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Executive summary

Income statement

DKKm	H1 2023	H1 2022	Index	Q2 2023	Q1 2023	Index
Net interest income	1,634	886	184	865	770	112
Net fee income	776	852	91	380	397	96
Market value adjustments and dividends	275	-7	-	118	157	75
Other income	86	52	166	52	34	153
Core income	2,771	1,783	155	1,414	1,357	104
Staff costs	745	704	106	374	372	101
Operating expenses	507	472	107	250	257	97
Costs and expenses	1,252	1,176	106	624	629	99
Core earnings before impairment	1,519	606	251	790	729	108
Impairment of loans and advances, etc.	-4	-2	-	-5	1	-
Profit/loss before tax	1,523	608	250	795	727	109
Tax	344	101	341	174	170	102
Profit/loss	1,178	507	232	621	557	111

"Posting a half-year profit exceeding DKK 1 billion for the first time ever, or specifically DKK 1,178 million, equal to a 20.1% return on equity, we had a highly satisfactory first half of 2023. Core business growth based on rising lending and deposit rates combined with developments in policy and market rates resulted in strong growth in net interest income. Furthermore, the Bank recognised satisfactory market value adjustments of its proprietary portfolio of bonds and its strategic shareholdings in the financial sector.

Also, the persistently strong credit quality among the Bank's customers meant that the profit impact from losses and impairment charges was a small income in H1 2023. Management estimates were increased by DKK 72 million during the period to DKK 646 million at 30 June 2023. Management estimates still relate primarily to the uncertainty with respect to the long-term socio-economic effects of the past year's sharp increase in both inflation and interest rates.

Furthermore, we would highlight our decision to continue our expansion by opening another new local bank in Helsingør and a new banking area in Frederikssund. We thus continue to expand our local presence and have opened a total of eight new local banks and banking areas since 2020. The expansion builds on continued strong confidence in our decentralised business model and the importance of a local presence for our ability to attract new customers," says Lasse Nyby, CEO.

Spar Nord achieved a profit after tax of DKK 1,178 million in H1 2023, which corresponds to an annualised return on equity of 20.1%. Overall, the performance is considered highly satisfactory.

Core income amounted to DKK 2,771 million, which was DKK 988 million, or as much as 55%, higher than in the year-earlier period.

At DKK 1,634 million, net interest income was no less than 84% higher than last year, whereas net fee income fell 9% to DKK 776 million. Market value adjustments and dividends amounted to DKK 275 million, with mainly narrowing credit spreads triggering positive price adjustments on the Bank's bond holdings. Lastly, other income amounted to DKK 86 million.

Total costs and expenses amounted to DKK 1,252 million, against DKK 1,176 million in the same period of 2022. Of this amount, payroll costs amounted to DKK 745 million, corresponding to an increase of 6%, and operating expenses amounted to DKK 507 million, which is 7% higher than in the same period of last year.

Loan impairment charges were an income of DKK 4 million in H1 2023, against an income of DKK 2 million in the year-earlier period. Overall, management estimates were increased by DKK 72 million to DKK 646 million at 30 June 2023. The increase in

management estimates related primarily to the uncertainty with respect to the long-term socio-economic effects of the past year's sharp increase in both inflation and interest rates.

Increase of DKK 11 billion, or 3% (y/y) in total business volume

At the end of H1 2023, bank loans were DKK 5.1 billion (10%) and bank deposits DKK 3.7 billion (5%) higher than at the end of H1 2022. Furthermore, financial market developments prompted an increase in customers' custodianship accounts of DKK 12.0 billion, while deposits in pooled schemes rose by DKK 1.6 billion.

On the other hand, guarantees fell DKK 6.5 billion and mortgage credit facilitation fell DKK 5.6 billion relative to the year-earlier period.

Financial guidance for 2023 narrowed

On the basis of its financial results in H1 2023, Spar Nord narrows its financial guidance for 2023.

Spar Nord is thus guiding for core earnings before impairment at the upper end of the previously announced range of DKK 2.9-3.2 billion and, similarly, profit after tax is expected to be at the upper end of the DKK 2.1-2.4 billion range.

Performance indicators and financial ratios – Group

Performance indicators

Income statement

DKKm	H1 2023	H1 2022	Change in %	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Full year 2022
Net interest income	1,634	886	84	865	770	627	499	450	2,011
Net fee income	776	852	-9	380	397	410	428	414	1,689
Market value adjustments and dividends	275	-7	-	118	157	265	65	-14	323
Other income	86	52	66	52	34	41	29	17	122
Core income	2,771	1,783	55	1,414	1,357	1,342	1,021	868	4,145
Staff costs	745	704	6	374	372	360	320	348	1,384
Operating expenses	507	472	7	250	257	249	232	236	953
Costs and expenses	1,252	1,176	6	624	629	610	552	584	2,338
Core earnings before impairment	1,519	606	151	790	729	732	470	284	1,808
Impairment of loans, advances and receivables etc.	-4	-2	98	-5	1	57	22	5	78
Profit/loss before tax	1,523	608	150	795	727	675	447	279	1,730
Tax	344	101	241	174	170	127	86	48	313
Profit for the period	1,178	507	132	621	557	548	361	231	1,417
Interest expenses to holders of additional tier 1 (AT1) capital (taken to equity)	24	23	1	12	12	12	12	12	47

Balance sheet

DKKm									
Total assets	126,952	118,845	7	126,952	125,638	123,936	121,147	118,845	123,936
Lending	65,537	62,909	4	65,537	65,491	65,806	63,043	62,909	65,806
Lending, banking and leasing activities	56,863	51,796	10	56,863	56,053	55,296	52,868	51,796	55,296
Lending, reverse repo transactions	8,674	11,113	-22	8,674	9,438	10,510	10,175	11,113	10,510
Deposits	96,059	90,505	6	96,059	93,490	94,572	92,204	90,505	94,572
Deposits, banking activities	72,400	68,672	5	72,400	70,310	72,169	70,677	68,672	72,169
Deposits, repo transactions	199	0	-	199	258	0	0	0	0
Deposits in pooled schemes	23,459	21,833	7	23,459	22,922	22,402	21,527	21,833	22,402
Issued bonds	6,330	4,642	36	6,330	6,205	6,216	5,367	4,642	6,216
Subordinated debt	1,595	1,508	6	1,595	1,597	1,597	2,003	1,508	1,597
Additional tier 1 (AT1) capital	1,193	1,193	0	1,193	1,201	1,199	1,187	1,193	1,199
Shareholders' equity	11,670	10,578	10	11,670	11,158	11,270	10,821	10,578	11,270
Guarantees	11,137	17,603	-37	11,137	11,617	12,342	14,643	17,603	12,342
Total risk exposure amount	61,512	61,319	0	61,512	61,308	60,463	60,885	61,319	60,463
Tier 1 capital *)	11,110	10,732	4	11,110	10,614	11,103	10,737	10,732	11,103
Impairment account and discount on exposures taken over	1,688	1,615	4	1,688	1,679	1,678	1,640	1,615	1,678
Business volume	355,066	344,035	3	355,066	351,123	348,739	342,058	344,035	348,739

*) Tier 1 capital for Q1 2023 and Q3 2022 are exclusive of recognition of profit/loss for the period.

Financial performance – core earnings, quarterly

Financial ratios

		H1 2023	H1 2022	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Full year 2022
Own funds									
Own funds ratio *)		20.6	19.9	20.6	19.9	20.9	20.2	19.9	20.9
Tier 1 capital ratio *)		18.1	17.5	18.1	17.3	18.4	17.6	17.5	18.4
Common equity tier 1 capital ratio *)		16.2	15.6	16.2	15.4	16.4	15.7	15.6	16.4
Earnings									
Return on equity before tax excl. additional tier 1 (AT1) capital p.a. **)	%	26.1	11.0	27.3	25.5	24.1	16.2	10.0	15.3
Return on equity after tax excl. additional tier 1 (AT1) capital p.a. **)	%	20.1	9.1	21.2	19.5	19.5	13.0	8.2	12.5
Cost share of core income	DKK	0.45	0.66	0.45	0.46	0.45	0.54	0.67	0.56
Cost share of core income – incl. impairment of loans, advances and receivables, etc.	DKK	0.45	0.66	0.45	0.46	0.50	0.56	0.68	0.58
Return on assets	%	0.9	0.4	0.9	0.4	0.4	0.3	0.2	1.1
Market risk and liquidity									
Interest rate risk	%	0.1	0.5	0.1	0.4	0.5	0.5	0.5	0.5
Foreign exchange position	%	0.8	0.9	0.8	0.6	0.6	0.6	0.9	0.6
Foreign exchange risk	%	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Net Stable Funding Ratio (NSFR)	%	128	125	128	126	127	127	125	127
Liquidity Coverage Ratio (LCR)	%	252	212	252	230	211	217	212	211
Bank and leasing loans relative to bank deposits	%	78.5	75.4	78.5	79.7	76.6	74.8	75.4	76.6
Credit risk									
Bank and leasing loans relative to shareholders' equity		4.9	4.9	4.9	5.0	4.9	4.9	4.9	4.9
Increase in loans and advances for the period	%	2.8	5.5	2.8	1.4	4.6	2.1	4.2	12.7
Sum of large exposures	%	81.6	87.6	81.6	89.9	83.8	89.2	87.6	83.8
Impairment ratio		0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1
Employees and branches									
Number of employees (full-time equivalents, end of period)		1,655	1,627	1,655	1,648	1,644	1,636	1,627	1,644
Number of branches		62	60	62	61	60	60	60	60
Spar Nord share									
DKK per share of DKK 10									
Share price, end of period		107	75	107	108	106	85	75	106
Net asset value (NAV) **)		98	86	98	93	92	89	86	93
Profit/loss for the period **)		9.6	3.9	5.1	4.5	4.4	2.9	1.8	11.2

*) Own funds for Q1 2023 and Q3 2022 are exclusive of recognition of profit/loss for the period.

**) 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.

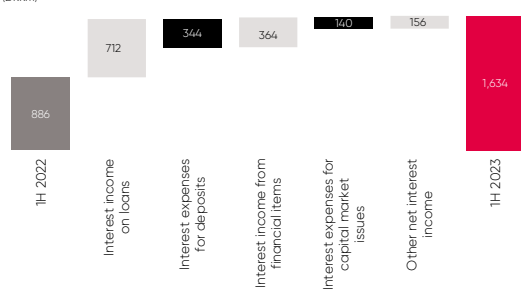
Management commentary on H1 2023

Spar Nord achieved a profit after tax of DKK 1,178 million in H1 2023, which corresponds to an annualised return on equity of 20.1%. Overall, the first half performance is considered highly satisfactory.

Income

Core income amounted to DKK 2,771 million, which is DKK 988 million, or as much as 55%, higher than in the year-earlier period.

Developments in net interest income
(DKKm)



Net interest income was DKK 1,634 million, against DKK 886 million in the year-earlier period.

Developments in net interest income were driven by sharply rising policy and market rates and growth in both lending and deposits.

The increase in interest income from lending was positively affected by a substantial increase in the average lending rate and an increase in average total lending. On the other hand, growth in average deposits and the abolition of negative deposit rates also prompted higher interest expenses compared with the same period of last year. Overall, developments in policy and market rates and lending and deposits resulted in an increase in net interest income from loans and deposits of DKK 368 million compared with H1 2022.

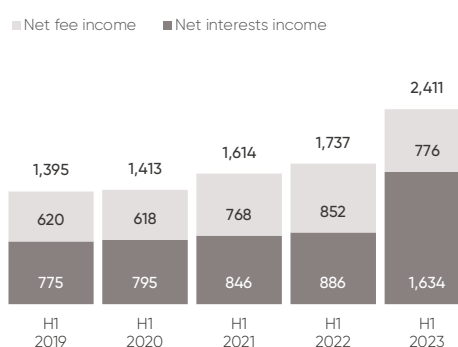
Net interest income relating to the placement of the Bank's excess liquidity in H1 2023 was also strongly affected by rising interest rates. Net interest income from financial items and other net interest income in H1 2023 were thus DKK 520 million higher overall than in the same period of last year.

DKKm	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Interest income on loans	780	686	601	416	381
Interest expenses for deposits	109	78	51	-57	-82
Net interest income, deposits and loans	670	608	550	473	463
Interest income from financial items	217	191	65	57	32
Interest expenses for capital market issues	93	80	23	41	26
Other net interest income	69	51	35	9	-20
Total net interest income	865	770	627	499	450

On the other hand, rising market rates and increased volumes had an adverse effect on the Bank's interest expenses for capital market issues, which increased by DKK 140 million in H1 2023 relative to the same period of last year.

Net fee income was DKK 776 million in H1 2023, against DKK 852 million in the same period of 2022. Net fee income thus accounted for 32% of total net interest and fee income in H1 2023 (H1 2022: 49%).

Net interests income and net fee income
(DKKm)



Overall, net fee income in H1 2023 was DKK 75 million lower than in the same period of last year, or a decrease of 9%.

First-half developments in net fee income were adversely affected by an overall lower level of activity in areas such as house sales, loan remortgaging and securities trading compared with the same period of last year. At the same time, volume-dependent fee income in H1 2023 was slightly below last year's level because of a drop in total mortgage loan facilitation.

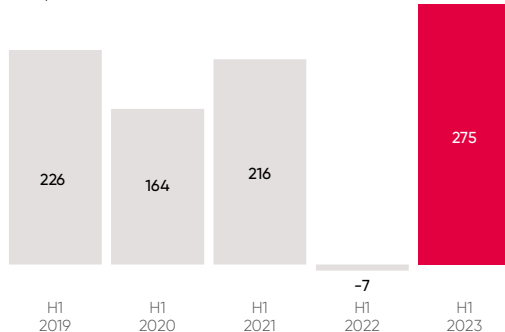
On the other hand, net fee income in H1 2023 was positively affected by persistently strong activity in payment services and cards as well as insurance and pension.

DKKm	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Mortgage fees	117	122	133	138	140
Other transaction fees	24	24	35	38	39
Securities and asset management	117	106	124	123	118
Other fees	122	144	118	129	117
Total net fee income	380	397	410	428	414

Market value adjustments and dividends amounted to DKK 275 million, against DKK -7 million in the same period of 2022. Market value adjustments in the Trading Division were DKK 130 million, while market value adjustments deriving from customer activity and business volume totalled DKK 145 million.

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Market value adjustments and dividends (DKKm)



Financial market developments were generally positive in H1 2023, including a narrowing of credit spreads in the bond market, notably in Q1 2023, and rising equity prices. Overall, these developments prompted positive value adjustments in the Trading Division of DKK 130 million, with value adjustments of the Bank's bond portfolio contributing DKK 115 million, while market value adjustments on the Bank's equity portfolio totalled DKK 15 million.

The Bank's bond portfolio is still recognised at fair value irrespective of whether it is placed in the trading book or in the banking book.

DKKm	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Market value adjustments and dividends, shares in sector-owned companies, etc.	51	46	65	63	40
Market value adjustments currency and currency trading	23	24	24	22	24
Market value adjustments deriving from customer activity and business volume	75	70	89	85	64
Market value adjustments, equity portfolio	6	9	9	-1	-24
Market value adjustments, bond portfolio, etc.	37	78	166	-20	-53
Market value adjustments in Trading Division, etc.	43	87	176	-21	-77
Total market value adjustments	118	157	265	65	-14

Market value adjustments and dividends on the portfolio of strategic shareholdings in the financial sector were DKK 98 million, which was DKK 6 million lower than in the same period of 2022. The lower income in H1 2023 was mainly due to lower market value adjustments regarding Spar Nord's shareholdings in BI Holding (BankInvest).

Finally, market value adjustments from currency trading and exchange rate gains were DKK 47 million driven by satisfactory customer activity in H1 2023.

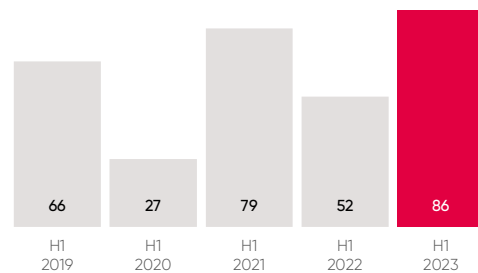
Other income amounted to DKK 86 million, against DKK 52 million in the same period of 2022. The first six months were favourably affected by a gain of

DKK 20 million from the sale of an investment property in Q2 2023.

Of total other income in H1 2023, investments in associates amounted to DKK 41 million, which was mainly attributable to Spar Nord's holding of shares in Danske Andelskassers Bank (DAB).

At the end of H1 2023, Spar Nord's shareholding in DAB amounted to 39.3%.

Other income (DKKm)



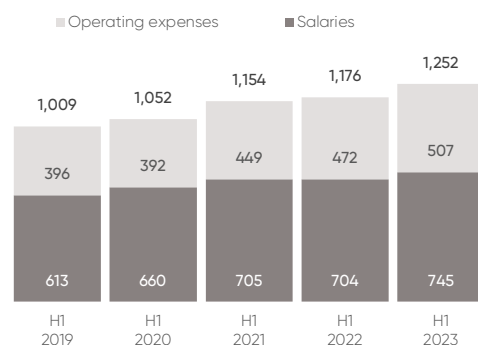
Costs and expenses

The Group's total costs and expenses amounted to DKK 1,252 million, against DKK 1,176 million in the same period of 2022, or an increase of 6%.

Wages and salaries accounted for DKK 745 million of total costs and expenses. Realised payroll costs were DKK 41 million, or 6%, higher than in H1 2022. The average number of employees in H1 2023 was 28 higher than in the year-earlier period.

At 30 June 2023, Spar Nord employed 1,655 people (FTE),

Total cost and expenses (DKKm)



Operating expenses came to DKK 507 million, which is DKK 35 million higher than H1 2022.

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

Relative to the same period of last year, the Bank recorded an increase in cost items regarding travel,

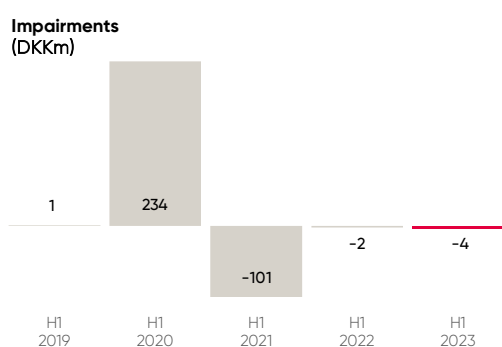
Financial review

staff and marketing, while costs of fees were lower, among other things due to lower costs relating to the Bank's IRB project.

The realised core income and costs corresponds to a cost/income ratio of 45, which is well below the strategic goal of a cost/income ratio below 55 (H1 2022: 66).

Loan impairment

Loan impairment charges were an income of DKK 4 million in H1 2023, against an income of DKK 2 million in the year-earlier period.



The DKK -4 million impact on profits breaks down into DKK -29 million attributable to business customers and DKK 25 million to retail customers.

The positive profit impact in H1 2023 underlined an unchanged strong credit quality among the Bank's retail and business customers. While model-calculated impairment charges were largely unchanged, total management estimates were increased by DKK 72 million relative to end-2022. The increase in management estimates relates primarily to the uncertainty with respect to the long-term socio-economic effects of the past year's sharp increase in both inflation and interest rates.

In H1, a continued decline in the number of exposures flagged for OEI and improved credit quality resulted in lower stage 3 impairment charges of DKK 55 million compared with the end of 2022. On the other hand, an increase in model-calculated impairment charges and management estimates resulted in a DKK 77 million increase in stage 1 and 2 impairment compared with end-2022.

Lastly, amounts recovered on previously impaired receivables contributed favourably to the total profit impact in H1 2023.

At 30 June 2023, total management estimates amounted to DKK 646 million, which was an increase of DKK 72 billion relative to 31 December 2022. At the end of H1 2023, the model-supported management estimate regarding inflation, weak growth and property prices amounted to DKK 521 million, while the management estimates regarding model uncertainty, etc. and land prices in the

agricultural sector amounted to DKK 92 million and DKK 33 million, respectively.

At 30 June 2023, the total management estimates of DKK 646 million broke down into DKK 282 million on business customers and DKK 364 million on retail customers.

Management estimates

DKKm	30.06.23	31.03.23	31.12.22	30.09.22	30.06.22
Inflation, weak growth and property prices	521	448	434	317	279
COVID-19	0	0	0	84	85
Land prices in the agricultural sector	33	38	41	86	98
Model uncertainty, etc.	92	102	98	89	64
Management estimates, total	646	588	574	576	526

Stage 3 impairment at 30 June 2023 amounted to DKK 797 million (year-end 2022: DKK 851 million), while stage 1 and 2 impairment totalled DKK 891 million (year-end 2022: DKK 815 million).

NPL ratio developments

	30.06.23	31.12.22
NPL (DKKm)	1,525	1,627
Exposure (DKKm)	69,930	69,952
NPL ratio	2.2	2.3

At the end of H1 2023, the share of non-performing loans (NPL ratio) at Spar Nord was 2.2%.

The Group's loans, advances and guarantees *)

Breakdown by industry Line of business, %	Loans, advances and guarantees		Impairment account	
	30.06.23	31.12.22	30.06.23	31.12.22
Public authorities	1.2	2.0	0.0	0.0
Agriculture, hunting and forestry	4.1	4.0	7.5	9.6
Fisheries	0.1	0.1	0.2	0.2
Industry and raw materials extraction	5.2	5.3	14.7	7.4
Energy supply	2.5	3.1	0.7	1.0
Building and construction	4.9	4.5	3.9	3.4
Trade	6.7	7.2	5.7	5.9
Transport, hotels and restaurants	4.5	4.6	6.3	7.4
Information and communication	0.5	0.5	0.5	0.7
Financing and insurance	6.4	6.4	8.8	11.2
Real estate	11.9	11.8	7.0	8.3
Other business areas	8.9	8.1	7.4	9.5
Business customers, total	56.8	57.6	62.7	64.5
Total retail customers	43.2	42.4	37.3	35.5
Total	100.0	100.0	100.0	100.0

*) Excl. reverse repo transactions

Compared with year-end 2022, growth in lending to retail customers, mainly mortgage loans, resulted in a small increase in the share of loans, advances and guarantees to retail customers, which share was 43% at 30 June 2023.

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Profit/loss

The profit before tax was DKK 1,523 million, against DKK 608 million in H1 2022. The Group's effective tax rate was 23%, bringing net profit to DKK 1,178 million.

Business volume

The Group's total business volume (deposits, loans, advances and guarantees, facilitated mortgage loans, customers' custodianship accounts and life annuities) amounted to DKK 355.1 billion at 30 June 2023, which was DKK 11.0 billion higher than at 30 June 2022 and DKK 6.3 billion higher than at end-2022.

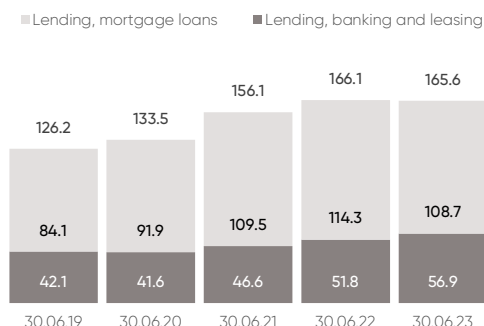
DKKbn	30.06.23	30.06.22	30.06.21	30.06.20	30.06.19
Lending, banking and leasing activities	56.9	51.8	46.6	41.6	42.1
Deposits, banking activities	72.4	68.7	64.3	54.8	52.7
Deposits in pooled schemes	23.5	21.8	23.7	18.2	15.8
Guarantees	11.1	17.6	19.0	14.5	13.9
Loans and advances, mortgage loans	108.7	114.3	109.5	91.9	84.1
Custodianship accounts	78.0	66.0	69.8	50.3	49.2
Pension, life annuity	4.5	3.9	3.5	2.5	2.2
Total business volume	355.1	344.0	336.4	274.0	260.0

Compared with the year-earlier period, bank and leasing loans at 30 June 2023 rose DKK 5.1 billion, or 10%, to DKK 56.9 billion. Lending to business customers increased by DKK 1.4 billion, while lending to retail customers increased by DKK 2.7 billion. Finally, leasing loans grew by DKK 1.2 billion, while loans to public-sector customers fell by DKK 0.2 billion. Compared with end-2022, bank and leasing loans grew by DKK 1.6 billion.

Relative to H1 2022, the volume of facilitated mortgage loans fell DKK 5.6 billion, or 5%, to DKK 108.7 billion. In total, the volume of facilitated mortgage loans amounted to DKK 97.9 billion from Totalkredit and DKK 10.8 billion from DLR Kredit. Compared with end-2022, facilitated mortgage loans fell by DKK 2.4 billion.

Since H1 2022, the volume of facilitated mortgage loans has been adversely affected by customers' capital gains from remortgaging to a higher coupon rate and an increase in the facilitation of mortgage loans – a trend which also characterised developments in H1 2023.

Total credits arranged (DKKbn)

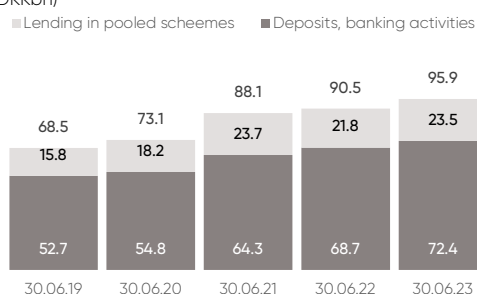


At 30 June 2023, deposits, banking activities had increased by DKK 3.7 billion, or 5%, to DKK 72.4 billion compared with 30 June 2022. Of the increase in deposits, business customers accounted for DKK 0.7 billion and retail customers for DKK 3.0 billion. Compared with end-2022, bank loans increased by DKK 0.2 billion.

At the end of H1 2023, financial market developments resulted in an increase in customers' custodian accounts of DKK 12.0 billion to DKK 78.0 billion and in deposits in pooled schemes of DKK 1.6 billion to DKK 23.5 billion relative to H1 2022.

A reduction in guarantees of DKK 6.5 billion to DKK 11.1 billion had the opposite effect. This was due to the lower level of activity in house sales and loan remortgaging and a reduction in loss guarantees towards Totalkredit.

Total deposits (DKKbn)



As a result of developments in deposit and lending volumes, the loan-to-deposit ratio at 30 June 2023 stood at 79.

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%.

	30.06.23	30.06.22	30.06.21	30.06.20	30.06.19
Common equity tier 1 capital ratio	16.2	15.6	15.0	16.4	13.8
Tier 1 capital ratio	18.1	17.5	17.2	17.8	15.3
Own funds ratio	20.6	19.9	19.3	20.2	17.6

Financial review

At 30 June 2023, the common equity tier 1 (CET1) ratio was 16.2%, while the own funds ratio was 20.6%. The latter should be viewed relative to the individual solvency need calculated by Spar Nord at 9.8% plus the 6.0% combined buffer requirement, bringing the total capital requirement to 15.7%. Thus, at 30 June 2021 Spar Nord has an excess capital coverage of 4.7 percentage points, equal to DKK 2.9 billion.

Compared with Q1 2023, the Bank's CET1 capital ratio increased by 0.8 of a percentage point, while the capital ratio was 0.7 of a percentage point higher.

At 30 June 2023, the Bank's own funds had increased by DKK 0.5 billion relative to Q1 2023. The increase in own funds was primarily driven by the recognition of the profit for the period less provisions for expected dividends.

At 30 June 2023, the total risk exposure amount was DKK 0.2 billion higher than in Q1 2023, reflecting a DKK 0.3 billion increase in credit risk, while market risk was reduced by DKK 0.1 billion.

The increased risk exposure amount for credit risk was primarily due to growth in lending within retail (mainly mortgage loans) and business customers and a higher equity risk in the banking book. The lower risk exposure amount for market risk was mainly driven by a reduction in the Bank's gross interest rate risk.

When the MREL requirement has been fully phased in at the beginning of 2024, Spar Nord must comply with the same requirements regarding eligible liabilities (MREL requirements) as other SIFIs. Fully phased in, the requirement means that Spar Nord must have total capital of about 29% of the total risk exposure amount (REA).

The Bank expects that the MREL requirement, when fully phased-in, will lead to a total need for issuing MREL capital of around DKK 8 billion. In Q2 2023, Spar Nord issued MREL capital totalling DKK 0.3 billion (SEK 450 million), and at 30 June the Bank had issued total MREL capital of DKK 6.5 billion.

With due consideration to ensuring an even maturity structure and the current opportunities and prices of issues, Spar Nord regularly considers the need for and timing of issuing additional MREL capital. In the remaining part of 2023, Spar Nord expects to issue MREL capital for up to DKK 2 billion, primarily to prepare for a fully phased-in MREL requirement on 1 January 2024.

Finally, the first half of 2023 marked a milestone in the Bank's strategic project regarding implementation of internal ratings-based models (IRB). At the beginning of July 2023, the Bank submitted its IRB application to the Danish FSA, and we expect to

obtain the FSA's approval for implementation by the end of 2024.

MREL requirement

%	30.06.23	01.01.24
Solvency ratio	9.8	9.8
Requirement for loss-absorption amount	9.8	9.8
Solvency ratio	9.8	9.8
Capital conservation buffer requirement	2.5	2.5
SIFI buffer requirement	1.0	1.0
Phasing in	-1.3	0.0
Requirement for recapitalisation amount	12.0	13.3
Total MREL	21.7	23.1
Capital conservation buffer requirement	2.5	2.5
Countercyclical buffer requirement	2.5	2.5
SIFI buffer requirement	1.0	1.0
Total MREL and combined buffer requirement	27.7	29.1

Excess coverage, MREL requirement

DKKm / %	30.06.23
Own funds	12,678
Non-preferred senior capital	5,700
Other MREL-eligible liabilities	750
Total capital	19,128
Deduction – separate combined buffer requirement	3,666
Total MREL-eligible liabilities	15,462
MREL and combined buffer requirement	17,037
MREL requirement	13,372
Excess coverage, MREL requirement	2,091
MREL and combined buffer percentage	31.1
NEP (%)	25.1
Excess coverage, MREL requirement in %-points	3.4

Liquidity and funding

At 30 June 2023, 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 30 June 2023 was thus 252, while the NSFR ratio was 128.

LCR

DKKbn / %	30.06.23	31.03.23	31.12.22	30.09.22	30.06.22
Liquidity resources	29.4	27.2	29.4	28.0	27.4
Liquidity Coverage Requirement	11.7	11.8	13.9	12.9	12.9
LCR (%)	252	230	211	217	216

NSFR

DKKbn / %	30.06.23	31.03.23	31.12.22	30.09.22	30.06.22
Available stable funding	103.7	100.3	100.3	96.5	94.3
Required stable funding	81.1	79.9	78.7	76.2	75.7
NSFR (%)	128	126	127	127	125

At the end of H1 2023, Spar Nord's total funding amounted to DKK 96.3 billion. At 30 June 2023,

Financial review

deposits excluding pooled schemes amounted to DKK 72.6 billion, and they are the Bank's principal source of funding.

At 30 June 2023, 66% 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 6% of the Bank's total deposits excluding pooled schemes.

Funding profile

DKKbn	30.06.23	31.03.23	31.12.22	30.09.22	30.06.22
Money market funding	2.9	5.5	2.1	2.5	2.4
Deposits excl. pooled schemes	72.6	70.6	72.2	70.7	68.7
Issued bonds	6.3	6.2	6.2	5.4	4.6
Tier 2 capital and additional tier 1 capital	2.8	2.8	2.8	3.2	2.7
Shareholders' equity	11.7	11.2	11.3	10.8	10.6
Total funding	96.3	96.3	94.5	92.5	89.0

Rating

Spar Nord has an external rating with rating agency Moody's. Spar Nord has an Adjusted Base-line credit assessment of baa1 and a Banking deposit rating of A1 with a stable outlook. Spar Nord's Senior Non-Preferred issues have been assigned a rating of A3 by Moody's.

The Supervisory Diamond

The Supervisory Authority Diamond Test Model 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.

At 30 June 2023, Spar Nord was still comfortably within all the reference points, achieving the values shown below:

The Supervisory Diamond

		Thresh- old values	30.06.23	30.06.22
Sum of large exposures	%	<175	81.6	87.6
Growth in lending	%	<20	9.8	11.3
Property exposure	%	<25	11.2	9.9
Liquidity indicator	%	>100	247	228

Financial guidance for 2023 narrowed

As announced in company announcement no. 39 of 20 June 2023, Spar Nord upgraded its full-year financial guidance.

On the back of higher expectations for net interest income driven by the increase in policy and market rates for the full-year 2023, Spar Nord announced an upgrade of its full-year guidance for core earnings before impairment to DKK 2.9-3.2 billion.

Furthermore, as a result of persistently strong credit quality for the bank's retail and business customers, the Bank guided for impairment charges on a level with 2022.

Guidance for profit after tax was upgraded to DKK 2.1-2.4 billion.

On the basis of the half-year profit, Spar Nord retains the upgraded guidance, which is narrowed to the upper end of the announced ranges.

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.

Throughout the Management's review, performance is assessed on the basis of the financial highlights and segment reporting, which represent the financial information regularly provided to Management. The differences between the financial highlights and the IFRS financial statements relate only to certain changes in the presentation. As there are no adjusting items, net profit is the same in the financial highlights and in the IFRS income statement.

A reconciliation of the correlation between core earnings in the Management's review and the IFRS financial statements is set out in note 2.1 Business segments.

Spar Nord uses core earnings as a performance measure. There is no difference between "Core earnings before impairment" in the core earnings format and "Profit/loss before loan impairments" in the IFRS financial statements.

Defined below are the additional key indicators shown on page 5 of the Management's review and in the other sections of the Management's review.

Return on equity before tax, excl. additional tier 1 (AT1) capital	Profit/loss before 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 before tax and shareholders' equity are calculated as if the additional tier 1 (AT1) capital were treated as a liability.
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.
Payout ratio *)	Dividend less dividends on treasury shares plus share buyback programme as a percentage of profit after tax
Cost share of core income (Cost/income ratio)*)	Total costs/core income.
Cost share of core income – incl. impairment of loans, advances and receivables, etc.	Total costs plus impairment of loans, advances and receivables, etc./core income.
Bank and leasing loans relative to bank deposits	Bank and leasing loans as a percentage of bank deposits
Bank and leasing loans relative to shareholders' equity	Bank and leasing loans / shareholders' equity
Impairment ratio	Impairment for the year in per cent of loans and advances + guarantees + impairment of loans, advances and receivables etc. and provisions for unutilised credit lines
Impairment account and discount on commitments taken over	Total impairment account plus reversal of impairment charges taken over (which are recognised in loan impairment)
Business volume	Bank and leasing loans, bank deposits, deposits in pooled schemes, guarantees, facilitation of mortgage loans Totalkredit, facilitation of mortgage loans DLR, customers' custodianship accounts and letpension and nærpension, life annuities

*) Spar Nord's strategic targets

Management's statement on the interim report

The Board of Directors and the Executive Board have today discussed and adopted the Interim Financial Statements of Spar Nord Bank A/S for the period from 1 January to 30 June 2023.

The Interim Financial Statements are presented in accordance with IAS 34 "Interim Financial Reporting", as adopted by the EU.

Moreover, the Interim Financial Statements are presented in accordance with additional Danish disclosure requirements regarding interim financial statements of listed financial institutions.

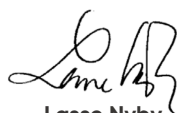
The interim financial statements are unaudited and have not been reviewed, but the external auditor has verified the profit. This verification included procedures consistent with the requirements relating to a review. Hence, it was ascertained that the conditions for ongoing recognition of the profit for the period in own funds were met.

In our opinion, the Interim Financial Statements give a true and fair view of the Group's and Parent Company's financial position at 30 June 2023 and of the results of the Group's and Parent Company's operations and the Group's cash flows for the period from 1 January to 30 June 2023.

In addition, we consider the Management's review to give a fair presentation of the development in the Group's and Parent Company's activities and financial affairs as well as a description of the significant risks and elements of uncertainty that may affect the Group or Parent Company.

Aalborg, 17 August 2023

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



Lene Aaen



Morten Bach Gaardboe



Lisa Lund Holst



Henrik Sjøgreen



Janne Skovsen



Michael Lundgaard Thomsen



Kim Østergaard

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		\	\	\	\	\	-	-	-	-
			\	\	\	\	-	-	-	-
				\	\	\	-	-	-	-

Income statement

Note	H1 2023	H1 2022	Q2 2023	Q2 2022	Full year 2022
	DKKk	DKKk	DKKk	DKKk	DKKk
	1,647	946	884	476	2,046
	408	44	217	23	185
2.2 + 2.3	2,055	990	1,101	499	2,231
2.2 + 2.3	421	105	237	49	220
	1,634	886	865	450	2,011
2.4	866	938	426	458	1,864
2.4	90	87	46	44	175
2.5	275	-7	118	-14	323
2.6	86	52	52	17	122
2.7	745	704	374	348	1,384
2.8	507	472	250	236	953
	1,519	606	790	284	1,808
2.9	-4	-2	-5	5	78
	1,523	608	795	279	1,730
2.10	344	101	174	48	313
	1,178	507	621	231	1,417
Appropriation:					
	1,155	484	609	219	1,370
	24	23	12	12	47
	1,178	507	621	231	1,417
Earnings per share for the period					
	9.6	3.9	5.1	1.8	11.2
	9.6	3.9	5.1	1.8	11.2

Statement of comprehensive income

Profit for the period	1,178	507	621	231	1,417
Other comprehensive income					
Items that cannot be reclassified to the income statement:					
Adjustment relating to associates	0	0	0	0	0
Net revaluation of domicile property	1	1	0	1	0
Items that can later be reclassified to the income statement					
Adjustment regarding cash flows hedging	-17	-	-6	-	-18
Other comprehensive income after tax	-16	1	1	1	-18
Total comprehensive income	1,162	508	622	232	1,399
Appropriation:					
	1,139	485	610	220	1,352
	24	23	12	12	47
Total comprehensive income	1,162	508	622	232	1,399

Group

Balance sheet

Note	30.06.23	31.12.22	30.06.22	
	DKKm	DKKm	DKKm	
Assets				
	Cash balances and demand deposits with central banks	1,922	1,893	3,200
	Due from credit institutions and central banks	3,009	2,746	2,432
5.1.1	Loans, advances and other receivables at amortised cost	65,537	65,806	62,909
	Bonds at fair value	27,436	25,422	22,725
	Shares, etc.	1,659	1,734	1,689
	Investments in associates	898	736	675
	Assets linked to pooled schemes	23,459	22,402	21,833
	Intangible assets	416	419	424
	Land and buildings	702	780	800
	Other property, plant and equipment	127	125	125
	Current tax assets	0	65	196
	Deferred tax assets	175	201	99
	Temporary assets	2	6	10
3.1	Other assets	1,455	1,479	1,431
	Prepayments and deferred income	155	122	298
	Total assets	126,952	123,936	118,845
Equity and liabilities				
Liabilities				
	Due to credit institutions and central banks	2,906	2,076	2,391
3.2	Deposits and other payables	72,600	72,169	68,672
	Deposits in pooled schemes	23,459	22,402	21,833
4.6	Issued bonds at amortised cost	6,330	6,216	4,642
3.3	Other non-derivative financial liabilities at fair value	2,757	2,918	2,604
	Current tax liabilities	170	0	0
	Other liabilities	4,065	3,915	5,206
	Prepayments and deferred income	165	107	149
	Provisions	42	67	70
4.5	Subordinated debt	1,595	1,597	1,508
	Total liabilities	114,089	111,467	107,075
Equity				
	Share capital	1,205	1,230	1,230
	Revaluation reserves	114	113	114
4.3	Statutory reserves	167	172	151
	Retained earnings	10,185	9,201	9,082
	Proposed dividend	-	554	-
	Shareholders' equity	11,670	11,270	10,577
4.4	Holders of additional tier 1 (AT1) capital instruments	1,193	1,199	1,193
	Total equity	12,863	12,469	11,770
	Total equity and liabilities	126,952	123,936	118,845

Statement of changes in equity

	Share capital	Revaluation reserve	Total statutory reserves *)	Retained earnings	Proposed dividend	Shareholders of Spar Nord Bank A/S	Additional tier 1 (AT1) capital	Total equity
	DKKm	DKKm	DKKm	DKKm	DKKm	DKKm	DKKm	DKKm
Equity at 30.06.23								
Equity at 31.12.22	1,230	113	172	9,201	554	11,270	1,199	12,469
Comprehensive income at 30.06.23								
Profit for the period	-	-	41	1,113	-	1,155	24	1,178
Other comprehensive income								
Adjustment relating to associates	-	-	-20	20	-	0	-	0
Net revaluation of properties	-	1	-	-	-	1	-	1
Adjustment regarding cash flows hedging	-	-	-17	-	-	-17	-	-17
Other comprehensive income, total	-	1	-37	20	-	-16	-	-16
Total comprehensive income	-	1	4	1,134	-	1,139	24	1,162
Other adjustments								
Adjustment re. associates, cost of cap. incr.	-	-	-10	-	-	-10	-	-10
Transactions with owners								
Interest paid on additional tier 1 (AT1) capital	-	-	-	-	-	-	-30	-30
Dividends paid	-	-	-	-	-554	-554	-	-554
Reduction of share capital, net transaction costs	-25	-	-	24	-	-1	-	-1
Dividends received, treasury shares	-	-	-	13	-	13	-	13
Disposal upon acquisition of treasury shares and additional tier 1 (AT1) capital	-	-	-	-523	-	-523	0	-523
Addition upon sale of treasury shares and additional tier 1 (AT1) capital	-	-	-	336	-	336	-	336
Total transactions with owners	-25	-	-	-150	-554	-729	-30	-758
Equity at 30.06.23	1,205	114	167	10,185	0	11,670	1,193	12,863
Equity at 30.06.22								
Equity at 31.12.21	1,230	113	148	8,928	308	10,727	1,197	11,924
Comprehensive income at 30.06.22								
Profit for the period	-	-	31	453	-	484	23	507
Other comprehensive income								
Adjustment relating to associates	-	-	-27	27	-	0	-	0
Net revaluation of properties	-	1	-	-	-	1	-	1
Other comprehensive income, total	-	1	-27	27	-	1	-	1
Total comprehensive income	-	1	4	480	-	485	23	508
Transactions with owners								
Issue of additional tier 1 (AT1) capital, net of transaction costs	-	-	-	0	-	0	-	0
Interest paid on additional tier 1 (AT1) capital	-	-	-	-	-	-	-30	-30
Distribution of remaining dividends concerning 2021	-	-	-	-308	308	0	-	0
Dividends paid	-	-	-	-	-615	-615	-	-615
Dividends received, treasury shares	-	-	-	0	-	0	-	0
Disposal upon acquisition of treasury shares and additional tier 1 (AT1) capital	-	-	-	-248	-	-248	-	-248
Addition upon sale of treasury shares and additional tier 1 (AT1) capital	-	-	-	229	-	229	1	230
Total transactions with owners	-	-	-	-326	-308	-634	-28	-662
Equity at 30.06.22	1,230	114	151	9,082	0	10,577	1,193	11,770

*) Total statutory reserves are specified in note 4.3.

The share capital consists of 120,466,626 (30.06.2022: 123,002,526) shares with a nominal value of DKK 10.
Additional tier 1 (AT1) capital is specified in note 4.4.

Spar Nord has launched a share buyback programme for up to DKK 300 million, which will be completed during the period from 13 February 2023 to 31 January 2024. In the period until the end of June, Spar Nord bought back shares for a value of DKK 158 million (1,433,000 shares).

On 22 March 2023, Spar Nord Bank's annual general meeting approved the Board of Directors' proposal to reduce Spar Nord Bank's share

capital by nominally DKK 25,359,000 through the cancellation of 2,535,900 shares from the Bank's portfolio of treasury shares acquired under the Bank's share buyback programme in the period from 15 June 2022 to 31 January 2023.

The share capital reduction was registered with the Danish Business Authority on 28 April 2023. After the reduction, Spar Nord Bank's share capital amounts to nominally DKK 1,204,666,260, equal to 120,466,626 shares of DKK 10 each.

Net transaction costs relating to the share buyback programme amount to DKK 1 million.

Cash flow statement

	H1 2023	H1 2022	Full year 2022
	DKKm	DKKm	DKKm
Operations			
Profit/loss before tax	1,523	608	1,730
Fair value changes, investment properties and temporary assets	0	0	0
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	45	50	98
Gains and losses on the sale of intangible assets and property, plant and equipment	0	-1	-2
Adjustment of loan impairment etc.	22	7	75
Adjustment of cash flow hedging	-23	-	-23
Adjustment of subordinated debt, issued bonds etc.	-363	-222	-246
Provisions	-24	-5	-8
Income from investments in associates	-41	-31	-75
Corporate income tax paid	-78	-295	-473
Operating activities, total	1,061	111	1,076
Working capital			
Movement in credit institutions and central banks, net	830	-61	-376
Movement in loans, advances and other receivables at amortised cost	246	-980	-3,945
Movement in bonds at fair value	-2,014	-3,694	-6,391
Movement in equity portfolio	75	242	196
Movement in other assets and other liabilities, net	44	1,462	573
Movement in deposits and other payables	430	4,897	8,394
Working capital, total	-388	1,865	-1,549
Cash generated from operations, total	673	1,976	-473
Investments			
Acquisition of associates	-150	-9	-32
Sale of associates	0	0	0
Acquisition of intangible assets	0	0	0
Sale of intangible assets	0	0	0
Acquisition of property, plant and equipment	-26	-32	-55
Sale of property, plant and equipment	71	2	16
Dividends from associates	20	27	33
Investing activities, total	-85	-12	-38
Financing			
4.5 Subordinated debt	-3	4	73
4.4 Additional tier 1 (AT1) capital included in equity	-29	-28	-46
4.6 Issued bonds	477	0	1,619
Dividends paid, excluding dividends on treasury shares	-540	-615	-615
Acquisition of treasury shares	-523	-248	-645
Sale of treasury shares	336	229	451
Repayment of lease liabilities	-12	-15	-28
Reduction of share capital, net transaction costs	-1	-	-
Financing activities, total	-296	-673	809
Movements in cash and cash equivalents for the period	292	1,291	298
Cash and cash equivalents, beginning of year	4,139	3,841	3,841
Movements in cash and cash equivalents for the period	292	1,291	298
Cash and cash equivalents, end of year	4,432	5,132	4,139
Cash and cash equivalents, end of year			
Cash, cash equivalents and demand deposits with central banks	1,922	3,200	1,893
Due from credit institutions and central banks within less than 3 months	2,510	1,932	2,246
Total	4,432	5,132	4,139

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Section 1

Basis of preparation

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Section 1

Basis of preparation

§ 1.1 Accounting policies

1.1.1 Basis of preparation of the interim report

The interim report is presented in accordance with IAS 34, "Interim Financial Reporting", as adopted by the EU, and additional Danish disclosure requirements for interim reports. The application of IAS 34 means that the presentation is limited relative to the presentation of an annual report and that the recognition and measurement principles of the International Financial Reporting Standards (IFRS) have been applied.

Other than as set out below, the accounting policies are unchanged from those applied in Annual Report 2022.

Annual Report 2022 contains the full description of the accounting policies.

Figures in the interim report 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.

1.1.2 Accounting policy changes

Effective from 1 January 2023, Spar Nord has implemented the following new or amended standards and interpretations:

- Amendments to IAS 1 Disclosure of Accounting policies, amendments to IAS 12 Deferred tax and amendments to IAS 8 Accounting estimates.

The implementation of these standards and interpretations has not materially affected recognition and measurement.

1.2 Significant accounting estimates and judgments

Measuring certain assets and liabilities requires Management to make management estimates of how future events will affect the value of such assets and liabilities. Estimates considered material in presenting the financial statements are, among other things, those made when determining loan impairment, the fair values of unlisted financial instruments as well as provisions. The applied estimates are based on assumptions deemed reasonable by Management but which are inherently uncertain.

In the presentation of the condensed Interim Financial Statements, the critical judgments made by Management in the application of the Group's accounting policies, and the considerable uncertainty related thereto, are identical to those applying to the presentation of the Financial Statements at 31 December 2022.

Management estimates of impaired loans are described in more detail in the "Loan impairment" section of the Financial review.

Section 2

Income statement

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Main items

Net interest income

DKK 1,634 million

H1 2022: **DKK 886** million

Impairment of loans and advances, etc.

DKK -4 million

H1 2022: **DKK -2** million

Net fee income

DKK 776 million

H1 2022: **DKK 852** million

Profit/loss before tax

DKK 1,523 million

H1 2022: **DKK 608** million

Costs and expenses

DKK 1,252 million

H1 2022: **DKK 1,176** million

Profit/loss after tax

DKK 1,178 million

H1 2022: **DKK 507** million

Profit/loss before loan impairment charges

DKK 1,519 million

H1 2022: **DKK 606** million

C/I ratio

0.45

H1 2022: **0.66**

Section 2

Income statement

2.1 Business segments

	Spar Nord's Local Banks	Trading Division	Other areas	Group total *)
H1 2023	DKKm	DKKm	DKKm	DKKm
Income statement				
Net interest income	1,534	60	40	1,634
Net fee income	769	8	-1	776
Market value adjustments and dividends	117	123	35	275
Other income	15	0	71	86
Core income/revenue, total	2,435	192	145	2,771
Staff costs and operating expenses	1,158	44	50	1,252
Core earnings before impairment	1,276	148	95	1,519
Impairment of loans, advances and receivables etc.	2	-3	-3	-4
Profit/loss before tax	1,274	150	98	1,523

*) The "Group total" column equals core earnings in the management's review.

	Spar Nord's Local Banks	Trading Division	Other areas	Group, total
Balance sheet				
Loans, advances and other receivables at amortised cost	56,659	8,876	2	65,537
Investments in associates	0	0	898	898
Intangible assets and property, plant and equipment *)	488	0	757	1,245
Other assets **)	1,283	33,086	24,903	59,272
Allocated assets, total	58,430	41,963	26,559	126,952
Deposits and other payables	69,539	3,060	1	72,600
Equity (allocated capital)	6,978	1,408	4,477	12,863
Other liabilities	24,125	6,244	11,121	41,490
Allocated equity and liabilities, total	100,642	10,711	15,599	126,952

Disclosures – income/revenue, total

Internal income/revenue	229	-281	84	32
Internal income and eliminations, offset against costs	0	-32	0	-32
Income/revenue, external customers	2,206	505	61	2,771
Income/revenue, total	2,435	192	145	2,771

Financial ratios

Return on equity, % (**)	37.3	21.7	-	-
Cost share of core income	0.48	0.23	-	-
Total risk exposure amount, end of period	47,872	11,374	2,266	61,512
Number of employees (full-time equivalents, end of period)	1,097	58	500	1,655

*) All assets are located in Denmark.

**) Temporary assets amount to DKK 2 million, which relates to lease activities.

***) 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.

As in previous years, the Group uses core earnings as a performance measure.

The reporting segments correspond to the Group's organisational entities and an internal follow-up in this regard.

Description of business area activities:

- For a description of the activities of Spar Nord's Local Banks and Trading Division, please see page 61 of Annual Report 2022.
- The activities of the Local Banks include the Group's leasing activities, and the activities of Other areas include central staffs and support functions.

Intra-group settlement is determined based on the same principles as in previous years and expresses contributions to earnings from the activities carried out by the respective business areas.

Internal management takes place based on a net-interest consideration, and accordingly interest income and expenses are not disclosed.

Section 2

Income statement

	Spar Nord's Local Banks	Trading Division	Other areas	Group total *)
H1 2022	DKKm	DKKm	DKKm	DKKm
Income statement				
Net interest income	834	33	19	886
Net fee income	840	9	3	852
Market value adjustments and dividends	129	-149	13	-7
Other income	11	0	41	52
Core income/revenue, total	1,814	-107	75	1,783
Staff costs and operating expenses	1,084	35	58	1,176
Core earnings before impairment	730	-141	18	606
Impairment of loans, advances and receivables etc.	7	0	-9	-2
Profit/loss before tax	723	-141	26	608

*) The "Group total" column equals core earnings in the management's review.

	Spar Nord's Local Banks	Trading Division	Other areas	Group, total
Balance sheet				
Loans, advances and other receivables at amortised cost	51,536	11,371	3	62,909
Investments in associates	0	0	675	675
Intangible assets and property, plant and equipment *)	491	1	857	1,349
Other assets **)	1,456	29,106	23,350	53,912
Allocated assets, total	53,483	40,477	24,884	118,845
Deposits and other payables	67,906	175	591	68,672
Equity (allocated capital)	6,839	1,304	3,628	11,770
Other liabilities	22,401	5,755	10,247	38,403
Allocated equity and liabilities, total	97,146	7,233	14,466	118,845

Disclosures – income/revenue, total

Internal income/revenue	-71	53	59	41
Internal income and eliminations, offset against costs	0	-41	0	-41
Income/revenue, external customers	1,885	-119	16	1,783
Income/revenue, total	1,814	-107	75	1,783

Financial ratios

Return on equity, % ***)	21.8	-19.9	-	-
Cost share of core income	0.60	-0.32	-	-
Total risk exposure amount, end of period	48,847	9,312	3,160	61,319
Number of employees (full-time equivalents, end of period)	1,096	54	477	1,627

*) All assets are located in Denmark.

**) Temporary assets amount to DKK 10 million, of which DKK 5 million relates to lease activities and DKK 5 million relates to other areas.

***) The rate of return on equity per annum has been calculated on allocated capital, which amounts to 14% of the average total risk exposure amount.

As in previous years, the Group uses core earnings as a performance measure.

The reporting segments correspond to the Group's organisational entities and an internal follow-up in this regard.

Description of business area activities:

- For a description of the activities of Spar Nord's Local Banks and Trading Division, please see page 61 of Annual Report 2022.
- The activities of the Local Banks include the Group's leasing activities, and the activities of Other areas include central staffs and support functions.

Intra-group settlement is determined based on the same principles as in previous years and expresses contributions to earnings from the activities carried out by the respective business areas.

Internal management takes place based on a net-interest consideration, and accordingly interest income and expenses are not disclosed.

Section 2

Income statement

2.2 Interest income

	H1 2023	H1 2022
	DKKm	DKKm
Interest income		
Reverse repo transactions with credit institutions and central banks	23	-6
Other amounts due from credit institutions and central banks	35	3
Reverse repo transactions, lending	123	-30
Loans, advances and other receivables	1,466	754
Bonds	319	35
Total derivatives	89	9
Other interest income	1	0
Total interest income after offsetting negative interest income	2,055	766
Negative interest income offset against interest income		
Reverse repo transactions with credit institutions and central banks	-	6
Reverse repo transactions, lending	-	30
Bonds	-	5
Total negative interest income transferred to interest expenses	-	41
Negative interest expenses offset against interest expenses		
Repo transactions with credit institutions and central banks	-	1
Repo transactions, deposits	-	4
Deposits and other payables	-	178
Total negative interest expenses transferred to interest income	-	183
Total interest income	2,055	990

In the income statement, negative interest income is presented as interest expenses, and negative interest expenses are presented as interest income.

2.3 Interest expenses

	H1 2023	H1 2022
	DKKm	DKKm
Interest expenses		
Repo transactions with credit institutions and central banks	30	-1
Other payables to credit institutions and central banks	26	7
Repo transactions, deposits	1	-4
Deposits and other payables	187	-156
Issued bonds	133	16
Subordinated debt	40	17
Other interest expenses	4	0
Total interest expenses after offsetting negative interest expenses	421	-120
Negative interest expenses offset against interest expenses		
Repo transactions with credit institutions and central banks	-	1
Repo transactions, deposits	-	4
Deposits and other payables	-	178
Total negative interest expenses transferred to interest income	-	183
Negative interest income offset against interest income		
Reverse repo transactions with credit institutions and central banks	-	6
Reverse repo transactions, lending	-	30
Bonds	-	5
Total negative interest income transferred to interest expenses	-	41
Total interest expenses	421	105

In the income statement, negative interest expenses are presented as interest income, and negative interest income is presented as interest expenses.

Section 2

Income statement

2.4 Fees, charges and commissions received

	H1 2023	H1 2022
	DKKm	DKKm
Securities trading and custody accounts	247	279
Payment services	118	111
Loan transaction fees	297	366
of which mortgage credit institutions	239	277
Guarantee commission	18	17
Other fees, charges and commissions	186	165
Total fees, charges and commissions received	866	938
Total fees, charges and commissions paid	90	87
Total net fees, charges and commissions received	776	852

2.5 Market value adjustments and dividends

	H1 2023	H1 2022
	DKKm	DKKm
Other loans, advances and receivables at fair value	29	79
Bonds	139	-433
Shares, etc.	31	-49
Investment properties	0	-
Currency	47	48
Foreign exchange, interest, share, commodity and other contracts and derivatives	-53	237
Assets linked to pooled schemes	1,344	-3,663
Deposits in pooled schemes	-1,344	3,663
Total market value adjustments	193	-119
Dividends on shares, etc.	82	112
Market value adjustments and dividends on shares, etc., total	275	-7

2.6 Other income

	H1 2023	H1 2022
	DKKm	DKKm
Payments under operating leases and other rental income	6	4
Other income	31	10
Operation of investment properties	7	7
Total other operating income	45	21
Income from investments in associates	41	31
Other income, total	86	52

Section 2

Income statement

2.7 Staff costs

	H1 2023	H1 2022
	DKKm	DKKm
Salaries	597	564
Pensions	68	64
Social security costs	81	77
Total staff costs	745	704

Remuneration to members of the Board of Directors and Executive Board amounts to:

Board of Directors		
Number	9	9
Fixed remuneration	2.4	2.3
Pension	-	-
Total remuneration	2.4	2.3

Executive Board		
Number	4	4
Base salary *)	10.1	9.2
- less fees received from directorships	0.7	0.6
The Bank's expense, base salary	9.5	8.6
Pension	1.5	1.4
Total remuneration earned and paid	10.9	10.0

*) 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.

Termination rules

The members of the Executive Board are entitled to a notice period of 12 months and will receive severance pay corresponding to one to two years' salary.

For Executive Board members who receive the maximum severance pay, a two-year severance pay period until the member's 64th birthday, after which the severance pay will be reduced gradually, and no severance pay will be paid when a member of the Executive Board has reached the age of 67.

Pension obligation

Like the other employees, members of the Executive Board and significant risk takers are comprised by defined contribution pension plans.

Number of employees

Average number of employees in the reporting period converted into full-time equivalents	1,645	1,617
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2.8 Operating expenses

	H1 2023	H1 2022
	DKKm	DKKm
IT costs	302	271
Marketing expenses	32	30
Cost of premises	28	27
Staff costs and travel expenses	33	25
Office expenses	7	8
Other administrative expenses	58	61
Operating expenses	462	422
Depreciation, amortisation and impairment	45	50
Total operating expenses	507	472

Section 2

Income statement

2.9 Impairment of loans, advances and receivables etc.

	H1 2023	H1 2022
	DKKm	DKKm
Impairment re. new exposures during the year, including new accounts to existing customers	70	60
Reversed impairment re. repaid accounts	137	83
Impairment during the year due to change in credit risk	100	62
Loss without prior impairment	23	15
Amounts recovered on previously impaired receivables	58	56
Value adjustment of properties taken over	0	0
Total impairment of loans and receivables etc.	-4	-2

See note 5.1.4 for an explanation of impairment and provision for losses on guarantees etc. at 30.06.2023.

2.10 Effective tax rate

	H1 2023	H1 2022
	%	%
Corporate tax rate in Denmark	22.0	22.0
Special tax for financial enterprises in Denmark	3.2	0.0
Income from investments and market value adjustment of shares	-2.0	-3.7
Non-deductible expenses and non-taxable income	-0.2	1.7
Adjustment of prior-year taxes	0.4	-1.3
Change of tax rate	-0.8	-2.1
Total effective tax rate	22.6	16.6

Section 3

Balance sheet

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Main items

Lending, banking and leasing activities

DKK 56,863 million

31.12.22: **DKK 55,296** million

Deposits, banking activities

DKK 72,400 million

31.12.22: **DKK 72,169** million

Bonds at fair value

DKK 27,436 million

31.12.22: **DKK 25,422** million

Deposits in pooled schemes

DKK 23,459 million

31.12.22: **DKK 22,402** million

Section 3

Balance sheet

3.1 Other assets

	30.06.23	31.12.22
	DKKm	DKKm
Positive fair value of derivatives, etc.	422	444
Miscellaneous receivables	402	474
Interest and commissions receivable	243	132
Capital contribution in BEC Financial Technologies	357	400
Other assets	31	28
Total other assets	1,455	1,479

3.2 Deposits and other payables

	30.06.23	31.12.22
	DKKm	DKKm
Repo transactions	199	0
Demand deposits	61,008	63,913
Subject to notice	3,178	2,105
Time deposits, excluding repo business	5,198	3,147
Special types of deposits	3,016	3,005
Total deposits and other payables	72,600	72,169

3.3 Other liabilities

	30.06.23	31.12.22
	DKKm	DKKm
Miscellaneous payables	2,726	2,763
Negative fair value of derivatives, etc.	715	675
Interest and commissions payable	198	79
Lease liabilities	152	158
Other liabilities	274	239
Total other liabilities	4,065	3,915

Section 3

Balance sheet

3.4 Information on fair value of financial instruments

A more detailed description of the principles for recognition and measurement of financial assets and financial liabilities is provided in accounting policies in note 3.3.4 to Annual Report 2022.

Reference is also made to note 3.3.4 to Annual Report 2022 for information about differences between the carrying amount and fair value of financial assets and financial liabilities recognised at amortised cost.

	Amortised cost	Fair value through profit or loss	Amortised cost	Fair value through profit or loss
	30.06.23	30.06.23	31.12.22	31.12.22
	DKKm	DKKm	DKKm	DKKm
Cash balances and demand deposits with central banks	1,922	0	1,893	0
Due from credit institutions and central banks	3,009	0	2,746	0
Loans, advances and other receivables at amortised cost	65,537	0	65,806	0
Bonds at fair value	0	27,436	0	25,422
Shares, etc.	0	1,659	0	1,734
Assets linked to pooled schemes	0	23,459	0	22,402
Positive fair value of derivatives	0	422	0	444
Total financial assets	70,469	52,976	70,445	50,002
Due to credit institutions and central banks	2,906	0	2,076	0
Deposits and other payables	72,600	0	72,169	0
Deposits in pooled schemes	0	23,459	0	22,402
Issued bonds at amortised cost	6,330	0	6,216	0
Other non-derivative financial liabilities at fair value	0	2,757	0	2,918
Current tax liabilities	170	0	0	0
Lease liabilities	152	0	158	0
Negative fair value of derivatives	0	715	0	675
Subordinated debt	1,595	0	1,597	0
Total financial liabilities	83,753	26,931	82,216	25,996

Spar Nord has no financial assets or financial liabilities at fair value through other comprehensive income.

All Spar Nord bonds are measured at fair value through profit or loss.

Day 1 gains (customer margin)

When valuing unlisted derivative instruments, the initial customer margin, etc. is amortised over the remaining term to maturity. At 30.06.2023, the customer margin, etc. not yet amortised amounted to DKK 41 million (31.12.2022: DKK 44 million).

In Day 1 gains, no amount was offset from CVA at 30.06.2023, which is the credit value component of derivatives.

Breakdown of financial instruments relative to the fair-value hierarchy classification and carrying amount

	Quoted prices	Observable inputs	Non-observable inputs	Total
	Level 1	Level 2	Level 3	
	DKKm	DKKm	DKKm	DKKm
30.06.23				
Bonds at fair value	0	27,436	0	27,436
Shares, etc.	66	27	1,566	1,659
Assets linked to pooled schemes	13,686	9,773	0	23,459
Positive fair value of derivatives	0	422	0	422
Total financial assets	13,752	37,658	1,566	52,976
Deposits in pooled schemes	0	23,459	0	23,459
Other non-derivative financial liabilities at fair value	0	2,757	0	2,757
Negative fair value of derivatives	0	715	0	715
Total financial liabilities	0	26,931	0	26,931

Section 3

Balance sheet

	Quoted prices Level 1	Observable inputs Level 2	Non- observable inputs Level 3	Total
	DKKm	DKKm	DKKm	DKKm
31.12.22				
Bonds at fair value	0	25,422	0	25,422
Shares, etc.	64	23	1,647	1,734
Assets linked to pooled schemes	13,080	9,323	0	22,402
Positive fair value of derivatives	0	444	0	444
Total financial assets	13,144	35,212	1,647	50,002
Deposits in pooled schemes	0	22,402	0	22,402
Other non-derivative financial liabilities at fair value	0	2,918	0	2,918
Negative fair value of derivatives	0	675	0	675
Total financial liabilities	0	25,996	0	25,996

In 2023, no transfers have been made to or from non-observable inputs (Level 3).

	Fair value based on net asset value cf. shareholders agreements	Other	Fair value based on net asset value, cf. shareholders' agreements	Other
Level 3	DKKrr	DKKm	DKKm	DKKm
	30.06.23	30.06.23	31.12.22	31.12.22
Equities	1,036	530	1,144	503
Positive fair value of derivatives	-	0	-	0
Sensitivities:				
Change in fair value of shares if the profit/loss of the companies changes by 10%	14	-	15	-

A substantial portion of the shares included under "Other" are valued based on future expected cash, market expectations as to the required rate of return on equity and comparable transactions.

Financial instruments measured at fair value based on non-observable inputs (Level 3)

	30.06.23	31.12.22
	DKKm	DKKm
Carrying amount, beginning of period	1,647	2,223
Value adjustments through profit or loss	18	127
Market value adjustments in other comprehensive income	0	0
Purchase	8	107
Sale	107	188
Transferred to/from Level 3	0	-622
Carrying amount, end of year	1,566	1,647
Value adjustments through profit or loss of assets held at the reporting date	18	116

Dividends on shares recognised in the income statement are not included in the above statement.

Section 4

Capital

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Main items

Target:
Common equity tier 1 capital ratio

13.5

31.12.22: **13.5**

Target:
Own funds ratio

17.5

31.12.22: **17.5**

Earnings per share for the period

DKK 9.6

30.06.22: **DKK 3.9**

Common equity tier 1 capital ratio

16.2

31.12.22: **16.4**

Own funds ratio

20.6

31.12.22: **20.9**

Section 4

Capital

4.1 Own funds

	30.06.23	31.12.22
	DKKm	DKKm
Equity	12,863	12,469
Phasing in of IFRS 9	184	286
Additional tier 1 (AT1) capital included in equity	1,193	1,199
Proposed dividend	707	554
Intangible assets	326	341
Share buybacks, non-utilised portion	142	30
Deductions for NPE (Non Performing Exposures)	163	173
Other primary deductions	62	60
Deduction – Holdings of insignificant CET1 instruments	71	116
Deduction – Holdings of significant CET1 instruments	447	352
Common equity tier 1 capital	9,937	9,930
Additional tier 1 (AT1) capital *)	1,173	1,173
Other deductions	0	1
Tier 1 capital	11,110	11,103
Subordinated debt, excl. Additional Tier 1 (AT1) capital *)	1,578	1,579
Other deductions	10	19
Own funds	12,678	12,662
Weighted risk exposure amount, credit risk etc.	50,148	50,063
Weighted risk exposure amount, market risk	4,516	3,901
Weighted risk exposure amount, operational risk	6,848	6,499
Total risk exposure amount	61,512	60,463
Common equity tier 1 capital ratio	16.2	16.4
Tier 1 capital ratio	18.1	18.4
Own funds ratio	20.6	20.9

*) Limit for holding of own issues has been deducted.

4.2 Treasury share portfolio

	30.06.23	31.12.22
Number of shares	1,479,166	2,291,400
Percentage of share capital	1.2	1.9

Section 4

Capital

4.3 Statutory reserves

Statutory reserves, total

	Statutory reserves	Cash flow hedging	Statutory reserves, total
30.06.23			
Beginning of period	191	-18	172
Comprehensive income at 30.06.23			
Profit/loss for the year	41	-	41
Other comprehensive income			
Adjustment relating to associates	-20	-	-20
Adjustment regarding cash flows hedging	-	-17	-17
Other comprehensive income, total	-20	-17	-37
Total comprehensive income	21	-17	4
Other adjustments			
Adjustment relating to associates, cost of capital increase	-10	-	-10
Total transactions with owners	-	-	-
Equity at 30.06.23	202	-35	167
30.06.22			
Beginning of period	148	-	148
Comprehensive income at 30.06.22			
Profit/loss for the year	31	-	31
Other comprehensive income			
Adjustment relating to associates	-27	-	-27
Adjustment regarding cash flows hedging	-	-	-
Other comprehensive income, total	-27	-	-27
Total comprehensive income	4	-	4
Total transactions with owners	-	-	-
Equity at 30.06.22	151	-	151

Section 4

Capital

4.4 Additional tier 1 (AT1) capital

						30.06.23	31.12.22
						DKKm	DKKm
Currency	Note	Principal DKKm	Interest rate	Received	Maturity		
DKK	a	250	3.125%	2021	Perpetual	256	252
DKK	b	600	3.25%	2021	Perpetual	603	603
DKK	c	330	6.00%	2020	Perpetual	334	344
Additional tier 1 (AT1) capital issued under CRR, total						1,193	1,199

a 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.

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 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 at least 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.

Specification of cash flows

		30.06.23	31.12.22
		DKKm	DKKm
Issue of additional tier 1 (AT1) capital		-	-
Redemption of additional tier 1 (AT1) capital		-	-
Net transaction costs		-	0
Change in portfolio of own bonds		0	2
Interest paid		-30	-47
Net cash flows		-30	-46

4.5 Subordinated debt

Supplementary capital contributions

						30.06.23	31.12.22
						DKKm	DKKm
Currency	Note	Principal DKKm	Interest rate	Received	Maturity		
DKK	a	200	CIBOR3 + 1.30%	2021	30.09.33	199	199
DKK	b	350	CIBOR6 + 2.40%	2018	29.05.29	350	350
DKK	c	150	2.9298%	2018	29.05.29	150	150
DKK	d	500	5.131%	2022	07.07.32	498	498
DKK	e	400	CIBOR6 + 3.25%	2023	11.04.33	398	-
DKK	f	400	2.5348%	2018	19.06.28	-	400
Supplementary capital contributions, total						1,596	1,597
Portfolio of own bonds relating to subordinated debt						-1	0
Total subordinated debt						1,595	1,597

a Redeemable as from 30.09.2028. If the loan is not redeemed, interest will be fixed at CIBOR3 + a 1.30% margin.

b Redeemable as from 29.05.2024. If the loan is not redeemed, interest will be fixed at CIBOR6 + a 2.40% margin.

c Redeemable as from 29.05.2024. If the loan is not redeemed, interest will be fixed at CIBOR6 + a 2.40% margin.

d Redeemable as from 07.07.2027. If the loan is not redeemed, interest will be fixed at CIBOR3 + a 3.00% margin.

e Redeemable as from 11.04.2028. If the loan is not redeemed, interest will be fixed at CIBOR6 + a 3.25% margin.

f The loan was redeemed on 19.06.2023.

Section 4

Capital

Specification of cash flows and other movements

	30.06.23	31.12.22
	DKKm	DKKm
Beginning of period	1,597	1,523
Cash flows		
New loans	400	500
Redeemed	-400	-436
Net transaction costs	-2	-2
Change in portfolio of own bonds	-1	11
Net cash flows	-3	73
Other movements		
Change in exchange rate adjustments	0	0
Amortised costs expensed	1	1
Total other movements	1	1
End of period	1,595	1,597

4.6 Issued bonds at amortised cost

						30.06.23	31.12.22
		Principal	Interest rate	Received	Maturity	DKKm	DKKm
Currency	Note	DKKm					
NOK	a	500	2.8230%	2021	30.06.32	271	313
NOK	b	950	2.1110%	2021	26.11.26	559	633
NOK	c	750	NIBOR3 + 1.05%	2021	26.05.28	476	528
SEK	d	800	STIBOR3 + 0.80%	2021	26.05.26	503	534
DKK	e	1,350	CIBOR3 + 1.00%	2019	05.12.25	1,349	1,349
DKK	f	400	0.7290%	2019	05.12.25	376	372
NOK	g	600	5.5450%	2022	09.09.28	370	429
NOK	h	200	NIBOR3 + 2.00%	2022	09.09.28	126	140
SEK	i	350	4.8330%	2022	09.03.28	215	230
DKK	j	750	CIBOR3 + 1.20%	2022	15.05.25	749	748
SEK	k	1,100	STIBOR3 + 3.00%	2022	01.12.28	693	435
NOK	l	724	NIBOR3 + 3.00%	2022	08.12.28	461	512
EUR	m	25	EURIBOR3 + 1.40%	2023	23.03.28	186	-
Issued bonds, total						6,335	6,223
Portfolio of own bonds relating to issued bonds						-5	-7
Issued bonds, total						6,330	6,216

- a** Redeemable as from 30.06.2031. If the bonds are not redeemed, interest will be fixed at NIBOR3 + a 1.166% margin.
b Redeemable as from 26.11.2025. If the bonds are not redeemed, interest will be fixed at NIBOR3 + a 0.86% margin.
c Redeemable as from 26.05.2027. If the bonds are not redeemed, interest will be fixed at NIBOR3 + a 1.05% margin.
d Redeemable as from 26.05.2025. If the bonds are not redeemed, interest will be fixed at STIBOR3 + a 0.80% margin.
e Redeemable as from 05.12.2024. If the bonds are not redeemed, interest will be fixed at CIBOR3 + a 1.00% margin.
f Redeemable as from 05.12.2024. If the bonds are not redeemed, interest will be fixed at CIBOR3 + a 1.00% margin.
g The bonds cannot be redeemed early.
h The bonds cannot be redeemed early.
i Redeemable as from 09.03.2026. If the bonds are not redeemed, interest will be fixed at STIBOR3 + a 1.80% margin.
j Redeemable as from 15.05.2024. If the bonds are not redeemed, interest will be fixed at CIBOR3 + a 1.20% margin.
k Redeemable as from 01.12.2027. If the bonds are not redeemed, interest will be fixed at STIBOR3 + a 3.00% margin.
l Redeemable as from 08.12.2027. If the bonds are not redeemed, interest will be fixed at NIBOR3 + a 3.00% margin.
m Redeemable as from 23.03.2026. If the bonds are not redeemed, interest will be fixed at EURIBOR3 + a 1.40% margin.

The loans **a, b, f, g** and **i** are comprised by the rules on hedge accounting. Reference is made to note 6.5 in the annual report for 2022.

Section 4

Capital

Specification of cash flows and other movements

	30.06.23	31.12.22
	DKKm	DKKm
Beginning of period	6,216	4,845
Cash flows		
New loans	475	2,539
Redeemed	0	-908
Net transaction costs	-1	-7
Change in portfolio of own bonds	3	-5
Net cash flows	477	1,619
Other movements		
Change in exchange rate adjustments	-336	-176
Change in interest rate hedging	-29	-76
Amortised costs expensed	3	4
Total other movements	-363	-247
End of period	6,330	6,216
	30.06.23	31.12.22
	DKKm	DKKm
Shown by contractual term to maturity		
Up to 3 months	1	1
Over 3 months and up to 1 year	753	4
Between 1 year and 5 years	5,304	5,897
Over 5 years	272	314
Total	6,330	6,216

Risk management

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Main items

Credit exposures – loans, advances and guarantees excl. reverse repo transactions

DKK 69,676 million

31.12.22: **DKK 69,290** million

Credit exposure – excl. reverse repo transactions
Retail/business

43.2% / 56.8%

31.12.22: **42.4% / 57.6%**

Total impairment account

DKK 1,688 million

31.12.22: **DKK 1,666** million

Impairment on loans, advances and other receivables, etc.

DKK -4 million

30.06.22: **DKK -2** million

Section 5

Risk management

5.1 Credit risk

A description of Spar Nord's credit policy is provided in note 5.1.1 to Annual Report 2022.

Management estimates of impaired loans are described in more detail in the "Loan impairment" section of the Financial review.

5.1.1 Summary of carrying amount of exposures

Summary of carrying amount of exposures	Exposure before impairment	Impairment	Carrying amount	Recognised impairment etc. total
	DKKm	DKKm	DKKm	DKKm
30.06.23				
Loans and advances at amortised cost	67,187	1,649	65,537	21
Due from credit institutions and central banks	3,010	1	3,009	0
Guarantees	11,164	27	11,137	-23
Unutilised credit lines and loan commitments	25,387	11	25,376	-2
Total	106,748	1,688	105,060	-4
31.12.22				
Loans and advances at amortised cost	67,408	1,602	65,806	85
Due from credit institutions and central banks	2,747	1	2,746	0
Guarantees	12,392	50	12,342	-12
Unutilised credit lines and loan commitments	25,095	13	25,082	4
Total	107,642	1,666	105,976	78

5.1.2 Impairment and provisions by stages

	Stage 1	Stage 2	Stage 3	Total
	DKKm	DKKm	DKKm	DKKm
30.06.23				
Loans and advances at amortised cost	211	650	788	1,649
Due from credit institutions and central banks	1	0	0	1
Guarantees	13	7	7	27
Unutilised credit lines and loan commitments	5	5	1	11
Total	230	662	797	1,688
31.12.22				
Loans and advances at amortised cost	224	536	842	1,602
Due from credit institutions and central banks	1	0	0	1
Guarantees	18	26	7	50
Unutilised credit lines and loan commitments	5	6	2	13
Total	247	567	851	1,666

5.1.3 Exposures before impairment and provisions by stages

	Stage 1	Stage 2	Stage 3	Total
	DKKm	DKKm	DKKm	DKKm
30.06.23				
Loans and advances at amortised cost	54,425	11,241	1,521	67,187
Due from credit institutions and central banks	3,010	0	0	3,010
Guarantees	10,213	856	94	11,164
Unutilised credit lines and loan commitments	22,460	2,795	132	25,387
Total	90,109	14,892	1,747	106,748
31.12.22				
Loans and advances at amortised cost	52,017	13,768	1,623	67,408
Due from credit institutions and central banks	2,747	0	0	2,747
Guarantees	10,848	1,437	107	12,392
Unutilised credit lines and loan commitments	21,859	3,139	97	25,095
Total	87,471	18,344	1,827	107,642

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".

The exposures included exposures for which impairment has been reversed (impairment charges taken over) on customers acquired. The discount amounted to DKK 0 million at 30.06.2023 (31.12.2022: DKK 13 million).

Section 5

Risk management

5.1.4 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.

	Stage 1	Stage 2	Stage 3	Recognised	
				Total impairment etc.	
	DKKm	DKKm	DKKm	DKKm	DKKm
30.06.23					
Impairment at 1 January, loans at amortised cost	247	567	851	1,666	-
Impairment re. new exposures during the year, including new accounts to existing customers	35	3	32	70	70
Reversed impairment re. repaid accounts	33	47	57	137	137
Change in impairment at 1 January, transfer to/from stage 1	150	-143	-7	-	-
Change in impairment at 1 January, transfer to/from stage 2	-47	63	-16	-	-
Change in impairment at 1 January, transfer to/from stage 3	-1	-14	16	-	-
Impairment during the year due to change in credit risk	-120	233	-13	100	100
Previously impaired, now finally lost	0	0	-21	-21	-
Other movements (interest rate correction etc.)	0	0	11	11	-
Loss without prior impairment	-	-	-	-	23
Amounts recovered on previously impaired receivables	-	-	-	-	58
Impairment and provisions for losses, end of period	230	662	797	1,688	-4

31.12.22

Impairment at 1 January, loans at amortised cost	156	346	1,089	1,591	-
Impairment re. new exposures during the year, including new accounts to existing customers	89	4	38	131	131
Reversed impairment re. repaid accounts	73	45	73	191	191
Change in impairment at 1 January, transfer to/from stage 1	233	-204	-30	-	-
Change in impairment at 1 January, transfer to/from stage 2	-133	185	-52	-	-
Change in impairment at 1 January, transfer to/from stage 3	-1	-62	63	-	-
Impairment during the year due to change in credit risk	-23	344	-129	193	193
Previously impaired, now finally lost	-2	0	-71	-73	-
Other movements (interest rate correction etc.)	0	0	15	15	-
Loss without prior impairment	-	-	-	-	38
Amounts recovered on previously impaired receivables	-	-	-	-	93
Impairment and provisions for losses, end of period	247	567	851	1,666	78

The figures concerning impairment re. new exposures and reversed impairment charges re. repaid accounts 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.

Section 6

Other notes

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Section 6

Other notes

6.1 Collateral

Collateral provided through clearing systems, with central counterparties and other infrastructure institutions:

	30.06.23	31.12.22
	DKKm	DKKm
Deposits, clearing	188	143
Collateral provided for the market value of derivatives transactions	292	230
Positive market value of derivative contracts subject to netting	201	208
Collateral provided as part of repo transactions	2,347	1,742
Total	3,028	2,323

6.2 Contingent assets

	30.06.23	31.12.22
	DKKm	DKKm
Unrecognised tax assets	40	39

6.3 Contingent liabilities

	30.06.23	31.12.22
	DKKm	DKKm
Guarantees	11,137	12,342
Other binding commitments	1,109	1,481
Total contingent liabilities	12,246	13,823

Guarantees

	30.06.23	31.12.22
	DKKm	DKKm
Financial guarantees	4,739	5,252
Loss guarantees for mortgage loans	4,234	4,850
Registration and refinancing guarantees	1,431	1,456
Other contingent liabilities	732	784
Total guarantees	11,137	12,342

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. The corporate income tax payable within the tax pool amounted to DKK 170 million at 30.06.2023 (31.12.2022: corporate income tax receivable of DKK 65 million). Any adjustments to the taxable income subject to joint taxation might entail an increase in the Parent Company's liability.

The Bank participates in the national restructuring and resolution scheme, with separate contributions being paid to the Guarantee Fund and the Resolution Fund. For both funds, separate target levels have been set, based on the sector's total deposits that are covered by the guarantee limit of EUR 100,000 (section 9(1) of the Act on a Depositor and Investor Guarantee Scheme).

The Guarantee Fund covers customers' deposits and securities pursuant to the 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 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 costs for the Resolution Fund for 2023 have been included as a pro-rata share of the annual contributions. The Bank's contribution to the Resolution Fund at 30.06.2023 amounted to DKK 9 million (30.06.2022: DKK 7 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.

Section 6

Other notes

Other binding commitments

	30.06.23	31.12.22
	DKKm	DKKm
Data-processing centre	1,097	1,477
Lease liabilities, Spar Nord as lessee	0	0
Other	12	4
Other binding commitments, total	1,109	1,481

Data-processing centre

Spar Nord has entered into an agreement with BEC Financial Technologies regarding the provision of IT services.

Spar Nord's membership of BEC Financial Technologies 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 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 above concern leases concluded at the balance sheet date but for which the lease asset has not yet been made available.

Spar Nord has not entered into finance leases as a lessee.

6.4 Events after the balance sheet date

No significant events have occurred after 30.06.2023.

6.5 Overview of group companies

		Share capital, end of period *)	Equity end of period *)	Profit/loss for the year *)	Ownership interest
	Activity	DKKm	DKKm	DKKm	%
Spar Nord Bank A/S	Banking	1,230	12,469	1,415	-
Subsidiary					
Aktieselskabet Skelagervej 15, Aalborg	Properties	27	306	16	100

*) According to the most recent annual report.

6.6 Ownership at 30.06.23

Spar Nord Fonden, Aalborg, and Nykredit Realkredit A/S, Copenhagen, have disclosed that they each own more than 5% of the share capital of Spar Nord Bank A/S.

Section 6

Other notes

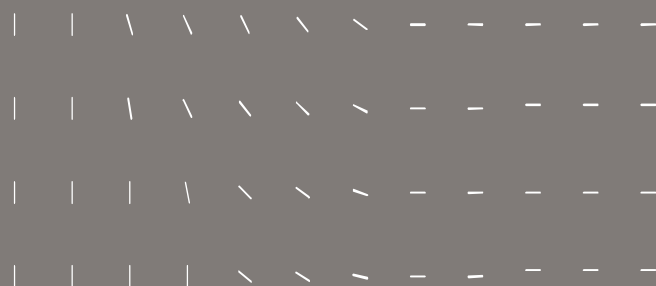
6.7 Performance indicators and financial ratios (Danish FSA's layout and ratio system) 5-year overview

Performance indicators

DKKm	H1 2023	H1 2022	Change in %	H1 2023	H1 2022	H1 2021	H1 2020	H1 2019	Full year 2022
Income statement									
Net interest and fee income	2,492	1,849	35	2,492	1,849	1,688	1,472	1,453	3,813
Market value adjustments	193	-119	-	193	-119	142	105	168	211
Staff costs and administrative expenses	1,198	1,119	7	1,198	1,119	1,100	1,001	963	2,224
Impairment on loans, advances and receivables, etc.	-4	-2	98	-4	-2	-101	234	1	78
Income from investments in associates	41	31	36	41	31	56	4	42	75
Profit for the period	1,178	507	132	1,178	507	686	255	546	1,417
Balance sheet									
Lending	65,537	62,909	4	65,537	62,909	57,862	49,272	47,023	65,806
Equity	12,863	11,770	9	12,863	11,770	11,468	9,921	9,286	12,469
Total assets	126,952	118,845	7	126,952	118,845	114,645	95,242	89,354	123,936
Financial ratios									
Own funds									
Own funds ratio	20.6	19.9		20.6	19.9	19.3	20.2	17.6	20.9
Tier 1 capital ratio	18.1	17.5		18.1	17.5	17.2	17.8	15.3	18.4
Earnings									
Return on equity before tax	% 12.0	5.1		12.0	5.1	7.8	3.2	7.3	14.2
Return on equity after tax	% 9.3	4.3		9.3	4.3	6.3	2.6	5.9	11.6
Income/cost ratio	2.22	1.52		2.22	1.52	1.81	1.25	1.67	1.72
Return on assets	% 0.9	0.4		0.9	0.4	0.6	0.3	0.6	1.1
Market risk and liquidity									
Interest rate risk	% 0.1	0.5		0.1	0.5	0.9	1.1	1.0	0.5
Foreign exchange position	% 0.8	0.9		0.8	0.9	1.0	1.1	1.1	0.6
Foreign exchange risk	% 0.1	0.1		0.1	0.1	0.1	0.1	0.1	0.1
Liquidity Coverage Ratio (LCR)	% 252	212		252	212	257	231	137	211
Loans and advances plus impairment as % of deposits	% 69.9	71.2		69.9	71.2	67.4	69.5	70.9	71.3
Credit risk									
Loans and advances relative to equity	5.1	5.3		5.1	5.3	5.0	5.0	5.1	5.3
Increase in loans and advances for the period	% 2.8	5.5		2.8	5.5	9.5	-3.5	6.4	12.7
Sum of large exposures	% 81.6	87.6		81.6	87.6	81.9	78.6	84.6	83.8
Impairment ratio for the period	0.0	0.0		0.0	0.0	-0.1	0.4	0.0	0.1
The Spar Nord Bank share									
DKK per share of DKK 10									
Profit/loss for the period	9.8	4.1		9.8	4.1	5.6	2.1	4.4	11.6
Net asset value (NAV)	98	86		98	86	82	74	69	93
Dividend	-	-		-	-	-	-	-	4.5
Share price/profit/loss for the period	10.9	18.3		10.9	18.3	12.6	25.1	13.1	9.2
Share price/NAV	1.1	0.9		1.1	0.9	0.9	0.7	0.8	1.1

Parent Company

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Income statement

Note	H1 2023 DKKkM	H1 2022 DKKkM	Full year 2022 DKKkM	
7.2	Interest income	2,055	990	2,231
7.3	Interest expenses	422	105	220
	Net interest income	1,633	886	2,011
	Dividends on shares, etc.	82	112	112
7.4	Fees, charges and commissions received	866	938	1,864
7.4	Fees, charges and commissions paid	90	87	175
	Net interest and fee income	2,491	1,849	3,813
7.5	Market value adjustments	194	-120	203
	Other operating income	20	16	37
7.6	Staff costs and administrative expenses	1,202	1,123	2,232
	Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	44	49	96
	Other operating expenses	9	8	15
7.7	Impairment of loans, advances and receivables etc.	-4	-2	78
	Income from investments in associates and group enterprises	69	38	91
	Profit/loss before tax	1,522	607	1,724
	Tax	342	99	309
	Profit for the period	1,179	508	1,415
	Appropriation:			
	The shareholders of the Parent Company Spar Nord Bank A/S	1,156	485	1,368
	Holders of additional tier 1 (AT1) capital instruments	24	23	47
	Profit for the period	1,179	508	1,415

Statement of comprehensive income

Profit for the period	1,179	508	1,415
Other comprehensive income			
Items that cannot be reclassified to the income statement:			
Adjustment relating to associates	0	0	0
Net revaluation of domicile property	0	0	1
Items that can later be reclassified to the income statement			
Adjustment regarding cash flows hedging	-17	-	-18
Other comprehensive income after tax	-17	0	-17
Total comprehensive income	1,162	508	1,398
Appropriation:			
The shareholders of the Parent Company Spar Nord Bank A/S	1,139	485	1,351
Holders of additional tier 1 (AT1) capital instruments	24	23	47
Total comprehensive income	1,162	508	1,398

Balance sheet

Note	30.06.23	31.12.22	30.06.22
	DKKm	DKKm	DKKm
Assets			
	1,922	1,893	3,200
Cash balances and demand deposits with central banks			
Due from credit institutions and central banks	3,009	2,746	2,432
Loans, advances and other receivables at amortised cost	65,537	65,806	62,909
Bonds at fair value	27,436	25,422	22,725
Shares, etc.	1,635	1,710	1,671
Investments in associates	898	736	675
Investments in group enterprises	334	306	298
Assets linked to pooled schemes	23,459	22,402	21,833
Intangible assets	416	419	424
Land and buildings, total	579	592	608
Investment properties	33	33	34
Domicile properties	396	402	416
Domicile properties (leasing)	150	157	158
Other property, plant and equipment	127	125	125
Current tax assets	0	69	198
Deferred tax assets	174	200	97
Temporary assets	2	6	10
Other assets	1,454	1,479	1,430
Prepayments and deferred income	159	129	301
Total assets	127,143	124,040	118,936
Equity and liabilities			
	2,906	2,076	2,391
Due to credit institutions and central banks			
7.8 Deposits and other payables	72,796	72,278	68,766
Deposits in pooled schemes	23,459	22,402	21,833
Issued bonds at amortised cost	6,330	6,216	4,642
Other non-derivative financial liabilities at fair value	2,757	2,918	2,604
Current tax liabilities	164	0	0
Other liabilities	4,065	3,911	5,203
Prepayments and deferred income	165	106	149
Total payables	112,643	109,908	105,589
Provisions for deferred tax	0	0	0
Provision for losses on guarantees	27	50	55
Other provisions	16	17	15
Total provisions	42	67	70
Subordinated debt	1,595	1,597	1,508
Total liabilities	114,280	111,571	107,166
Share capital	1,205	1,230	1,230
Revaluation reserves	105	105	104
Statutory reserves	-35	-18	-
Retained earnings	10,396	9,399	9,244
Proposed dividend	-	554	-
Shareholders' equity	11,670	11,270	10,577
Holders of additional tier 1 (AT1) capital instruments	1,193	1,199	1,193
Total equity	12,863	12,469	11,770
Total equity and liabilities	127,143	124,040	118,936
Off-balance sheet items			
Contingent assets	38	37	33
7.9 Contingent liabilities	11,137	12,342	17,603
7.10 Other binding commitments	1,109	1,481	1,493

Statement of changes in equity

	Share capital	Revaluation reserve	Total statutory reserves *)	Retained earnings	Proposed dividend	Shareholders of Spar Nord Bank A/S	Additional tier 1 (AT1) capital	Total equity
	DKKm	DKKm	DKKm	DKKm	DKKm	DKKm	DKKm	DKKm
Equity at 30.06.23								
Equity at 31.12.22	1,230	105	-18	9,399	554	11,270	1,199	12,469
Comprehensive income at 30.06.23								
Profit/loss for the year	-	-	69	1,087	-	1,156	24	1,179
Other comprehensive income								
Adjustment relating to associates	-	-	-31	32	-	0	-	0
Adjustment relating to group enterprises	-	-	-28	28	-	0	-	0
Net revaluation of properties	-	0	-	-	-	0	-	0
Adjustment regarding cash flows hedging	-	-	-17	-	-	-17	-	-17
Other comprehensive income, total	0	0	-76	60	0	-17	0	-17
Total comprehensive income	0	0	-7	1,146	0	1,139	24	1,162
Other adjustments								
Adjustment re. associates, cost of cap. incr.	-	-	-10	-	-	-10	-	-10
Transactions with owners								
Interest paid on additional tier 1 (AT1) capital	-	-	-	-	-	-	-30	-30
Dividends paid	-	-	-	-	-554	-554	-	-554
Reduction of share capital, net transaction costs	-25	-	-	24	-	-1	-	-1
Dividends received, treasury shares	-	-	-	13	-	13	-	13
Disposal upon acquisition of treasury shares and additional tier 1 (AT1) capital	-	-	-	-523	-	-523	-	-523
Addition upon sale of treasury shares and additional tier 1 (AT1) capital	-	-	-	336	-	336	0	336
Total transactions with owners	-25	0	0	-150	-554	-728	-30	-758
Equity at 30.06.23	1,205	105	-35	10,396	0	11,670	1,193	12,863
Equity at 30.06.22								
Equity at 31.12.21	1,230	104	0	9,086	308	10,727	1,197	11,924
Comprehensive income at 30.06.22								
Profit/loss for the year	-	-	38	447	-	485	23	508
Other comprehensive income								
Adjustment relating to associates	-	-	-31	31	-	0	-	0
Adjustment relating to group enterprises	-	-	-8	8	-	0	-	0
Net revaluation of properties	-	0	-	-	-	0	-	0
Other comprehensive income, total	0	0	-38	38	0	0	0	0
Total comprehensive income	0	0	0	485	0	485	23	508
Transactions with owners								
Issue of additional tier 1 (AT1) capital, net transaction costs	-	-	-	0	-	0	-	0
Interest paid on additional tier 1 (AT1) capital	-	-	-	-	-	-	-30	-30
Distribution of remaining dividends concerning 2021	-	-	-	-308	308	0	-	0
Dividends paid	-	-	-	-	-615	-615	-	-615
Dividends received, treasury shares	-	-	-	0	-	0	-	0
Disposal upon acquisition of treasury shares and additional tier 1 (AT1) capital	-	-	-	-248	-	-248	-	-248
Addition upon sale of treasury shares and additional tier 1 (AT1) capital	-	-	-	229	-	229	1	230
Total transactions with owners	0	0	0	-327	-308	-635	-28	-663
Equity at 30.06.22	1,230	104	0	9,244	0	10,577	1,193	11,770

*) Total statutory reserves are specified on the next page.

The share capital consists of 120,466,626 (30.06.2022: 123,002,526) shares with a nominal value of DKK 10. Additional tier 1 (AT1) capital is specified in note 4.4.

Spar Nord has launched a share buyback programme for up to DKK 300 million, which will be completed during the period from 13 February 2023 to 31 January 2024. In the period until the end of June, Spar Nord bought back shares for a value of DKK 158 million (1,433,000 shares).

On 22 March 2023, Spar Nord Bank's annual general meeting approved the Board of Directors' proposal to reduce Spar Nord Bank's share

capital by nominally DKK 25,359,000 through the cancellation of 2,535,900 shares from the Bank's portfolio of treasury shares acquired under the Bank's share buyback programme in the period from 15 June 2022 to 31 January 2023.

The share capital reduction was registered with the Danish Business Authority on 28 April 2023. After the reduction, Spar Nord Bank's share capital amounts to nominally DKK 1,204,666,260, equal to 120,466,626 shares of DKK 10 each.

Net transaction costs relating to the share buyback programme amount to DKK 1 million.

Parent Company

Statutory reserves, total

	Statutory reserves	Cash flow hedging	Statutory reserves, total
30.06.23			
Beginning of period	0	-18	-18
Comprehensive income at 30.06.23			
Profit/loss for the year	69	-	69
Other comprehensive income			
Adjustment relating to associates	-31	-	-31
Adjustment relating to group enterprises	-28	-	-28
Adjustment regarding cash flows hedging	-	-17	-17
Other comprehensive income, total	-59	-17	-76
Total comprehensive income	10	-17	-7
Other adjustments			
Adjustment relating to associates, cost of capital increase	-10	-	-10
Total transactions with owners	-	-	-
Equity at 30.06.23	0	-35	-35
30.06.22			
Beginning of period	0	-	0
Comprehensive income at 30.06.22			
Profit/loss for the year	38	-	38
Other comprehensive income			
Adjustment relating to associates	-31	-	-31
Adjustment relating to group enterprises	-8	-	-8
Other comprehensive income, total	-38	-	-38
Total comprehensive income	0	-	0
Total transactions with owners	-	-	-
Equity at 30.06.22	0	-	0

Parent Company

Capital position

Treasury share portfolio	30.06.23	31.12.22
Number of shares	1,479,166	2,291,400
Percentage of share capital	1.2	1.9

Own funds	30.06.23	31.12.22
	DKKm	DKKm
Equity	12,863	12,469
Phasing in of IFRS 9	184	286
Additional tier 1 (AT1) capital included in equity	1,193	1,199
Proposed dividend	707	554
Intangible assets	326	341
Share buybacks, non-utilised portion	142	30
Deductions for NPE (Non Performing Exposures)	163	173
Other primary deductions	62	60
Deduction – Holdings of insignificant CET1 instruments	71	116
Deduction – Holdings of significant CET1 instruments	447	352
Common equity tier 1 capital	9,937	9,930
Additional tier 1 (AT1) capital *)	1,173	1,173
Other deductions	0	1
Tier 1 capital	11,110	11,103
Subordinated debt, excl. Additional Tier 1 (AT1) capital *)	1,578	1,579
Other deductions	10	19
Own funds	12,678	12,662
Weighted risk exposure amount, credit risk etc.	50,338	50,163
Weighted risk exposure amount, market risk	4,516	3,901
Weighted risk exposure amount, operational risk	6,834	6,482
Total risk exposure amount	61,687	60,546
Common equity tier 1 capital ratio	16.1	16.4
Tier 1 capital ratio	18.0	18.3
Own funds ratio	20.6	20.9

*) Limit for holding of own issues has been deducted.

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§ 7.1 Accounting policies

The interim report of the Parent Company Spar Nord A/S has 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. For a description of accounting policies and changes thereto, please see accounting policies in note 1.1 to the consolidated financial statements.

Other than as described in note 1.1 to the consolidated financial statements, the accounting policies are unchanged from Annual Report 2022. A full description of the accounting policies is provided in Annual Report 2022.

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 individual properties being classified as investment properties in the subsidiary and as domicile properties in the Group. The difference consists of net depreciation and impairment on such properties; see below:

	Profit/loss		Equity	
	H1 2023	H1 2022	H1 2023	H1 2022
	DKKm	DKKm	DKKm	DKKm
Spar Nord Group	1,178	507	12,863	11,770
Net depreciation and impairment, Group domicile properties	1	1	0	0
Spar Nord Parent Company	1,179	508	12,863	11,770

7.2 Interest income

	H1 2023	H1 2022
	DKKm	DKKm
Interest income		
Reverse repo transactions with credit institutions and central banks	23	-6
Other amounts due from credit institutions and central banks	35	3
Reverse repo transactions, deposits	123	-30
Loans, advances and other receivables	1,466	754
Bonds	319	35
Derivatives	89	9
Other interest income	1	0
Total interest income after offsetting negative interest income	2,055	766
Negative interest income offset against interest income		
Reverse repo transactions with credit institutions and central banks	-	6
Reverse repo transactions, deposits	-	30
Bonds	-	5
Total negative interest income transferred to interest expenses	-	41
Negative interest expenses offset against interest expenses		
Repo transactions with credit institutions and central banks	-	1
Repo transactions, deposits	-	4
Deposits and other payables	-	178
Total negative interest expenses transferred to interest income	-	183
Total interest income	2,055	990

In the income statement, negative interest income is presented as interest expenses, and negative interest expenses are presented as interest income.

Notes parent company

7.3 Interest expenses

	H1 2023	H1 2022
	DKKm	DKKm
Interest expenses		
Repo transactions with credit institutions and central banks	30	-1
Other payables to credit institutions and central banks	26	7
Repo transactions, deposits	1	-4
Deposits and other payables	189	-156
Issued bonds	133	16
Subordinated debt	40	17
Other interest expenses	4	0
Total interest expenses after offsetting negative interest expenses	422	-120
Negative interest expenses offset against interest expenses		
Repo transactions with credit institutions and central banks	-	1
Repo transactions, deposits	-	4
Deposits and other payables	-	178
Total negative interest expenses transferred to interest income	-	183
Negative interest income offset against interest income		
Reverse repo transactions with credit institutions and central banks	-	6
Reverse repo transactions, deposits	-	30
Bonds	-	5
Total negative interest income transferred to interest expenses	-	41
Total interest expenses	422	105

In the income statement, negative interest expenses are presented as interest income, and negative interest income is presented as interest expenses.

7.4 Fees, charges and commissions received

	H1 2023	H1 2022
	DKKm	DKKm
Securities trading and custody accounts	247	279
Payment services	118	111
Loan transaction fees	297	366
of which mortgage credit institutions	239	277
Guarantee commission	18	17
Other fees, charges and commissions	186	165
Total fees, charges and commissions received	866	938
Total fees, charges and commissions paid	90	87
Total net fees, charges and commissions received	776	852

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7.5 Market value adjustments

	H1 2023	H1 2022
	DKKm	DKKm
Other loans, advances and receivables at fair value	29	79
Bonds	139	-433
Shares, etc.	32	-50
Investment properties	0	0
Currency	47	48
Foreign exchange, interest, share, commodity and other contracts and derivatives	-53	237
Assets linked to pooled schemes	1,344	-3,663
Deposits in pooled schemes	-1,344	3,663
Total market value adjustments	194	-120

7.6 Staff costs and administrative expenses

	H1 2023	H1 2022
	DKKm	DKKm
Staff costs	745	704
Administrative expenses	457	418
Total staff costs and administrative expenses	1,202	1,123

Salaries	597	564
Pensions	68	64
Social security costs	81	77
Total staff costs	745	704

Of which, remuneration to members of the Executive Board and Board of Directors:

Board of Directors	2.4	2.3
Executive Board	10.9	10.0
Total remuneration	13.4	12.3

Number of employees

Average number of employees in the financial year converted into full-time equivalents	1,645	1,617
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7.7 Impairment of loans, advances and receivables etc.

	H1 2023	H1 2022
	DKKm	DKKm
Impairment re. new exposures during the year, including new accounts to existing customers	70	60
Reversed impairment re. repaid accounts	137	83
Impairment during the year due to change in credit risk	100	62
Loss without prior impairment	23	15
Amounts recovered on previously impaired receivables	58	56
Value adjustment of properties taken over	0	0
Total impairment of loans and receivables etc.	-4	-2

See note 7.11.4 for an explanation of impairment and provision for losses on guarantees etc. at 30.06.2023.

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7.8 Deposits and other payables

	30.06.23	31.12.22
	DKKm	DKKm
Demand deposits	61,205	64,021
Subject to notice	3,178	2,105
Time deposits	5,398	3,147
Special types of deposits	3,016	3,005
Total deposits and other payables	72,796	72,278
Repo transactions hereof	199	0

7.9 Contingent liabilities

	30.06.23	31.12.22
	DKKm	DKKm
Financial guarantees	4,739	5,252
Loss guarantees for mortgage loans	4,234	4,850
Registration and refinancing guarantees	1,431	1,456
Other contingent liabilities	732	784
Total contingent liabilities	11,137	12,342

7.10 Other binding commitments

Other binding commitments of DKK 1,109 million (31.12.2022: DKK 1,481 million) consist of lease obligations in which Spar Nord is lessee, and the liability to pay a withdrawal fee on potential withdrawal from BEC Financial Technologies a.m.b.a.

See note 6.3 to the consolidated financial statements for a description hereof.

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7.11 Exposures and impairment etc.

7.11.1 Summary of carrying amount of exposures

	Exposure before impairment	Impairment	Carrying amount	Recognised impairment etc. total
	DKKm	DKKm	DKKm	DKKm
30.06.23				
Loans and advances at amortised cost	67,187	1,649	65,537	21
Due from credit institutions and central banks	3,010	1	3,009	0
Guarantees	11,164	27	11,137	-23
Unutilised credit lines and loan commitments	25,387	11	25,376	-2
Total	106,748	1,688	105,060	-4
31.12.22				
Loans and advances at amortised cost	67,408	1,602	65,806	85
Due from credit institutions and central banks	2,747	1	2,746	0
Guarantees	12,392	50	12,342	-12
Unutilised credit lines and loan commitments	25,095	13	25,082	4
Total	107,642	1,666	105,976	78

7.11.2 Impairment and provisions by stages

	Stage 1	Stage 2	Stage 3	Total
	DKKm	DKKm	DKKm	DKKm
30.06.23				
Loans and advances at amortised cost	211	650	788	1,649
Due from credit institutions and central banks	1	0	0	1
Guarantees	13	7	7	27
Unutilised credit lines and loan commitments	5	5	1	11
Total	230	662	797	1,688
31.12.22				
Loans and advances at amortised cost	224	536	842	1,602
Due from credit institutions and central banks	1	0	0	1
Guarantees	18	26	7	50
Unutilised credit lines and loan commitments	5	6	2	13
Total	247	567	851	1,666

7.11.3 Exposures before impairment and provisions by stages

	Stage 1	Stage 2	Stage 3	Total
	DKKm	DKKm	DKKm	DKKm
30.06.23				
Loans and advances at amortised cost	54,425	11,241	1,521	67,187
Due from credit institutions and central banks	3,010	0	0	3,010
Guarantees	10,213	856	94	11,164
Unutilised credit lines and loan commitments	22,460	2,795	132	25,387
Total	90,109	14,892	1,747	106,748
31.12.22				
Loans and advances at amortised cost	52,017	13,768	1,623	67,408
Due from credit institutions and central banks	2,747	0	0	2,747
Guarantees	10,848	1,437	107	12,392
Unutilised credit lines and loan commitments	21,859	3,139	97	25,095
Total	87,471	18,344	1,827	107,642

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".

The exposures included exposures for which impairment has been reversed (impairment charges taken over) on customers acquired. The discount amounted to DKK 0 million at 30.06.2023 (31.12.2022: DKK 13 million).

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7.11.4 Impairment and provisions for losses

Analysis of changes in impairment for the period broken down by stages and correlated to recognised impairment.

	Stage 1	Stage 2	Stage 3	Recognised	
	DKKk	DKKk	DKKk	Total impairment etc.	DKKk
30.06.23					
Impairment at 1 January, loans at amortised cost	247	567	851	1,666	-
Impairment re. new exposures during the year, including new accounts to existing customers	35	3	32	70	70
Reversed impairment re. repaid accounts	33	47	57	137	137
Change in impairment at 1 January, transfer to/from stage 1	150	-143	-7	-	-
Change in impairment at 1 January, transfer to/from stage 2	-47	63	-16	-	-
Change in impairment at 1 January, transfer to/from stage 3	-1	-14	16	-	-
Impairment during the year due to change in credit risk	-120	233	-13	100	100
Previously impaired, now finally lost	0	0	-21	-21	-
Other movements (interest rate correction etc.)	0	0	11	11	-
Loss without prior impairment	-	-	-	-	23
Amounts recovered on previously impaired receivables	-	-	-	-	58
Impairment and provisions for losses, end of period	230	662	797	1,688	-4

31.12.22

Impairment at 1 January, loans at amortised cost	156	346	1,089	1,591	-
Impairment re. new exposures during the year, including new accounts to existing customers	89	4	38	131	131
Reversed impairment re. repaid accounts	73	45	73	191	191
Change in impairment at 1 January, transfer to/from stage 1	233	-204	-30	-	-
Change in impairment at 1 January, transfer to/from stage 2	-133	185	-52	-	-
Change in impairment at 1 January, transfer to/from stage 3	-1	-62	63	-	-
Impairment during the year due to change in credit risk	-23	344	-129	193	193
Previously impaired, now finally lost	-2	0	-71	-73	-
Other movements (interest rate correction etc.)	0	0	15	15	-
Loss without prior impairment	-	-	-	-	38
Amounts recovered on previously impaired receivables	-	-	-	-	93
Impairment and provisions for losses, end of period	247	567	851	1,666	78

The figures concerning impairment re. new exposures and reversed impairment charges re. repaid accounts 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.

7.12 Credit risk policy

A description of Spar Nord's credit policy etc. is provided in note 5.1.1 to Annual Report 2022.

7.13 Events after the balance sheet date

No significant events have occurred after 30.06.2023.

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7.14 Performance indicators and financial ratios (Danish FSA's layout and ratio system) 5-year overview

Performance indicators

DKKm	H1 2023	H1 2022	Change in %	H1 2023	H1 2022	H1 2021	H1 2020	H1 2019	Full year 2022
Income statement									
Net interest and fee income	2,491	1,849	35	2,491	1,849	1,688	1,472	1,453	3,813
Market value adjustments	194	-120	-	194	-120	128	105	168	203
Staff costs and administrative expenses	1,202	1,123	7	1,202	1,123	1,104	1,005	966	2,232
Impairment of loans, advances and receivables etc.	-4	-2	98	-4	-2	-101	234	1	78
Income from investments in associates and group enterprises	69	38	81	69	38	77	11	48	91
Profit/loss for the year	1,179	508	132	1,179	508	687	256	547	1,415
Balance sheet									
Lending	65,537	62,909	4	65,537	62,909	57,862	49,272	47,023	65,806
Equity	12,863	11,770	9	12,863	11,770	11,468	9,921	9,286	12,469
Total assets	127,143	118,936	7	127,143	118,936	114,645	95,311	89,482	124,040
Financial ratios									
Own funds									
Own funds ratio	20.6	19.9		20.6	19.9	19.2	20.2	17.6	20.9
Tier 1 capital ratio	18.0	17.5		18.0	17.5	17.1	17.8	15.3	18.3
Earnings									
Return on equity before tax	%	12.0	5.1	12.0	5.1	7.8	3.2	7.3	14.1
Return on equity after tax	%	9.3	4.3	9.3	4.3	6.3	2.6	5.9	11.6
Income/cost ratio		2.22	1.52	2.22	1.52	1.81	1.25	1.67	1.71
Return on assets	%	0.9	0.4	0.9	0.4	0.6	0.3	0.6	1.1
Market risk and liquidity									
Interest rate risk	%	0.1	0.5	0.1	0.5	0.9	0.1	1.0	0.5
Foreign exchange position	%	0.8	0.9	0.8	0.9	1.0	1.1	1.1	0.6
Foreign exchange risk	%	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Liquidity Coverage Ratio (LCR)	%	248	210	248	210	255	229	135	210
Loans and advances plus impairment as % of deposits	%	69.8	71.1	69.8	71.1	67.4	69.4	70.7	71.2
Credit risk									
Loans and advances relative to equity		5.1	5.3	5.1	5.3	5.0	5.0	5.1	5.3
Increase in loans and advances for the period	%	2.8	5.5	2.8	5.5	9.5	-3.5	6.4	12.7
Sum of large exposures	%	81.6	87.6	81.6	87.6	81.9	78.6	84.6	83.8
Impairment ratio for the period		0.0	0.0	0.0	0.0	-0.1	0.4	0.0	0.1
The Spar Nord Bank share									
DKK per share of DKK 10									
Profit/loss for the period		9.8	4.1	9.8	4.1	5.6	2.1	4.4	11.6
Net asset value (NAV)		98	86	98	86	82	74	69	93
Dividend		-	-	-	-	-	-	-	4.5
Share price/profit/loss for the period		10.9	18.3	10.9	18.3	12.6	25.1	13.1	9.2
Share price/NAV		1.1	0.9	1.1	0.9	0.9	0.7	0.8	1.1



The Interim 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.

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