

An aerial photograph of a city, likely Copenhagen, showing a dense urban landscape with many red-roofed buildings. A large river or canal winds through the city, surrounded by green trees and parks. In the foreground, there are several large, multi-story brick apartment buildings. The sky is overcast with soft, diffused light.

# Nykredit Group

Nykredit intends to make a recommended voluntary public tender offer for Spar Nord Bank A/S

Investor presentation

December 2024

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- 1 Transaction overview and background
- 2 Strategic rationale and financial key figures



# Transaction overview and background

# 1. Transaction overview and indicative timeline

## Transaction



Recommended tender offer for all outstanding shares in Spar Nord Bank A/S (with commitments from over 40% of the share capital in advance)

## Consideration



DKK 210 per share, corresponding to a premium of 58% compared to 3-months VWAP as of 9 December 2024

## Synergies



Reasonable level of synergies to be realised gradually towards 2027, mainly from overlap in group functions and other operational costs

## Timetable



Closing expected in first half of 2025, depending on approval from all relevant authorities

## Delisting and compulsory acquisition



Nykredit will delist Spar Nord Bank A/S and complete compulsory acquisition of remaining shares as soon as possible

## Indicative timeline



**10 December 2024**

Announcement of intention to acquire Spar Nord



**Launch of tender offer**

After approval by the Danish Financial Supervisory Authority



**During H1 2025**

Expected completion of tender offer, subject to approvals from all relevant authorities



**After completion of tender offer**

Delisting of Spar Nord Bank A/S and beginning of integration period



# 1. Nykredit today

## Introduction to Nykredit



Denmark's largest lender with ~45% market share on mortgage lending



Mutual ownership through majority shareholder Forenet Kredit



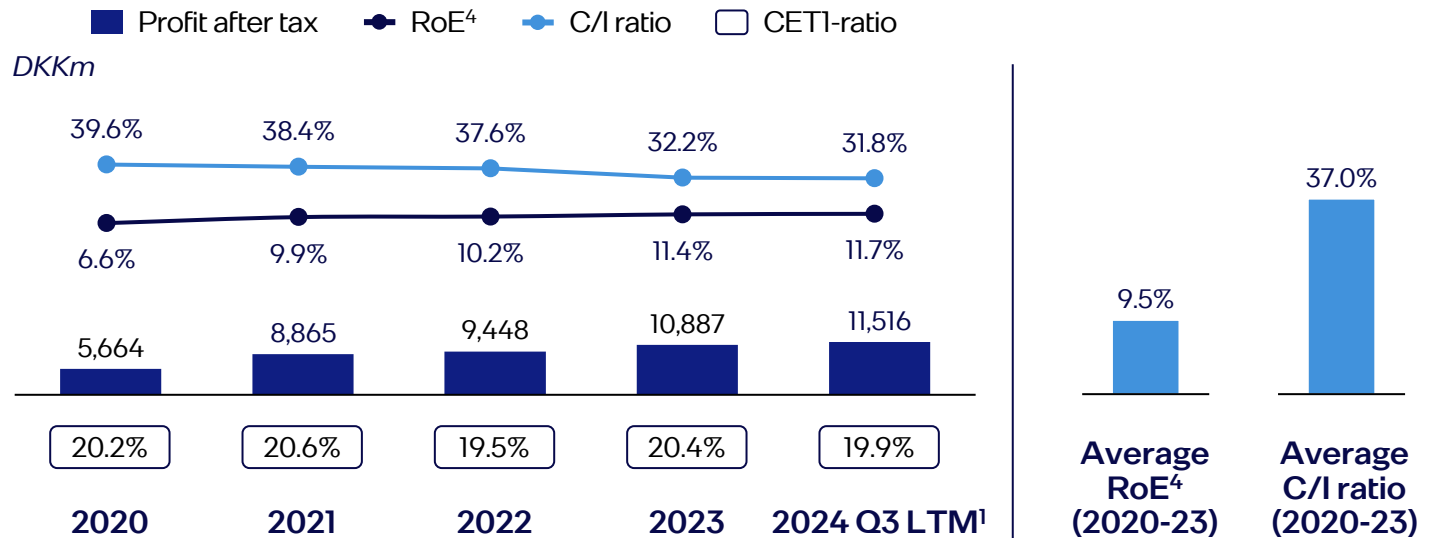
Nykredit's main sources of revenue are mortgage loans, bank and wealth management



Resilient and low-risk business model



Growing market shares, and profits while maintaining a robust capital position



# 1. Spar Nord today

## Introduction to Spar Nord



Locally anchored bank with strong emphasis on personal customer experience



High customer satisfaction and brand recognition



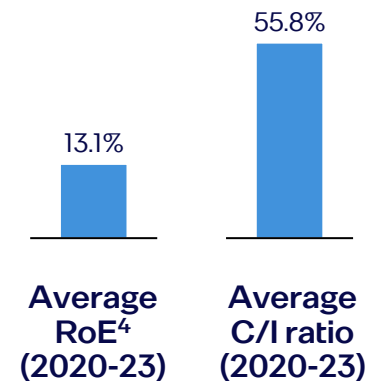
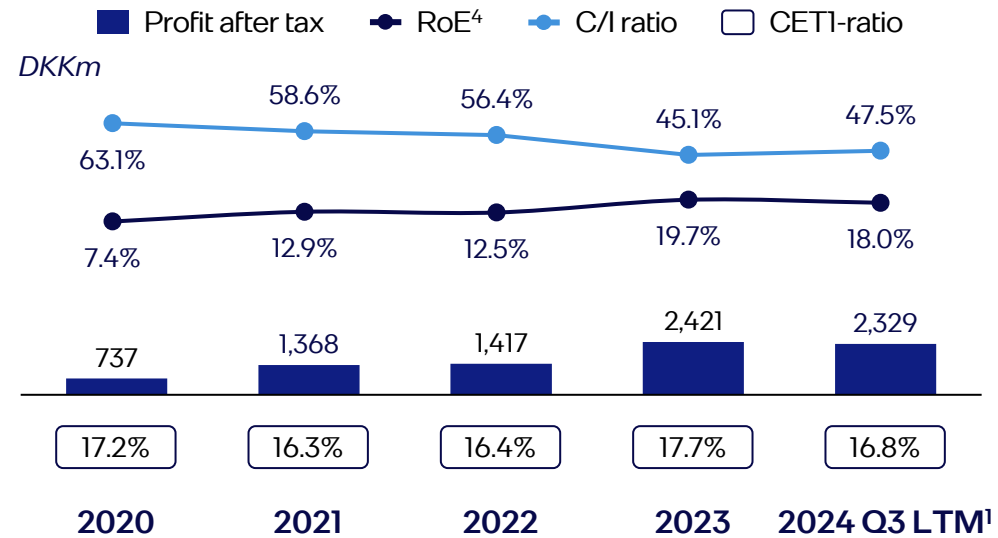
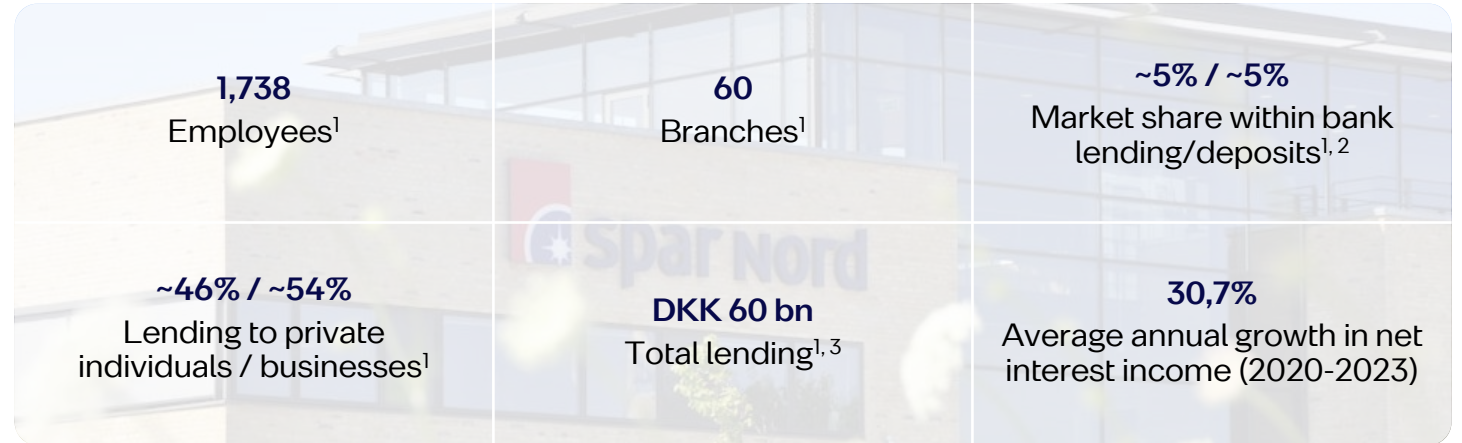
Diversified lending portfolio with robust credit quality



Well capitalised



Strong historical financial results



# 1. Nykredit Group strategy remains unchanged: Winning the Double 2.0



# 2

## Strategic rationale and financial key figures

## 2. Creating Denmark's mutually owned bank – a leading bank with the competitive power to compete with the large listed competitors



**Nykredit**



Third largest bank in Denmark with ~100 branches



Delisting of Spar Nord and merger to create scale and avoid getting "stuck in the middle"



Increase ability to compete with large, listed competitors



Diverse customer composition

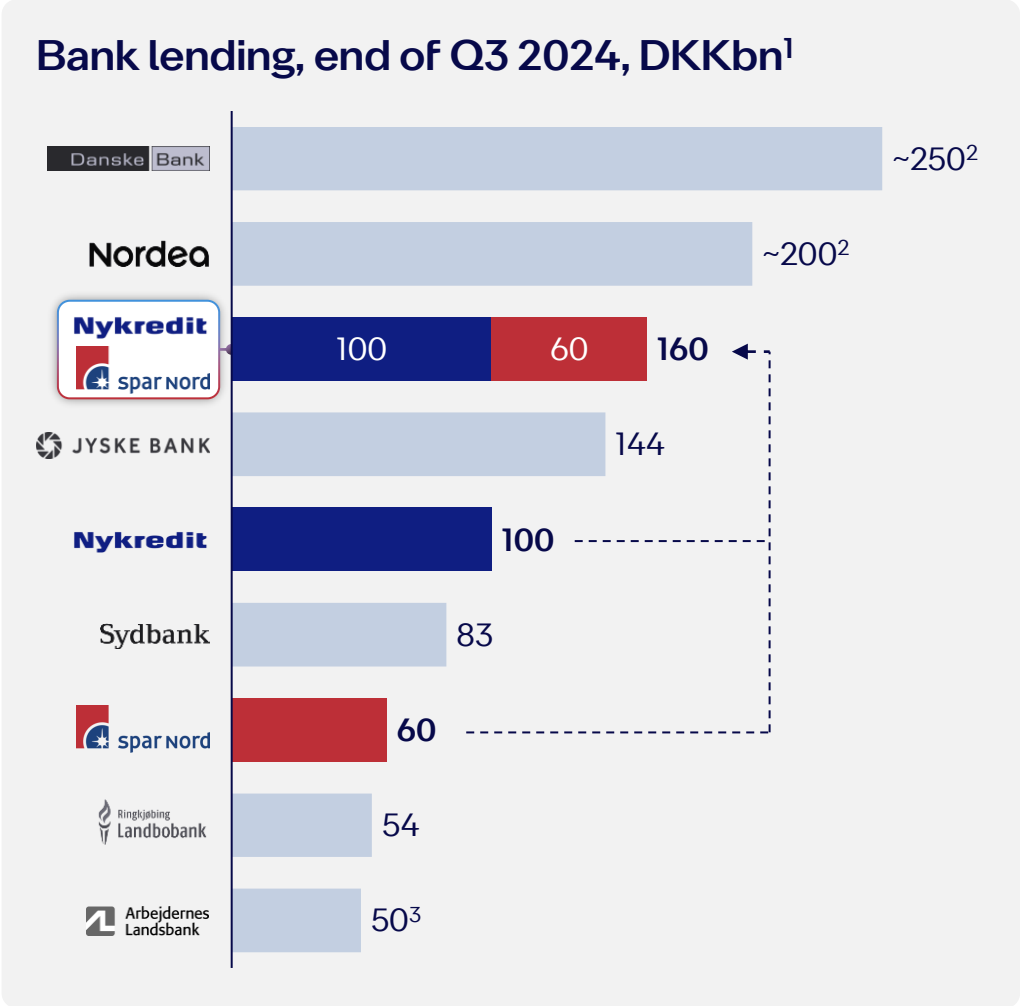


A mutually-owned alternative with ForeningsFordele



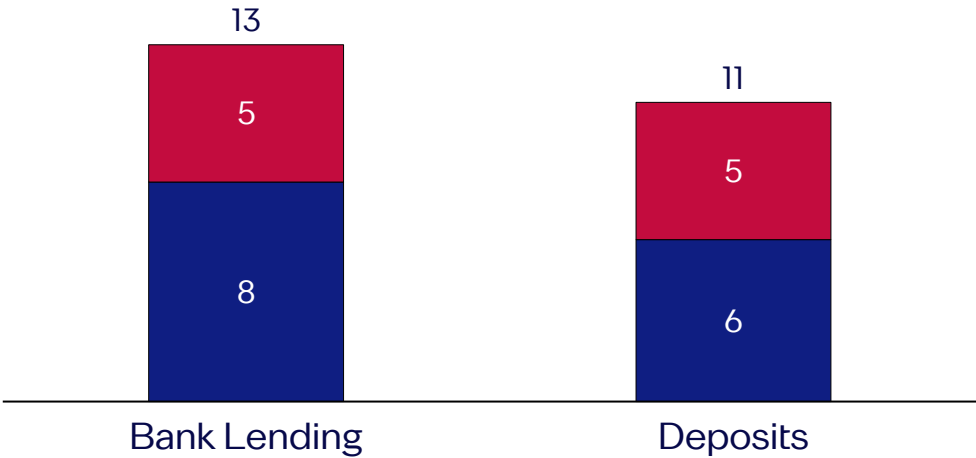
For the benefit of customers, owners and debt investors

# 2. After the merger with Spar Nord, Nykredit will be the third largest bank in Denmark...



**Market shares<sup>1,4</sup>, %**

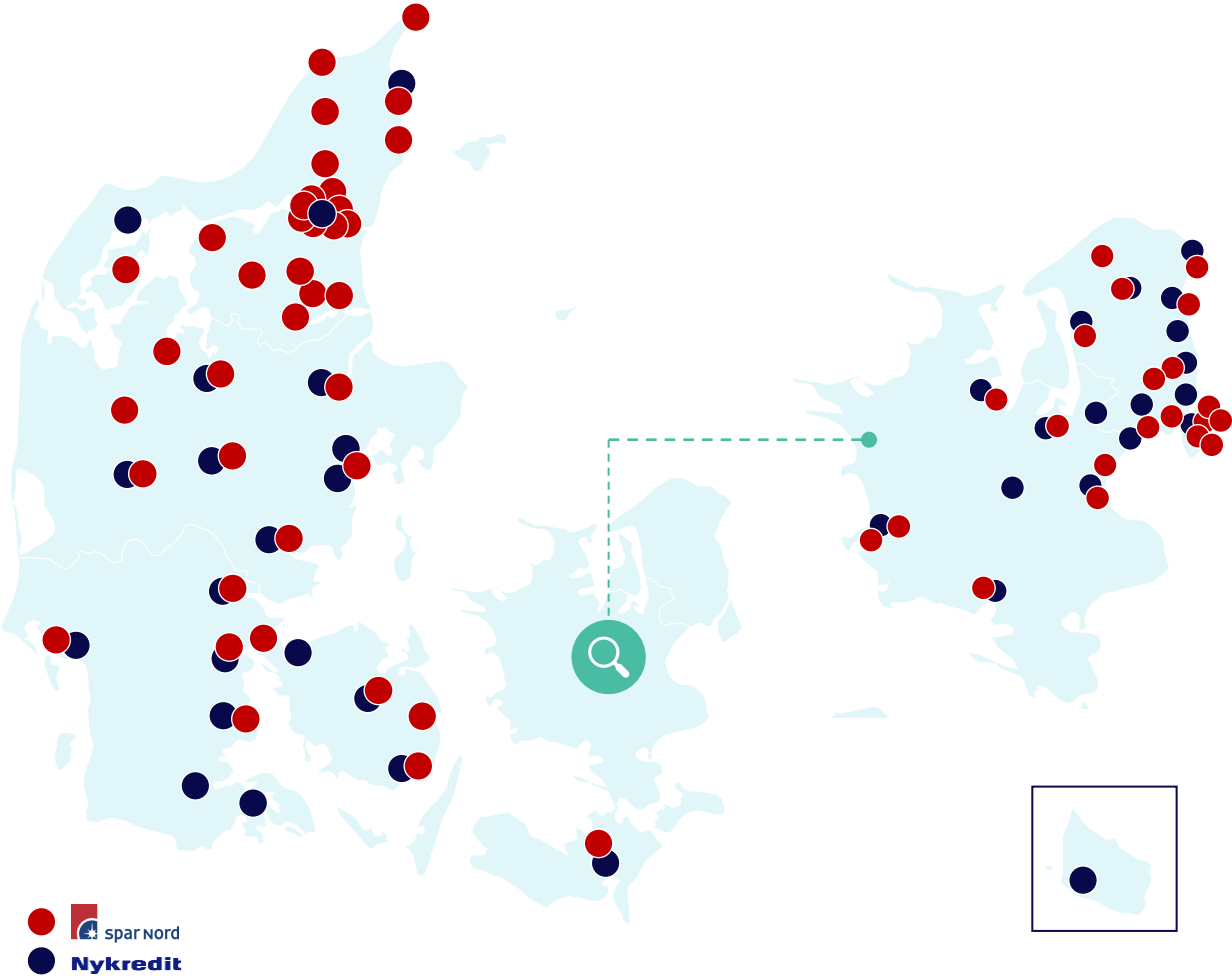
■ Spar Nord ■ Nykredit



**We gain scale to increase competition against large listed competitors, in a changing Danish bank market**

# 2. ... With a market leading, nationwide network of branches

Branch network covering all of Denmark



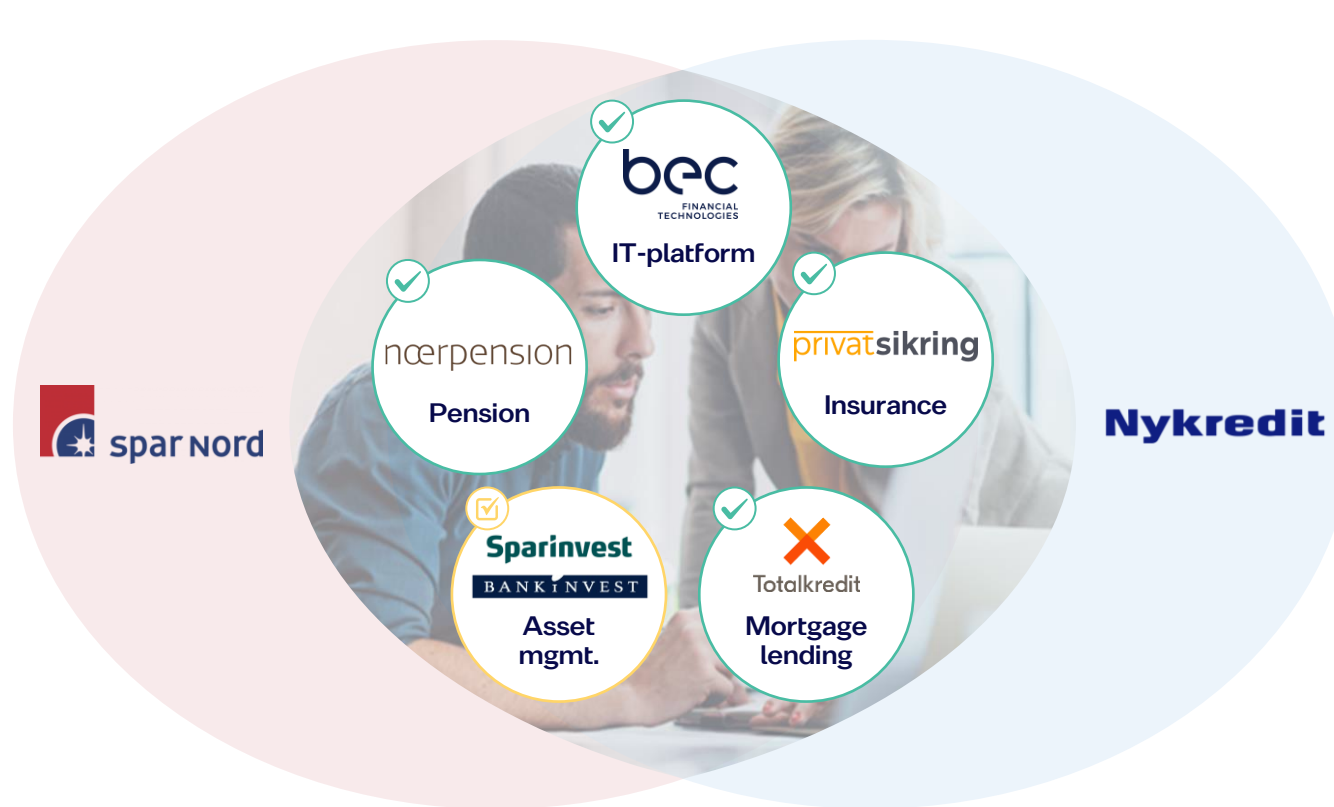
 Total branches:  
60<sup>1</sup>

**Nykredit** Total branches:  
37

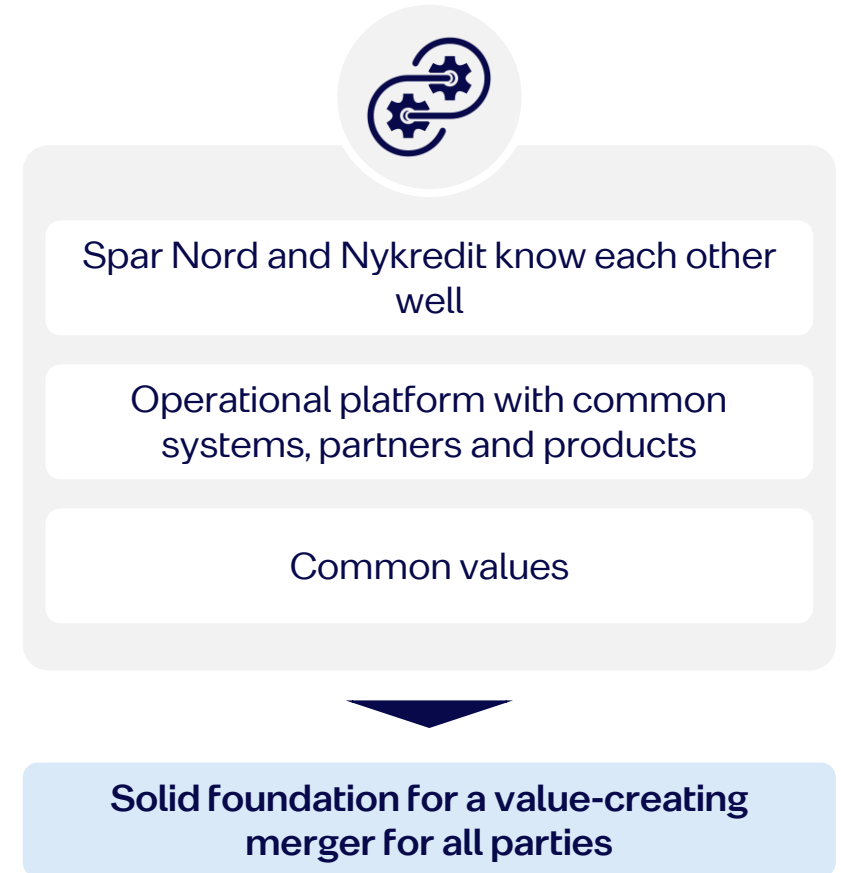
 One of the largest branch networks in Denmark  
**Nykredit**

## 2. Nykredit and Spar Nord operate on a common operating platform with the same products, providing for a smooth integration process

### Common operating platform and products



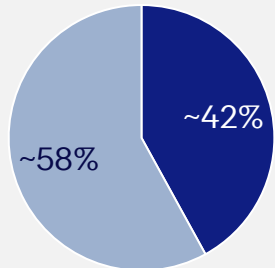
We will continue to be an active and engaged partner in all operational partnerships



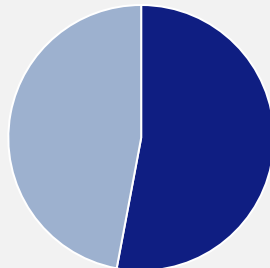
## 2. Nykredit will have a more diverse loan portfolio and revenue composition after acquiring Spar Nord

### Approx. effect on Nykredit's revenue composition

Before acquisition



After acquisition

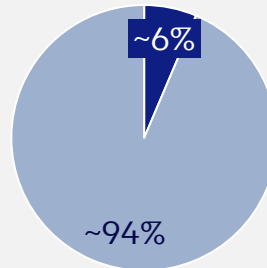


*Illustrative*

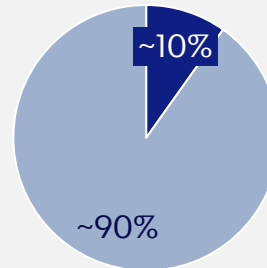
■ Bank and wealth management  
■ Mortgage business

### Approx. effect on Nykredit's lending portfolio

Before acquisition



After acquisition



■ Bank loans and leasing  
■ Mortgage loans

As a result, bank revenue is expected to increase whereas revenue from mortgages is not expected to change significantly

Bank lending and leasing activities will increase significantly as a result of the acquisition

The acquisition will not significantly change mortgage lending, as Spar Nord is already a Totalcredit partner

Underlying geographic diversification of lending portfolio is expected to increase, with Spar Nord being particularly strong in Northern Jutland

## 2. Conservative approach to realising synergies to ensure customer retention and a smooth integration

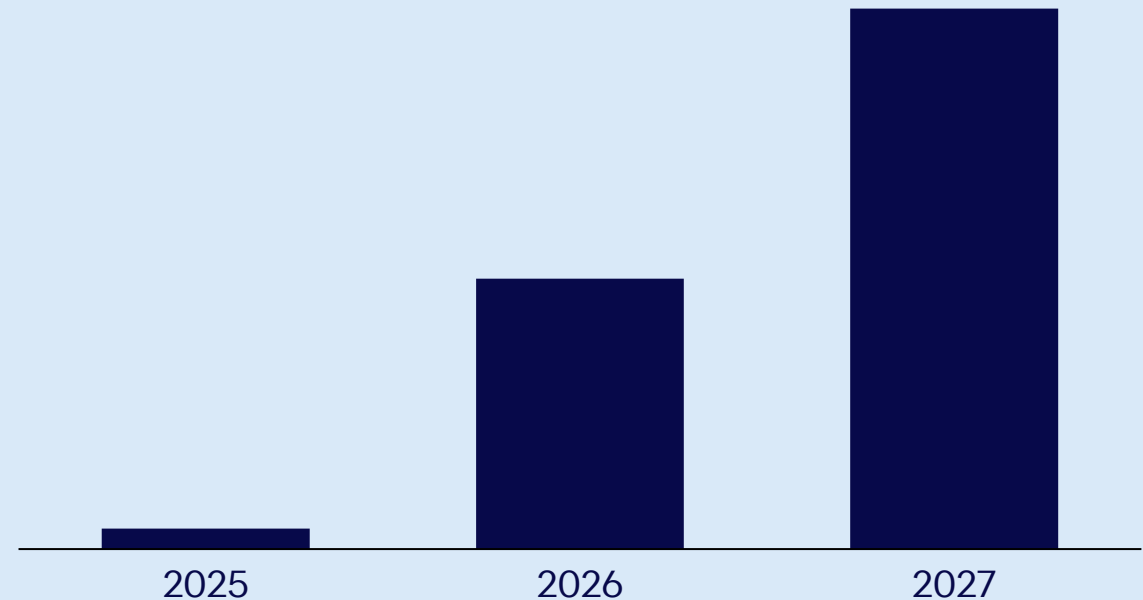
**Synergies will be realised gradually towards 2027 to ensure smooth integration and customer retention**

**Synergies are mainly realised from overlap in group functions, operational costs and geographic overlap in branches, with limited synergies from customer facing employees**

**Expected IT integration in spring of 2026 enables all synergies to be realised in 2027**

### **Synergies will be realised gradually towards 2027**

*Full-year effect of realised synergies, Illustrative*



## 2. Consolidated income and business volumes (LTM Q3 2024)

- The transaction adds critical volume for Nykredit's bank activities

### Overview of consolidated income statement and business volumes (LTM Q3 2024)

| Condensed income statement (DKKm)                | Nykredit      | Spar Nord    | Pro forma     | Index      |
|--|---------------|--------------|---------------|------------|
| Net interest income                              | 14,447        | 3,618        | 18,065        | 125        |
| Net fee income                                   | 5,437         | 1,519        | 6,956         | 128        |
| Other income                                     | 1,463         | 585          | 2,048         | 140        |
| <b>Income</b>                                    | <b>21,344</b> | <b>5,723</b> | <b>27,067</b> | <b>127</b> |
| Costs  | (6,795)       | (2,719)      | (9,514)       | 140        |
| <b>Business profit before impairment charges</b> | <b>14,549</b> | <b>3,003</b> | <b>17,552</b> | <b>121</b> |
| Impairment charges for loans and advances        | 177           | 42           | 219           | 124        |
| <b>Profit before tax<sup>1</sup></b>             | <b>14,727</b> | <b>3,047</b> | <b>17,774</b> | <b>121</b> |
| Business volumes (DKKbn)                         | Nykredit      | Spar Nord    | Pro forma     | Index      |
| <b>Loans excluding repo</b>                      | <b>1,566</b>  | <b>60</b>    | <b>1,626</b>  | <b>104</b> |
| - of which mortgage loans                        | 1,466         | -            | 1,466         | 100        |
| - of which bank loans                            | 100           | 60           | 160           | 160        |
| <b>Deposits</b>                                  | <b>119</b>    | <b>75</b>    | <b>194</b>    | <b>163</b> |

Note: 1) Excluding Legacy derivatives (+DKK 18m); 2) Based on LTM Q3 2024



#### Consolidated financials

Nykredit pro forma consolidated earnings are expected to increase by 21% as a result of the acquisition<sup>2</sup> (before synergies)



#### Bank lending

Bank loans and deposits are set to increase significantly by approx. 60% as a result of the transaction

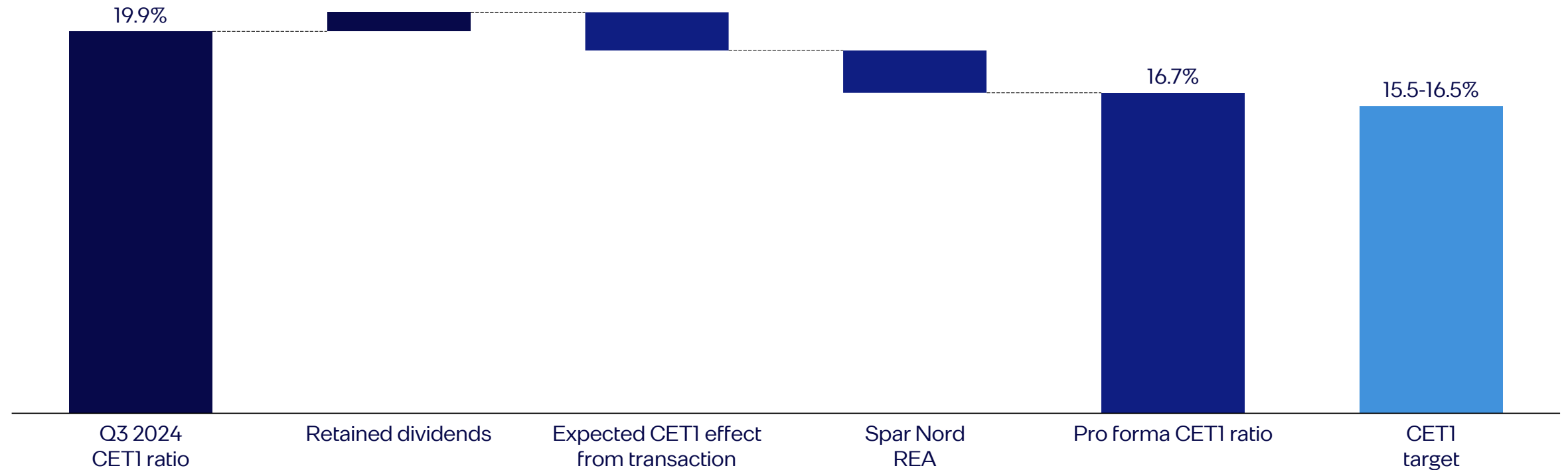


#### Mortgage lending

The acquisition will not affect Nykredit's mortgage lending significantly, as Spar Nord is already a Totalkredit partner

## 2. The transaction is expected to be executed with a reasonable buffer relative to the capital target

Estimated pro forma CET1 capital position<sup>1,2</sup>

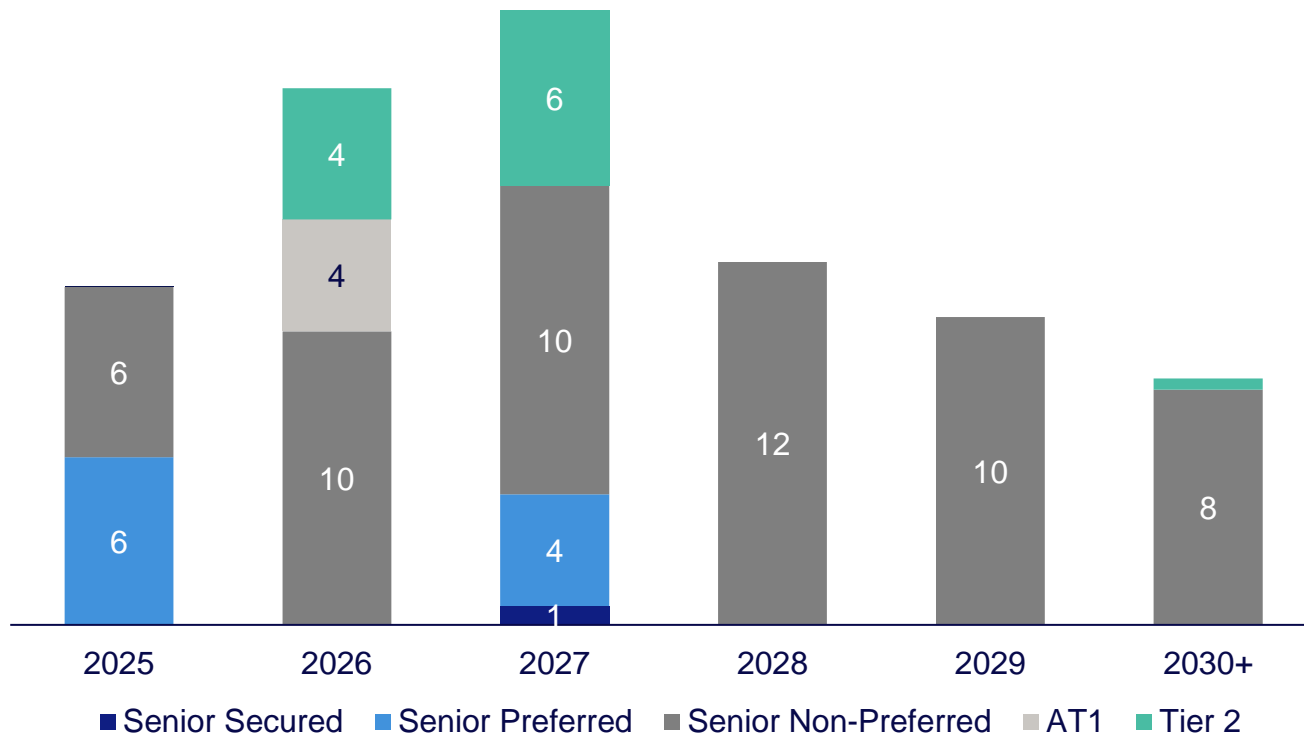


Note: 1) Nykredit Realkredit Group, 2) CET1 under the assumption of no ordinary dividend for 2024. The Board's final decision on dividends is pending the full-year results which will be published on 5 February 2025

## 2. Funding of the transaction will entail additional issuance

### Refinancing needs for outstanding debt and capital instruments<sup>1</sup>

DKKbn



1) For AT1 and Tier 2: First call dates.

### Preliminary funding plan

**Expected additional issuance of DKK ~15bn  
(EUR ~2bn equivalent)**

Nykredit expects to issue a combined **DKK 15bn** in Tier 2 and Senior Non-Preferred **in Q1 2025** as a result of the transaction

**Total funding need for 2025 of DKK ~30bn  
(EUR ~4bn equivalent)**

Refinancing of outstanding debt combined with funding of the transaction is expected to result in total expected funding of **DKK ~30bn** in 2025

## 2. An attractive acquisition for Nykredit

1

### **Nykredit intends to acquire and delist Spar Nord**

Nykredit will launch recommended tender offer for all shares in Spar Nord Bank A/S with the objective to delist Spar Nord Bank A/S, and complete compulsory acquisition of the shares of any remaining minority investors, in order to merge Nykredit Bank and Spar Nord

2

### **Nykredit will gain scale and competitive strength**

With the combination of Spar Nord and Nykredit, we will create a mutually owned bank with a strong market position and competitive power to compete with the largest listed competitors

3

### **Complementary businesses, with the same operational platform**

Spar Nord and Nykredit operate on the same operational platform, and have complementing competencies and lending portfolios

4

### **An attractive case for Nykredit's shareholders and debt investors**

The acquisition is expected to yield an attractive return for shareholders and ensures that Nykredit stays competitive to remain one of Europe's largest debt issuers



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