average unsecured share</b>	<b>19.1</b>	<b>21.3</b>

The Group's unsecured share of credit exposure	2024	2024	2023	2023
Line of business	DKKm	%	DKKm	%
Public authorities	60	93.2	759	99.8
Agriculture, hunting and forestry	574	21.1	430	16.3
Fisheries	6	12.5	7	12.8
Industry and raw materials extraction	925	26.1	910	26.6
Energy supply	806	34.7	579	30.4
Building and construction	496	13.2	446	14.7
Trade	1,335	25.5	1,214	27.2
Transport, hotels and restaurants	749	22.0	738	23.4
Information and communication	118	31.2	121	34.5
Financing and insurance	1,755	9.9	2,045	13.0
Real estate	1,567	17.2	1,361	16.2
Other business areas	1,548	25.8	1,965	31.5
<b>Business customers, total</b>	<b>9,940</b>	<b>18.3</b>	<b>10,576</b>	<b>21.1</b>
<b>Total retail customers</b>	<b>7,004</b>	<b>20.3</b>	<b>6,600</b>	<b>21.6</b>
<b>Total</b>	<b>16,944</b>	<b>19.1</b>	<b>17,176</b>	<b>21.3</b>

### 5.1.5. NPL ratio

An exposure is defined as "Non-performing" (NPL), if:

- The exposure has been in arrears (i.e. if any amount of interest, fees or instalments remains unpaid) for more than 90 days; or
- It is considered unlikely that the debtor will fully meet its payment obligations without realising collateral.

	2024	2023
NPL (DKK millions)	1,469	1,458
Exposure (DKKm)	79,193	73,110
<b>NPL ratio</b>	<b>1.9</b>	<b>2.0</b>

### 5.1.6. Forbearance

A loan facility is defined as being subject to forbearance if the conditions regarding interest payments and/or repayments have been relaxed on account of the borrower's financial difficulty or if the loan has been refinanced on more lenient terms.

Forbearance must be approved by the Credit Department. Customers who have been granted forbearance must be flagged for objective evidence of credit impairment.

In addition to decentralised registration, customers flagged as having a weak credit quality and OEI with an indication of credit impairment will be monitored centrally and reported on periodically.

Stage 3 loans were reduced by a total of DKK 169 million due to improvement of customer credit quality, settlement of loans or write-offs. Overall, NPL loans increased to DKK 1,469 million, and the share of non-performing loans (NPL ratio) was thus 1.9% at end-2024. An amount of DKK 67 million was written off in 2024, and individual impairment charges rose by DKK 62 million.

2024	Loans and advances subject to forbearance		
DKKm	Business customers	Retail customers	Total
Non-Performing	241	220	461
Performing	0	0	0
<b>Total</b>	<b>241</b>	<b>220</b>	<b>461</b>

2023	Loans and advances subject to forbearance		
DKKm	Business customers	Retail customers	Total
Non-Performing	65	179	245
Performing	0	2	2
<b>Total</b>	<b>65</b>	<b>181</b>	<b>246</b>



Carrying amount of loans subject to forbearance in the year	Loans and advances before impairment DKKm	Impairment DKKm	Carrying amount DKKm
<b>2024</b>			
<b>Loans and advances subject to forbearance, etc.</b>			
Non-performing	461	261	200
Performing	0	0	0
<b>Total</b>	<b>461</b>	<b>261</b>	<b>200</b>
<b>Type of forbearance</b>			
Non-performing loans	262	157	105
Reduced interest rate	110	58	52
Extended term	66	41	25
Miscellaneous	23	5	18
<b>Total</b>	<b>461</b>	<b>261</b>	<b>200</b>
<b>2023</b>			
<b>Loans and advances subject to forbearance, etc.</b>			
Non-performing	245	133	111
Performing	2	0	1
<b>Total</b>	<b>246</b>	<b>133</b>	<b>113</b>
<b>Type of forbearance</b>			
Non-performing loans	203	118	86
Reduced interest rate	16	6	10
Extended term	20	8	12
Miscellaneous	7	2	4
<b>Total</b>	<b>246</b>	<b>133</b>	<b>113</b>

### 5.1.7. Exposures and impairment etc.

For a description of principles for loan impairment, see note 5.1.1.

Spar Nord's impairment account broken down by industry is shown in note 5.1.2.

Summary of carrying amount of exposures	Exposure before impairment DKKm	Impairment/provisions DKKm	Carrying amount DKKm	Recognised impairment etc. total DKKm
<b>2024</b>				
Loans and advances at amortised cost (note 5.1.8)	77,811	1,631	76,180	-17
Due from credit institutions and central banks (note 5.1.9)	1,475	1	1,475	0
Guarantees (note 5.1.10)	11,054	16	11,038	-6
Unutilised credit lines and loan commitments (note 5.1.8)	24,580	4	24,576	-2
<b>Total</b>	<b>114,920</b>	<b>1,652</b>	<b>113,268</b>	<b>-25</b>
<b>2023</b>				
Loans and advances at amortised cost (note 5.1.8)	71,009	1,643	69,366	1
Due from credit institutions and central banks (note 5.1.9)	2,202	1	2,201	0
Guarantees (note 5.1.10)	9,724	23	9,702	-27
Unutilised credit lines and loan commitments (note 5.1.8)	25,934	6	25,928	-6
<b>Total</b>	<b>108,870</b>	<b>1,673</b>	<b>107,197</b>	<b>-33</b>

Recognised impairment charges etc. are specified in notes 5.1.8, 5.1.9 and 5.1.10.





Profit impact from losses and impairment of loans, advances and guarantees - by industry	2024 DKKm	2023 DKKm
<b>Business customers</b>		
Public authorities	0	0
Agriculture, hunting and forestry	30	-85
Fisheries	0	-1
Industry and raw materials extraction	-39	148
Energy supply	14	-6
Building and construction	68	40
Trade	41	21
Transport, hotels and restaurants	9	-23
Information and communication	-2	3
Financing and insurance	2	-78
Real estate	-11	39
Other business areas	25	-44
<b>Business customers, total</b>	<b>139</b>	<b>14</b>
<b>Total retail customers</b>	<b>-164</b>	<b>-47</b>
<b>Total</b>	<b>-25</b>	<b>-33</b>

The impact on Spar Nord's profits from impairment amounted to an income of DKK 25 million in 2024, equal to 0.03% of total loans, advances and guarantees.

Retail customers without Sparxpres represented an income of DKK 183 million, while Sparxpres resulted in an expense of DKK 19 million. For business customers, there was an expense of DKK 109 million, while the impact on operations from agriculture was an expense of DKK 30 million.

Exposures for which interest accrual has been suspended rose from DKK 177 million at end-2023 to DKK 226 million at end-2024.

Exposures before impairment and provisions by stages	Stage 1 DKKm	Stage 2 DKKm	Stage 3 DKKm	Total DKKm
<b>2024</b>				
Loans and advances at amortised cost	70,965	5,377	1,468	77,811
Due from credit institutions and central banks	1,475	0	0	1,475
Guarantees	10,467	519	68	11,054
Unutilised credit lines and loan commitments	23,707	798	75	24,580
<b>Total</b>	<b>106,614</b>	<b>6,694</b>	<b>1,612</b>	<b>114,920</b>
<b>2023</b>				
Loans and advances at amortised cost	61,497	8,060	1,452	71,009
Due from credit institutions and central banks	2,202	0	0	2,202
Guarantees	8,851	796	77	9,724
Unutilised credit lines and loan commitments	24,558	1,299	77	25,934
<b>Total</b>	<b>97,108</b>	<b>10,155</b>	<b>1,607</b>	<b>108,870</b>



Exposures before impairment and provisions by industry					Recognised impairment etc. total
	Stage 1 DKKm	Stage 2 DKKm	Stage 3 DKKm	Total DKKm	DKKm
<b>2024</b>					
<b>Business customers</b>					
Public authorities	67	355	193	615	0
Agriculture, hunting and forestry	3,186	2	6	3,195	30
Fisheries	66	764	134	964	0
Industry and raw materials extraction	3,648	101	38	3,787	-39
Energy supply	2,786	512	128	3,426	14
Building and construction	4,563	994	168	5,724	68
Trade	6,421	412	101	6,934	41
Transport, hotels and restaurants	4,004	60	6	4,070	9
Information and communication	453	554	104	1,111	-2
Financing and insurance	18,398	808	34	19,240	2
Real estate	11,926	650	173	12,749	-11
Other business areas	7,382	0	0	7,382	25
<b>Business customers, total</b>	<b>62,900</b>	<b>5,210</b>	<b>1,086</b>	<b>69,196</b>	<b>139</b>
<b>Total retail customers</b>	<b>42,240</b>	<b>1,483</b>	<b>526</b>	<b>44,249</b>	<b>-164</b>
<b>Total</b>	<b>105,140</b>	<b>6,693</b>	<b>1,612</b>	<b>113,445</b>	<b>-25</b>
<b>Total due from credit institutions</b>	<b>1,475</b>	<b>0</b>	<b>0</b>	<b>1,475</b>	<b>0</b>
<b>Total</b>	<b>106,615</b>	<b>6,693</b>	<b>1,612</b>	<b>114,920</b>	<b>-25</b>

Exposures before impairment and provisions by industry					Recognised impairment etc. total
	Stage 1 DKKm	Stage 2 DKKm	Stage 3 DKKm	Total DKKm	DKKm
<b>2023</b>					
<b>Business customers</b>					
Public authorities	1,324	0	0	1,324	0
Agriculture, hunting and forestry	2,858	387	183	3,428	-85
Fisheries	72	1	9	82	-1
Industry and raw materials extraction	3,906	1,018	137	5,061	148
Energy supply	2,218	166	3	2,386	-6
Building and construction	4,082	463	80	4,625	40
Trade	6,461	727	115	7,304	21
Transport, hotels and restaurants	3,593	459	110	4,163	-23
Information and communication	422	75	8	505	3
Financing and insurance	17,577	482	240	18,298	-78
Real estate	9,048	1,778	80	10,906	39
Other business areas	7,689	636	165	8,490	-44
<b>Business customers, total</b>	<b>59,250</b>	<b>6,193</b>	<b>1,130</b>	<b>66,573</b>	<b>14</b>
<b>Total retail customers</b>	<b>35,657</b>	<b>3,961</b>	<b>477</b>	<b>40,095</b>	<b>-47</b>
<b>Total</b>	<b>94,906</b>	<b>10,155</b>	<b>1,607</b>	<b>106,668</b>	<b>-33</b>
<b>Total due from credit institutions</b>	<b>2,202</b>	<b>0</b>	<b>0</b>	<b>2,202</b>	<b>0</b>
<b>Total</b>	<b>97,108</b>	<b>10,155</b>	<b>1,607</b>	<b>108,870</b>	<b>-33</b>



Impairment and provisions by stages	Stage 1 DKKm	Stage 2 DKKm	Stage 3 DKKm	Total DKKm
<b>2024</b>				
Loans and advances at amortised cost	402	428	801	<b>1,631</b>
Due from credit institutions and central banks	1	0	0	<b>1</b>
Guarantees	8	2	6	<b>16</b>
Unutilised credit lines and loan commitments	2	1	1	<b>4</b>
<b>Total</b>	<b>413</b>	<b>432</b>	<b>807</b>	<b>1,652</b>
<b>2023</b>				
Loans and advances at amortised cost	378	533	732	<b>1,643</b>
Due from credit institutions and central banks	1	0	0	<b>1</b>
Guarantees	10	5	8	<b>23</b>
Unutilised credit lines and loan commitments	2	2	2	<b>6</b>
<b>Total</b>	<b>391</b>	<b>540</b>	<b>742</b>	<b>1,673</b>

Impairment of loans at amortised cost and guarantees (impairment account)	2024 DKKm	2023 DKKm
Individual impairment	645	659
Model-calculated impairment	1,007	1,014
- of which management estimate. See note 5.1.8	684	662
<b>Impairment of loans at amortised cost and guarantees (impairment account)</b>	<b>1,652</b>	<b>1,673</b>

Individually impaired loans at amortised cost and guarantees	2024 DKKm	2023 DKKm
<b>Loans, advances and receivables</b>		
Sum total of loans, advances and receivables for which individual impairment has been recognised	1,477	1,452
Individual impairment of loans and advances, receivables	804	732
<b>Carrying amount</b>	<b>673</b>	<b>720</b>
<b>Guarantees</b>		
Sum total of guarantees for which individual provisions have been made	73	77
Individual provisions for guarantees	6	8
<b>Carrying amount</b>	<b>67</b>	<b>69</b>

Individually impaired loans at amortised cost and guarantees in stage 3 by cause of impairment	2024 Credit exposure before impairment DKKm	2024 Impairment and provisions for losses, beginning of period DKKm	2023 Credit exposure before impairment DKKm	2023 Impairment and provisions for losses, beginning of period DKKm
Insolvent liquidation and bankruptcy	128	56	41	18
Debt collection or restructuring, etc.	208	125	54	27
Other financial difficulty	1,213	628	1,434	695
<b>Individual impairment of loans and advances, receivables and guarantees, total</b>	<b>1,549</b>	<b>810</b>	<b>1,529</b>	<b>740</b>
Impairment in stages 1 and 2		842		931
Non-individually impaired in stage 3		1		2
<b>Total impairment</b>		<b>1,652</b>		<b>1,673</b>

Individual impairment at end-2024 of DKK 810 million includes DKK 1 million in provisions for losses on unutilised credit lines and loan commitments.

In 2024, Spar Nord recorded an increase in credit exposure to customers with individual impairment of DKK 20 million.

At end-2024, the credit-impaired claims represented 1.7% of total credit exposure compared with 1.9% in 2023.

The total impairment account fell DKK 21 million in 2024.

The collateral for individually credit-impaired loans and for overdue loans that have not been individually impaired does not differ significantly from the Bank's other collateral.



### Contractually outstanding amounts for financial assets written off during the accounting period and for which collection efforts are still pursued

In the financial year 2024, DKK 67 million was written off (2023: DKK 107 million), of which DKK 60 million (2023: DKK 87 million) is still the object of collection efforts.

#### 5.1.8. Loans at amortised cost and unutilised credit lines and loan commitments

	2024 DKKm	2023 DKKm
Loans and advances at amortised cost before impairment	77,811	71,009
Unutilised credit lines and loan commitments before impairments	24,580	25,934
Impairment of loans and advances and provisions on unutilised credit lines	1,635	1,649
<b>Total</b>	<b>100,756</b>	<b>95,294</b>

The following table shows the credit quality and exposures before impairment based on Spar Nord's internal rating system divided into stages. A description of Spar Nord's internal rating categories and impairment model is provided in note 5.1.1.

Loans at amortised cost and unutilised credit lines and loan commitments	Stage 1 DKKm	Stage 2 DKKm	Stage 3 DKKm	Total DKKm
<b>2024</b>				
Rating category 1	5,396	6	0	5,402
Rating category 2	11,626	28	2	11,657
Rating category 3	11,992	86	0	12,078
Rating category 4	9,942	577	0	10,519
Rating category 5	4,628	751	0	5,378
Rating category 6	2,139	748	0	2,887
Rating category 7	706	695	0	1,401
Rating category 8	169	283	0	452
Rating category 9	76	1,494	1	1,571
Default	3	49	1,116	1,168
Unrated	477	9	0	486
Reverse repo transactions	14,488	0	0	14,488
Sparxpres	480	14	91	585
Leasing	8,842	639	258	9,738
Banks	1	0	0	1
<b>Total</b>	<b>70,965</b>	<b>5,377</b>	<b>1,468</b>	<b>77,811</b>
<b>2023</b>				
Rating category 1	3,943	74	0	4,016
Rating category 2	9,132	482	0	9,613
Rating category 3	9,652	761	0	10,413
Rating category 4	7,477	1,051	0	8,528
Rating category 5	6,008	1,858	1	7,867
Rating category 6	2,718	668	0	3,385
Rating category 7	819	653	0	1,472
Rating category 8	532	458	0	990
Rating category 9	179	1,453	3	1,635
Default	0	15	1,226	1,240
Unrated	471	1	0	472
Reverse repo transactions	11,870	0	0	11,870
Sparxpres	413	9	87	509
Leasing	8,291	577	136	9,004
Banks	-5	0	0	-5
<b>Total</b>	<b>61,497</b>	<b>8,060</b>	<b>1,452</b>	<b>71,009</b>



Loans at amortised cost before impairments, by stages	Stage 1 DKKk	Stage 2 DKKk	Stage 3 DKKk	Total DKKk
<b>2024</b>				
Gross exposure 1 January	61,497	8,060	1,452	<b>71,009</b>
New exposures and extension of existing exposures in the year	35,943	1,060	174	<b>37,177</b>
Repayments and reduction of existing exposures	26,928	3,035	345	<b>30,309</b>
Change in gross exposure, transfer to/from stage 1	-3,094	2,802	293	-
Change in gross exposure, transfer to/from stage 2	3,411	-3,726	314	-
Change in gross exposure, transfer to/from stage 3	145	225	-370	-
Gross exposure expensed	-9	-8	-49	<b>-67</b>
<b>Gross exposure 31 December</b>	<b>70,965</b>	<b>5,377</b>	<b>1,468</b>	<b>77,811</b>
<b>2023</b>				
Gross exposure 1 January	52,017	13,768	1,623	<b>67,408</b>
New exposures and extension of existing exposures in the year	30,220	2,079	211	<b>32,510</b>
Repayments and reduction of existing exposures	24,375	3,917	509	<b>28,802</b>
Change in gross exposure, transfer to/from stage 1	-2,407	2,318	89	-
Change in gross exposure, transfer to/from stage 2	5,992	-6213	221	-
Change in gross exposure, transfer to/from stage 3	63	55	-119	-
Gross exposure expensed	-13	-30	-63	<b>-107</b>
<b>Gross exposure 31 December</b>	<b>61,497</b>	<b>8,060</b>	<b>1,452</b>	<b>71,009</b>

As they are calculated for specific accounts, the figures concerning new exposures and extension and repayment and reduction also include administrative movements in which the balance is moved between two accounts for the same customer. In these cases, the relocated amount will be listed both as a reduction of the old account and an increase on the new account.

#### Unutilised credit lines and loan commitments before impairment and provisions, by rating category

The following table shows the credit quality and exposures before impairment based on Spar Nord's internal rating system divided into stages.

A description of Spar Nord's internal rating categories and impairment model is provided in note 5.1.1.

	Stage 1 DKKk	Stage 2 DKKk	Stage 3 DKKk	Total DKKk
<b>2024</b>				
Rating category 1	5,757	4	0	<b>5,761</b>
Rating category 2	7,025	19	1	<b>7,045</b>
Rating category 3	4,892	19	0	<b>4,911</b>
Rating category 4	2,794	186	0	<b>2,980</b>
Rating category 5	855	178	0	<b>1,032</b>
Rating category 6	190	87	0	<b>277</b>
Rating category 7	65	90	0	<b>154</b>
Rating category 8	15	38	0	<b>53</b>
Rating category 9	4	162	1	<b>167</b>
Default	0	1	74	<b>74</b>
Unrated	282	15	0	<b>297</b>
Reverse repo transactions	0	0	0	<b>0</b>
Sparxpres	0	0	0	<b>0</b>
Leasing	1,829	0	0	<b>1,829</b>
<b>Total</b>	<b>23,707</b>	<b>798</b>	<b>75</b>	<b>24,580</b>
<b>2023</b>				
Rating category 1	5,424	16	0	<b>5,441</b>
Rating category 2	7,264	173	0	<b>7,437</b>
Rating category 3	5,561	424	0	<b>5,985</b>
Rating category 4	2,637	172	0	<b>2,810</b>
Rating category 5	903	94	0	<b>997</b>
Rating category 6	311	139	0	<b>451</b>
Rating category 7	153	9	0	<b>162</b>
Rating category 8	13	12	0	<b>26</b>
Rating category 9	7	212	0	<b>218</b>
Default	0	0	77	<b>77</b>
Unrated	895	46	0	<b>941</b>
Reverse repo transactions	0	0	0	<b>0</b>
Sparxpres	114	0	0	<b>114</b>
Leasing	1,276	0	1	<b>1,276</b>
<b>Total</b>	<b>24,558</b>	<b>1,299</b>	<b>77</b>	<b>25,934</b>



Unutilised credit lines and loan commitments before impairment and provisions, by stage	Stage 1	Stage 2	Stage 3	Total
	DKKm	DKKm	DKKm	DKKm
<b>2024</b>				
Gross exposure 1 January	24,558	1,299	77	25,934
New exposures and extension of existing exposures in the year	10,201	269	29	10,499
Repayments and reduction of existing exposures	11,004	788	60	11,853
Change in gross exposure, transfer to/from stage 1	-778	755	24	-
Change in gross exposure, transfer to/from stage 2	725	-745	21	-
Change in gross exposure, transfer to/from stage 3	6	9	-16	-
Gross exposure expensed	0	0	0	0
<b>Gross exposure 31 December</b>	<b>23,707</b>	<b>798</b>	<b>75</b>	<b>24,580</b>
<b>2023</b>				
Gross exposure 1 January	21,859	3,139	97	25,095
New exposures and extension of existing exposures in the year	9,271	579	40	9,890
Repayments and reduction of existing exposures	8,066	925	61	9,051
Change in gross exposure, transfer to/from stage 1	-505	496	9	-
Change in gross exposure, transfer to/from stage 2	1,981	-1,995	14	-
Change in gross exposure, transfer to/from stage 3	18	5	-23	-
Gross exposure expensed	0	0	0	0
<b>Gross exposure 31 December</b>	<b>24,558</b>	<b>1,299</b>	<b>77</b>	<b>25,934</b>

As they are calculated for specific accounts, the figures concerning new exposures and extension and repayment and reduction also include administrative movements in which the balance is moved between two accounts for the same customer. In these cases, the relocated amount will be listed both as a reduction of the old account and an increase on the new account.



### Impairment and provisions for losses

Analysis of changes in impairment and provisions for losses during the year broken down by stages and correlated to recognised impairment, etc. A summary of total recognised impairment, etc. is provided in note 5.1.7.

It is not possible to separate movements during the year into impairment and provisions for losses on the exposure categories loans at amortised cost and unutilised credit lines and loan commitments.

	Stage 1 DKKm	Stage 2 DKKm	Stage 3 DKKm	Total DKKm	Recognised impairment etc. DKKm
<b>2024</b>					
Impairment at 1 January, loans at amortised cost	378	533	732	1,643	-
Provisions at 1 January, unutilised credit lines and loan commitments	2	2	2	6	-
Impairment re. new exposures during the year, including new accounts to existing customers	40	11	50	101	101
Reversed impairment re. repaid accounts	29	140	88	257	257
Change in impairment at 1 January, transfer to/from stage 1	204	-155	-49	-	-
Change in impairment at 1 January, transfer to/from stage 2	-37	124	-87	-	-
Change in impairment at 1 January, transfer to/from stage 3	-1	-131	132	-	-
Impairment during the year due to change in credit risk	-152	186	126	159	159
Previously impaired, now finally lost	0	0	-36	-36	-
Other movements (interest rate correction etc.)	0	0	18	18	-
Loss without prior impairment	-	-	-	-	40
Amounts recovered on previously impaired receivables and adjustment of reversal of impairment charges taken over	-	-	-	-	62
<b>Impairment and provisions for losses, end of period</b>	<b>404</b>	<b>429</b>	<b>801</b>	<b>1,635</b>	<b>-19</b>
Impairment at 31 December, loans at amortised cost	402	428	801	1,631	-17
Provisions at 31 December, unutilised credit lines and loan commitments	2	1	1	4	-2
<b>Impairment and provisions for losses, end of period</b>	<b>404</b>	<b>429</b>	<b>801</b>	<b>1,635</b>	<b>-19</b>

	Stage 1 DKKm	Stage 2 DKKm	Stage 3 DKKm	Total DKKm	Recognised impairment etc. DKKm
<b>2023</b>					
Impairment at 1 January, loans at amortised cost	224	536	842	1,602	-
Provisions at 1 January, unutilised credit lines and loan commitments	5	6	2	13	-
Impairment re. new exposures during the year, including new accounts to existing customers	47	4	52	103	103
Reversed impairment re. repaid accounts	40	95	128	262	262
Change in impairment at 1 January, transfer to/from stage 1	253	-240	-13	-	-
Change in impairment at 1 January, transfer to/from stage 2	-68	96	-28	-	-
Change in impairment at 1 January, transfer to/from stage 3	-2	-64	66	-	-
Impairment during the year due to change in credit risk	-38	293	-36	219	219
Previously impaired, now finally lost	0	0	-42	-43	-
Other movements (interest rate correction etc.)	0	0	18	18	-
Loss without prior impairment	-	-	-	-	74
Amounts recovered on previously impaired receivables and adjustment of reversal of impairment charges taken over	-	-	-	-	139
<b>Impairment and provisions for losses, end of period</b>	<b>381</b>	<b>535</b>	<b>734</b>	<b>1,649</b>	<b>-6</b>
Impairment at 31 December, loans at amortised cost	378	533	732	1,643	1
Provisions at 31 December, unutilised credit lines and loan commitments	2	2	2	6	-6
<b>Impairment and provisions for losses, end of period</b>	<b>381</b>	<b>535</b>	<b>734</b>	<b>1,649</b>	<b>-6</b>

As they are calculated for specific accounts, the figures concerning new exposures and extension and repayment and reduction also include administrative movements in which the balance is moved between two accounts for the same customer. In these cases, the relocated amount will be listed both as a reduction of the old account and an increase on the new account.

Loss without prior impairment expresses Spar Nord's recognised loans for which the loss is greater than impairment at the beginning of the year.



## Management estimates

At end-2024, total management estimates amounted to DKK 684 million, which was an increase of DKK 23 million relative to 31 December 2023. The amount relates to four overall areas:

1. Geopolitical uncertainty (DKK 398 million). The estimate covers enhanced credit risk due to geopolitical uncertainty and is a re-labelling of the previous estimate of cyclical downturn. The increase of DKK 23 million in 2024 was due to greater stress on customers whose credit quality may be flagged as weak.
2. Commercial real estate (DKK 181 million). The background for this estimate is uncertainty relating to valuation in the area, as the higher level of interest rates in recent years has not yet filtered through to prices. In 2024, the estimate concerning business customers with real estate exposures was increased by DKK 26 million. In this case, developments were also due to customers whose credit quality may be flagged as weak.
3. ESG (DKK 88 million). The assessment offsets valuation uncertainty. This estimate is specified by the uncertainty with respect to how the agricultural sector and the transport industry will be affected by the implementation of CO<sub>2</sub> levies in 2025. The estimate concerning agriculture and the transport industry was increased by DKK 15 million in 2024 due to greater stress in the area.
4. Model uncertainty (DKK 17 million). In 2024, the Bank migrated to rating models developed by IRB, which has reduced the need for maintaining the level of this estimate, leading to a reduction of DKK 41 million in 2024. There are still small inexpediciencies in connection with the implementation of the IRB models, so part of the estimate is maintained.

Development in management estimates, by stage	Stage 1 DKKm	Stage 2 DKKm	Stage 3 DKKm	Develop- ment DKKm
<b>2023-2024</b>				
Geopolitical uncertainty	35	9	-21	23
Commercial real estate	26	1	-2	26
ESG	3	4	8	15
Model uncertainty	-28	-14	0	-41
<b>Total</b>	<b>37</b>	<b>0</b>	<b>-15</b>	<b>23</b>

Management estimates, by stage	Stage 1 DKKm	Stage 2 DKKm	Stage 3 DKKm	Total DKKm
<b>2024</b>				
Geopolitical uncertainty	142	131	125	398
Commercial real estate	142	31	7	181
ESG	26	18	45	88
Model uncertainty	12	5	0	17
<b>Total</b>	<b>322</b>	<b>185</b>	<b>177</b>	<b>684</b>
<b>2023</b>				
Geopolitical uncertainty	107	121	146	375
Commercial real estate	116	31	8	155
ESG	22	14	37	73
Model uncertainty	40	19	0	59
<b>Total</b>	<b>286</b>	<b>185</b>	<b>191</b>	<b>662</b>

Development in management estimates, by segment	Business customers DKKm	Retail customers DKKm	Total DKKm
<b>2023-2024</b>			
Geopolitical uncertainty	137	-114	23
Commercial real estate	26	0	26
ESG	15	0	15
Model uncertainty	-16	-26	-41
<b>Management estimates, total</b>	<b>163</b>	<b>-140</b>	<b>23</b>





### 5.1.9. Due from credit institutions and central banks

	2024 DKKm	2023 DKKm
Due from credit institutions and central banks before impairment	1,475	2,202
Impairment	1	1
<b>Carrying amount</b>	<b>1,475</b>	<b>2,201</b>

Due from credit institutions and central banks before impairment, by rating category	Stage 1 DKKm	Stage 2 DKKm	Stage 3 DKKm	Total DKKm
<b>2024</b>				
Credit institutions	1,475	0	0	1,475
Central banks	0	0	0	0
<b>Total</b>	<b>1,475</b>	<b>0</b>	<b>0</b>	<b>1,475</b>

Due from credit institutions and central banks before impairment, by rating category	Stage 1 DKKm	Stage 2 DKKm	Stage 3 DKKm	Total DKKm
<b>2023</b>				
Credit institutions	2,202	0	0	2,202
Central banks	0	0	0	0
<b>Total</b>	<b>2,202</b>	<b>0</b>	<b>0</b>	<b>2,202</b>

All amounts due from credit institutions and central banks are placed in rating category 1 in Spar Nord's internal rating system.

A breakdown by product type and rating category is shown in note 5.1.11.

Due from credit institutions and central banks before impairment, by stage	Stage 1 DKKm	Stage 2 DKKm	Stage 3 DKKm	Total DKKm
<b>2024</b>				
Gross exposure 1 January	2,202	0	0	2,202
New exposures and extension of existing exposures in the year	1,058	0	0	1,058
Repayments and reduction of existing exposures	1,784	0	0	1,784
Change in gross exposure, transfer to/from stage 1	0	0	0	-
Change in gross exposure, transfer to/from stage 2	0	0	0	-
Change in gross exposure, transfer to/from stage 3	0	0	0	-
<b>Gross exposure 31 December</b>	<b>1,475</b>	<b>0</b>	<b>0</b>	<b>1,475</b>

Due from credit institutions and central banks before impairment, by stage	Stage 1 DKKm	Stage 2 DKKm	Stage 3 DKKm	Total DKKm
<b>2023</b>				
Gross exposure 1 January	2,747	0	0	2,747
New exposures and extension of existing exposures in the year	1,998	0	0	1,998
Repayments and reduction of existing exposures	2,543	0	0	2,543
Change in gross exposure, transfer to/from stage 1	0	0	0	-
Change in gross exposure, transfer to/from stage 2	0	0	0	-
Change in gross exposure, transfer to/from stage 3	0	0	0	-
<b>Gross exposure 31 December</b>	<b>2,202</b>	<b>0</b>	<b>0</b>	<b>2,202</b>

As they are calculated for specific accounts, the figures concerning new exposures and extension and repayment and reduction also include administrative movements in which the balance is moved between two accounts for the same customer. In these cases, the relocated amount will be listed both as a reduction of the old account and an increase on the new account.



## Impairment

Analysis of changes in impairments during the period broken down by stages and correlated to recognised impairments, etc. A summary of total recognised impairment, etc. is provided in note 5.1.7.

	Stage 1 DKKm	Stage 2 DKKm	Stage 3 DKKm	Total DKKm	Recognised impairment etc. DKKm
<b>2024</b>					
Impairment, beginning of year	1	0	0	1	-
Impairment re. new exposures during the year, including new accounts to existing customers	1	0	0	1	1
Reversed impairment re. repaid accounts	2	0	0	2	2
Change in impairment at 1 January, transfer to/from stage 1	0	0	0	-	-
Change in impairment at 1 January, transfer to/from stage 2	0	0	0	-	-
Change in impairment at 1 January, transfer to/from stage 3	0	0	0	-	-
Impairment during the year due to change in credit risk	0	0	0	0	0
<b>Impairment, end of year</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>
<b>2023</b>					
Impairment, beginning of year	1	0	0	1	-
Impairment re. new exposures during the year, including new accounts to existing customers	2	0	0	2	2
Reversed impairment re. repaid accounts	2	0	0	2	2
Change in impairment at 1 January, transfer to/from stage 1	0	0	0	-	-
Change in impairment at 1 January, transfer to/from stage 2	0	0	0	-	-
Change in impairment at 1 January, transfer to/from stage 3	0	0	0	-	-
Impairment during the year due to change in credit risk	0	0	0	0	0
<b>Impairment, end of year</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>

### 5.1.10. Guarantees

	2024 DKKm	2023 DKKm
Guarantees before provisions for losses	11,054	9,724
Provisions for losses	16	23
<b>Carrying amount</b>	<b>11,038</b>	<b>9,702</b>

## Guarantees before provisions, by rating category

The table below shows the credit quality and exposures before impairment based on Spar Nord's internal rating system divided into stages.

A description of Spar Nord's internal rating categories and impairment model is provided in note 5.1.1.

	Stage 1 DKKm	Stage 2 DKKm	Stage 3 DKKm	Total DKKm
<b>2024</b>				
Rating category 1	1,334	4	0	1,338
Rating category 2	3,603	5	1	3,610
Rating category 3	2,492	2	0	2,494
Rating category 4	1,550	39	0	1,589
Rating category 5	607	50	0	657
Rating category 6	198	30	0	228
Rating category 7	60	30	0	90
Rating category 8	23	16	0	39
Rating category 9	4	87	0	91
Default	3	4	67	74
Unrated	593	252	0	844
<b>Total</b>	<b>10,467</b>	<b>518</b>	<b>68</b>	<b>11,054</b>
<b>2023</b>				
Rating category 1	1,166	46	0	1,212
Rating category 2	2,682	124	0	2,806
Rating category 3	1,992	54	0	2,045
Rating category 4	1,283	131	0	1,415
Rating category 5	618	55	0	673
Rating category 6	189	50	0	240
Rating category 7	64	40	0	104
Rating category 8	44	26	0	70
Rating category 9	14	235	0	248
Default	0	7	77	84
Unrated	800	28	0	828
<b>Total</b>	<b>8,852</b>	<b>795</b>	<b>77</b>	<b>9,724</b>



Guarantees, by stages	Stage 1 DKKm	Stage 2 DKKm	Stage 3 DKKm	Total DKKm
<b>2024</b>				
Gross exposure 1 January	8,851	796	77	<b>9,724</b>
New exposures during the year	6,797	53	4	<b>6,854</b>
Reversed re. repaid exposures	4,991	500	34	<b>5,525</b>
Change in gross exposure, transfer to/from stage 1	-380	364	16	-
Change in gross exposure, transfer to/from stage 2	184	-198	14	-
Change in gross exposure, transfer to/from stage 3	5	4	-9	-
<b>Gross exposure 31 December</b>	<b>10,467</b>	<b>519</b>	<b>68</b>	<b>11,054</b>
<b>2023</b>				
Gross exposure 1 January	10,848	1,437	107	<b>12,392</b>
New exposures during the year	4,188	241	6	<b>4,435</b>
Reversed re. repaid exposures	6,189	864	50	<b>7,102</b>
Change in gross exposure, transfer to/from stage 1	-303	291	12	-
Change in gross exposure, transfer to/from stage 2	304	-317	13	-
Change in gross exposure, transfer to/from stage 3	4	8	-12	-
<b>Gross exposure 31 December</b>	<b>8,851</b>	<b>796</b>	<b>77</b>	<b>9,724</b>

### Provisions for losses

Analysis of changes in provisions for losses during the period broken down by stages and correlated to recognised impairment, etc. A summary of total recognised impairment, etc. is provided in note 5.1.7.

	Stage 1 DKKm	Stage 2 DKKm	Stage 3 DKKm	Total DKKm	Recognised impairment etc. DKKm
<b>2024</b>					
Provisions for losses at 1 January	10	5	8	<b>23</b>	-
Provisions for losses re. new exposures during the year	13	0	2	<b>15</b>	15
Reversed provisions for losses re. repaid exposures	11	6	4	<b>22</b>	22
Change in provisions for losses at 1 January, transfer to/from stage 1	7	-6	-1	-	-
Change in provisions for losses at 1 January, transfer to/from stage 2	-2	4	-2	-	-
Change in provisions for losses at 1 January, transfer to/from stage 3	0	-3	3	-	-
Provisions for losses during the year due to change in credit risk	-8	8	1	<b>1</b>	1
<b>Provisions for losses at 31 December</b>	<b>8</b>	<b>2</b>	<b>6</b>	<b>16</b>	<b>-6</b>
<b>2023</b>					
Provisions for losses at 1 January	18	26	7	<b>50</b>	-
Provisions for losses re. new exposures during the year	14	0	1	<b>15</b>	15
Reversed provisions for losses re. repaid exposures	16	23	8	<b>47</b>	47
Change in provisions for losses at 1 January, transfer to/from stage 1	8	-8	0	-	-
Change in provisions for losses at 1 January, transfer to/from stage 2	-7	7	0	-	-
Change in provisions for losses at 1 January, transfer to/from stage 3	0	-2	2	-	-
Provisions for losses during the year due to change in credit risk	-7	5	7	<b>5</b>	5
<b>Provisions for losses at 31 December</b>	<b>10</b>	<b>5</b>	<b>8</b>	<b>23</b>	<b>-27</b>



### 5.1.11. Financial credit risk

As part of its trading in and holding of securities, foreign currency and derivative instruments and its payment services, etc., the Bank will experience credit risk exposure to financial counterparties.

Spar Nord's Management allocates lines for credit risk exposure to financial counterparties, based on the specific counterparty's risk profile, rating, amount of exposure and solvency. The risks and lines of financial instruments are monitored constantly.

	2024	2023	2024	2023
Total financial credit risk	Carrying amount DKKm	Carrying amount DKKm	Risk portfolio DKKm	Risk portfolio DKKm
AAA	30,107	31,246	29,097	29,922
AA	544	731	544	731
A	1,693	1,981	1,689	1,981
BBB	232	391	232	388
BB	98	130	94	131
B	11	14	11	14
CCC	0	4	0	4
Not rated	440	539	457	539
<b>Total</b>	<b>33,124</b>	<b>35,036</b>	<b>32,124</b>	<b>33,710</b>

Overall, Management's assessment is that Spar Nord's credit risk exposure to financial counterparties remains at a moderate level, as 97.6% (2023: 96.8 %) of the financial credit risk is attributable to counterparties with a rating of A or higher.

### Bond portfolio

The Group's bond portfolio at fair value through profit or loss is the most significant source of financial credit risk.

	2024	2023	2024	2023
Broken down by issuer type	Carrying amount DKKm	Carrying amount DKKm	Risk portfolio DKKm	Risk portfolio DKKm
Mortgage-credit institutions	29,797	30,767	28,802	29,463
Financial issuers	945	1,241	945	1,242
Credit bonds	327	391	322	388
Government bonds	276	107	275	87
<b>Total</b>	<b>31,346</b>	<b>32,505</b>	<b>30,345</b>	<b>31,180</b>

	2024	2023	2024	2023
by rating	Carrying amount DKKm	Carrying amount DKKm	Risk portfolio DKKm	Risk portfolio DKKm
AAA	29,348	29,806	28,338	28,482
AA	376	485	376	485
A	1,101	1,615	1,098	1,615
BBB	232	289	232	285
BB	98	130	94	131
B	11	14	11	14
CCC	0	4	0	4
Not rated	181	163	197	164
<b>Total</b>	<b>31,346</b>	<b>32,505</b>	<b>30,345</b>	<b>31,180</b>



### Due from credit institutions

The other major source of financial credit risk is amounts due from credit institutions and central banks. In this area, Spar Nord's exposure is typically to central banks with a triple A rating or Danish banks with which the Bank's Trading Division has a customer relationship.

by product type	2024 Carrying amount DKKm	2023 Carrying amount DKKm	2024 Risk portfolio DKKm	2023 Risk portfolio DKKm
Reverse repo transactions	759	1,440	759	1,440
Deposits and unlisted bonds	339	375	339	375
Current accounts	109	141	109	141
CSA accounts, etc.	267	246	267	246
<b>Total</b>	<b>1,475</b>	<b>2,201</b>	<b>1,475</b>	<b>2,201</b>
Positive fair value of derivative instruments, financial enterprises	304	329	304	329
<b>Total</b>	<b>1,779</b>	<b>2,530</b>	<b>1,779</b>	<b>2,530</b>

by rating	2024 Carrying amount DKKm	2023 Carrying amount DKKm	2024 Risk portfolio DKKm	2023 Risk portfolio DKKm
AAA	759	1,440	759	1,440
AA	168	246	168	246
A	592	366	592	366
BBB	0	102	0	102
BB	0	0	0	0
Not rated	259	376	259	376
<b>Total</b>	<b>1,779</b>	<b>2,530</b>	<b>1,779</b>	<b>2,530</b>

85.4% (2023: 81.1%) of Spar Nord's amounts due from credit institutions concerns institutions with an A rating or higher. Of the total amounts due from credit institutions of DKK 1.8 billion (2023: DKK 2.5 billion), 42.7% (2023: 56.9%) is attributable to institutions with an AAA rating.

Balances with unrated credit institutions are attributable primarily to Danish credit institutions. A breakdown by stage and rating category is shown in note 5.1.9.

## 5.2. Market risk

Market risk is an umbrella heading for the risk of loss caused by changes in the value of a portfolio of financial instruments due to fluctuations in exchange rates or prices in financial markets.

Market risk breaks down into:

- Interest rate risk
- Credit spread risk
- Foreign exchange risk
- Equity risk
- Commodity risk
- Option risk

Spar Nord deals and takes positions in products that involve a number of market-based risks. Most of Spar Nord's activities regarding trading and position-taking comprise relatively simple products, of which interest-based products are the most frequently traded. Spar Nord also deals and takes positions in shares and foreign exchange instruments, whereas trading in commodity derivatives is only made on behalf of customers.

In 2024, Spar Nord made no major changes in assumptions, objectives, policies, exposures and calculation methods, etc. as compared to the year before.

Spar Nord's interest rate risk, foreign exchange risk and equity risk are described below.

### Market risk policy

The market risk policy determines Spar Nord's overall risk profile for market risk, as well as the overall organisational delegation of responsibilities in the market risk area with a view to profitably supporting the business model.

The policy identifies and sets limits for the various types of market risk, setting out specific limits for how much risk the Bank is prepared to assume.

Market risk is composed of:

- Interest rate risk in the trading book and the banking book
- Credit spread risk on the bond portfolio
- Equity risk in the trading book and the banking book
- Foreign exchange risk
- Option risk
- Commodity risk

The policy describes the types of risk the Bank includes in the market risk area. The Board of Directors has prepared guidelines for the Executive Board describing the methods to be used in calculating the various risk.



### Management, monitoring and reporting

For its day-to-day management of market risks, the Bank has established a two-tier set of guidelines. At the first tier, the Board of Directors issues the definition of the limits for Spar Nord, which are delegated to the Executive Board. At the second tier, the Executive Board delegates limits to the other entities of the Bank, with the Trading Division being the largest entity.

The Finance & Accounts Department is responsible for measuring, monitoring, controlling and reporting market risks. Market risks are controlled and monitored through an integrated risk management system, with day-to-day follow-up on all market risks subject to the guidelines. Follow-up is made intraday and end-of-day.

If the guidelines are exceeded, the responsible entity will be informed. Information is also conveyed to the Executive Board and, ultimately, the Board of Directors, depending on which of the above-mentioned limits are breached. The Bank's risk management function will be informed about all breaches.

Developments in risk levels and gains or losses are regularly reported to the Executive Board and Board of Directors.

Spar Nord has a front-to-back solution for market risk management, which means that both risk-taking and risk-managing business entities work on the same platform, which contributes to ensuring effective market risk management.

### Sustainability risks

Sustainability risks are natural components of the Bank's risk management in the market risk area. Sustainability risks refers to the risks associated with investing in businesses that fail to adapt to environmental, climate, social and governance-related (ESG) factors.

As part of the handling of the Bank's positions, an assessment is made of ESG issues, which is an important activity to reduce the loss of market values due to climate-related physical risks and transition risks or social and ethical issues that could impact businesses that fail to adapt to global developments.

The Bank's market risk policy stipulates that the Bank must work with involvement and stewardship in order to promote sustainability, and that it must use exclusion measures when necessary. The exclusion list includes companies in which the Bank may not invest. Spar Nord complies with UN and EU sanctions when investing in government bonds and excludes investment in government bonds and/or other securities from countries against which sanctions have been imposed.

#### 5.2.1. Interest rate risk

Interest rate risk is the risk of loss due to interest rate fluctuations. Spar Nord's primary source of interest rate risk in the banking book derives from bank activities like deposits and lending, bonds, leases, repo and reverse repo transactions, monetary policy and strategic loans and possibly hedge operations in relation thereto. Furthermore, the Bank's interest rate risk in the banking book derives from interest rate risk related to the Bank's funding, incl. subordinated debt and issued bonds. Interest rate risks in the trading book occur in connection with trading and position-taking in bonds and fixed-income derivatives like interest rate swaps, futures and standard interest rate options.

Interest rate risk within the trading book and the banking book is calculated on the basis duration targets. For managing its portfolio of callable Danish mortgage bonds, the Bank uses model-based key risk indicators that provide for the embedded option component. As concerns interest rate options, the above-mentioned key indicators are supplemented by the most important risk factors expressing sensitivity of the option premium on changes in the underlying parameters.

For interest rate risk in the banking book the Bank seeks to hedge the risk by raising subordinated loans with fixed rate of interest. Interest rate swaps are also used to hedge interest rate risk in the banking book. The hedging strategy also incorporates fixed-rate deposit products.

The interest rate risk is assessed on a daily basis, and decisions are made in light of expectations for macroeconomic developments and cyclical trends. Spar Nord converts the interest rate risk in foreign currencies into Danish kroner and offsets the negative interest rate risk against the positive one to calculate the net interest rate risk.

Interest rate risk by duration and currency	Short	Between	Long	Total
	Up to 2 years DKKm	2 and 7 years DKKm	More than 7 years DKKm	
<b>2024</b>				
DKK	69	31	23	123
EUR	6	17	4	27
Other	6	0	0	6
<b>Total</b>	<b>81</b>	<b>47</b>	<b>28</b>	<b>156</b>
<b>2023</b>				
DKK	1	2	17	21
EUR	13	8	-6	15
Other	3	-1	0	3
<b>Total</b>	<b>18</b>	<b>9</b>	<b>11</b>	<b>38</b>

Shown above is the interest rate risk relative to maturity and exchange rates. This shows the interest rate risk for a given time interval on the yield curve. The table shows the interest rate risk given a 1.0 percentage point increase in interest rates. A positive interest rate risk means the Bank's position would lose market value if interest rates move higher and would be positively affected by falling interest rates.



### 5.2.2. Foreign exchange risk

Foreign exchange risk is the risk of loss on positions in foreign currency due to exchange rate fluctuations. Currency options are included in the calculation at the Delta-adjusted position.

The foreign exchange risk is illustrated by the table below. The calculation is based on the assumption that all exchange rates change unfavourably by 2.0% which at end-2024 will result in a loss of DKK 1.2 million.

The table shows that the Bank's foreign exchange position was reduced from DKK 74 million in 2023 to DKK 62 million in 2024. Foreign exchange risk generally remains at a low level.

Currency	Foreign exchange position		Foreign exchange risk	
	2024 DKKm	2023 DKKm	2024 DKKm	2023 DKKm
EUR	19	18	0.4	0.4
SEK	7	4	0.1	0.1
USD	15	14	0.3	0.3
GBP	4	3	0.1	0.1
CHF	1	0	0.0	0.0
NOK	4	29	0.1	0.6
JPY	8	1	0.2	0.0
Other currencies	5	5	0.1	0.1
<b>Foreign-exchange risk regarding financial instruments, etc., total</b>	<b>62</b>	<b>74</b>	<b>1.2</b>	<b>1.5</b>

### 5.2.3. Equity risk

Equity risk is the risk of losses caused by changes in equity prices. Equity positions are the calculated net value of long and short equity positions and equity-related instruments.

The calculation of equity positions is broken down by positions in the trading book and the banking book.

	2024 DKKm	2023 DKKm
<b>Equity risk in the trading book</b>		
Listed shares in the trading book	100	92
Unlisted shares in the trading book	37	29
<b>Total shares in the trading book</b>	<b>137</b>	<b>121</b>
<b>Equity risk in the banking book</b>		
Shares in credit and financing institutions	1,306	1,298
Shares in unit trust management companies	240	240
Shares in payment services business	0	21
Other equities	92	86
<b>Total shares in strategic business partners</b>	<b>1,639</b>	<b>1,645</b>
Realised gain	3	0
Unrealised gain	96	109
<b>Total associates</b>	<b>1,094</b>	<b>973</b>
<b>Other shares in the banking book</b>	<b>0</b>	<b>0</b>
<b>Total shares in the banking book</b>	<b>2,733</b>	<b>2,617</b>

Shares in the trading book are held for trading purposes.

A salient feature of shares in the banking book is that they have not been acquired for trading purposes. In addition, a distinction is made between shares in strategic partners, including sector companies, associates and other shares in the banking book.

Spar Nord's most significant equity investment recognised in associated at end-2024 was Danske Andelskassers Bank A/S (2023: Danske Andelskassers Bank A/S).

Shares in strategic partners in the financial sector are shares in companies whose purpose is to support financial institutions' business in the fields of mortgage credit, payment services, unit trusts, etc. Participation in the companies in question is considered a prerequisite for the Bank's operations.

In several of the sector companies, the shares are redistributed to the effect that the ownership interest of the respective institution will reflect its business volume with the sector company.



The shares are typically redistributed on the basis of the sector company's equity value. In light of this, Spar Nord adjusts the recognised value of these shares when new information is available that warrants a change of fair value measurement. In other sector companies, the shares are not redistributed, but are measured based on a fair value corresponding to the net asset value or another recognised valuation method (including discounting of cash flows and market expectations with respect to equity return requirements). The adjustments of the values of the shares in these companies are recognised in the income statement.

#### 5.2.4. Sensitivity analysis

The sensitivity information shows how Spar Nord's income statement will be impacted if interest rates change, if share prices drop or if all exchange rates develop unfavourably.

	Impact on operating profit		Impact on equity	
	2024 DKKm	2023 DKKm	2024 %	2023 %
Interest rate increase of 1 %-point	-116	-28	-0.9	-0.2
Interest rate decrease of 1 %-point	116	28	0.9	0.2
Share price decrease of 10% in the trading book	-10	-9	-0.1	-0.1
A fair value decrease of 10% for shares in the banking book	-290	-249	-2.2	-1.9
Unfavourable 2% exchange rate fluctuation	-3	-1	0.0	0.0

It appears from the table that the impact of an interest rate increase will be a loss equal to 0.9% of shareholders' equity. Furthermore, the effect of a 10% decline in the value of the share portfolio both in the banking and the trading book will be a loss equal to 2.3% of shareholders' equity.

### 5.3. Liquidity risk

In 2024, Spar Nord made no major changes in calculation methods, policies and exposures etc. as compared to the year before.

Liquidity risk means that Spar Nord cannot meet its payment obligations while also meeting the statutory liquidity requirements. Moreover, a liquidity risk exists if the lack of financing/funding prevents Spar Nord from adhering to the adopted business model, or if Spar Nord's costs for procurement of liquidity rise disproportionately.

Spar Nord Bank is generally exposed to liquidity risks when lending, investment and funding activities result in a cash flow mismatch.

#### Liquidity and funding policy

The liquidity and funding policy determines Spar Nord's overall risk profile for liquidity risks and financing structure, as well as the overall organisational delegation of responsibilities in the liquidity area with a view to profitably supporting the business model.

The aim of the liquidity and funding policy is to ensure that the Bank has a liquidity risk that at all times bears a natural relation to Spar Nord's overall risk profile. In addition, the liquidity and funding policy is intended to ensure that the Bank continuously handles and manages its liquidity appropriately and is capable of meeting its payment obligations as and when due while complying with applicable legislation and supporting future activities and growth. Lastly, the policy is intended to ensure a financing structure that ensures a correlation between risk and price.

Spar Nord's objective is for the Bank's Liquidity Coverage Ratio (LCR) to amount to at least 125% in compliance with the regulation on LCR. The Bank has also defined a target of maintaining a Net Stable Funding Ratio (NSFR) above 105%. In addition, Spar Nord aims to stay below the liquidity benchmark threshold values in the Supervisory Diamond.

#### Sustainability risks

Spar Nord regularly considers sustainability risk when placing excess liquidity, which is a significant activity to reduce the loss of market values due to environmental, climate, social and governance-related (ESG) factors.

In connection with capital market issues, external ESG ratings provide a basis for dialogue about the Bank's ESG position with both existing and potential investors and lenders. In 2024, Spar Nord established a Green Bond Framework and conducted its first issue of green bonds.

#### Management, monitoring and reporting

On the basis of the policies and objectives defined by the Board of Directors, the Executive Board has defined operational frameworks and specific limits for the liquidity function in the Trading Division, which is responsible for managing Spar Nord's short-term liquidity. Funding in the Finance & Accounts Department is responsible for managing and monitoring Spar Nord's long-term liquidity.





The Finance & Accounts Department is responsible for calculating, monitoring and checking that Spar Nord's liquidity risk does not exceed the allocated limits. The department regularly reports to the Executive Board, the Board of Directors and the Danish FSA.

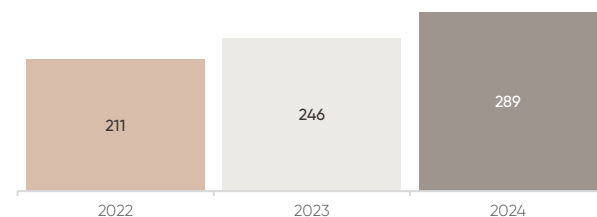
### 5.3.1. Short-term Liquidity

Spar Nord employs fixed models to monitor and manage the Bank's short-term liquidity, including the daily management of LCR and intraday liquidity as well as ongoing preparation of stress tests.

At end-2024, LCR was calculated at 289%, which is significantly above the target LCR of at least 125%. The excess coverage of 164 percentage points relative to the target corresponds to DKK 20.6 billion in excess liquidity. Calculated relative to the statutory requirement of 100%, the excess liquidity amounted to DKK 23.8 billion. At end-2023, LCR was calculated at 246%.

#### Liquidity Coverage Ratio (LCR)

%



Liquidity Coverage Ratio	2024 DKKm	2023 DKKm
Liquidity resources	36,454	29,604
Liquidity Coverage Requirement	12,634	12,049
<b>LCR (%)</b>	<b>289</b>	<b>246</b>

As shown above, the liquidity coverage requirement and the liquidity resources were increased compared with end-2023. As the liquidity resources rose by more than the liquidity coverage requirement, the LCR has increased.

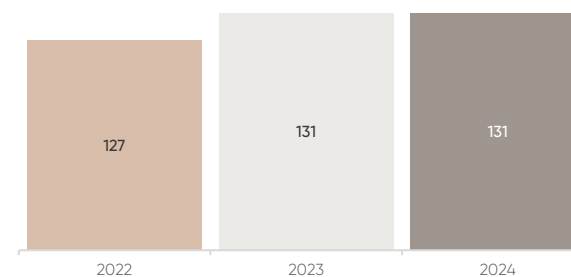
The liquidity reserve according to LCR basically consists of central bank reserves and government debt (Level 1A assets) and mortgage bonds offering high liquidity and high credit quality (Level 1B assets).

### 5.3.2. Long-term liquidity

At end-2024, NSFR was calculated at 131%, which is comfortably above the Bank's target of 105%. The excess coverage of 26 percentage points relative to the target corresponds to DKK 23.2 billion in excess liquidity. Calculated relative to the statutory requirement of 100%, the excess liquidity amounted to DKK 27.7 billion. At end-2024, the NSFR was on a level with 2023, when it stood at 131%.

#### Net Stable Funding Ratio (NSFR)

%



Net Stable Funding Ratio (NSFR)	2024 DKKm	2023 DKKm
Available stable funding (ASF)	117,222	109,567
Required stable funding (RSF)	89,547	83,594
<b>NSFR (%)</b>	<b>131</b>	<b>131</b>

As shown above, both available and required stable funding increased compared with end-2023. The marginal developments in the NSFR were due to an increase in both the available stable funding and the required stable funding.

The increase in the liquidity procurement under Available stable funding was driven mainly by consolidation during the period deposit growth and additional issues of MREL capital.



### 5.3.3. Stress test

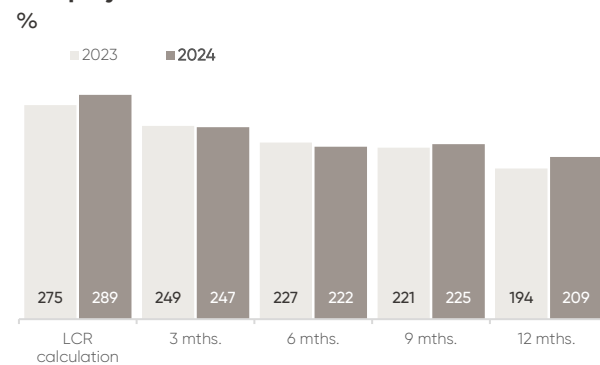
In accordance with the Executive Order on Management and Control of Banks etc., Spar Nord prepares internal liquidity stress tests based on LCR. The stress tests span a 12-month period and are calculated using three permanently defined scenarios: a business-specific, a market-specific and a mixed scenario. All scenarios are calculated without any management intervention. The stress tests prepared have lived up to the Bank's internal targets throughout the period.

The table and figure below show the result of a liquidity projection in a severe stress scenario, in which Spar Nord operates with a 3-month survival period in its liquidity management. In addition to money and capital market funding falling due, the stress scenario includes a massive stress on the deposit base, continued lending growth and stress on the bond portfolio.

At end-2024, the projection shows that liquidity resources will be reduced by DKK 21.4 billion over the 12-month projection period, and the chart below also shows that in a severe stress scenario the Bank complies with the LCR statutory requirement in the full 12-month projection period. In the stress test, the liquidity resources are calculated on a level with LCR.

Run-off of liquidity resources in a severe stress scenario	Liquidity resources		Accumulated run-off	
	2024 DKKm	2023 DKKm	2024 %	2023 %
Calculation period	36,454	33,166	-	-
3 months	22,159	22,388	-39.2	-32.5
6 months	18,823	19,673	-48.4	-40.7
9 months	17,210	18,574	-52.8	-44.0
12 months	15,089	15,713	-58.6	-52.6

### LCR projected in a severe stress scenario



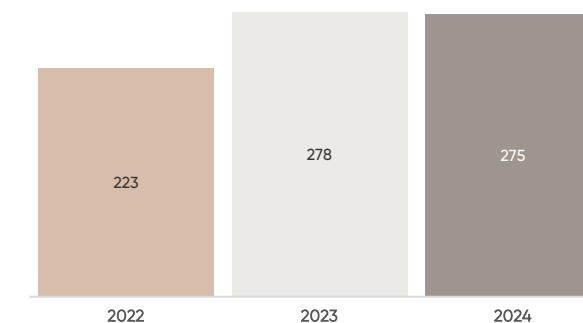
### 5.3.4. Liquidity indicator

The liquidity indicator of the Danish FSA, which is a part of the Supervisory Diamond, is based on a projected version of LCR using an adjusted calculation of the liquidity resources, while the time horizon for the liquidity requirement is extended to cover the period up to three months inclusive.

Since the liquidity indicator was implemented, Spar Nord has realised a level notably above the 100% requirement.

#### Liquidity indicator

%





### 5.3.5. Funding and maturity structure

Spar Nord's operations are predominantly funded through four funding sources:

- Customer deposits
- Loans or repo transactions from other credit institutions and Danmarks Nationalbank (the central bank)
- Issued bonds and senior loans, including Senior Non-Preferred and Senior Preferred
- Subordinated debt and equity

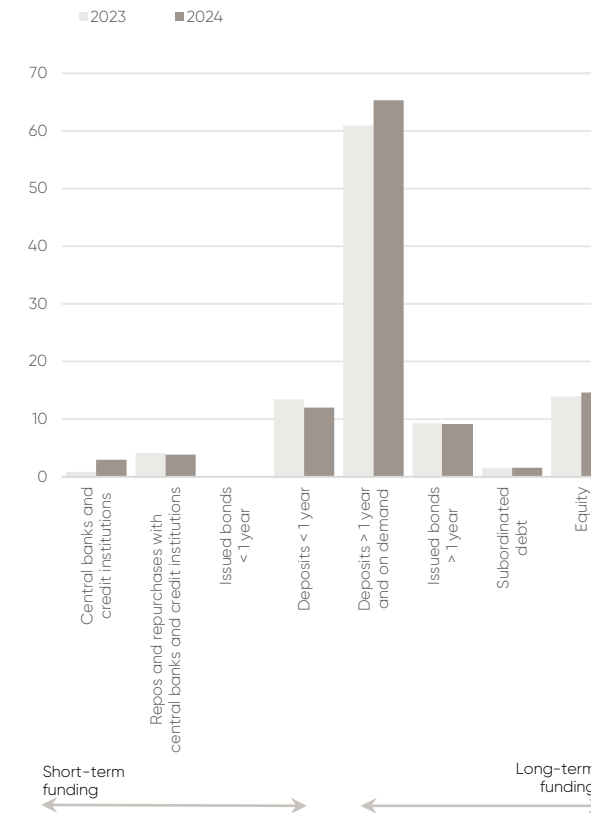
From an overall perspective, the Bank's funding at end-2024 increased by DKK 5.2 billion to DKK 109.5 billion compared with end-2023. Spar Nord's largest source of funding is deposits, which at end-2024 amounted to 71% of Spar Nord's total funding.

At 31 December 2024, 64% of the deposits excluding pooled schemes were covered by the Guarantee Fund, which is the Danish guarantee scheme to cover depositors. At the same time, the sum of the 20 largest deposits alone accounted for 4.6% of the Bank's total deposits excluding pooled schemes.

Spar Nord's total long-term funding (deposits on demand and funding with a term to maturity of more than 12 months) amounted to 82.8% at year-end 2024, which is close to the level of year-end 2023.

Funding structure	2024	2023	2024	2023
	DKKm	DKKm	%	%
Central banks and credit institutions	2,973	852	2.7	0.8
Repos and repurchases with central banks and credit institutions	3,866	4,154	3.5	4.0
Deposits < 1 year	12,015	13,475	11.0	12.9
Deposits > 1 year and on demand	65,311	60,922	59.6	58.4
Issued bonds > 1 year	9,134	9,307	8.3	8.9
Subordinated debt	1,588	1,593	1.5	1.5
Equity	14,628	13,979	13.4	13.4
<b>Total</b>	<b>109,516</b>	<b>104,282</b>	<b>100.0</b>	<b>100.0</b>

### Funding structure (DKKbn)





### 5.3.7. Contingency liquidity plan

Spar Nord has prepared a liquidity contingency plan pursuant to the Danish Executive Order on Management and Control of Banks. This plan contains a catalogue of possible courses of action for strengthening liquidity in a critical situation. The catalogue contains a more detailed description of the expected impact and time span of the individual actions.

The liquidity contingency plan is applied if Spar Nord can only meet the predetermined liquidity guidelines with difficulty and with resulting sharply increased funding costs.

### 5.3.8. Rating

At the end of 2024, Spar Nord received an updated rating from rating agency Moody's, which changed the outlook from positive to under review for upgrade as a result of Nykredit's takeover offer for the Bank.

Spar Nord has the following stable outlook ratings:

- Baseline credit assessment: baa1
- Bank deposit rating: A1 / P-1
- Senior unsecured: A1
- Senior Non-Preferred: A3

### 5.3.9. Balance sheet breakdown less/more than 1 year

Breakdown of balance sheet items expected to be recovered or repaid after more than or within 12 months

	2024		2023	
	< 1 year DKKm	> 1 year DKKm	< 1 year DKKm	> 1 year DKKm
<b>Assets</b>				
Cash balances and demand deposits with central banks	865	0	218	0
Due from credit institutions and central banks	1,475	0	1,951	250
Loans, advances and other receivables at amortised cost	35,870	40,310	33,710	35,656
Bonds at fair value	2,378	28,967	889	31,617
Shares, etc.	100	1,676	92	1,673
Investments in associates	0	1,094	0	973
Assets linked to pooled schemes	3,649	24,284	3,254	21,479
Intangible assets	7	409	6	413
Land and buildings	44	683	45	666
Other property, plant and equipment	42	66	43	76
Current tax assets	88	0	70	0
Deferred tax assets	0	0	0	0
Temporary assets	34	0	2	0
Other assets	923	679	1,045	639
Prepayments and deferred income	141	0	128	0
<b>Total</b>	<b>45,616</b>	<b>98,167</b>	<b>41,453</b>	<b>93,443</b>
<b>Liabilities</b>				
Due to credit institutions and central banks	6,840	0	5,006	0
Deposits and other payables	74,620	2,706	70,886	3,511
Deposits in pooled schemes	3,649	24,284	3,254	21,479
Issued bonds at amortised cost	1,393	7,740	2,477	6,830
Other non-derivative financial liabilities at fair value	1,435	0	1,936	0
Other liabilities	3,742	614	3,079	593
Prepayments and deferred income	59	38	63	47
Deferred tax	-3	393	-27	103
Provisions	41	18	64	22
Subordinated debt	-1	1,589	499	1,094
<b>Total</b>	<b>91,775</b>	<b>37,382</b>	<b>87,237</b>	<b>33,680</b>

Deposits comprise fixed-term deposits and demand deposits, etc. Fixed-term deposits are recognised at the maturity date. Contractually, demand deposits have ultra-short maturity and are therefore shown above with a term to maturity of less than 12 months.

Bonds are broken down by duration. Issued bonds and subordinated debt is deemed to fall due at the time when the Spar Nord Group may choose between redeeming the debt or paying an increased interest rate/increased redemption price.



### 5.3.10. Contractual term to maturity of financial liabilities

	Carrying amount DKKm	Total contractual cash flows DKKm	Of which within 1 year DKKm	Of which 1-5 years DKKm	Of which over 5 years DKKm
<b>2024</b>					
<b>Non-derivative instruments</b>					
Due to credit institutions and central banks	6,840	6,840	6,840	0	0
Deposits and other payables	77,326	77,656	74,698	695	2,263
Deposits in pooled schemes	27,933	27,933	3,649	6,034	18,249
Issued bonds at amortised cost	9,134	10,458	1,851	8,279	328
Other non-derivative instruments	1,435	1,435	1,435	0	0
Lease liabilities	172	190	33	132	25
Other liabilities, excl. derivatives and lease liabilities	3,741	3,723	3,632	92	0
Subordinated debt	1,588	1,879	83	1,796	0
Guarantees	11,038	11,038	6,758	1,461	2,818
<b>Derivatives</b>					
Fair value of derivatives	444	409	62	262	84
<b>Total</b>	<b>139,649</b>	<b>141,560</b>	<b>99,041</b>	<b>18,751</b>	<b>23,768</b>
<b>2023</b>					
<b>Non-derivative instruments</b>					
Due to credit institutions and central banks	5,006	5,006	5,006	0	0
Deposits and other payables	74,397	74,793	70,930	1,419	2,444
Deposits in pooled schemes	24,733	24,733	3,254	5,339	16,141
Issued bonds at amortised cost	9,307	10,670	2,945	7,370	355
Other non-derivative instruments	1,936	1,936	1,936	0	0
Lease liabilities	169	198	33	131	35
Other liabilities, excl. derivatives and lease liabilities	2,968	2,938	2,841	97	0
Subordinated debt	1,593	1,780	550	1,230	0
Guarantees	9,702	9,702	4,467	1,585	3,649
<b>Derivatives</b>					
Fair value of derivatives	536	498	183	192	123
<b>Total</b>	<b>130,346</b>	<b>132,254</b>	<b>92,144</b>	<b>17,363</b>	<b>22,747</b>

The maturity analysis shows the contractual, undiscounted cash flows and comprises agreed payments, including principal and interest.

For liabilities with variable cash flows, such as floating-rate financial liabilities, the information is based on the conditions existing at the balance sheet date.

Subordinated debt is deemed to fall due at the time when the Spar Nord Group may choose between redeeming the debt or paying an increased interest rate/increased redemption price. If Spar Nord instead chooses to extend the loans, interest of DKK 83 million (2023: DKK 66 million) falls due for payment within 1 year, DKK 332 million (2023: DKK 262 million) within 1-5 years, and DKK 1,875 million including repayments of DKK 1,600 million (2023: DKK 1,783 million including repayments of DKK 1,600 million) after 5 years.

Issued bonds are deemed to fall due at the time when the Spar Nord Group may choose between redeeming the debt or paying a different interest rate. If Spar Nord instead chooses to extend the loans, interest of DKK 446 million (2023: DKK 480 million) falls due for payment within 1 year, DKK 7,519 million including repayments of DKK 6,345 million (2023: DKK 9,715 million including repayments of DKK 8,501 million) within 1-5 years, and DKK 2,910 million including repayments of DKK 2,829 million (2023: DKK 930 million including repayments of DKK 863 million) after 5 years.

As regards deposits in pension pools, only the customers' deposits in the pension pools are allocated, as future yields for pension pool participants depend on the return on pooled assets. The dates when the obligations fall due are correlated to the assets in the pension pools.

Payments regarding irrevocable credit commitments and guarantees fall due if a number of predetermined conditions have been met. Such payment obligations have been recognised at the time when the agreements expire, which is generally the earliest time at which the guarantees may be called.

Under the agreements made, customers can usually demand repayment of their deposits at short notice. However, in practice they are considered a stable funding source, as amounts disbursed largely equal deposits received.

The above-mentioned breakdown by term to maturity is based on the earliest date when a demand for payment can be made.



## 5.4. Operational risk

Operational risk is the risk of direct or indirect loss resulting from inadequate or failed internal processes, people and systems or from external events.

### 5.4.1. Operational risk policy

Spar Nord's Board of Directors defines the Bank's operational risk policy. This includes determining risk tolerance in the area.

The Bank's operational risk policy sets the framework for identification, assessment and management of the Bank's risks. The policy describes how to ensure that the Board of Directors and the Executive Board are kept informed about significant risk areas and developments.

Operational risks are assessed and placed in a risk matrix with the axes of likelihood and impact. The Bank's risk tolerance is also defined on the basis of the risk matrix.

### 5.4.2. Management, monitoring and reporting

All of Spar Nord's activities are subject to operational risk, and therefore a key task is to mitigate the operational risk to a satisfactory level.

Operational risk is managed across the Bank through a comprehensive system of business procedures and control measures developed to ensure an adequate control environment.

Follow-up and reporting with respect to operational risk is anchored with the risk management function, while responsibility for identifying and addressing risks lies with the first line of defence in the unit responsible for the relevant business activity. This helps ensure segregation of controlling and operational functions.

In addition to identifying operational risk, all operational events resulting in a loss of more than DKK 25,000 are systematically recorded, categorised and reported. The Bank also registers operational incidents that could potentially have resulted in a loss (near-miss incidents). To enhance awareness and promote an open risk culture in the organisation, awareness activities are regularly undertaken aimed at operational risk management.

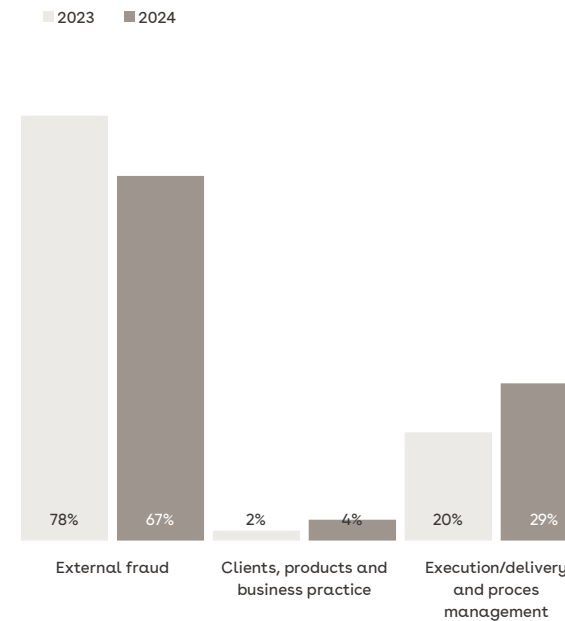
Reporting to the Executive Board and the Board of Directors is done on a quarterly basis. The Executive Board and Board of Directors receive a summary of significant changes to the risk patterns and a statement of total loss events. Loss events exceeding DKK 5 million will be reported separately to the Executive Board and Board of Directors.

### 5.4.3. Development in operational losses

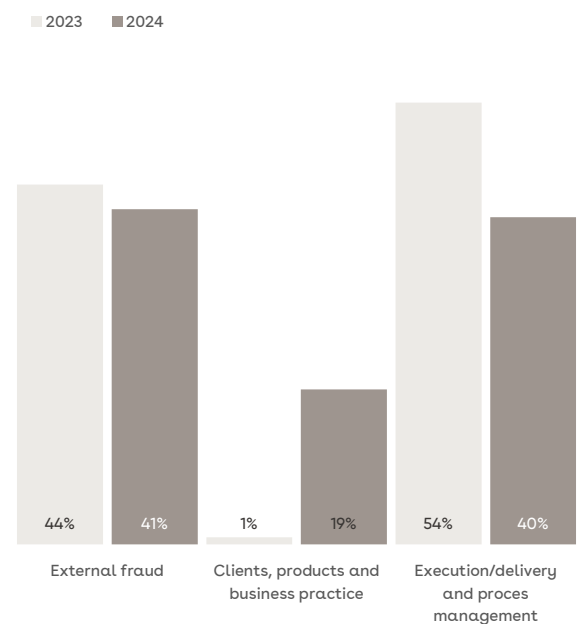
The operational losses are illustrated as a percentage distribution on risk types measured by number of events and loss amounts, respectively, in the charts below.

Most of the loss events are events involving a limited financial effect. As shown in the charts below, 67% of the operational losses in 2024 related to external fraud (2023: 78%), which in terms of amounts equal 41% in 2024 (2023: 44%). External fraud includes payment card abuse and online banking fraud. The rest of the loss events relate to ordinary banking operations in connection with services provided to the Bank's customers through the local banks or operational errors relating to the Trading Division.

Percentage distribution of the number of operational loss incidents by risk type



Percentage distribution of loss amounts for operational loss incidents by risk type





#### 5.4.4. Information security and IT risk management

As Spar Nord is a digital business, data and IT systems security are paramount to its credibility and existence. Furthermore, Spar Nord is a systemically important financial institution (SIFI). This means the Bank also shares a responsibility for the stability of the combined financial sector.

On behalf of the Board of Directors, the Bank's IT security function, together with the business and the IT department, ensures that the Bank maintains the risk level in the IT area decided by the Board of Directors. This means the Bank retains an overview of external threats and the Bank's IT risks, monitoring whether such risks are hedged through appropriate controls and risk-mitigating measures.

The IT security function, which includes the Bank's Chief Information Security Officer (CISO), is part of the Bank's risk management function and is thus charged with providing reporting to the Board of Directors, enabling the Board to make decisions regarding the Bank's IT risk based on the adopted IT risk level. Reports are made quarterly. The risk level is set out in the Bank's IT risk management policy, information security policy and the objective of the IT contingency plan. The aim is to ensure continued operation of the Bank at a satisfactory level in the case of extraordinary events. The risk management function, the Executive Board and the Board of Directors regularly review the IT security and the IT risk profile. The Bank has an IT security committee, which plays a central role in the Bank's information security management and IT risk management (ISMS).

To be able to report a true and fair view, the IT security function is charged with performing necessary and adequate controls and security tests regarding IT in the Bank's organisation, including various risk-based tests of the Bank's security measures. The function participates in sector-specific collaborative initiatives to help strengthen the overall robustness concerning IT in the Danish financial sector.

#### 5.4.5. Data governance and data quality

The Bank's data governance and data quality measures are anchored in the data governance policy prepared by the Board of Directors. The data governance policy serves to ensure that the Bank has a well-organised and structured overview of the data used to make business solutions and assess the Bank's risks. The work is thus an important element of the Bank's strategy of having an efficient in-house engine room and a prerequisite for making effective and data-driven decisions.

The Bank has a data governance function working to lay down the overall framework for the data governance and data quality initiatives within the framework of the data governance policy. The responsibility for safeguarding data quality has been decentralised by appointing data owners and data stewards. Topics relating to data governance and data quality, including activities relating to the Bank's data strategy, are dealt with by the Bank's data governance committee, which is supported by the Bank's data governance committee. In 2024, the Bank appointed a Chief Data Officer, which has the overall responsibility for ensuring progress across the Bank's data-related activities.

#### 5.4.6. Money-laundering risk

The Bank retains a strong focus on preventing money-laundering and terrorist financing, including the risk-mitigating measures that must be implemented to prevent the Bank from being used for money-laundering activities, terrorism financing purposes or sanction breaches.

The AML department is charged with ensuring that the Bank complies with the legislation on Measures to Prevent Money Laundering and Financing of Terrorism, EU anti-terrorism regulations and sanction regulations. AML supports the Bank's business development in connection with ongoing implementation of the legislations. In addition, AML carries out regular controls to ensure compliance. The Bank continues to focus on enhancing and optimising existing processes and systems.

Spar Nord is continually monitoring transactions for irregularities and reports any suspicious issues to the Danish National Special Crime Unit (National enhed for Særlig Kriminalitet - NSK). The number of filings was lower than in 2023. In 2024, Spar Nord had 1,915 filings with SØIK as compared with 2,738 cases in 2023.

AML is an independent department reporting directly to the Executive Board. The Bank's AML Officer reports quarterly to the Executive Board, the Audit Committee and the Board of Directors.

#### 5.4.7. GDPR

The DPO function (data protection officer) forms part of the Bank's second line and is anchored in the compliance function.

As with the rest of the Bank's compliance function, one of the duties of the data protection adviser is to control, assess and report on whether the Bank complies with current legislation and practice in the area of data protection.

The data protection adviser applies a risk-based approach to identifying areas to review. The areas form part of an annual plan approved by the Board of Directors.

The data protection adviser reports directly to the Executive Board and Board of Directors. Reports are made every six months.

#### 5.4.8. Outsourcing

Over the course of 2024, the Bank strengthened its framework and business procedures for identifying outsourcing risks.

Enhanced focus on the area is to help identify and manage risks arising from the activities outsourced to a third party. This will help strengthen the future processing of the activities and improve the decision-making basis when entering into agreements with third parties. Reports are made twice a year to the Executive Board and the Board of Directors on the Bank's use of critical/important outsourcing and sub-outsourcing, including suppliers and sub-suppliers providing services relating thereto. The reports include information on risk developments in this area. Once a year, a report is prepared for the Executive Board on all outsourcing activities in the Bank.

The responsibility for the report on the Bank's use of outsourcing to the Board of Directors and Executive Board lies with the Outsourcing Officer appointed by the Executive Board.

#### 5.4.9. Products and services

Risks associated with the implementation of new products and services are identified and assessed according to internal procedures prior to final approval by the Executive Board and/or Board of Directors.



Risk assessments and statements by selected consultation partners, including statements from the Finance Department, AML, ESG, the risk management function and the compliance function, help ensure comprehensive insight into the risks faced by the Bank and its customers. The risk management function and the compliance function must at all times be able to demand that a change to an existing product be treated as a new product.

The approval procedures are described in the Bank's product policies for financial products and other bank products, respectively. The policies are reviewed annually by the risk committee, which recommends the policies for final approval by the Board of Directors.

Products which have been subjected to the internal approval procedures are regularly monitored and revisited at least every other year. If it turns out that a previous risk assessment of the Bank's and customers' risks is no longer accurate, the product will again be subjected to the internal approval procedure with a view to ensuring an accurate description of the Bank's and the customers' risks.

As part of the policy for financial products, a distribution strategy has been defined with the overall purpose of ensuring that the Bank distributes the right products to the right customers.

#### **5.4.10. Model risk**

Model risk is the operational risk of loss caused by erroneous model output. Model risk is an important and growing risk area in Spar Nord due to the need for effective, data-driven decisions.

At Spar Nord, the responsibility for the individual model lies with the business unit that either develops or is the primary user of the model. The risk management function, which is placed in the second line, is responsible for the classification and risk assessment of the model.

Model risk is reported twice a year to the Board of Directors, including the Risk Committee. The report summarises developments in Spar Nord's model risk.





## Section 6 - Other notes

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## 6.1. Transfer of financial assets

	2024 DKKm	2023 DKKm
<b>Carrying amount of transferred financial assets</b>		
Bonds in repo transactions	3,964	4,198
<b>Carrying amount of related financial liabilities</b>		
Due to credit institutions, repo transactions	3,866	4,154
Deposits and other payables, repo transactions	143	89
Interest payable	2	2
<b>Total</b>	<b>4,011</b>	<b>4,245</b>
<b>Net position</b>	<b>47</b>	<b>47</b>

### Accounting policies

Spar Nord has entered into agreements regarding the sale of securities as genuine sale and repo transactions. When it lends or sells securities subject to a repurchase agreement, Spar Nord receives cash or other financial assets upon the transfer of the securities to the counterparty. The counterparty is entitled to sell or repledge the securities lent or sold according to the repurchase agreements, but the counterparty is obliged to return the securities upon expiry of the contract. If the value of the securities increases or decreases, Spar Nord may make or receive a demand for payment of additional cash collateral in specific circumstances.

Spar Nord has decided that it will essentially retain all the risks and benefits attaching to these securities, and therefore it has not ceased recognising them. In addition, Spar Nord recognises a financial liability for the cash received as collateral.

Spar Nord has not entered into agreements regarding the sale of assets where such assets cease to be recognised in the balance sheet, but where the seller has continued involvement after the sale.

## 6.2. Collateral accepted

In connection with reverse repo transactions, collateral that can be sold or repledged pursuant to the terms of the appropriate agreement is accepted.

	2024 DKKm	2023 DKKm
<b>Reverse repo transactions</b>		
Collateral accepted that can be repledged or sold	15,629	13,716
Of which, repledged or sold	1,947	4,242

## 6.3. Collateral provided and encumbered assets

	2024 DKKm	2023 DKKm
<b>Collateral provided through clearing systems, with central counterparties and other infrastructure institutions:</b>		
Deposits, clearing	179	153
Collateral provided for the market value of derivatives transactions	241	254
Positive market value of derivative contracts subject to netting	131	249
Collateral provided as part of repo transactions	3,964	4,198
<b>Total</b>	<b>4,515</b>	<b>4,855</b>

Assets are treated as encumbered if they have been provided as collateral or if they are subject to any agreement to secure, act as collateral for or improve the credit quality of any on- or off-balance-sheet transaction from which they cannot be freely withdrawn. Assets that have been provided as collateral and are subject to restrictions as concerns withdrawal, e.g. assets for which prior approval is required to withdraw or replace them with other assets, are considered to be encumbered.

Assets placed in unutilised facilities and which can be freely withdrawn are not considered to be encumbered.

Securities sold as part of sale and repurchase agreements (repo transactions) remain in the balance sheet. The counterparty is entitled to sell the securities or deposit them as collateral for other loans. Assets deposited as collateral for own liabilities towards Danmarks Nationalbank (the central bank), Danish and foreign clearing centres and banks with which the Bank has concluded CSA agreements are all based on standard agreements customarily used by financial market participants.



## 6.4. Offsetting financial assets and financial liabilities

	Recognised gross DKKm	Offset DKKm	Net amount recognised in the balance sheet DKKm	Related amounts not offset in the balance sheet		
				Financial collateral DKKm	Cash collateral DKKm	Net amount DKKm
<b>2024</b>						
<b>Financial assets</b>						
Derivatives	891	581	311	131	21	159
Reverse repo transactions	15,247	0	15,247	15,629	0	-382
<b>Total</b>	<b>16,138</b>	<b>581</b>	<b>15,558</b>	<b>15,760</b>	<b>21</b>	<b>-223</b>
<b>Financial liabilities</b>						
Derivatives	853	409	444	131	241	72
Repo transactions	4,009	0	4,009	4,035	-	-26
<b>Total</b>	<b>4,862</b>	<b>409</b>	<b>4,453</b>	<b>4,165</b>	<b>241</b>	<b>46</b>
<b>2023</b>						
<b>Financial assets</b>						
Derivatives	1,316	851	465	249	101	115
Reverse repo transactions	13,309	0	13,309	13,716	-	-407
<b>Total</b>	<b>14,626</b>	<b>851</b>	<b>13,775</b>	<b>13,965</b>	<b>101</b>	<b>-291</b>
<b>Financial liabilities</b>						
Derivatives	1,058	523	536	249	254	33
Repo transactions	4,243	0	4,243	4,243	-	0
<b>Total</b>	<b>5,301</b>	<b>523</b>	<b>4,778</b>	<b>4,492</b>	<b>254</b>	<b>32</b>

In the balance sheet, reverse repo transactions are classified as Due from credit institutions and central banks or as Loans, advances and other receivables at amortised cost. Repo transactions are classified as Due to credit institutions and central banks or as Deposits and other payables in the balance sheet.

Repo transactions and reverse repo transactions are recognised in the balance sheet on a gross basis; see notes 6.1 and 6.2.

### Accounting policies

Assets and liabilities are offset when Spar Nord and the counterparty have a legal right to offset, while at the same time having agreed to make a net settlement or realise the asset and redeem the liability at the same time. Positive and negative fair values of derivatives with the same counterparty are offset if the parties have agreed to make a net settlement of the contractual payments, and if cash payment or provision of collateral for changes in the fair value takes place on a daily basis.

Master netting agreements and corresponding agreements provide a further right to offset when a counterparty is in default, which additionally reduces the exposure to a counterparty in default, but this does not meet the criteria for offsetting for accounting purposes according to IFRS.



## 6.5. Hedge accounting

### 6.5.1. Hedging of fair values

	Carrying amount DKKm	Fair value DKKm	Nominal value DKKm
<b>2024</b>			
<b>Liabilities</b>			
Issued bonds at amortised cost, see note 4.8	5,212	5,227	5,248
<b>Interest risk-hedging financial instruments</b>			
Derivatives (swap contracts)	-21	-21	5,248
	<b>Within 1 year DKKm</b>	<b>1- 5 years DKKm</b>	<b>Over 5 years DKKm</b>
<b>Shown by term to maturity</b>			
Nominal value of issued bonds at amortised cost	598	4,335	315
Interest risk-hedging financial instruments, derivatives (synthetic principal)	598	4,335	315
	Carrying amount DKKm	Fair value DKKm	Nominal value DKKm
<b>2023</b>			
<b>Liabilities</b>			
Issued bonds at amortised cost, see note 4.8	3,807	3,825	3,859
<b>Interest risk-hedging financial instruments</b>			
Derivatives (swap contracts)	-34	-34	3,859
	<b>Within 1 year DKKm</b>	<b>1- 5 years DKKm</b>	<b>Over 5 years DKKm</b>
<b>Shown by term to maturity</b>			
Nominal value of issued bonds at amortised cost	400	3,127	332
Interest risk-hedging financial instruments, derivatives (synthetic principal)	400	3,127	332

The table below shows the value adjustment of hedged assets and liabilities and hedging derivatives recognised under market value adjustments.

	2024 DKKm	2023 DKKm
<b>Hedging of fixed-interest assets and liabilities</b>		
Hedging of issued bonds	21	34
Hedging derivatives	-21	-34
<b>Impact on profit/loss</b>	<b>0</b>	<b>0</b>

### 6.5.2. Hedging of cash flows

Spar Nord pursues a strategy of mitigating the interest rate and foreign exchange risk on its strategic funding and individual loans with significant interest rate risk either by using the interest rate risk from strategic funding to hedge the interest rate risk on fixed-rate agreements in other business areas outside the Trading Division or, secondarily, to hedge the interest rate risk on capital issues using derivatives and applying the rules on hedge accounting.

The Bank assesses the potential hedging of interest rate risk in connection with each loan, partly to ensure that the Bank hedges fixed-rate agreements outside the Trading Division, and partly to avoid unnecessary interest rate exposure on its strategic funding and individual loans with significant interest rate risk.

Financial liabilities meeting the criteria for hedged items are regularly monitored. For issued bonds at amortised cost/fair value, hedging is made at the time of issuance with an interest rate swap with the same yield/maturity profile. The Bank also hedges foreign exchange risk and the risk of developments in the difference between the variable rate (spread) between DKK and the foreign currency for issued bonds and subordinated debt using derivatives.

Developments in the fair value of derivatives related to the basis spread rate between DKK and currencies with variable rate are recognised according to the rules on cash flow hedging.

The effectiveness of such hedging is measured on a continuing basis, and no material ineffectiveness was found in 2024 and 2023 as the same nominal values, maturities and reference rates apply to the hedged item and the hedge instrument and an insignificant credit risk.



	Carrying amount DKKm	Fair value DKKm	Nominal value DKKm
<b>2024</b>			
<b>Liabilities</b>			
Issued bonds at amortised cost, see note 4.8	8,834	8,855	8,873
<b>Interest risk-hedging financial instruments</b>			
Derivatives (swap contracts)	210	210	9,111
<b>2023</b>			
<b>Liabilities</b>			
Issued bonds at amortised cost, see note 4.8	6,529	6,549	6,564
<b>Interest risk-hedging financial instruments</b>			
Derivatives (swap contracts)	37	37	6,592

	2024 DKKm	2023 DKKm
<b>Hedge instrument</b>		
Currency swap, NOK/DKK, SEK/DKK og EUR/DKK		
Nominal principal	9,111	6,592
Carrying amount	210	37
Other assets	22	98
Other liabilities	232	135
<b>Reserve from hedging of cash flows</b>		
Reserve from hedging of cash flows, 1 January	-13	-23
Loss or gain from hedging recognised in other comprehensive income (continuing hedging activity)	32	10
Amount reclassified to the income statement, market value adjustment of financial instruments for non-continuing hedging activity	0	0
<b>Reserve from hedging of cash flows before tax</b>	<b>19</b>	<b>-13</b>
Tax, 1 January	2	5
Tax, movements during the year	-8	-2
<b>Reserve from hedging of cash flows, year-end, after tax</b>	<b>13</b>	<b>-10</b>

Maturity profile and average price of hedging instruments	Principal 2024 DKKm	Price 2024	Principal 2023 DKKm	Price 2023
<b>NOK/DKK</b>				
< 1 year	613	0.6451	605	0.6368
1- 5 years	2,115	0.6880	2,109	0.6861
Over 5 years	316	0.6317	332	0.6635
<b>SEK/DKK</b>				
< 1 year	516	0.6455	521	0.6518
1- 5 years	1,636	0.6678	975	0.6724
Over 5 years	0	-	0	-
<b>EUR/DKK</b>				
< 1 year	0	-	0	-
1- 5 years	3,915	7.4569	2,050	7.4554
Over 5 years	0	-	0	-



## Accounting policies

### Fair value hedging

Spar Nord uses derivative financial instruments to hedge the interest rate risk on fixed-rate assets and liabilities (fair value hedge) measured at amortised cost. Such hedging derivatives are measured at fair value through profit or loss.

When the hedge accounting criteria are fulfilled, the carrying amount of the hedged assets and liabilities is adjusted for changes in fair value regarding the hedged risks (fair value hedge).

If the hedging criteria are no longer met, fair value adjustment is discontinued, and amortisation is based on the fair value immediately prior to the use of the hedging rules.

### Cash flow hedging

Spar Nord uses derivative financial instruments to hedge cash flows (cash flow hedge) based on variable interest rates in foreign currency against cash flows based on variable interest rates in DKK. The risk that is hedged is the risk of changes in future cash flows caused by a change in the interest rate spread between the foreign currency and DKK. Such hedging instruments are measured at fair value, and value changes are recognised in equity through other comprehensive income except for the ineffective portion of the cash flow hedge, which is recognised immediately in the income statement. When the hedged transactions are made, the accumulated changes are transferred from equity through other comprehensive income to the income statement.

If the hedging criteria are no longer met, fair value adjustment in equity is discontinued, and the reserve in equity is amortised over the remaining term of the loan. In this way, any hedge reserve is recognised in profit/loss under interest in an ongoing process. If the discontinued fair value adjustment results from repayment of the loan, the reserve will immediately be recognised in profit/loss.



## 6.6. Off-balance sheet items

### 6.6.1. Contingent assets

	2024 DKKm	2023 DKKm
Unrecognised tax assets, see note 3.12	35	34

For further information on legal proceedings and disputes, see note 6.7.

#### Accounting policies

Contingent assets and liabilities consist of possible assets and liabilities arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of Spar Nord.

Contingent assets are disclosed when an inflow of economic benefits is probable.

Contingent liabilities are disclosed when an outflow of economic resources from Spar Nord is possible but not probable.

Disclosure also includes current liabilities which have not been recognised because it is not probable that the liability will entail an outflow of economic resources from Spar Nord or where the liability cannot be reliably measured.

### 6.6.2. Contingent liabilities

	2024 DKKm	2023 DKKm
Guarantees	11,038	9,702
Other binding commitments	1,180	1,109
<b>Total contingent liabilities</b>	<b>12,217</b>	<b>10,811</b>
<b>Guarantees</b>		
Financial guarantees	5,666	3,488
Loss guarantees for mortgage loans	2,872	3,841
Registration and refinancing guarantees	1,796	1,728
Other contingent liabilities	703	645
<b>Total guarantees</b>	<b>11,038</b>	<b>9,702</b>

Financial guarantees largely consist of payment guarantees.

Loss guarantees for mortgage loans have been granted for the highest-risk portion of mortgage loans to personal customers and on business properties. There is a full right of set-off against future income concerning Totalkredit and DLR.

Registration and refinancing guarantees are furnished in connection with Land Registry processing upon the arrangement and refinancing of mortgage loans.

Other contingent liabilities relate mainly to performance bonds and letters of credit.

Reference is made to note 2.7 regarding the Executive Board's notice of termination and the associated compensation.

Spar Nord is taxed jointly with its Danish subsidiary in the Spar Nord Group. As management company, Spar Nord has unlimited, joint and several liability together with the subsidiary for the Danish corporate income tax payable. Due to the payment of tax on account, no tax was payable at 31.12.2024 and 31.12.2023. The corporate income tax receivable within the tax pool amounted to DKK 88 million at 31.12.2024 (31.12.2023: DKK 70 million). Any adjustments to the taxable income subject to joint taxation might entail an increase in the Parent Company's liability.

For further information on legal proceedings, see note 6.7.

The Bank participates in the national restructuring and resolution scheme, with separate contributions being paid to the Guarantee Fund and the Resolution Fund.

The Guarantee Fund covers depositors' eligible deposits in the Bank under EUR 100,000 (see section 9(1) of the Danish Act on a Depositor and Investor Guarantee Scheme). The Bank's costs for the Guarantee Fund are calculated based on the Bank's pro-rata share. The amount of the contribution will be adjusted by an individual risk factor. The Bank made no contributions to the Guarantee Fund in 2024, as the Guarantee Fund's assets exceed its target level of 0.8% of the covered deposits in the sector. The Bank may be required to pay contributions in future if the Guarantee Fund's assets fall below 0.8% of the covered deposits in the sector.

The Resolution Fund is to be used pursuant to the Act on Restructuring and Resolution of Certain Financial Enterprises for the purpose of covering the associated costs.

The Bank's costs for the Resolution Fund are calculated based on the Bank's pro-rata share of the sector's total equity and liabilities less own funds and covered deposits. This contribution will also be adjusted by an individually determined risk factor. The Bank's contribution to the Resolution Fund for 2024 amounted to DKK 19 million (2023: DKK 18 million).

The amount of the contingent liabilities and the possible due dates are subject to uncertainty, for which reason this information has not been disclosed.



Other binding commitments	2024 DKKm	2023 DKKm
Data-processing centre	1,169	1,097
Lease liabilities, Spar Nord as lessee	7	0
Other	4	12
<b>Other binding commitments, total</b>	<b>1,180</b>	<b>1,109</b>

### Data-processing centre

Spar Nord has entered into an agreement with BEC Financial Technologies a.m.b.a. regarding the provision of IT services.

Spar Nord's membership of BEC Financial Technologies a.m.b.a. means that in case of termination of the Bank's membership, it is liable to pay an exit fee.

In addition, a capital contribution to BEC Financial Technologies a.m.b.a. has been recognised under Other assets.

The Spar Nord Group has no other significant binding agreements.

### Lease liabilities, Spar Nord as lessee

The lease liabilities below concern leases concluded at the balance sheet date but for which the lease asset has not yet been made available.

Reference is also made to note 3.7.1, domicile properties, leasing, and note 3.11.1, lease liabilities.

Maturity distribution of minimum lease payments	2024 DKKm	2023 DKKm
Up to 1 year	1	0
1 - 5 years	4	0
Over 5 years	2	0
<b>Total operating lease liabilities</b>	<b>7</b>	<b>0</b>

Spar Nord has not entered into material finance leases as a lessee.

### Fixed-price power purchase agreement.

From 2023, Spar Nord has entered into a power purchase agreement (PPA) to purchase electricity for ten years.

The agreement with the parties is a bilateral agreement concerning the purchase and delivery of electricity, which means the power purchase agreement does not entail that Spar Nord recognises its value as a financial asset in the balance sheet.

Spar Nord recognises recurring costs of electricity in the income statement as an operating cost.

## 6.7. Legal proceedings

Spar Nord is party to a number of legal proceedings and disputes. The expected impact on the Group's financial position is assessed in an ongoing process, including the recognition of any provisions or assets.

Pending lawsuits are not expected to have a material influence on the Group's financial position.





## 6.8. Related parties

Related parties with significant influence are shareholders with holdings exceeding 20% of Spar Nord Bank A/S, or where significant influence is otherwise considered to exist.

Commitments and transactions with members of the Board of Directors and Executive Board comprise personal commitments of such parties and of their related parties.

Related party transactions are settled on market terms.

No transactions were concluded during the year with members of the Board of Directors, the Executive Board or executive staff members, other than transactions involving salary, remuneration, etc., securities trading and loans and provision of collateral.

More details regarding the remuneration of the Board of Directors, the Executive Board and executive staff members appear from note 2.7.

Employee-elected directors are eligible for bank staff loans/credits. Credit card balances are interest free for the Bank's customers, as well as for the Executive Board and Board of Directors.

The respective shareholdings of the Executive Board and the Board of Directors are shown in note 6.9.

Related party transactions, including credit facilities, are concluded on an arm's length basis.

There were no credit-impaired exposures with related parties.

Related parties holding at least 5% of the Bank's share capital at end-2023 comprised Nykredit Realkredit A/S with a holding at 31 December 2024 of 27.8% (2023: 19.1%) and Spar Nord Fonden with a holding of 20.3% (2023: 19.8%). For registered offices, see [sparnord.com/share](https://sparnord.com/share).

The figures above do not include any bonds issued by Spar Nord that rank as debt, subordinated debt or additional tier 1 (AT1) capital, as such bonds are bearer securities. In such cases, Spar Nord Bank does not know the identity of the creditors. Spar Nord Bank shares may be registered in the name of the holder.

	Parties with significant influence		Associates		Board of Directors		Executive Board	
	2024	2023	2024	2023	2024	2023	2024	2023
	DKKm	DKKm	DKKm	DKKm	DKKm	DKKm	DKKm	DKKm
Granted loans and loan commitments	50	50	11	11	18	22	5	8
Deposits	2	1	33	19	32	29	9	7
Guarantees issued	-	-	-	-	0	-	-	-
Other binding commitments	-	-	-	-	13	15	-	-
Collateral accepted	259	101	-	-	5	4	5	3
Interest income	0	0	0	0	0	0	0	0
Interest expenses	0	0	0	0	0	0	0	0
Fees, charges and commissions received	1	1	0	0	1	1	0	0
Dividends received from equity investments	-	-	38	23	-	-	-	-
Other income	2	1	-	-	-	-	-	-
Other expenses	0	0	0	0	0	0	0	0
Dividends paid	239	107	-	-	1	0	2	1

	Board of Directors		Executive Board	
	2024	2023	2024	2023
	DKKm	DKKm	DKKm	DKKm
Granted loans and advances	9	10	5	8
Unutilised loan and guarantee commitments	9	12	0	0
Guarantees issued	0	-	0	-
<b>Total granted loans and advances, loan commitments and guarantees</b>	<b>18</b>	<b>22</b>	<b>5</b>	<b>8</b>
Interest rate, loans (%)	2.50 - 6.45	3.75 - 8.80	2.50 - 7.90	3.75 - 5.66



## 6.9. Spar Nord shares held by management

	2024 No. of shares	2023 No. of shares
<b>Board of Directors</b>		
Kjeld Johannesen	80,000	80,000
Per Nikolaj Bukh	31,800	31,800
Lene Aaen (stepped down on 19.03.2024)	-	5,090
Rikke Marie Christiansen (joined on 19.03.2024)	3,352	-
Morten Bach Gaardboe	9,435	7,505
Gitte Holmgaard (joined on 19.03.2024)	2,847	-
Lisa Lund Holst	350	200
Mette Kaagaard (joined on 19.03.2024)	0	-
Henrik Sjøgreen	33,500	18,500
Jannie Skovsen	0	0
Michael Lundgaard Thomsen	200	0
Kim Østergaard (stepped down on 19.03.2024)	-	2,385
<b>Executive Board</b>		
Lasse Nyby	82,451	83,902
Carsten Levring Jakobsen (joined on 01.04.2023)	11,585	6,376
John Lundsgaard	110,919	118,609
Martin Kudsk Rasmussen	19,417	15,077

## 6.10. Events after the balance sheet date

On 8 January 2025, Nykredit Realkredit A/S submitted a recommended voluntary public takeover offer to acquire all shares in Spar Nord Bank (with the exception of Spar Nord Bank's holding of treasury shares). Nykredit Realkredit A/S offers DKK 210 cash per share.

No other significant events have occurred after 31.12.2024.

## 6.11. Overview of group companies

	Activity	Share capital, year-end DKKm	Equity, year-end DKKm	Profit/loss for the year DKKm	Ownership interest %
Spar Nord Bank A/S	Banking	1,177	14,628	2,221	-
<b>Subsidiary</b>					
Aktieselskabet Skelagervej 15, Aalborg	Properties	27	253	15	100



## 6.12. Performance indicators and financial ratios (Danish FSA's layout and ratio system)

	2024 DKK m	2023 DKK m	2022 DKK m	2021 DKK m	2020 DKK m	
<b>Performance indicators</b>						
<b>Income statement</b>						
Net interest and fee income	5,196	5,113	3,813	3,356	2,882	
Market value adjustments	277	370	211	329	374	
Staff costs and administrative expenses	2,667	2,438	2,224	2,125	2,000	
Impairment of loans, advances and receivables etc.	-25	-33	78	-120	309	
Income from investments in associates	146	107	75	91	29	
Profit/loss for the year	2,222	2,421	1,417	1,368	737	
<b>Balance sheet</b>						
Lending	76,180	69,366	65,806	61,936	52,312	
Equity	14,628	13,979	12,469	11,924	10,390	
Total assets	143,785	134,896	123,936	116,535	102,077	
<b>Financial ratios</b>						
<b>Own funds</b>						
Own funds ratio	22.9	22.3	20.9	20.8	21.0	
Tier 1 capital ratio	20.6	19.7	18.4	18.3	18.6	
<b>Earnings</b>						
Return on equity before tax	%	20.3	23.7	14.2	15.2	9.1
Return on equity after tax	%	15.5	18.3	11.6	12.3	7.3
Income/cost ratio		2.06	2.25	1.73	1.80	1.38
Return on assets	%	1.5	1.8	1.1	1.2	0.7

	2024 DKK m	2023 DKK m	2022 DKK m	2021 DKK m	2020 DKK m	
<b>Market risk and liquidity</b>						
Interest rate risk	%	1.1	0.3	0.5	0.9	1.1
Foreign exchange position	%	0.5	0.4	0.6	0.7	0.9
Foreign exchange risk	%	0.1	0.1	0.1	0.1	0.1
Liquidity Coverage Ratio (LCR)	%	289	246	211	280	241
Loans and advances plus impairment as % of deposits	%	73.9	71.6	71.3	71.1	68.4
<b>Credit risk</b>						
Loans and advances relative to equity		5.2	5.0	5.3	5.2	5.0
Increase in loans and advances for the year	%	7.3	4.0	12.7	15.5	-1.5
Sum of large exposures	%	68.2	79.4	83.8	81.7	78.1
Impairment ratio for the year		0.0	0.0	0.1	-0.1	0.4
<b>The Spar Nord Bank share</b>						
<b>DKK per share of DKK 10</b>						
Profit/loss for the year		19.1	20.3	11.6	11.1	6.0
Net asset value (NAV)		117	109	93	87	78
Dividend		0.0	10.0	4.5	2.5 *)	1.5
Share price/profit/loss for the period		10.8	5.3	9.2	7.5	10.0
Share price/NAV		1.8	1.0	1.1	1.2	0.8

\*) In addition to the proposed distribution of ordinary dividends of DKK 2.5 per share, the Board of Directors exercised its authority to distribute an additional DKK 2.5 per share regarding the 2021 financial year before the end of the first half-year of 2022.

### Accounting policies

Definitions of financial ratios are found on page 264.

# Parent company financial statements



## Income statement

Note		2024 DKKm	2023 DKKm
7.2	Interest income	5,320	4,647
7.3	Interest expenses	1,801	1,113
	<b>Net interest income</b>	<b>3,519</b>	<b>3,534</b>
	Dividends on shares, etc.	116	82
7.4	Fees, charges and commissions received	1,782	1,679
7.4	Fees, charges and commissions paid	225	186
	<b>Net interest and fee income</b>	<b>5,193</b>	<b>5,109</b>
7.5	Market value adjustments	276	369
	Other operating income	37	41
7.6	Staff costs and administrative expenses	2,674	2,446
	Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	89	92
	Other operating expenses	19	19
7.23	Impairment of loans, advances and receivables etc.	-25	-33
	Income from investments in associates and group enterprises	161	139
	<b>Profit/loss before tax</b>	<b>2,910</b>	<b>3,136</b>
7.7	Tax	689	716
	<b>Profit/loss for the year</b>	<b>2,221</b>	<b>2,420</b>
	Appropriation:		
	The shareholders of the Parent Company Spar Nord Bank A/S	2,174	2,373
	Holders of additional tier 1 (AT1) capital instruments	47	47
	<b>Profit/loss for the year</b>	<b>2,221</b>	<b>2,420</b>
	Proposed dividend DKK 0.0 per share (2023: DKK 10.0)	0	1,205
	Reserve for net revaluation according to the equity method	161	139
	Retained earnings	2,013	1,030
	<b>Total distribution</b>	<b>2,174</b>	<b>2,373</b>

## Statement of comprehensive income

Note		2024 DKKm	2023 DKKm
	<b>Profit/loss for the year</b>	<b>2,221</b>	<b>2,420</b>
	<b>Other comprehensive income</b>		
	<b>Items that cannot be reclassified to the income statement:</b>		
	Adjustment relating to associates	4	0
	Net revaluation of domicile property	24	6
	<b>Items that can later be reclassified to the income statement</b>		
	Adjustment regarding cash flows hedging	24	7
	<b>Other comprehensive income after tax</b>	<b>51</b>	<b>14</b>
	<b>Total comprehensive income</b>	<b>2,272</b>	<b>2,434</b>
	Appropriation:		
	The shareholders of the Parent Company Spar Nord Bank A/S	2,225	2,387
	Holders of additional tier 1 (AT1) capital instruments	47	47
	<b>Total comprehensive income</b>	<b>2,272</b>	<b>2,434</b>



## Balance sheet

Note	Assets	2024 DKKk	2023 DKKk
	Cash balances and demand deposits with central banks	865	218
7.8	Due from credit institutions and central banks	1,475	2,201
7.9	Loans, advances and other receivables at amortised cost	76,180	69,366
7.10	Bonds at fair value	31,346	32,505
7.11	Shares, etc.	1,776	1,745
	Investments in associates	1,094	973
	Investments in group enterprises	253	338
7.14	Assets linked to pooled schemes	27,933	24,733
	Intangible assets	416	419
7.12	<b>Land and buildings, total</b>	<b>609</b>	<b>591</b>
7.12.1	Investment properties	45	33
7.12.2	Domicile properties	400	392
7.12.3	Domicile properties, leasing	164	165
7.13	Other property, plant and equipment	108	120
	Current tax assets	90	74
7.18	Deferred tax assets	0	0
	Temporary assets	34	2
	Other assets	1,601	1,684
	Prepayments and deferred income	149	135
	<b>Total assets</b>	<b>143,928</b>	<b>135,104</b>

Note	Equity and liabilities	2024 DKKk	2023 DKKk
7.15	Due to credit institutions and central banks	6,840	5,006
7.16	Deposits and other payables	77,472	74,605
7.14	Deposits in pooled schemes	27,933	24,733
7.17	Issued bonds at amortised cost	9,134	9,307
	Other non-derivative financial liabilities at fair value	1,435	1,936
	Other liabilities	4,355	3,671
	Prepayments and deferred income	97	110
	<b>Total payables</b>	<b>127,265</b>	<b>119,368</b>
7.18	Provisions for deferred tax	389	76
	Provision for losses on guarantees	16	23
	Other provisions	42	64
	<b>Total provisions</b>	<b>448</b>	<b>163</b>
7.19	Subordinated debt	1,588	1,593
	<b>Total liabilities</b>	<b>129,300</b>	<b>121,124</b>
	Share capital	1,177	1,205
	Revaluation reserves	135	111
	Statutory reserves	13	-10
	Retained earnings	12,101	10,267
	Proposed dividend	0	1,205
	<b>Shareholders' equity</b>	<b>13,426</b>	<b>12,777</b>
	Holders of additional tier 1 (AT1) capital instruments	1,202	1,202
	<b>Total equity</b>	<b>14,628</b>	<b>13,979</b>
	<b>Total equity and liabilities</b>	<b>143,928</b>	<b>135,104</b>
	<b>Off-balance sheet items</b>		
	Contingent assets	33	32
7.20	Contingent liabilities	11,038	9,702
7.21	Other binding commitments	1,180	1,109



## Statement of changes in equity

	Share capital DKKm	Revaluation reserve DKKm	Statutory reserves DKKm	Cash flow hedging DKKm	Retained earnings DKKm	Proposed dividend DKKm	Shareholders of Spar Nord Bank A/S DKKm	Additional tier 1 capital DKKm	Total equity DKKm
Equity at 31.12.2023	1,205	111	0	-10	10,267	1,205	12,777	1,202	13,979
<b>Comprehensive income in 2024</b>									
Profit/loss for the year	-	-	161	-	2,013	0	2,174	47	2,221
<b>Other comprehensive income</b>									
Adjustment relating to associates	-	-	-146	-	150	-	4	-	4
Adjustment relating to group enterprises	-	-	-15	-	15	-	0	-	0
Net revaluation of properties	-	24	-	-	-	-	24	-	24
Adjustment regarding cash flows hedging	-	-	-	24	-	-	24	-	24
<b>Other comprehensive income, total</b>	<b>0</b>	<b>24</b>	<b>-161</b>	<b>24</b>	<b>165</b>	<b>0</b>	<b>51</b>	<b>0</b>	<b>51</b>
<b>Total comprehensive income</b>	<b>0</b>	<b>24</b>	<b>0</b>	<b>24</b>	<b>2,178</b>	<b>0</b>	<b>2,225</b>	<b>47</b>	<b>2,272</b>
<b>Transactions with owners</b>									
Interest paid on additional tier 1 (AT1) capital	-	-	-	-	-	-	-	-47	-47
Reduction of share capital, net transaction costs	-28	-	-	-	27	-	-1	-	-1
Dividends paid	-	-	-	-	-	-1,205	-1,205	-	-1,205
Dividends received, treasury shares	-	-	-	-	34	-	34	-	34
Disposal upon acquisition of treasury shares and additional tier 1 (AT1) capital	-	-	-	-	-1,294	-	-1,294	-	-1,294
Addition upon sale of treasury shares and additional tier 1 (AT1) capital	-	-	-	-	889	-	889	0	889
<b>Transactions with owners and other adjustments, total</b>	<b>-28</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-344</b>	<b>-1,205</b>	<b>-1,576</b>	<b>-47</b>	<b>-1,623</b>
<b>Equity at 31.12.2024</b>	<b>1,177</b>	<b>135</b>	<b>0</b>	<b>13</b>	<b>12,101</b>	<b>0</b>	<b>13,426</b>	<b>1,202</b>	<b>14,628</b>



	Share capital DKKm	Revaluation reserve DKKm	Statutory reserves DKKm	Cash flow hedging DKKm	Retained earnings DKKm	Proposed dividend DKKm	Shareholders of Spar Nord Bank A/S DKKm	Additional tier 1 capital DKKm	Total equity DKKm
Equity at 31.12.2022	1,230	105	0	-18	9,399	554	11,270	1,199	12,469
<b>Comprehensive income in 2023</b>									
Profit/loss for the year	-	-	139	-	1,030	1,205	2,373	47	2,420
<b>Other comprehensive income</b>									
Adjustment relating to associates	-	-	-97	-	97	-	0	-	0
Adjustment relating to group enterprises	-	-	-31	-	31	-	0	-	0
Net revaluation of properties	-	6	-	-	-	-	6	-	6
Adjustment regarding cash flows hedging	-	-	-	7	-	-	7	-	7
<b>Other comprehensive income, total</b>	<b>0</b>	<b>6</b>	<b>-129</b>	<b>7</b>	<b>129</b>	<b>0</b>	<b>14</b>	<b>0</b>	<b>14</b>
<b>Total comprehensive income</b>	<b>0</b>	<b>6</b>	<b>10</b>	<b>7</b>	<b>1,158</b>	<b>1,205</b>	<b>2,387</b>	<b>47</b>	<b>2,434</b>
<b>Other adjustments</b>									
Adjustment re. associates, cost of cap. incr.	-	-	-10	-	-	-	-10	-	-10
<b>Transactions with owners</b>									
Interest paid on additional tier 1 (AT1) capital	-	-	-	-	-	-	-	-47	-47
Reduction of share capital, net transaction costs	-25	-	-	-	24	-	-1	-	-1
Dividends paid	-	-	-	-	-	-554	-554	-	-554
Dividends received, treasury shares	-	-	-	-	13	-	13	-	13
Disposal upon acquisition of treasury shares and additional tier 1 (AT1) capital	-	-	-	-	-840	-	-840	-	-840
Addition upon sale of treasury shares and additional tier 1 (AT1) capital	-	-	-	-	512	-	512	3	515
<b>Transactions with owners and other adjustments, total</b>	<b>-25</b>	<b>0</b>	<b>-10</b>	<b>0</b>	<b>-291</b>	<b>-554</b>	<b>-879</b>	<b>-44</b>	<b>-923</b>
<b>Equity at 31.12.2023</b>	<b>1,205</b>	<b>111</b>	<b>0</b>	<b>-10</b>	<b>10,267</b>	<b>1,205</b>	<b>12,777</b>	<b>1,202</b>	<b>13,979</b>

At the end of 2024, the share capital was made up of 117,702,031 shares of DKK 10 each (2023: 120,466,626 shares of DKK 10 each). The Bank has only one share class.

No shares carry any special rights. No shares are subject to restrictions on transferability or voting rights.

Spar Nord has launched a share buyback programme for up to DKK 500 million, which will be completed during the period from 12 February 2024 to 31 January 2025. With reference to Nykredit's publication on 10 December 2024 of an all-cash voluntary takeover offer for Spar Nord Bank, Spar Nord's Board of Directors decided to stop the ongoing share buyback programme. In the period until 10 December 2024, Spar Nord bought back shares for a value of DKK 423 million (3,307,246 shares).

On 25 April 2024, the share capital was reduced by nominally DKK 27,645,950 through the cancellation of 2,764,595 shares from the Bank's portfolio of treasury shares acquired under the Bank's share buyback programme in the period from 13 February 2023 to 31 January 2024.

Net transaction costs relating to the share buyback programme amount to DKK 0.6 million (2023: DKK 1.2 million).



## Capital position

	2024	2023
<b>Treasury shares</b>		
<b>Treasury share portfolio</b>		
Number of shares, trading book	6,206	120,706
Share buyback programme no. of shares	3,307,246	2,678,100
Nominal value, DKKm	33	28
Fair value, DKKm	683	298
Percentage of share capital	2.8	2.3
<b>Treasury share portfolio, fair value, DKKm</b>		
Portfolio, beginning of year	298	244
Share buyback programme (15 June 2022 to 31 January 2023)	-	-225
Share buyback programme (13 February 2023 to 31 January 2024)	-300	290
Share buyback programme (12 February 2023 to 10 December 2024)	423	-
Acquisition of treasury shares	872	550
Sale of treasury shares	889	512
Market value adjustments	279	-49
<b>Portfolio, end of year</b>	<b>683</b>	<b>298</b>

	2024 DKKm	2023 DKKm
<b>Own funds</b>		
Equity	14,628	13,979
Phasing in of IFRS 9	83	199
Additional tier 1 capital recognised in equity	1,202	1,202
Proposed dividend	0	1,205
Intangible assets	323	329
Share buybacks, non-utilised portion	0	10
Deductions for NPE (Non Performing Exposures)	169	183
Other primary deductions	56	60
Deduction - Holdings of insignificant CET1 instruments	0	0
Deduction - Holdings of significant CET1 instruments	464	500
<b>Common equity tier 1 capital</b>	<b>12,496</b>	<b>10,691</b>
Additional tier 1 (ATI) capital *)	1,195	1,173
Other deductions	0	0
<b>Tier 1 capital</b>	<b>13,691</b>	<b>11,864</b>
Subordinated debt, excl. Additional Tier 1 (ATI) capital *)	1,577	1,578
Other deductions	0	0
<b>Own funds</b>	<b>15,269</b>	<b>13,442</b>
Weighted risk exposure amount, credit risk etc.	54,365	49,767
Weighted risk exposure amount, market risk	4,296	3,958
Weighted risk exposure amount, operational risk	8,050	6,834
<b>Total risk exposure amount</b>	<b>66,711</b>	<b>60,558</b>
Common equity tier 1 capital ratio	18.7	17.7
Tier 1 capital ratio	20.5	19.6
Own funds ratio	22.9	22.2

\*) Limit for holding of own issues has been deducted.

## Section 7 - Notes parent company

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## 7.1. Accounting policies

### Accounting policies

The financial statements of the Parent Company Spar Nord Bank A/S have been prepared in accordance with the provisions of the Danish Financial Business Act, including the Danish FSA's Executive Order on financial reports presented by credit institutions and investment companies (Executive Order on the presentation of financial statements).

The Parent Company's accounting policies are identical to those of the Group, except that properties classified as investment properties in subsidiaries are classified as domicile properties in the Group.

For a description of accounting policies and changes thereto, please see accounting policies in the notes to the consolidated financial statements.

The following table shows, for material supplementary items, a reference to the identical or, in all material respects, identical note in the consolidated financial statements.

Accounting item in parent company	Note in consolidated financial statements
Investments in associates	3.4
Intangible assets	3.6
Other assets	3.8
Other non-derivative financial liabilities at fair value	3.3.3
Other liabilities	3.11

Investments in group enterprises are recognised and measured at the proportionate share of the net asset value (NAV) on the balance sheet date plus the carrying amount of acquired goodwill.

The difference between the equity and profit or loss in the Group and in the Parent Company is due to properties being classified as investment properties in subsidiaries and as domicile properties in the Group. The difference consists of net depreciation and impairment on such properties; see below:

	Profit/loss		Equity	
	2024	2023	2024	2023
	DKKm	DKKm	DKKm	DKKm
Spar Nord Group	2,222	2,421	14,628	13,979
Net depreciation and impairment, Group domicile properties	0	0	-	-
<b>Spar Nord Parent Company</b>	<b>2,221</b>	<b>2,420</b>	<b>14,628</b>	<b>13,979</b>

## 7.2. Interest income

	2024 DKKm	2023 DKKm
Reverse repo transactions with credit institutions and central banks	43	50
Other amounts due from credit institutions and central banks	48	75
Reverse repo transactions, deposits	471	312
Loans, advances and other receivables	3,401	3,153
Bonds	1,165	846
Derivatives	192	201
Other interest income	0	11
<b>Total interest income</b>	<b>5,320</b>	<b>4,647</b>

For accounting policies and a description of offsetting of interest for hedge transactions of issued bonds and subordinated debt, reference is made to the note 2.3 to the consolidated financial statements.

## 7.3. Interest expenses

	2024 DKKm	2023 DKKm
Repo transactions with credit institutions and central banks	86	65
Other payables to credit institutions and central banks	99	64
Repo transactions, deposits	3	7
Deposits and other payables	983	536
Issued bonds	518	336
Subordinated debt	103	86
Other interest expenses	9	19
<b>Total interest expenses</b>	<b>1,801</b>	<b>1,113</b>

For accounting policies, see note 2.3 to the consolidated financial statements.

## 7.4. Fees, charges and commissions received

	2024 DKKm	2023 DKKm
Securities trading and custody accounts	519	484
Payment services	300	251
Loan transaction fees	571	586
of which mortgage credit institutions	461	474
Guarantee commission	29	33
Other fees, charges and commissions	364	324
<b>Total fees, charges and commissions received</b>	<b>1,782</b>	<b>1,679</b>
<b>Total fees, charges and commissions paid</b>	<b>225</b>	<b>186</b>
<b>Total net fees, charges and commissions received</b>	<b>1,558</b>	<b>1,493</b>

For accounting policies, see note 2.4 to the consolidated financial statements.

## 7.5. Market value adjustments

	2024 DKKm	2023 DKKm
Other loans, advances and receivables at fair value	-13	-66
Bonds	169	303
Shares, etc.	111	134
Investment properties	0	0
Currency	108	92
Foreign exchange, interest, share, commodity and other contracts and derivatives	-99	-93
Assets linked to pooled schemes	2,370	2,459
Deposits in pooled schemes	-2,370	-2,459
<b>Total market value adjustments</b>	<b>276</b>	<b>369</b>

For accounting policies, see note 2.5 to the consolidated financial statements.

## 7.6. Staff costs and administrative expenses

	2024 DKKm	2023 DKKm
Staff costs	1,610	1,493
Administrative expenses	1,063	953
<b>Total staff costs and administrative expenses</b>	<b>2,674</b>	<b>2,446</b>
Salaries	1,287	1,190
Pensions	150	140
Social security costs	174	163
<b>Total staff costs</b>	<b>1,610</b>	<b>1,493</b>
<b>Of which, remuneration to members of the Executive Board and Board of Directors:</b>		
Board of Directors	5.6	5.0
Executive Board	21.5	20.6
<b>Total remuneration</b>	<b>27.1</b>	<b>25.6</b>
<b>Number of employees</b>		
Average number of employees in the financial year converted into full-time equivalents	1,721	1,664

For additional information on remuneration to members of the Board of Directors, Executive Board and material risk takers, see note 2.7 to the consolidated financial statements.

For a description of accounting policies, see notes 2.7 and 2.8 to the consolidated financial statements.

### 7.6.1. Audit fees

	2024 DKKm	2023 DKKm
Fees to the audit firm appointed at the General Meeting	6.1	5.6
Fees to other audit firms for non-audit services	0.6	0.5
<b>Total audit fees</b>	<b>6.7</b>	<b>6.1</b>
<b>Total fees to the audit firm appointed at the General Meeting break down as follows:</b>		
Statutory audit	3.9	4.2
Other assurance engagements	1.8	0.5
Tax and VAT assistance	0.2	0.0
Non-audit services	0.2	0.9
<b>Total fees to the audit firm appointed at the General Meeting</b>	<b>6.1</b>	<b>5.6</b>

## 7.7. Tax

	2024 DKKm	2023 DKKm
Tax on profit/loss for the year	689	716
Tax on other comprehensive income	8	2
Tax on changes in equity	0	0
<b>Total tax</b>	<b>697</b>	<b>718</b>
<b>Tax on the profit/loss for the year breaks down as follows:</b>		
Current tax	387	382
Deferred tax for the year	307	336
Adjustment of deferred tax, prior years	6	-53
Adjustment of current tax for prior years	-11	57
Change of tax rate	0	-7
<b>Tax on profit/loss for the year</b>	<b>689</b>	<b>716</b>
<b>Specification of the effective tax rate:</b>		
Corporate tax rate in Denmark	22.0	22.0
Special tax for financial enterprises in Denmark, %	4.0	3.2
Non-taxable income from investments and market value adjustment of shares, %	-2.4	-2.2
Other non-deductible expenses and non-taxable income, %	0.4	-0.1
Adjustment of prior-year taxes, %	-0.3	0.1
Change in corporate tax rate (recalculation factor), %	0.0	-0.2
<b>Total effective tax rate</b>	<b>23.7</b>	<b>22.8</b>

For accounting policies and a description of the change in the corporate tax rate from 2023, see note 2.10 to the consolidated financial statements.

## 7.8. Due from credit institutions and central banks

	2024 DKKm	2023 DKKm
Balances at notice with central banks	0	0
Due from credit institutions	1,475	2,201
<b>Total due from credit institutions and central banks</b>	<b>1,475</b>	<b>2,201</b>
Of which, subordinated receivables	0	0
<b>Shown by term to maturity</b>		
Demand deposits	109	141
Up to 3 months	1,115	1,686
Over 3 months and up to 1 year	250	125
Between 1 year and 5 years	0	250
Over 5 years	0	0
<b>Total</b>	<b>1,475</b>	<b>2,201</b>
Repo transactions hereof	759	1,440

For accounting policies, see note 3.1 to the consolidated financial statements.

## 7.9. Loans, advances and other receivables at amortised cost

	2024 DKKm	2023 DKKm
Lending, reverse repo transactions	14,488	11,870
Lending, banking and leasing activities	61,692	57,497
<b>Loans, advances and other receivables at amortised cost, total</b>	<b>76,180</b>	<b>69,366</b>
<b>Shown by term to maturity</b>		
Demand deposits	1,971	1,678
Up to 3 months	15,723	12,985
Over 3 months and up to 1 year	18,176	19,047
Between 1 year and 5 years	10,734	9,602
Over 5 years	29,575	26,055
<b>Total</b>	<b>76,180</b>	<b>69,366</b>
<b>Gross loans, advances and guarantees broken down by sectors and industries, %</b>		
<b>Public authorities</b>	<b>0.1</b>	<b>0.9</b>
<b>Business customers</b>		
Agriculture, hunting, forestry and fisheries	3.1	3.3
Industry and raw materials extraction	4.0	4.2
Energy supply	2.6	2.4
Building and construction	4.2	3.8
Trade	5.9	5.5
Transport, hotels and restaurants	3.8	3.9
Information and communication	0.4	0.4
Financing and insurance	20.0	19.5
Real estate	10.2	10.4
Other business areas	6.7	7.7
<b>Business customers, total</b>	<b>61.1</b>	<b>61.2</b>
<b>Retail customers</b>	<b>38.8</b>	<b>37.9</b>
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

For a description of accounting policies, see notes 3.2 and 5.1 to the consolidated financial statements.

## 7.10. Bonds at fair value

	2024 DKKm	2023 DKKm
Mortgage bonds	29,797	30,767
Government bonds	276	107
Other bonds	1,272	1,631
<b>Bonds at fair value, total</b>	<b>31,346</b>	<b>32,505</b>
Of which, subordinated receivables	40	49

For accounting policies, see note 3.3 to the consolidated financial statements.

## 7.11. Equities

	2024 DKKm	2023 DKKm
Shares/unit trust certificates listed on NASDAQ Copenhagen A/S	97	90
Shares/unit trust certificates listed on other stock exchanges	3	2
Unlisted shares at fair value	1,676	1,653
<b>Total shares, etc.</b>	<b>1,776</b>	<b>1,745</b>

Spar Nord's strategic shares that are not included in the Group's trading book are measured at fair value through profit and loss.

Strategic shares form part of a portfolio that is managed - and on which the returns are measured on the basis of fair value - in accordance with a documented risk management and investment strategy.

For accounting policies, see note 3.3 to the consolidated financial statements.

## 7.12. Land and buildings

### 7.12.1. Investment properties

	2024 DKKm	2023 DKKm
Fair value, beginning of period	33	33
Reclassification from domicile properties	12	0
Additions during the year, including improvements	0	0
Disposals during the year	0	0
Unrealised fair value adjustment	0	0
<b>Fair value, end of year</b>	<b>45</b>	<b>33</b>
Required rate of return used in calculating the fair value, %	5.5 - 10.0	5.5 - 10.0

The fair-value method (Level 3 in the fair-value hierarchy) has been chosen for measuring investment properties. Investment properties consist mainly of business leases. The periods of non-terminability for Spar Nord in the leases do not exceed 20 years.

An external valuation of all properties is obtained annually from a real estate agent to support the calculation of fair value, including the rental rates and rates of return used.

For accounting policies, see note 3.7.1 to the consolidated financial statements.

### 7.12.2. Domicile properties

	2024 DKKm	2023 DKKm
Restated value beginning of year	392	402
Reclassification to investment properties	-12	0
Additions during the year, including improvements	8	2
Disposals during the year	0	0
Loss	14	14
Changes in value recognised in other comprehensive income	24	6
Changes in value recognised in the income statement	2	-3
<b>Restated value, year-end</b>	<b>400</b>	<b>392</b>
Required rate of return used in calculating the fair value, %	5.0 - 11.0	5.5 - 10.0

The fair value method (Level 3 in the fair value hierarchy) has been chosen for measuring domicile properties. Fair value has been determined based on observable prices and other valuation methods.

An external valuation of all properties is obtained annually from a real estate agent to support the calculation of fair value, including the rental rates and rates of return used.

For accounting policies, see note 3.7.1 to the consolidated financial statements.

### 7.12.3. Domicile properties, leasing

	2024 DKKm	2023 DKKm
Balance, 1 January	165	157
Additions	2	8
Disposals	0	0
Remeasurement of lease liability	26	28
Depreciation for the year	30	27
<b>Balance, 31 December</b>	<b>164</b>	<b>165</b>

For accounting policies, see note 3.7.1 to the consolidated financial statements.

## 7.13. Other property, plant and equipment

	2024 DKKm	2023 DKKm
Total cost, beginning of year	412	394
Additions	29	37
Disposals	26	19
<b>Total cost, end of year</b>	<b>414</b>	<b>412</b>
Depreciation and impairment, beginning of year	292	269
Impairment for the year	0	0
Depreciation for the year	40	41
Reversal of depreciation and impairment for the year	25	18
<b>Depreciation and impairment, end of year</b>	<b>307</b>	<b>292</b>
<b>Carrying amount, end of year</b>	<b>108</b>	<b>120</b>

For accounting policies, see note 3.7.2 to the consolidated financial statements.



## 7.14. Pooled schemes

	Pension pools 2024 DKKm	Other pools 2024 DKKm	Total 2024 DKKm	2023 DKKm
<b>Assets</b>				
Cash deposits	675	10	685	736
Bonds	4,671	55	4,726	4,898
Shares, etc.	14,473	217	14,691	13,897
Unit trust certificates	7,682	108	7,789	5,152
Other assets	41	0	42	51
<b>Total assets</b>	<b>27,542</b>	<b>390</b>	<b>27,933</b>	<b>24,733</b>
<b>Equity and liabilities</b>				
Total deposits	27,542	390	27,933	24,733
<b>Total equity and liabilities</b>	<b>27,542</b>	<b>390</b>	<b>27,933</b>	<b>24,733</b>

For accounting policies, see note 3.5 to the consolidated financial statements.

## 7.15. Due to credit institutions and central banks

	2024 DKKm	2023 DKKm
Due to central banks	121	61
Due to credit institutions	6,719	4,944
<b>Total due to credit institutions and central banks</b>	<b>6,840</b>	<b>5,006</b>
<b>Shown by term to maturity</b>		
Demand deposits	393	226
Up to 3 months	5,701	4,780
Over 3 months and up to 1 year	746	0
Between 1 year and 5 years	0	0
Over 5 years	0	0
<b>Total</b>	<b>6,840</b>	<b>5,006</b>
Repo transactions hereof	3,866	4,154

For accounting policies, see note 3.9 to the consolidated financial statements.

## 7.16. Deposits and other payables

	2024 DKKm	2023 DKKm
Demand deposits	62,750	57,619
Subject to notice	1,642	5,169
Time deposits	10,282	8,797
Special types of deposits	2,797	3,020
<b>Total deposits and other payables</b>	<b>77,472</b>	<b>74,605</b>
<b>Shown by term to maturity</b>		
Demand deposits	62,750	57,619
Up to 3 months	8,758	10,159
Over 3 months and up to 1 year	3,258	3,316
Between 1 year and 5 years	586	1,361
Over 5 years	2,121	2,150
<b>Total</b>	<b>77,472</b>	<b>74,605</b>
Repo transactions hereof	143	89

For accounting policies, see note 3.10 to the consolidated financial statements.

## 7.17. Issued bonds at amortised cost

	2024 DKKm	2023 DKKm
<b>Shown by contractual term to maturity</b>		
Demand deposits	-	-
Up to 3 months	0	2
Over 3 months and up to 1 year	1,399	755
Between 1 year and 5 years	7,462	7,722
Over 5 years	273	828
<b>Total</b>	<b>9,134</b>	<b>9,307</b>

In addition to repayment, maturity distribution also comprises amortised loan costs.

For accounting policies, see note 4.8 to the consolidated financial statements.

## 7.18. Deferred tax

	2024 DKKm	2023 DKKm
Beginning of period	76	-200
Deferred tax for the year recognised in profit/loss for the year	313	276
Deferred tax for the year recognised in other comprehensive income	0	0
Deferred tax for the year recognised in changes in equity	0	0
<b>End of year</b>	<b>389</b>	<b>76</b>
<b>Which breaks down as follows:</b>		
Deferred tax assets	0	0
Provisions for deferred tax	389	76
<b>Total</b>	<b>389</b>	<b>76</b>

Changes in deferred tax	Beginning of period DKKm	Recognised in profit for the year DKKm	Recognised in other comprehensive income etc. DKKm	End of year DKKm
<b>2024</b>				
Intangible assets	62	9	0	71
Property, plant and equipment, incl. leased assets	99	254	0	353
Loans, advances and other receivables at amortised cost	-53	-6	0	-60
Payables and subordinated debt	-5	63	0	59
Provisions	-19	5	0	-14
Miscellaneous	-7	-12	0	-19
<b>Total</b>	<b>76</b>	<b>313</b>	<b>0</b>	<b>389</b>
<b>2023</b>				
Intangible assets	53	9	0	62
Property, plant and equipment, incl. leased assets	-99	198	0	99
Loans, advances and other receivables at amortised cost	-51	-3	0	-53
Payables and subordinated debt	-117	112	0	-5
Provisions	-16	-2	0	-19
Miscellaneous	31	-38	0	-7
<b>Total</b>	<b>-200</b>	<b>276</b>	<b>0</b>	<b>76</b>

All deferred tax liabilities are recognised in the balance sheet.

For accounting policies, see note 3.12 to the consolidated financial statements.

## 7.19. Subordinated debt

Subordinated debt are liabilities in the form of tier 2 capital which, in the event of the Company's voluntary or compulsory winding up, will not be repaid until after the claims of ordinary creditors have been met.

Early redemption of subordinated debt is subject to the approval of the Danish FSA. Subordinated debt is included in own funds, etc. pursuant to the Danish Financial Business Act.

The issuance of additional tier 1 capital under CRR with a perpetual term and with voluntary payment of interest and repayments of principal is treated as equity for accounting purposes.

For further details, including a description of the individual loan, see note references a-f below, reference is made to note 4.7 to the consolidated financial statements.

Spar Nord Bank is the borrower with respect to all loans.

Currency	Note	Principal millions	Interest rate	Received	Maturity	2024 DKKm	2023 DKKm
DKK	a	350	CIBOR6 + 2.40%	2018	29.05.2029	-	350
DKK	b	150	2.9298%	2018	29.05.2029	-	150
DKK	c	500	5.1310%	2022	07.07.2032	499	498
DKK	d	400	CIBOR6 + 3.25%	2023	11.04.2033	399	398
DKK	e	200	CIBOR3 + 1.30%	2021	30.09.2033	200	199
DKK	f	500	CIBOR3 + 2.55%	2024	08.06.2034	498	-
<b>Supplementary capital contributions, total</b>						<b>1,595</b>	<b>1,596</b>
Portfolio of own bonds relating to subordinated debt						-7	-3
<b>Total subordinated debt</b>						<b>1,588</b>	<b>1,593</b>
Interest on subordinated debt						101	85
Costs of raising subordinated debt						2	1

## 7.20. Contingent liabilities

	2024 DKKm	2023 DKKm
Financial guarantees	5,666	3,488
Loss guarantees for mortgage loans	2,872	3,841
Registration and refinancing guarantees	1,796	1,728
Other contingent liabilities	703	645
<b>Total contingent liabilities</b>	<b>11,038</b>	<b>9,702</b>

Financial guarantees largely consist of payment guarantees.

Loss guarantees for mortgage loans have been granted for the highest-risk portion of mortgage loans to personal customers and on business properties. There is a full right of set-off against future income concerning Totalkredit and DLR.

Registration and refinancing guarantees are furnished in connection with Land Registry processing upon the arrangement and refinancing of mortgage loans.

Other contingent liabilities relate mainly to performance bonds and letters of credit.

Reference is made to note 2.7 to the consolidated financial statements regarding the Executive Board's notice of termination and the associated compensation.

Spar Nord is taxed jointly with its Danish subsidiary in the Spar Nord Group. As management company, Spar Nord has unlimited, joint and several liability together with the subsidiary for the Danish corporate income tax payable. Due to the payment of tax on account, no tax was payable at 31.12.2024 and 31.12.2023. The corporate income tax receivable within the tax pool amounted to DKK 88 million at 31.12.2024 (31.12.2023: DKK 70 million). Any adjustments to the taxable income subject to joint taxation might entail an increase in the Parent Company's liability.

For further information on legal proceedings, see note 6.7.

The Bank participates in the national restructuring and resolution scheme, with separate contributions being paid to the Guarantee Fund and the Resolution Fund.

The Guarantee Fund covers depositors' eligible deposits in the Bank under EUR 100,000 (see section 9(1) of the Danish Act on a Depositor and Investor Guarantee Scheme). The Bank made no contributions to the Guarantee Fund in 2024, as the Guarantee Fund's assets exceed its target level of 0.8% of the covered deposits in the sector. The Bank may be required to pay contributions in future if the Guarantee Fund's assets fall below 0.8% of the covered deposits in the sector.

The Resolution Fund is to be used pursuant to the Act on Restructuring and Resolution of Certain Financial Enterprises for the purpose of covering the associated costs. The Bank's costs for the Resolution Fund are calculated based on the Bank's

pro-rata share of the sector's total equity and liabilities less own funds and covered deposits. This contribution will also be adjusted by an individually determined risk factor. The Bank's contribution to the Resolution Fund for 2024 amounted to DKK 19 million (2023: DKK 18 million).

The amount of the contingent liabilities and the possible due dates are subject to uncertainty, for which reason this information has not been disclosed.

For accounting policies, see note 6.6 to the consolidated financial statements.

## 7.21. Other binding commitments

Other binding commitments of DKK 1,180 million (2023: DKK 1,109 million) consist of lease obligations in which Spar Nord Bank is lessee, and the liability to pay a withdrawal fee on potential withdrawal from BEC Financial Technologies a.m.b.a. See note 6.6.2 to the consolidated financial statements for a description hereof.

For accounting policies, see note 6.6 to the consolidated financial statements.

## 7.22. Risk management

Spar Nord is exposed to a number of risks in various categories, the most important one being:

### Credit risk

The risk of losses because counterparties fail to meet all or part of their payment obligations.

### Market risk

The risk of loss because the fair value of Spar Nord's assets and liabilities varies with changes in market conditions.

### Liquidity risk

The risk of loss because Spar Nord cannot meet its payment obligations via the ordinary liquidity reserves.

### Operational risk

The risk of financial loss owing to deficient or erroneous internal procedures and processes, human or system errors, or losses as a result of external events.

Notes 5.1, 5.2, 5.3 and 5.4 to the consolidated financial statements provide a description of the financial risks and policies and targets for managing credit, market, liquidity and operational risks.

## 7.23. Credit risk

### 7.23.1. Loans at amortised cost and unutilised credit lines and loan commitments

	2024	2023
	DKKm	DKKm
Loans and advances at amortised cost before impairment	77,811	71,009
Unutilised credit lines and loan commitments before impairments	24,580	25,934
Impairment of loans and advances and provisions on unutilised credit lines	1,635	1,649
<b>Carrying amount</b>	<b>100,756</b>	<b>95,294</b>

The following tables show the credit quality and exposures before impairment based on Spar Nord's internal rating system divided into stages.

A description of Spar Nord's internal rating groups and impairment model is provided in accounting policies note 5.1.1 to the consolidated financial statements.

### Unutilised credit lines and loan commitments before impairments and provisions, by rating group

The rating breakdown of Spar Nord's unutilised credit lines and loan commitments before impairments and provisions generally follow the rating breakdown for loans at amortised cost before impairments shown above.

A description of Spar Nord's internal rating categories and impairment model is provided in note 5.1.1.

Loans at amortised cost before impairments, by rating category

	Stage 1 DKKk	Stage 2 DKKk	Stage 3 DKKk	Total DKKk
<b>2024</b>				
Rating category 1	5,396	6	0	5,402
Rating category 2	11,626	28	2	11,657
Rating category 3	11,992	86	0	12,078
Rating category 4	9,942	577	0	10,519
Rating category 5	4,628	751	0	5,378
Rating category 6	2,139	748	0	2,887
Rating category 7	706	695	0	1,401
Rating category 8	169	283	0	452
Rating category 9	76	1,494	1	1,571
Default	3	49	1,116	1,168
Unrated	477	9	0	486
Reverse repo transactions	14,488	0	0	14,488
Sparxpres	480	14	91	585
Leasing	8,842	639	258	9,738
Banks	1	0	0	1
<b>Total</b>	<b>70,965</b>	<b>5,377</b>	<b>1,468</b>	<b>77,811</b>
<b>2023</b>				
Rating category 1	3,943	74	0	4,016
Rating category 2	9,132	482	0	9,613
Rating category 3	9,652	761	0	10,413
Rating category 4	7,477	1,051	0	8,528
Rating category 5	6,008	1,858	1	7,867
Rating category 6	2,718	668	0	3,385
Rating category 7	819	653	0	1,472
Rating category 8	532	458	0	990
Rating category 9	179	1,453	3	1,635
Default	0	15	1,226	1,240
Unrated	471	1	0	472
Reverse repo transactions	11,870	0	0	11,870
Sparxpres	413	9	87	509
Leasing	8,291	577	136	9,004
Banks	-5	0	0	-5
<b>Total</b>	<b>61,497</b>	<b>8,060</b>	<b>1,452</b>	<b>71,009</b>

Impairment and provisions for losses

Analysis of changes in impairment and provisions for losses during the period broken down by stages and correlated to recognised impairment, etc. A summary of total recognised impairment, etc. is provided in note 5.1.7 to the consolidated financial statements.

	Stage 1 DKKk	Stage 2 DKKk	Stage 3 DKKk	Total DKKk	Recognised impairment etc. DKKk
<b>2024</b>					
Impairment at 1 January, loans at amortised cost	378	533	732	1,643	-
Impairment at 1 January, unutilised credit lines and loan commitments	2	2	2	6	-
Impairment re. new exposures during the year, including new accounts to existing customers	40	11	50	101	101
Reversed impairment re. repaid accounts	29	140	88	257	257
Change in impairment at 1 January, transfer to/from stage 1	204	-155	-49	-	-
Change in impairment at 1 January, transfer to/from stage 2	-37	124	-87	-	-
Change in impairment at 1 January, transfer to/from stage 3	-1	-131	132	-	-
Impairment during the year due to change in credit risk	-152	186	126	159	159
Previously impaired, now finally lost	0	0	-36	-36	-
Other movements (interest rate correction etc.)	0	0	18	18	-
Loss without prior impairment	-	-	-	-	40
Amounts recovered on previously impaired receivables and adjustment of reversal of impairment charges taken over	-	-	-	-	62
<b>Impairment and provisions for losses, end of period</b>	<b>404</b>	<b>429</b>	<b>801</b>	<b>1,635</b>	<b>-19</b>
Impairment at 31 December, loans at amortised cost	402	428	801	1,631	-17
Impairment at 31 December, unutilised credit lines and loan commitments	2	1	1	4	-2
<b>Impairment and provisions for losses, end of period</b>	<b>404</b>	<b>429</b>	<b>801</b>	<b>1,635</b>	<b>-19</b>

	Stage 1 DKKm	Stage 2 DKKm	Stage 3 DKKm	Total DKKm	Recognised impairment etc. DKKm
<b>2023</b>					
Impairment at 1 January, loans at amortised cost	224	536	842	1,602	-
Impairment at 1 January, unutilised credit lines and loan commitments	5	6	2	13	-
Impairment re. new exposures during the year, including new accounts to existing customers	47	4	52	103	103
Reversed impairment re. repaid accounts	40	95	128	262	262
Change in impairment at 1 January, transfer to/from stage 1	253	-240	-13	-	-
Change in impairment at 1 January, transfer to/from stage 2	-68	96	-28	-	-
Change in impairment at 1 January, transfer to/from stage 3	-2	-64	66	-	-
Impairment during the year due to change in credit risk	-38	293	-36	219	219
Previously impaired, now finally lost	0	0	-42	-43	-
Other movements (interest rate correction etc.)	0	0	18	18	-
Loss without prior impairment	-	-	-	-	74
Amounts recovered on previously impaired receivables and adjustment of reversal of impairment charges taken over	-	-	-	-	139
<b>Impairment and provisions for losses, end of period</b>	<b>381</b>	<b>535</b>	<b>734</b>	<b>1,649</b>	<b>-6</b>
Impairment at 31 December, loans at amortised cost	378	533	732	1,643	1
Impairment at 31 December, unutilised credit lines and loan commitments	2	2	2	6	-6
<b>Impairment and provisions for losses, end of period</b>	<b>381</b>	<b>535</b>	<b>734</b>	<b>1,649</b>	<b>-6</b>

The figures concerning newly established and repaid accounts may include administrative movements in which the balance is moved between two accounts for the same customer.

Loss without prior impairment expresses Spar Nord's recognised loans for which the loss is greater than impairment at the beginning of the year.

### 7.23.2. Due from credit institutions and central banks

	2024 DKKm	2023 DKKm
Due from credit institutions and central banks before impairment	1,475	2,202
Impairment	1	1
<b>Carrying amount</b>	<b>1,475</b>	<b>2,201</b>

The following tables show the credit quality and exposures before impairment based on Spar Nord's internal rating system divided into stages.

A description of Spar Nord's internal rating groups and impairment model is provided in accounting policies notes 5.1.1 and 5.1.9 to the consolidated financial statements.

#### Due from credit institutions and central banks before impairment

	Stage 1 DKKm	Stage 2 DKKm	Stage 3 DKKm	Total DKKm
<b>2024</b>				
Credit institutions	1,475	0	0	1,475
Central banks	0	0	0	0
<b>Total</b>	<b>1,475</b>	<b>0</b>	<b>0</b>	<b>1,475</b>
<b>2023</b>				
Credit institutions	2,202	0	0	2,202
Central banks	0	0	0	0
<b>Total</b>	<b>2,202</b>	<b>0</b>	<b>0</b>	<b>2,202</b>

## Impairment

Analysis of changes in impairment for the period broken down by stages and correlated to recognised impairment, etc. is set out in note 5.1.7 to the consolidated financial statements.

	Stage 1	Stage 2	Stage 3	Total	Recognised impairment etc.
	DKKm	DKKm	DKKm	DKKm	DKKm
<b>2024</b>					
Impairment, beginning of year	1	0	0	1	-
Impairment re. new exposures during the year, including new accounts to existing customers	1	0	0	1	1
Reversed impairment re. repaid accounts	2	0	0	2	2
Change in impairment at 1 January, transfer to/from stage 1	0	0	0	-	-
Change in impairment at 1 January, transfer to/from stage 2	0	0	0	-	-
Change in impairment at 1 January, transfer to/from stage 3	0	0	0	-	-
Impairment during the year due to change in credit risk	0	0	0	0	0
<b>Impairment, end of year</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>
<b>2023</b>					
Impairment, beginning of year	1	0	0	1	-
Impairment re. new exposures during the year, including new accounts to existing customers	2	0	0	2	2
Reversed impairment re. repaid accounts	2	0	0	2	2
Change in impairment at 1 January, transfer to/from stage 1	0	0	0	-	-
Change in impairment at 1 January, transfer to/from stage 2	0	0	0	-	-
Change in impairment at 1 January, transfer to/from stage 3	0	0	0	-	-
Impairment during the year due to change in credit risk	0	0	0	0	0
<b>Impairment, end of year</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>

## 7.23.3. Guarantees

	2024	2023
	DKKm	DKKm
Guarantees before provisions for losses	11,054	9,724
Provisions for losses	16	23
<b>Carrying amount</b>	<b>11,038</b>	<b>9,702</b>

The following tables show the credit quality and exposures before impairment based on Spar Nord's internal rating system divided into stages.

A description of Spar Nord's internal rating groups and impairment model is provided in accounting policies note 5.1.1 to the consolidated financial statements.

**Guarantees before provisions, by rating category**

	Stage 1 DKKm	Stage 2 DKKm	Stage 3 DKKm	Total DKKm
<b>2024</b>				
Rating category 1	1,334	4	0	1,338
Rating category 2	3,603	5	1	3,610
Rating category 3	2,492	2	0	2,494
Rating category 4	1,550	39	0	1,589
Rating category 5	607	50	0	657
Rating category 6	198	30	0	228
Rating category 7	60	30	0	90
Rating category 8	23	16	0	39
Rating category 9	4	87	0	91
Default	3	4	67	74
Unrated	593	252	0	844
<b>Total</b>	<b>10,467</b>	<b>518</b>	<b>68</b>	<b>11,054</b>
<b>2023</b>				
Rating category 1	1,166	46	0	1,212
Rating category 2	2,682	124	0	2,806
Rating category 3	1,992	54	0	2,045
Rating category 4	1,283	131	0	1,415
Rating category 5	618	55	0	673
Rating category 6	189	50	0	240
Rating category 7	64	40	0	104
Rating category 8	44	26	0	70
Rating category 9	14	235	0	248
Default	0	7	77	84
Unrated	800	28	0	828
<b>Total</b>	<b>8,852</b>	<b>795</b>	<b>77</b>	<b>9,724</b>

**Provisions for losses**

Analysis of changes in impairments during the period broken down by stages and correlated to recognised impairments, etc. A summary of total recognised impairment, etc. is provided in note 5.1.7 to the consolidated financial statements.

	Stage 1 DKKm	Stage 2 DKKm	Stage 3 DKKm	Total DKKm	Recognised impairment etc. DKKm
<b>2024</b>					
Provisions for losses at 1 January	10	5	8	23	-
Provisions for losses re. new exposures during the year	13	0	2	15	15
Reversed provisions for losses re. repaid exposures	11	6	4	22	22
Change in provisions for losses at 1 January, transfer to/from stage 1	7	-6	-1	-	-
Change in provisions for losses at 1 January, transfer to/from stage 2	-2	4	-2	-	-
Change in provisions for losses at 1 January, transfer to/from stage 3	0	-3	3	-	-
Provisions for losses during the year due to change in credit risk	-8	8	1	1	1
<b>Provisions for losses at 31 December</b>	<b>8</b>	<b>2</b>	<b>6</b>	<b>16</b>	<b>-6</b>
<b>2023</b>					
Provisions for losses at 1 January	18	26	7	50	-
Provisions for losses re. new exposures during the year	14	0	1	15	15
Reversed provisions for losses re. repaid exposures	16	23	8	47	47
Change in provisions for losses at 1 January, transfer to/from stage 1	8	-8	0	-	-
Change in provisions for losses at 1 January, transfer to/from stage 2	-7	7	0	-	-
Change in provisions for losses at 1 January, transfer to/from stage 3	0	-2	2	-	-
Provisions for losses during the year due to change in credit risk	-7	5	7	5	5
<b>Provisions for losses at 31 December</b>	<b>10</b>	<b>5</b>	<b>8</b>	<b>23</b>	<b>-27</b>

The change in portfolio impairments was driven by an increase in gross lending and movements between the stages as illustrated in the table, which is the result of a change in customers' credit risk. In addition, impairments are affected by impaired macroeconomic factors.



## 7.24. Hedge accounting

Spar Nord pursues a strategy of mitigating the interest rate and foreign exchange risk on its strategic funding and individual loans with significant interest rate risk either by using the interest rate risk from strategic funding to hedge the interest rate risk on fixed-rate agreements in other business areas outside the Trading Division or, secondarily, to hedge the interest rate risk on capital issues using derivatives and applying the rules on hedge accounting.

The Bank assesses the potential hedging of interest rate risk in connection with each loan, partly to ensure that the Bank hedges fixed-rate agreements outside the Trading Division, and partly to avoid unnecessary interest rate exposure on its strategic funding and individual loans with significant interest rate risk.

Financial liabilities meeting the criteria for hedged items are regularly monitored. For issued bonds at amortised cost/fair value, hedging is made at the time of issuance with an interest rate swap with the same yield/maturity profile. The Bank also hedges foreign exchange risk and the risk of developments in the difference between the variable rate (spread) between DKK and the foreign currency for issued bonds and subordinated debt using derivatives.

Developments in the fair value of derivatives related to the basis spread rate between DKK and currencies with variable rate are recognised according to the rules on cash flow hedging.

The effectiveness of such hedging is measured on a continuing basis, and no material ineffectiveness was found in 2024 and 2023 as the same nominal values, maturities and reference rates apply to the hedged item and the hedge instrument and an insignificant credit risk.

### 7.24.1. Hedging of fair values

	Carrying amount DKKm	Fair value DKKm	Nominal value DKKm
<b>2024</b>			
<b>Liabilities</b>			
Issued bonds at amortised cost	5,212	5,227	5,248
<b>Interest risk-hedging financial instruments</b>			
Derivatives (swap contracts)	-21	-21	5,248
	<b>Within 1 year DKKm</b>	<b>1- 5 years DKKm</b>	<b>Over 5 years DKKm</b>
<b>Shown by term to maturity</b>			
Nominal value of issued bonds at amortised cost	598	4,335	315
Interest risk-hedging financial instruments, derivatives (synthetic principal)	598	4,335	315
	Carrying amount DKKm	Fair value DKKm	Nominal value DKKm
<b>2023</b>			
<b>Liabilities</b>			
Issued bonds at amortised cost	3,807	3,825	3,859
<b>Interest risk-hedging financial instruments</b>			
Derivatives (swap contracts)	-34	-34	3,859
	<b>Within 1 year DKKm</b>	<b>1- 5 years DKKm</b>	<b>Over 5 years DKKm</b>
<b>Shown by term to maturity</b>			
Nominal value of issued bonds at amortised cost	400	3,127	332
Interest risk-hedging financial instruments, derivatives (synthetic principal)	400	3,127	332

The table below shows the value adjustment of hedged assets and liabilities and hedging derivatives recognised under market value adjustments.

Hedging of fixed-interest assets and liabilities	2024 DKKm	2023 DKKm
Hedging of loans and advances and issued bonds	21	34
Hedging derivatives	-21	-34
<b>Impact on profit/loss</b>	<b>0</b>	<b>0</b>

#### 7.24.2. Hedging of cash flows

	Carrying amount DKKm	Fair value DKKm	Nominal value DKKm
<b>2024</b>			
<b>Liabilities</b>			
Issued bonds at amortised cost, see note 4.8	8,834	8,855	8,873
<b>Interest risk-hedging financial instruments</b>			
Derivatives (swap contracts)	210	210	9,111
<b>2023</b>			
<b>Liabilities</b>			
Issued bonds at amortised cost, see note 4.8	6,529	6,549	6,564
<b>Interest risk-hedging financial instruments</b>			
Derivatives (swap contracts)	37	37	6,592

	2024 DKKm	2023 DKKm
<b>Hedge instrument</b>		
Currency swap, NOK/DKK, SEK/DKK and EUR/DKK		
Nominal principal	9,111	6,592
Carrying amount	210	37
Other assets	22	98
Other liabilities	232	135
<b>Reserve from hedging of cash flows</b>		
Reserve from hedging of cash flows, 1 January	-13	-23
Loss or gain from hedging recognised in other comprehensive income (continuing hedging activity)	32	10
Amount reclassified to the income statement, market value adjustment of financial instruments for non-continuing hedging activity	0	0
<b>Reserve from hedging of cash flows before tax</b>	<b>19</b>	<b>-13</b>
Tax, 1 January	2	5
Tax, movements during the year	-8	-2
<b>Reserve from hedging of cash flows, 31 December</b>	<b>13</b>	<b>-10</b>

Maturity profile and average price of hedging instruments	Principal 2024 DKKm	Price 2024	Principal 2023 DKKm	Price 2023
<b>NOK/DKK</b>				
< 1 year	613	0.6451	605	0.6368
1- 5 years	2,115	0.6880	2,109	0.6861
Over 5 years	316	0.6317	332	0.6635
<b>SEK/DKK</b>				
< 1 year	516	0.6455	521	0.6518
1- 5 years	1,636	0.6678	975	0.6724
Over 5 years	0	-	0	-
<b>EUR/DKK</b>				
< 1 year	0	-	0	-
1- 5 years	3,915	7.4569	2,050	7.4554
Over 5 years	0	-	0	-



## Accounting policies

### Fair value hedging

Spar Nord uses derivative financial instruments to hedge the interest rate risk on fixed-rate assets and liabilities (fair value hedge) measured at amortised cost. Such hedging derivatives are measured at fair value through profit or loss.

When the hedge accounting criteria are fulfilled, the carrying amount of the hedged assets and liabilities is adjusted for changes in fair value regarding the hedged risks (fair value hedge).

If the hedging criteria are no longer met, fair value adjustment is discontinued, and amortisation is based on the fair value immediately prior to the use of the hedging rules.

### Cash flow hedging

Spar Nord uses derivative financial instruments to hedge cash flows (cash flow hedge) based on variable interest rates in foreign currency against cash flows based on variable interest rates in DKK. The risk that is hedged is the risk of changes in future cash flows caused by a change in the interest rate spread between the foreign currency and DKK. Such hedging instruments are measured at fair value, and value changes are recognised in equity through other comprehensive income except for the ineffective portion of the cash flow hedge, which is recognised immediately in the income statement. When the hedged transactions are made, the accumulated changes are transferred from equity through other comprehensive income to the income statement.

If the hedging criteria are no longer met, fair value adjustment in equity is discontinued, and the reserve in equity is amortised over the remaining term of the loan. In this way, any hedge reserve is recognised in profit/loss under interest in an ongoing process. If the discontinued fair value adjustment results from repayment of the loan, the reserve will immediately be recognised in profit/loss.

## 7.25. Related parties

Related parties with significant influence are shareholders with holdings exceeding 20% of Spar Nord Bank A/S, or where significant influence is otherwise considered to exist.

Note 6.11 to the consolidated financial statements contains a list of group enterprises.

Demand balance between Aktieselskabet Skelagervej 15 and the Spar Nord Parent Company carries interest at the market rate.

Commitments and transactions with members of the Board of Directors and Executive Board comprise personal commitments of such parties and of their related parties.

Related party transactions are settled on market terms.

The Danish companies in the Group are jointly taxed, which means that the Parent Company is liable for the payment of Danish corporate income tax. In 2024, joint tax contributions in the amount of DKK 4 million (2023: DKK 4 million) were transferred between the companies.

No transactions were concluded during the year with members of the Board of Directors, the Executive Board or executive staff members, other than transactions involving salary, remuneration, etc., securities trading and loans and provision of collateral. More details regarding the remuneration of the Board of Directors, the Executive Board and material risk takers appear from note 2.7.

Employee-elected directors are eligible for bank staff loans/credits. Credit card balances are interest free for the Bank's customers, as well as for the Executive Board and Board of Directors.

The respective shareholdings of the Executive Board and the Board of Directors are shown in note 6.9 to the consolidated financial statements.

Related party transactions, including credit facilities, are concluded on an arm's length basis.

Related parties holding at least 5% of the Bank's share capital at end-2023 comprised Nykredit Realkredit A/S with a holding at 31 December 2024 of 27.8% (2023: 19.1%) and Spar Nord Fonden with a holding of 20.3% (2023: 19.8%). For registered offices, see [sparnord.com/share](https://sparnord.com/share).

The figures above do not include any bonds issued by Spar Nord that rank as debt, subordinated debt or additional tier 1 (AT1) capital, as such bonds are bearer securities. In such cases, Spar Nord Bank does not know the identity of the creditors. Spar Nord Bank shares may be registered in the name of the holder.

	Parties with significant influence		Associates		Group entities		Board of Directors		Executive Board	
	2024 DKKm	2023 DKKm	2024 DKKm	2023 DKKm	2024 DKKm	2023 DKKm	2024 DKKm	2023 DKKm	2024 DKKm	2023 DKKm
Granted loans and loan commitments	50	50	11	11	-	-	18	22	5	8
Deposits	2	1	33	19	145	208	32	29	9	7
Guarantees issued	-	-	-	-	-	-	0	-	-	-
Other binding commitments	-	-	-	-	-	-	13	15	-	-
Collateral accepted	259	101	-	-	0	0	5	4	5	3
Interest income	0	0	0	-	-	-	0	0	0	0
Interest expenses	0	0	0	0	3	4	0	0	0	0
Fees, charges and commissions received	1	1	0	0	0	0	1	1	0	0
Dividends received from equity investments	-	-	38	23	100	-	-	-	-	-
Other income	2	1	-	-	0	0	-	-	-	-
Other expenses	0	0	0	0	7	8	0	0	0	0
Dividends paid	239	107	-	-	-	-	1	0	2	1

	Board of Directors		Executive Board	
	2024 DKKm	2023 DKKm	2024 DKKm	2023 DKKm
Granted loans and advances	9	10	5	8
Unutilised loan and guarantee commitments	9	12	0	0
Guarantees issued	0	-	0	-
<b>Total granted loans and advances, loan commitments and guarantees</b>	<b>18</b>	<b>22</b>	<b>5</b>	<b>8</b>
Interest rate, loans (%)	2.50 - 6.45	3.75 - 8.80	2.50 - 7.90	3.75 - 5.66

## 7.26. Performance indicators and financial ratios

	2024	2023	2022	2021	2020	
	DKKm	DKKm	DKKm	DKKm	DKKm	
<b>Performance indicators</b>						
<b>Income statement</b>						
Net interest and fee income	5,193	5,109	3,813	3,356	2,881	
Market value adjustments	276	369	203	315	373	
Staff costs and administrative expenses	2,674	2,446	2,232	2,132	2,007	
Impairment of loans, advances and receivables etc.	-25	-33	78	-120	309	
Income from investments in associates and subsidiaries	161	139	91	116	41	
Profit/loss for the year	2,221	2,420	1,415	1,370	738	
<b>Balance sheet</b>						
Lending	76,180	69,366	65,806	61,936	52,312	
Equity	14,628	13,979	12,469	11,924	10,390	
Total assets	143,928	135,104	124,040	116,626	102,155	
<b>Financial ratios</b>						
<b>Own funds</b>						
Own funds ratio	22.9	22.2	20.9	20.7	21.0	
Tier 1 capital ratio	20.5	19.6	18.3	18.2	18.6	
<b>Earnings</b>						
Return on equity before tax	%	20.3	23.7	14.1	15.2	9.1
Return on equity after tax	%	15.5	18.3	11.6	12.3	7.3
Income/cost ratio		2.06	2.24	1.71	1.80	1.38
Return on assets	%	1.5	1.8	1.1	1.2	0.7

	2024	2023	2022	2021	2020	
	DKKm	DKKm	DKKm	DKKm	DKKm	
<b>Market risk and liquidity</b>						
Interest rate risk	%	1.1	0.3	0.5	0.9	1.1
Foreign exchange position	%	0.5	0.4	0.6	0.7	0.9
Foreign exchange risk	%	0.1	0.1	0.1	0.1	0.1
Liquidity Coverage Ratio (LCR)	%	285	242	210	278	239
Loans and advances plus impairment as % of deposits	%	73.8	71.5	71.2	71.0	68.3
<b>Credit risk</b>						
Loans and advances relative to equity		5.2	5.0	5.3	5.2	5.0
Increase in loans and advances for the year	%	7.3	4.0	12.7	15.5	-1.5
Sum of large exposures	%	68.2	79.4	83.8	81.7	78.1
Impairment ratio for the year		0.0	0.0	0.1	-0.1	0.4
<b>The Spar Nord Bank share</b>						
<b>DKK per share of DKK 10</b>						
Profit/loss for the year		19.1	20.3	11.6	11.1	6.0
Net asset value (NAV)		117	109	93	87	78
Dividend		0.0	10.0	4.5	2.5 *)	1.5
Share price/profit/loss for the period		10.8	5.3	9.2	7.5	10.0
Share price/NAV		1.8	1.0	1.1	1.0	0.8

\*) In addition to the proposed distribution of ordinary dividends of DKK 2.5 per share, the Board of Directors exercised its authority to distribute an additional DKK 2.5 per share regarding the 2021 financial year before the end of the first half-year of 2022.

A definition of financial ratios is provided in note 6.12.1 to the consolidated financial statements.

# Statements





## Management's statement on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Spar Nord Bank A/S for the 1 January to 31 December 2024.

The annual report is prepared in accordance with IFRS Accounting Standards as adopted by the EU. The Parent Company's financial statements are prepared in accordance with the requirements of the legislation, including the Danish Financial Business Act and the Executive Order on Financial Statements for Credit Institutions and Investment Firms, etc. Furthermore, the annual report has been prepared in accordance with disclosure requirements for listed companies in Denmark.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31 December 2024 as well as of the results of their operations and the Group's cash flows for the financial year 1 January to 31 December 2024.

In our opinion, the management commentary is prepared in accordance with relevant laws and regulations and contains a fair review of the development of the Group's and the Parent's business and financial matters, the results for the year and of the Parent's financial position and the financial position as a whole of the entities included in the consolidated financial statements, together with a description of the principal risks and uncertainties that the Group and the Parent face.

The sustainability statement is prepared in accordance with the European Sustainability Reporting Standards (ESRS) as required by the Danish Financial Business Act and the Executive Order on Financial Statements for Credit Institutions and Investment Firms, etc. as well as article 8 in the EU Taxonomy regulation.

Furthermore, in our opinion, the annual report of Spar Nord Bank A/S for the financial year 1 January to 31 December 2024, with the file name "sparnord-2024-12-31-0-da.zip", is prepared, in all material respects, in accordance with the ESEF Regulation.

We recommend the annual report for adoption at the Annual General Meeting.

Aalborg, 5 February 2025

### Executive Board

Lasse Nyby  
Chief Executive Officer

Carsten Levring Jakobsen  
Managing Director

John Lundsgaard  
Managing Director

Martin Kudsk Rasmussen  
Managing Director

### Board of Directors

Kjeld Johannesen  
Chairman of the Board of  
Directors

Per Nikolaj Bukh  
Deputy Chairman of the Board  
of Directors

Rikke Marie Christiansen

Morten Bach Gaardboe

Gitte Holmgaard

Lisa Lund Holst

Mette Kaagaard

Henrik Sjøgreen

Jannie Skovsen

Michael Lundgaard Thomsen



# Independent auditor's report

## To the shareholders of Spar Nord Bank A/S

### Report on the consolidated financial statements and the parent financial statements

#### Opinion

We have audited the consolidated financial statements and the parent financial statements of Spar Nord Bank A/S for the financial year 01.01.2024 - 31.12.2024, which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity and notes, including material accounting policy information, for the Group as well as the Parent and the consolidated cash flow statement. The consolidated financial statements are prepared in accordance with IFRS Accounting Standards as adopted by the EU and additional disclosure requirements for listed financial companies in Denmark, and the parent financial statements are prepared in accordance with the Danish Financial Business Act.

In our opinion, the consolidated financial statements give a true and fair view of the Group's financial position at 31.12.2024 and of its financial performance and cash flows for the financial year 01.01.2024 - 31.12.2024 in accordance with IFRS Accounting Standards as adopted by the EU and additional disclosure requirements for listed financial companies in Denmark.

Also, in our opinion, the parent financial statements give a true and fair view of the financial position of the Parent at 31.12.2024 and of its financial performance for the financial year 01.01.2024 - 31.12.2024 in accordance with the Danish Financial Business Act.

Our opinion is consistent with our long-form audit report to the Audit Committee and the Board of Directors.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements" section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, we have not provided any prohibited non-audit services as referred to in Article 5(1) of Regulation (EU) No 537/2014.

We were appointed auditors of Spar Nord A/S for the first time on 10.04.2019 for the financial year 2019.

We have been reappointed annually by decision of the general meeting for a total contiguous engagement period of 6 years up to and including the financial year 2024.

#### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements and the parent financial statements for the financial year 01.01.2024 - 31.12.2024. These matters were addressed in the context of our audit of the consolidated financial statements and the parent financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Loan impairment charges and provisions for guarantees

Determining expected loan impairment charges and provisions for guarantees is subject to significant uncertainty and to some degree based on management judgement. Due to the significance of such management judgement and the loan and guarantee volumes of the Group and the Parent, auditing loan impairment charges and provisions for guarantees is a key audit matter.

The principles for determining loan impairment charges and provisions for guarantees are further described in Summary of significant accounting policies, and Management has described the management of credit risks and the review for impairment in notes 2.9, 3.2 and 5.1 to the consolidated financial statements.

The areas of loans and guarantees involving the highest level of management judgement, thus requiring greater audit attention, are:

- Identification of credit-impaired exposures.
- Parameters and management judgements in the calculation model used to determine Stage 1 and Stage 2 expected losses.
- Valuation of collateral and future cash flows, including management judgement involved in determining Stage 2 and Stage 3 expected losses.
- The assessment of the effects of events that were not already considered by the models in terms of management judgements incorporated in the models and post-model adjustments.

#### How the matter was addressed in our audit

Based on our risk assessment, our audit comprised a review of the Group's relevant procedures for loans and guarantees, testing of relevant controls and analysis of the credit quality of loans and guarantees, including the amount of impairment charges and provisions for guarantees.

Our audit procedures included testing relevant controls regarding:

- Current assessment of credit risk
- Assessment and validation of input and assumptions applied in calculating impairment charges and provisions for Stage 1 and Stage 2 guarantees.
- Determining management judgements in addition to model-based impairment charges.
- Determining impairment charges on exposures in Stage 2 and Stage 3, including test of cash flows and definition of scenarios.





Our audit procedures also comprised:

- Reviewing, on a sample basis, exposures to ensure timely identification of credit-impaired loans and guarantees.
- Obtaining and evaluating the system auditor's report from the Bank's data centre which includes an assessment of the mass data import used by the Bank and of the correct allocation of collateral.
- Challenging key parameters in the calculation model applied with particular focus on objectivity and the data used.
- Challenging management judgements in the calculation model used with particular focus on management consistency and bias.
- Testing, on a sample basis for exposures classified to be in Stage 2 and Stage 3, the calculated impairment charges for consistency with legal and group guidelines to this effect. This included testing collateral values and definition of scenarios.
- Challenging management judgements incorporated in the models and Management's established post-model adjustments in relation to the effects of events that had not already been considered by the models.

#### Statement by Management on the management's review

Management is responsible for management's review.

Our opinion on the Consolidated Financial Statements and the Parent Company Financial Statements does not cover Management's Review, and we do not as part of the audit express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent company financial statements, our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the consolidated financial statements and the parent company financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Moreover, we considered whether management's review includes the disclosures required by the Danish Financial Business Act. This does not include the requirements of the legislation related to the sustainability statement covered by the separate auditor's limited assurance report hereon.

Based on the work we have performed, in our view, management's review is in accordance with the consolidated financial statements and the parent company financial statements and has been prepared in accordance with the requirements of the Danish Financial Business Act except for the requirements of the legislation related to the sustainability statement which is covered by a separate limited assurance statement cf. above. We did not identify any material misstatement in management's review.

#### Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU and additional disclosure requirements for listed financial companies in Denmark, and for the preparation of parent financial statements that give a true

and fair view in accordance with the Danish Financial Business Act, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Parent's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in the preparation of the consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Group or the Parent or to cease operations, or has no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and these parent financial statements.

As part of an audit in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in the preparation of the consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our



auditor's report. However, future events or conditions may cause the Group and the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements and the parent financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and, where applicable, safeguards put in place and measures taken to eliminate threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements and the parent financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on compliance with the ESEF Regulation

As part of our audit of the consolidated financial statements and the parent financial statements of Spar Nord Bank A/S, we performed procedures to express an opinion on whether the annual report for the financial year 01.01.2024 - 31.12.2024, with the file name sparnord-2024-12-31-0-da.zip, is prepared, in all material respects, in compliance with the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation), which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements including notes.

Management is responsible for preparing an annual report that complies with the ESEF Regulation. This responsibility includes:

- The preparing of the annual report in XHTML format;
- The selection and application of appropriate iXBRL tags, including extensions to the ESEF taxonomy and the anchoring thereof to elements in the taxonomy, for financial information required to be tagged using judgement where necessary;

- Ensuring consistency between iXBRL tagged data and the consolidated financial statements presented in human readable format; and
- For such internal control as Management determines necessary to enable the preparation of an annual report that is compliant with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance on whether the annual report is prepared, in all material respects, in compliance with the ESEF Regulation based on the evidence we have obtained, and to issue a report that includes our opinion.

The nature, timing and extent of procedures selected depend on the auditor's judgement, including the assessment of the risks of material departures from the requirements set out in the ESEF Regulation, whether due to fraud or error. The procedures include:

- Testing whether the annual report is prepared in XHTML format;
- Obtaining an understanding of the company's iXBRL tagging process and of internal control over the tagging process;
- Evaluating the completeness of the iXBRL tagging of the consolidated financial statements including notes;
- Evaluating the appropriateness of the company's use of iXBRL elements selected from the ESEF taxonomy and the creation of extension elements where no suitable element in the ESEF taxonomy has been identified;
- Evaluating the use of anchoring of extension elements to elements in the ESEF taxonomy; and
- Reconciling the iXBRL tagged data with the audited consolidated financial statements.

In our opinion, the annual report for the financial year 01.01.2024 - 31.12.2024, with the file name sparnord-2024-12-31-0-da.zip, is prepared, in all material respects, in compliance with the ESEF Regulation.

Aalborg, 5 February 2025

Deloitte  
Statsautoriseret Revisionspartnerselskab  
CVR No. 33 96 35 56

Anders Oldau Gjelstrup  
State Authorised Public Accountant  
Identification No (MNE) mne10777

Jakob Lindberg  
State Authorised Public Accountant  
Identification No (MNE) mne40824



# Independent auditor's limited assurance report on sustainability statement

## To the shareholders of Spar Nord Bank A/S'

### Limited assurance conclusion

We have conducted a limited assurance engagement on the sustainability statement of Spar Nord Bank A/S (the "Group") included in the management's review (the "sustainability reporting"), page 51 - 111 and page 265 - 285, for the financial year 1 January - 31 December 2024.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the sustainability statement is not prepared, in all material respects, in accordance with the requirements of the legislation, including the Danish Financial Business Act and the Executive Order on Financial Statements for Credit Institutions and Investment Firms, etc., including:

- compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the management to identify the information reported in the sustainability statement (the "Process") is in accordance with the description set out in "Process for double materiality assessment"; and
- compliance of the disclosures in "Reporting in accordance with the EU-Taxonomy" of the sustainability statement with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation").

### Basis for conclusion

We conducted our limited assurance engagement in accordance with ISAE 3000 (Revised), Assurance engagements other than audits or reviews of historical financial information, and additional requirements applicable in Denmark.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the "Auditor's responsibilities for the assurance engagement" section of our report.

### *Our independence and quality management*

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Deloitte Statsautoriseret Revisionspartnerselskab applies International Standard on Quality Management 1, ISQM1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### Other matter

The comparative information included in the Sustainability Statement of the Group for the financial year 1 January - 31 December 2023 was not subject to an assurance engagement. Our conclusion is not modified in respect of this matter.

### Inherent limitations in preparing the sustainability statement

In reporting forward-looking information in accordance with ESRS, management is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

### Management's responsibilities for the sustainability statement

Management is responsible for designing and implementing a process to identify the information reported in the sustainability statement in accordance with the ESRS and for disclosing this Process in "Process for double materiality assessment" of the sustainability statement. This responsibility includes:

- Process for double materiality assessment understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.



Management is further responsible for the preparation of the sustainability statement, in accordance with the requirements of the legislation, including the Danish Financial Business Act and the Executive Order on Financial Statements for Credit Institutions and Investment Firms, etc., including:

- compliance with the ESRS;
- preparing the disclosures in "Reporting in accordance with the EU-Taxonomy" within the environmental section of the sustainability statement, in compliance with Article 8 of the Taxonomy Regulation;
- designing, implementing and maintaining such internal control that management determines is necessary to enable the preparation of the sustainability statement that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

#### Auditor's responsibilities for the assurance engagement

Our objectives are to plan and perform the assurance engagement to obtain limited assurance about whether the sustainability statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the sustainability statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities in respect of the Process include:

- Obtaining an understanding of the Process but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- Considering whether the information identified addresses the applicable disclosure requirements of the ESRS, and
- Designing and performing procedures to evaluate whether the Process is consistent with the Group's description of its Process, as disclosed in "Process for double materiality assessment".

Our other responsibilities in respect of the sustainability statement include:

- Identifying disclosures where material misstatements are likely to arise, whether due to fraud or error; and
- Designing and performing procedures responsive to disclosures in the sustainability statement where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

#### Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the sustainability statement.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the sustainability statement.

In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process by performing inquiries to understand the sources of the information used by management; and reviewing the Group's internal documentation of its Process; and
- Evaluated whether the evidence obtained from our procedures about the Process implemented by the Group was consistent with the description of the Process set out in "Process for double materiality assessment".

In conducting our limited assurance engagement, with respect to the sustainability statement, we:

- Obtained an understanding of the Group's reporting processes relevant to the preparation of its sustainability statement including the consolidation processes by obtaining an understanding of the Group's control environment, processes and information systems relevant to the preparation of the Sustainability Statement but not evaluating the design of particular control activities, obtaining evidence about their implementation or testing their operating effectiveness;
- Evaluated whether material information identified by the Process is included in the sustainability statement;
- Evaluated whether the structure and the presentation of the sustainability statement are in accordance with the ESRS;



- Performed inquiries of relevant personnel and analytical procedures on selected information in the sustainability statement;
- Performed substantive assurance procedures on selected information in the sustainability statement;
- Evaluated methods, assumptions and data for developing material estimates and forward-looking information and how these methods were applied;
- Obtained an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the sustainability statement.

Aalborg, 5 February 2025

Deloitte  
Statsautoriseret Revisionspartnerselskab  
CVR No. 33 96 35 56

Jakob Lindberg  
State Authorised Public Accountant  
Identification No (MNE) mne40824

Thomas Simoni  
State Authorised Public Accountant  
Identification No (MNE) mne45826

# Definitions





## Alternative performance measures

Spar Nord's Management believes that the alternative performance measures (APMs) used in the Management's review provide valuable information to readers of the financial statements. The APMs provide a more consistent basis for comparing the results of financial periods and for assessing the performance of the Group. They are also an important aspect of the way in which Spar Nord's Management defines operating targets and monitors performance.

Defined below are the additional key indicators shown on page 14 - 15 of the Management's review and in the other sections of the Management's review.

Return on equity after tax excl. additional tier 1 (AT1) capital \*)

Profit/loss after tax in per cent of shareholders' equity. The average equity is calculated as a simple average of the shareholders' equity at the beginning of the year and at the end of the year. Profit/loss after tax and shareholders' equity are calculated as if the additional tier 1 (AT1) capital were treated as a liability.

Cost share of core income (expense ratio) \*)

Total costs/core income.

Impairment ratio

Impairment for the year in per cent of loans, advances and guarantees and impairment of loans, advances and receivables etc. and provisions for guarantees and unutilised credit lines.

Overall impairment ratio

Total impairment account in per cent of loans and advances, bank and leasing loans and guarantees and total impairment account.

Impairment account and discount on commitments taken over

Total impairment account plus reversal of impairment charges taken over (which are recognised in loan impairment).

Bank and leasing loans relative to bank deposits

Bank and leasing loans as a percentage of bank deposits.

Business volume

Bank and leasing loans, bank deposits, deposits in pooled schemes, guarantees, mediation of mortgage loans Totalkredit, mediation of mortgage loans DLR, customers' custodianship accounts and letpension and nærpension, life annuities.

Payout ratio \*)

Dividend less dividends on treasury shares plus share buyback programme as a percentage of profit after tax (parent company).

Number of customers

A customer is defined as a CVR number or CPR number that holds or is a joint account holder of an active account with a balance different from zero.

\*) Spar Nord's strategic targets



## Ratio definitions

Own funds ratio *)	Own funds in per cent of total risk exposure amount.	Impairment ratio for the year *)	Impairment of loans, advances and guarantees for the year in per cent of loans and advances + guarantees + impairment of loans, advances and receivables etc.
Tier 1 capital ratio *)	Tier 1 Capital in per cent of total risk exposure amount.	Increase in loans and advances for the year *)	Increase in loans and advances from the beginning of the year to the end of the year, excl. repos, in per cent.
Common equity tier 1 capital ratio *)	Common equity tier 1 capital in per cent of total risk exposure amount.	Loans and advances relative to equity *)	Loans and advances/equity.
Return on equity before tax *)	Profit/loss before tax in per cent of average equity. The average equity is calculated as a simple average of the shareholders' equity at the beginning of the year and at the end of the year.	Earnings per share for the year *)	Profit/loss for the year after tax (parent company)/average number of shares in circulation excl. treasury shares. The average number of shares is calculated as a simple average of the shares at the beginning of the year and at the end of the year.
Return on equity after tax *)	Profit/loss after tax in per cent of average equity. The average equity is calculated as a simple average of the shareholders' equity at the beginning of the year and at the end of the year.	Net asset value per share *)	Shareholders' equity/number of shares excl. treasury shares Shareholders' equity is calculated as if the additional tier 1 (AT1) capital were treated as a liability.
Income/cost ratio *)	Net interest and fee income, Market value adjustments, Other operating income and Profit/loss on equity investments in associates and group enterprises / Staff costs and administrative expenses, Depreciation, amortisation and impairment of intangible assets and property, plant and equipment, Other operating expenses and Impairment of loans, advances and receivables.	Dividend per share *)	Proposed dividend/number of shares.
Return on assets *)	Profit/loss after tax in per cent of total assets.	Share price relative to earnings per share for the year *)	Share price/earnings per share for the year.
Interest rate risk *)	Interest rate risk in per cent of tier 1 capital.	Share price relative to net asset value (NAV) *)	Share price/NAV per share.
Foreign exchange position *)	Foreign exchange indicator 1 in per cent of tier 1 capital.	Return, %	Year-end price - year-end price the year before + dividend for the year before + extraordinary dividend for the year in per cent of the year-end price the year before.
Foreign exchange risk *)	Foreign exchange indicator 2 in per cent of tier 1 capital.	Earnings per share for the year	Profit/loss for the year after tax (parent company)/average number of shares in circulation excl. treasury shares. The average number of shares is calculated as a simple average of the shares at the beginning of the year and at the end of the year. Profit/loss for the year after tax (parent company) is calculated as if the additional tier 1 (AT1) capital were treated as a liability.
Loans and advances plus impairment as % of deposits *)	Loans advances and other receivables at amortised cost plus impairment as % of deposits and other payables and deposits in pooled schemes.	Diluted earnings per share for the year	The profit/loss for the year after tax (parent company)/average number of shares excl. treasury shares in circulation including dilutive effect of share options and conditional shares. The average number of shares is calculated as a simple average of the shares at the beginning of the year and at the end of the year. Profit/loss for the year after tax (parent company) is calculated as if the additional tier 1 (AT1) capital were treated as a liability.
Excess coverage relative to statutory liquidity requirement *)	Cash balances, Demand deposits with Danmarks Nationalbank (the central bank), Absolutely secure and liquid demand deposits with credit institutions and insurance companies, Uncollateralised certificates of deposit issued by Danmarks Nationalbank and Secure and marketable (listed) uncollateralised securities in per cent of 10% of Reduced payables and guarantee commitments.		
Liquidity Cover Ratio (LCR) *)	Liquid assets in per cent of the net value of cash inflows and cash outflows viewed over a 30-day period of heightened corporate financial stress.		
Sum of large exposures *)	Sum of large exposures (20 largest exposures below 175% of common equity tier 1 capital).		

\*) Danish FSA's ratio definitions.



# Appendix - Management's review (continued)





## EU Taxonomy reporting

Spar Nord’s EU taxonomy reporting has been carried out under the EU Taxonomy Regulation (EU 2020/852) as well as the delegated acts of Article 8 (EU 2021/2139, 2021/2178, 2023/2486 and 2022/1214). The reporting of assets covered by the Taxonomy, cf. EU 2023/2486, can be found in the template “Eligible non-eligible”.

Spar Nord’s EU Taxonomy reporting is also available on Spar Nord’s website [sparnord.com/eutaxonomy2024](https://sparnord.com/eutaxonomy2024).

The appendix to the Management’s review forms part of the Bank’s sustainability reporting, which is comprised by the auditor’s limited assurance engagement.

In 2024, the methodology in relation to disclosures about off-balance sheet items was changed and refined. This change in methodology has also been implemented in the disclosures for 2023, resulting in a change to comparative figures for 2023 for off-balance sheet items.



## 0. Summary of KPIs credit institutions must publish pursuant to Article 8 of the EU Taxonomy Regulation

		Total environmentally sustainable assets DKK millions	KPI (****)	KPI (*****)	% coverage (over total assets) (***)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
<b>2024</b>							
Main KPI	Green asset ratio (GAR) stock	1,664.1	1.3%	1.1%	85%	19%	1%
		Total environmentally sustainable activities DKK millions	KPI	KPI	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Additional KPIs	GAR (flow)	323.6	0.3%	0.3%	-	-	-
	Trading book	0.0	0.0%	0.0%			
	Financial guarantees	162.8	1.5%	1.4%			
	Assets under management	793.1	8.1%	8.9%			
	Fees and commissions income	0.0	0.0%	0.0%			
<b>2023</b>							
Main KPI	Green asset ratio (GAR) stock	385.5	0.3%	0.3%	83%	18%	1%
		Total environmentally sustainable activities DKK millions	KPI	KPI	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Additional KPIs	GAR (flow)	139.3	0.1%	0.1%	-	-	-
	Trading book	0.0	0.0%	0.0%			
	Financial guarantees	0.0	0.0%	0.0%			
	Assets under management	586.0	7.1%	5.2%			
	Fees and commissions income	0.0	0.0%	0.0%			

(\*\*\*\*) based on the Turnover KPI of the counterparty

(\*\*\*\*\* based on the CapEX KPI of the counterparty, except for lending activities where for general lending Turnover KPI is used





**1. Assets for the calculation of GAR - Turnover 2023**

Million DKK	Total (gross) carrying amount	31.12.2023																										
		Climate Change Mitigation (CCM)			Climate Change Adaptation (CCA)			Water and marine resources (WTR)			Circular economy (CE)			Pollution (PPC)			Biodiversity and Ecosystems (BIO)			TOTAL (CCM + CCA + WTR + CE + PPC + BIO)								
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which environmentally sustainable (Taxonomy-aligned)								
		Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling			
<b>GAR - Covered assets in both numerator and denominator</b>																												
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	60,325.6	17,314.3	385.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2	<b>Financial undertakings</b>	<b>29,657.0</b>	<b>518.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
3	Credit institutions	13,919.4	518.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4	Loans and advances	2,057.2	518.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5	Debt securities, including UoP	10,999.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
6	Equity instruments	862.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
7	Other financial corporations	15,737.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8	of which investment firms	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9	Loans and advances	15,218.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11	Equity instruments	519.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12	of which management companies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
13	Loans and advances	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
14	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
15	Equity instruments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
16	of which insurance undertakings	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
17	Loans and advances	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
18	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
19	Equity instruments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
20	<b>Non-financial undertakings</b>	<b>1,451.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	
21	Loans and advances	1,189.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
22	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
23	Equity instruments	262.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
24	<b>Households</b>	<b>29,216.8</b>	<b>16,796.1</b>	<b>385.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	
25	of which loans collateralised by residential immovable property	15,428.1	15,428.1	385.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
26	of which building renovation loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
27	of which motor vehicle loans	2,157.2	1,367.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
28	<b>Local governments financing</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
29	Housing financing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
30	Other local government financing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
31	<b>Collateral obtained by taking possession: residential and commercial immovable properties</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
32	<b>Assets excluded from the numerator for GAR calculation (covered in the denominator)</b>	<b>53,266.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
33	<b>Financial and Non-financial undertakings</b>	<b>24,645.6</b>																										
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	24,645.6																										
35	Loans and advances	24,645.6																										
36	of which loans collateralised by commercial immovable property	0.0																										
37	of which building renovation loans	0.0																										
38	Debt securities	0.0																										
39	Equity instruments	0.0																										
40	Non-EU country counterparties not subject to NFRD disclosure obligations	0.0																										
41	Loans and advances	0.0																										
42	Debt securities	0.0																										
43	Equity instruments	0.0																										
44	<b>Derivatives</b>	<b>449.3</b>																										
45	<b>On demand interbank loans</b>	<b>148.8</b>																										







2. GAR sector information – Turnover 2024

Breakdown by sector - NACE 4 digits level (code and label)	Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)		Water and marine resources (WTR)		Circular economy (CE)		Pollution (PPC)		Biodiversity and Ecosystems (BIO)		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	Mn DKK	Of which environmentally sustainable (CCM)	Mn DKK	Of which environmentally sustainable (CCM)	Mn DKK	Of which environmentally sustainable (CCM)	Mn DKK	Of which environmentally sustainable (CCM)	Mn DKK	Of which environmentally sustainable (CCM)	Mn DKK	Of which environmentally sustainable (CCM)	Mn DKK	Of which environmentally sustainable (CCM)	Mn DKK	Of which environmentally sustainable (CCM)
1 6419	1,343.4	29.4			1,343.4	0.0			1,343.4	0.0			1,343.4	0.0		
2																
3																
4																
...																

2. GAR sector information – CAPEX 2024

Breakdown by sector - NACE 4 digits level (code and label)	Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)		Water and marine resources (WTR)		Circular economy (CE)		Pollution (PPC)		Biodiversity and Ecosystems (BIO)		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	Mn DKK	Of which environmentally sustainable (CCM)	Mn DKK	Of which environmentally sustainable (CCM)	Mn DKK	Of which environmentally sustainable (CCM)	Mn DKK	Of which environmentally sustainable (CCM)	Mn DKK	Of which environmentally sustainable (CCM)	Mn DKK	Of which environmentally sustainable (CCM)	Mn DKK	Of which environmentally sustainable (CCM)	Mn DKK	Of which environmentally sustainable (CCM)
1 6419	1,343.4	30.4			1,343.4	0.0			1,343.4	0.0			1,343.4	0.0		
2																
3																
4																
...																





3. GAR KPI stock – Turnover 2024

	31.12.2024																								Proportion of total assets covered	
	Climate Change Mitigation (CCM)			Climate Change Adaptation (CCA)			Water and marine resources (WTR)			Circular economy (CE)			Pollution (PPC)			Biodiversity and Ecosystems (BIO)			TOTAL (CCM + CCA + WTR + CE + PPC + BIO)							
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)							
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)										
% (compared to total covered assets in the denominator)	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling		
<b>GAR - Covered assets in both numerator and denominator</b>																										
1 Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	34.0%	2.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	52.8%
2 <b>Financial undertakings</b>	<b>9.1%</b>	<b>0.8%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>26.6%</b>
3 Credit institutions	19.8%	1.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	12.2%
4 Loans and advances	27.5%	2.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	11%
5 Debt securities, including UoP	20.3%	1.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	10.5%
6 Equity instruments	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.7%
7 Other financial corporations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	14.4%
8 of which investment firms	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
9 Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.8%
10 Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.6%
11 Equity instruments	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.6%
12 of which management companies	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
13 Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
14 Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
15 Equity instruments	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
16 of which insurance undertakings	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
17 Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
18 Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
19 Equity instruments	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
20 <b>Non-financial undertakings</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.9%</b>
21 Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.9%
22 Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
23 Equity instruments	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
24 <b>Households</b>	<b>61.3%</b>	<b>4.4%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>25.3%</b>
25 of which loans collateralised by residential immovable property	100.0%	7.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%
26 of which building renovation loans	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
27 of which motor vehicle loans	81.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
28 <b>Local governments financing</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
29 Housing financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
30 Other local government financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
31 <b>Collateral obtained by taking possession: residential and commercial immovable properties</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
32 <b>Total GAR assets</b>	<b>18.0%</b>	<b>1.3%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>52.8%</b>





3. GAR KPI stock – CAPEX 2024

% (compared to total covered assets in the denominator)		31.12.2024																								Proportion of total assets covered	
		Climate Change Mitigation (CCM)			Climate Change Adaptation (CCA)			Water and marine resources (WTR)			Circular economy (CE)			Pollution (PPC)			Biodiversity and Ecosystems (BIO)			TOTAL (CCM + CCA + WTR + CE + PPC + BIO)							
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)							
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)							
		Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling		
<b>GAR - Covered assets in both numerator and denominator</b>																											
1	Loans and advances, debt securities and equity instruments not HTF eligible for GAR calculation	29.9%	2.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	52.8%
2	<b>Financial undertakings</b>	<b>1.1%</b>	<b>0.1%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>26.6%</b>
3	Credit institutions	2.4%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	12.2%
4	Loans and advances	26.9%	2.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.1%
5	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	10.5%
6	Equity instruments	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.7%
7	Other financial corporations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	14.4%
8	of which investment firms	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
9	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.8%
10	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
11	Equity instruments	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.6%
12	of which management companies	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
13	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
14	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
15	Equity instruments	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
16	of which insurance undertakings	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
17	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
18	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
19	Equity instruments	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
20	<b>Non-financial undertakings</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.9%</b>
21	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.9%
22	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
23	Equity instruments	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
24	<b>Households</b>	<b>61.3%</b>	<b>4.4%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>25.3%</b>
25	of which loans collateralised by residential immovable property	100.0%	7.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%
26	of which building renovation loans	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
27	of which motor vehicle loans	81.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
28	<b>Local governments financing</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
29	Housing financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
30	Other local government financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
31	<b>Collateral obtained by taking possession: residential and commercial immovable properties</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
32	<b>Total GAR assets</b>	<b>15.8%</b>	<b>1.1%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>52.8%</b>



3. GAR KPI stock – CAPEX 2023

		31.12.2023																												
% (compared to total covered assets in the denominator)	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				Proportion of total assets covered	
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)									
		Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling		
<b>GAR - Covered assets in both numerator and denominator</b>																														
1	Loans and advances, debt securities and equity instruments not HTF eligible for GAR calculation	28.7%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	53.1%
2	<b>Financial undertakings</b>	<b>1.7%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>26.1%</b>
3	Credit institutions	3.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	12.8%
4	Loans and advances	25.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.8%
5	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	9.7%
6	Equity instruments	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.8%
7	Other financial corporations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%
8	of which investment firms	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
9	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.4%
10	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
11	Equity instruments	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%
12	of which management companies	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
13	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
14	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
15	Equity instruments	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
16	of which insurance undertakings	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
17	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
18	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
19	Equity instruments	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
20	<b>Non-financial undertakings</b>	<b>0.1%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>1.3%</b>
21	Loans and advances	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.0%
22	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
23	Equity instruments	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%
24	<b>Households</b>	<b>57.5%</b>	<b>1.3%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>25.7%</b>
25	of which loans collateralised by residential immovable property	100.0%	2.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.6%
26	of which building renovation loans	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
27	of which motor vehicle loans	63.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
28	<b>Local governments financing</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
29	Housing financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
30	Other local government financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
31	<b>Collateral obtained by taking possession: residential and commercial immovable properties</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
32	<b>Total GAR assets</b>	<b>15.2%</b>	<b>0.3%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>53.1%</b>	



4. GAR KPI flow – Turnover 2024

	31.12.2024																												
	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				Proportion of total new assets covered
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)								
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)								
Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which transitional	Of which enabling			
<b>GAR – Covered assets in both numerator and denominator</b>																													
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation																												
2	<b>Financial undertakings</b>																												
3	Credit institutions																												
4	Loans and advances																												
5	Debt securities, including UoP																												
6	Equity instruments																												
7	Other financial corporations																												
8	of which investment firms																												
9	Loans and advances																												
10	Debt securities, including UoP																												
11	Equity instruments																												
12	of which management companies																												
13	Loans and advances																												
14	Debt securities, including UoP																												
15	Equity instruments																												
16	of which insurance undertakings																												
17	Loans and advances																												
18	Debt securities, including UoP																												
19	Equity instruments																												
20	<b>Non-financial undertakings</b>																												
21	Loans and advances																												
22	Debt securities, including UoP																												
23	Equity instruments																												
24	<b>Households</b>																												
25	of which loans collateralised by residential immovable property																												
26	of which building renovation loans																												
27	of which motor vehicle loans																												
28	<b>Local governments financing</b>																												
29	Housing financing																												
30	Other local government financing																												
31	<b>Collateral obtained by taking possession: residential and commercial immovable properties</b>																												
32	<b>Total GAR assets</b>																												



4. GAR KPI flow - Turnover 2023

	31.12.2023																												Proportion of total new assets covered
	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
% (compared to flow of total eligible assets)																													
	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling		
<b>GAR - Covered assets in both numerator and denominator</b>																													
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation																												
2	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
3	<b>Financial undertakings</b>																												
4	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
5	Credit institutions																												
6	Loans and advances																												
7	Debt securities, including UoP																												
8	Equity instruments																												
9	Other financial corporations																												
10	of which investment firms																												
11	Loans and advances																												
12	Debt securities, including UoP																												
13	Equity instruments																												
14	of which management companies																												
15	Loans and advances																												
16	Debt securities, including UoP																												
17	Equity instruments																												
18	of which insurance undertakings																												
19	Loans and advances																												
20	Debt securities, including UoP																												
21	Equity instruments																												
22	Non-financial undertakings																												
23	Loans and advances																												
24	Debt securities, including UoP																												
25	Equity instruments																												
26	Households																												
27	of which loans collateralised by residential immovable property																												
28	of which building renovation loans																												
29	of which motor vehicle loans																												
30	Local governments financing																												
31	Housing financing																												
32	Other local government financing																												
33	Collateral obtained by taking possession: residential and commercial immovable properties																												
34	4.5%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
35	<b>Total GAR assets</b>																												



4. GAR KPI flow – CAPEX 2024

% (compared to flow of total eligible assets)	31.12.2024																								Proportion of total new assets covered					
	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)					TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)									
	Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which transitional	Of which enabling			
<b>GAR - Covered assets in both numerator and denominator</b>																														
1	Loans and advances, debt securities and equity instruments not HTF eligible for GAR calculation																													
2	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
3	<b>Financial undertakings</b>																													
4	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
5	Loans and advances																													
6	Debt securities, including UoP																													
7	Equity instruments																													
8	Other financial corporations																													
9	of which investment firms																													
10	Loans and advances																													
11	Debt securities, including UoP																													
12	Equity instruments																													
13	of which management companies																													
14	Loans and advances																													
15	Debt securities, including UoP																													
16	Equity instruments																													
17	of which insurance undertakings																													
18	Loans and advances																													
19	Debt securities, including UoP																													
20	Equity instruments																													
21	<b>Non-financial undertakings</b>																													
22	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
23	Loans and advances																													
24	Debt securities, including UoP																													
25	Equity instruments																													
26	<b>Households</b>																													
27	14.9%	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	14.9%	1.0%	0.0%	0.0%	0.0%	0.0%
28	of which loans collateralised by residential immovable property																													
29	of which building renovation loans																													
30	of which motor vehicle loans																													
31	<b>Local governments financing</b>																													
32	Housing financing																													
33	Other local government financing																													
34	<b>Collateral obtained by taking possession: residential and commercial immovable properties</b>																													
35	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
36	<b>Total GAR assets</b>																													
37	3.8%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.8%	0.3%	0.0%	0.0%	0.0%	0.0%



4. GAR KPI flow – CAPEX 2023

	31.12.2023																								Proportion of total new assets covered				
	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)					TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)								
	Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling						
<b>GAR - Covered assets in both numerator and denominator</b>																													
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation																								0.0%				
2	<b>Financial undertakings</b>																								<b>0.0%</b>				
3	Credit institutions																								0.0%				
4	Loans and advances																								0.0%				
5	Debt securities, including UoP																								0.0%				
6	Equity instruments																								0.0%				
7	Other financial corporations																								0.0%				
8	of which investment firms																								0.0%				
9	Loans and advances																								0.0%				
10	Debt securities, including UoP																								0.0%				
11	Equity instruments																								0.0%				
12	of which management companies																								0.0%				
13	Loans and advances																								0.0%				
14	Debt securities, including UoP																								0.0%				
15	Equity instruments																								0.0%				
16	of which insurance undertakings																								0.0%				
17	Loans and advances																								0.0%				
18	Debt securities, including UoP																								0.0%				
19	Equity instruments																								0.0%				
20	<b>Non-financial undertakings</b>																								<b>0.0%</b>				
21	Loans and advances																								0.0%				
22	Debt securities, including UoP																								0.0%				
23	Equity instruments																								0.0%				
24	<b>Households</b>																								<b>17.3%</b>				
25	of which loans collateralised by residential immovable property																								27.4%				
26	of which building renovation loans																								0.0%				
27	of which motor vehicle loans																								38.9%				
28	<b>Local governments financing</b>																								<b>0.0%</b>				
29	Housing financing																								0.0%				
30	Other local government financing																								0.0%				
31	<b>Collateral obtained by taking possession: residential and commercial immovable properties</b>																								<b>0.0%</b>				
32	<b>Total GAR assets</b>																								<b>4.5%</b>				





5. KPI off-balance sheet exposures – Turnover 2024

		31.12.2024																												
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)							
% (compared to flow of total eligible assets)		Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling				
1	Financial guarantees (FinGuar KPI)	15.9%	1.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			
2	Assets under management (AuM KPI)	26.8%	8.1%	0.0%	0.4%	4.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			

5. KPI off-balance sheet exposures – Turnover 2023

		31.12.2023																												
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)							
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)							
% (compared to flow of total eligible assets)		Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling				
1	Financial guarantees (FinGuar KPI)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			
2	Assets under management (AuM KPI)	7.3%	7.1%	0.0%	0.1%	4.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			







5. KPI off-balance sheet exposures – CAPEX Flow 2024

		31.12.2024																												
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			Circular economy (CE)				Pollution (PPC)			Biodiversity and Ecosystems (BIO)			TOTAL (CCM + CCA + WTR + CE + PPC + BIO)						
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)						
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)						
% (compared to flow of total eligible assets)		Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling		
1	Financial guarantees (FinGuar KPI)	2.8%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2	Assets under management (AuM KPI)	12.5%	9.5%	0.0%	0.2%	6.4%	0.6%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

5. KPI off-balance sheet exposures – CAPEX Flow 2023

		31.12.2023																												
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			Circular economy (CE)				Pollution (PPC)			Biodiversity and Ecosystems (BIO)			TOTAL (CCM + CCA + WTR + CE + PPC + BIO)						
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)						
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)						
% (compared to flow of total eligible assets)		Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling		
1	Financial guarantees (FinGuar KPI)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2	Assets under management (AuM KPI)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

**Eligible and non-eligible**

<b>Eligibility</b>	<b>%</b>
Exposures to economic activities covered (eligible) in EU 2023/2486	0%
Exposures to economic activities not covered (eligible) in EU 2023/2486	52%
Exposures to financial and non-financial undertakings not covered by CSRD compared to total covered GAR-assets	22%
On demand interbank loans compared to total covered GAR-assets	0%
Derivatives compared to total covered GAR-assets	0%
Exposures to central governments, central banks and supranational issuers compared to total covered GAR-assets	0%
Trading book compared to total covered GAR-assets	18%

**Template 1 Nuclear and fossil gas related activities****Row Nuclear energy related activities**

1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO

**Fossil gas related activities**

4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

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