

**PRE-TAX PROFIT OF DKK 144 MILLION AND ROE OF 11.2 %  
- BEST QUARTERLY RESULT FOR 15 QUARTERS**

Q1 2012



## KEY MESSAGES

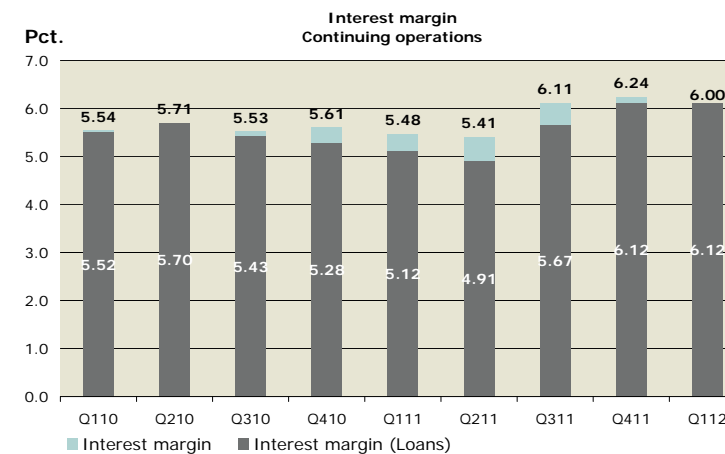
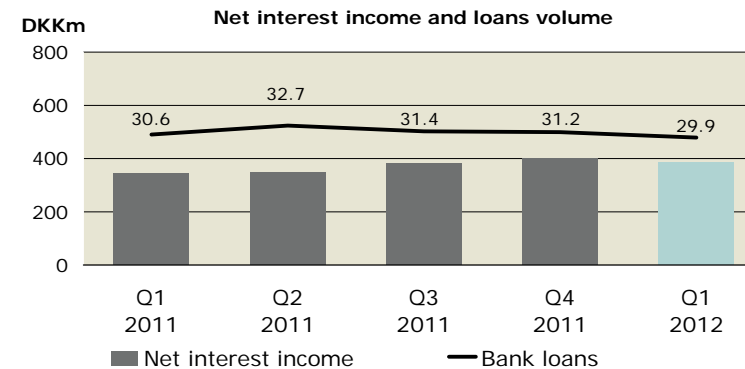
- **Pre-tax profit of DKK 144 million – best quarterly result for 15 quarters**
  - ROE of 11.2 %
- **Core earnings before impairments of DKK 265 million – 51 % up from Q4 2011**
  - NII down 4 % due to volume contraction and low market interest level
  - Growth in net fees and commissions – e.g. driven by re-mortgaging activity
  - Market-value adjustments on high level
  - Costs in line with expectations
- **Loan impairment remains high - DKK 106 million**
  - DKK 79 million attributable to corporate customers – impairment percentage of 1.4
  - DKK 27 million attributable to household segment – impairment percentage of 0.8
- **Strong capital and liquidity position**
  - Rights-issue completed – core tier 1 improved to 13.1 %
  - Excess coverage relative to strategic liquidity target improved by DKK 3.0 billion to DKK 6.9 billion
- **Guidance for 2012 re-iterated**
  - Core earnings before impairment in the 800 million range

## HIGHLIGHTS FROM THE INCOME STATEMENT

SPAR NORD BANK DKKm	Realized Q1 2012	Realized Q4 2011	Change in pct.	Realized Q1 2011	Change in pct.
Net interest income	386	402	-4	344	12
Net fees, charges and commissions	152	117	30	132	15
Market-value adjustments	79	33		54	48
Other income	21	12	69	23	-8
<b>Core income</b>	<b>638</b>	<b>564</b>	<b>13</b>	<b>553</b>	<b>15</b>
Staff costs	215	243	-12	215	0
Operating expenses etc.	158	145	9	146	8
<b>Costs</b>	<b>373</b>	<b>388</b>	<b>-4</b>	<b>361</b>	<b>3</b>
<b>Core earnings before impairment</b>	<b>265</b>	<b>176</b>	<b>50</b>	<b>192</b>	<b>38</b>
Impairments of loans and advances, etc.	106	141	-25	84	26
<b>Core earnings</b>	<b>159</b>	<b>35</b>	<b>356</b>	<b>108</b>	<b>47</b>
Investment income	6	0		7	-16
<b>Profit/loss on ordinary activities</b>	<b>165</b>	<b>35</b>	<b>377</b>	<b>115</b>	<b>43</b>
Sector Fund	-19	24	-179	-1	
<b>Profit from continuing operations</b>	<b>146</b>	<b>59</b>	<b>149</b>	<b>114</b>	<b>28</b>
Profit from discontinued operations	-2	10	-120	25	-108
<b>Profit before tax</b>	<b>144</b>	<b>69</b>	<b>110</b>	<b>139</b>	<b>4</b>

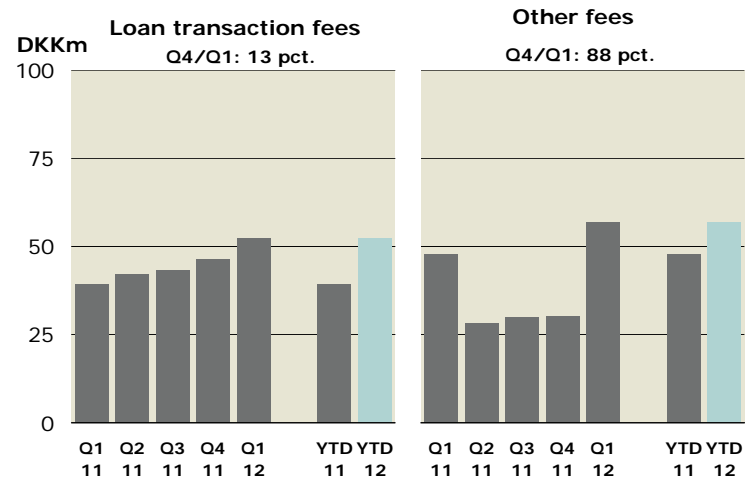
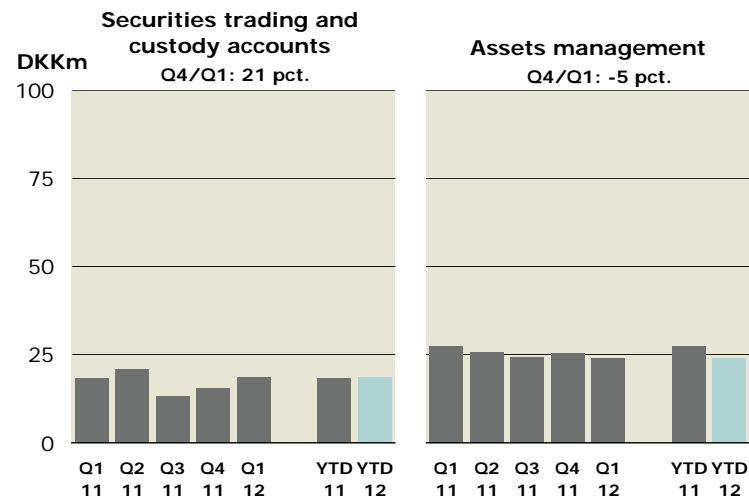
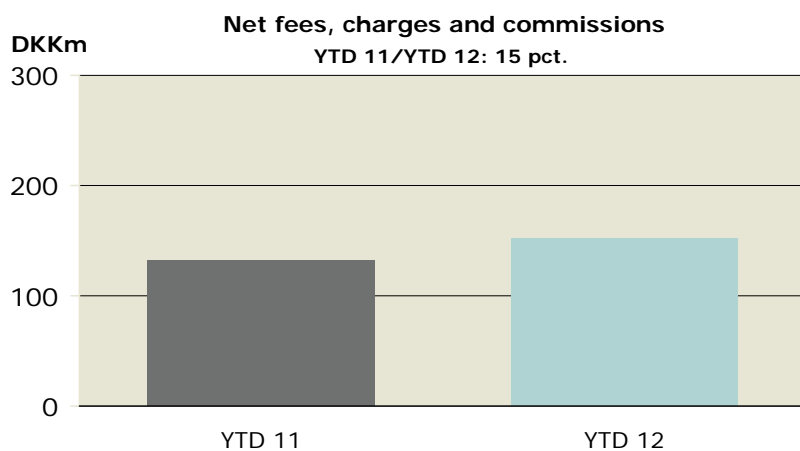
## NET INTEREST INCOME AFFECTED BY VOLUME CONTRACTION AND LOW MARKET INTEREST LEVEL

- Net interest income of DKK 386 million – up 12 % on Q1 2011 but down 4 % on Q4
- Pressure on volumes
  - Bank lending down DKK 1.3 billion on YE 2011
- Lending margin maintained
- Low market interest level triggers
  - Negative deposit margin
  - Lower interest income on bonds



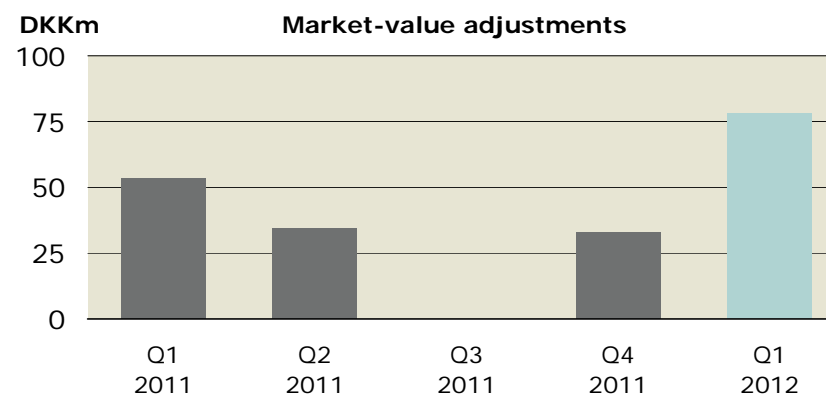
# GROWTH IN NET FEES AND COMMISSIONS DRIVEN BY REMORTGAGING

- Net fee income of DKK 152 million – 15 % up on Q1 2011 and 30 % up on Q4
- High activity level in the mortgage area
  - Growth in loan transaction fees
  - Growth in guarantee commissions
- Sharp growth in other fees
  - Mainly attributable to increase in insurance sales



## SHARP GROWTH IN MARKET-VALUE ADJUSTMENTS

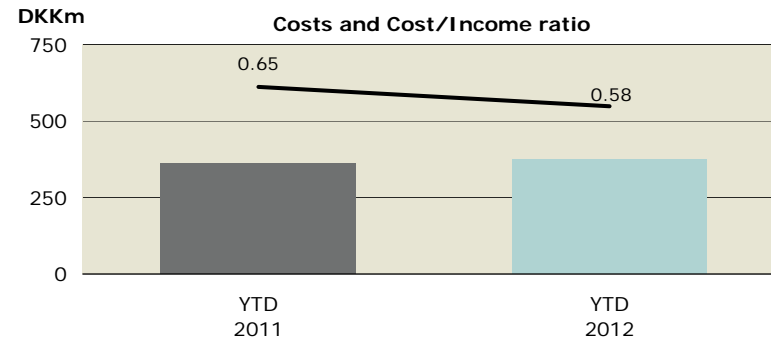
- Market-value adjustments of DKK 78 million. – more than double up from Q4
- Favourable trend in spread between Danish mortgage bonds and interest swaps
- Major flow of trade in Markets
- Lower earnings from customers' hedging of interest risk and FX risk



DKKm	YTD 2012	YTD 2011	Change
Market-valued adjustments in Trading, Financial Markets & The International Division	60	24	37
Tangible assets	9	13	-4
Currency trade and -agio	8	17	-8
<b>Total</b>	<b>78</b>	<b>54</b>	<b>25</b>

## TREND IN COSTS AS EXPECTED

- Overall costs of DKK 373 million – 3 % up on Q1 2011 but 4 % down on Q4
- Payroll costs at unchanged level
- Operating costs up 10 % on Q1 2012
  - Timing differences
  - Higher IT expenses
- Cost/Income Ratio improved to 0.58
- Expectation of zero-growth in costs in 2012 re-iterated

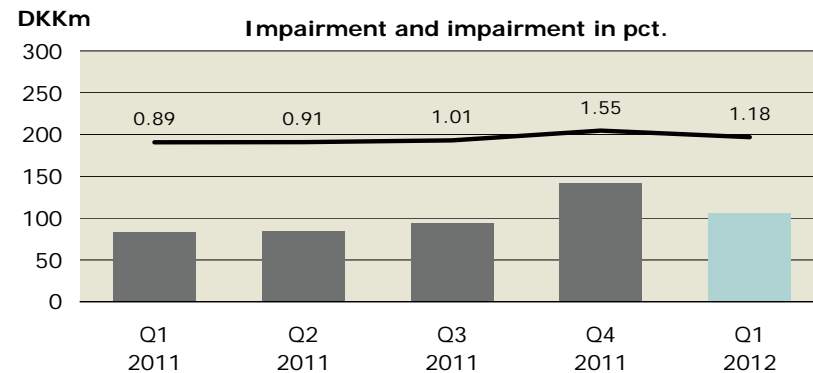
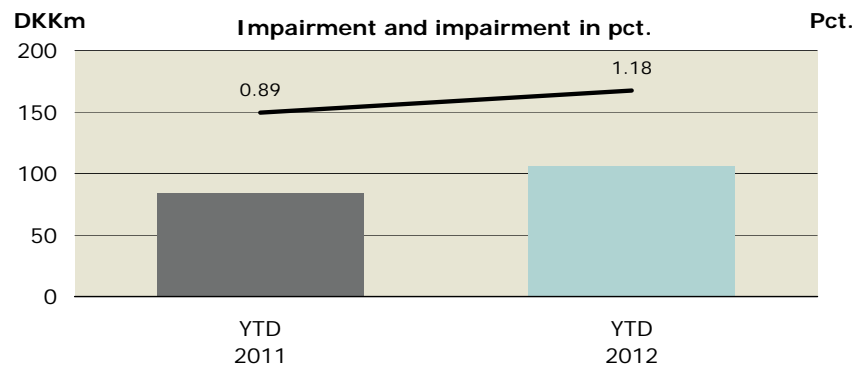


Costs (DKKm)	YTD 2012	YTD 2011	Change in pct.
Staff costs	215	215	0
Operating expenses	143	130	10
Depreciation	15	16	-2
<b>Costs</b>	<b>373</b>	<b>361</b>	<b>3</b>

Operating expenses (DKKm)	YTD 2012	YTD 2011	Change
Staff-related expenses	13	10	3
Travel expenses	3	2	0
Marketing costs	24	23	1
IT expenses	67	60	7
Cost of premises	18	20	-2
Other administrative expenses	18	16	2
<b>Operating expenses</b>	<b>143</b>	<b>130</b>	<b>12</b>

## LOAN IMPAIRMENT AS EXPECTED

- Impairment charges of DKK 106 million. – corresponding to 1.18 % of lending (annualized)
  - Higher than Q1 2011 – lower than Q4
- Impairment percentage on corporate customers of 1.4 – impairment percentage on household customers of 0.8
- Continued challenges for agricultural sector – impairment charges of DKK 36 million





## LOAN BOOK – STILL HIGHLY DIVERSIFIED

- Loans and guarantees to household customers account for 39 % of total loans and guarantees
- Exposure to agriculture account for 9.2 % of loan book – and 34 % of individual impairments
- Exposure to financing and insurance markedly below sector average

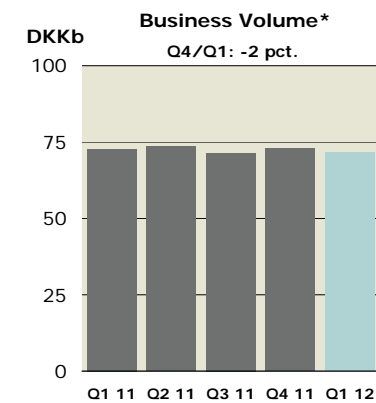
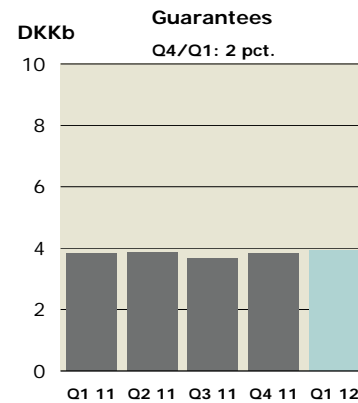
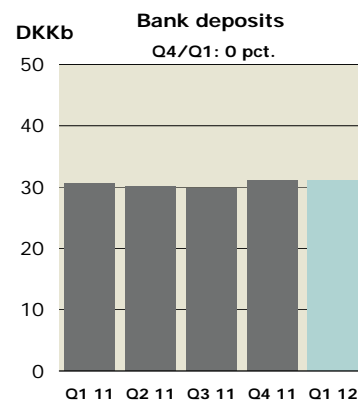
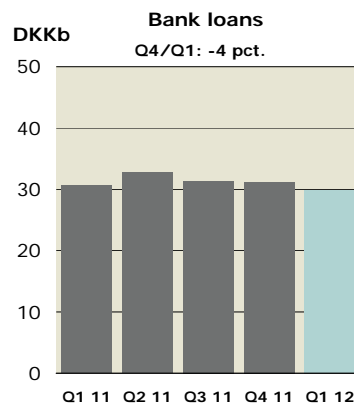
Line of Business Pct.	Loans and advances			Indiv. impairments
	*Spar Nord		Sector	*Spar Nord
	31.03 2012	31.12 2011	31.12 2010	31.03 2012
Agriculture	9.2	9.2	**4,0	34.1
Fishing	0.5	0.5	-	0.3
Industry and raw materials extraction	2.5	2.5	6.6	4.3
Energy supply	4.5	4.4	1.5	0.3
Construction and civil engineering	2.9	2.8	2.5	1.9
Trade	8.8	8.7	4.9	8.1
Transportation, hotels and restaurants	3.0	3.0	3.5	2.5
Information and communication	0.5	0.4	0.8	0.6
Financing and insurance activities	6.5	6.3	24.9	4.3
Real estate	12.8	13.2	11.9	10.9
Other business	5.7	5.6	6.1	8.4
Corporate customers, total	56.9	56.6	66.7	75.7
Public sector	3.8	4.8	2.2	0.0
Personal customers, total	39.3	38.6	31.1	24.3
Total	100.0	100.0	100.0	100.0

\*) excl. discontinuing activities

\*\*\*) incl. fishing

## LOW DEMAND PUTS PRESSURE ON LENDING GROWTH

- **Bank lending down 4 % on YE 2011**
  - Reduction across segments (household, corporate, public)
  - Very modest demand – section lending continues to decline
- **Bank deposits on unchanged level relative to YE 2011**
- **Guarantees up 2 %**
  - Growth in re-mortgaging

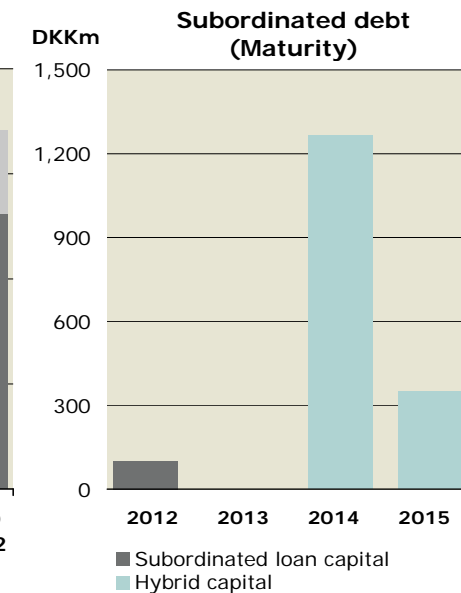
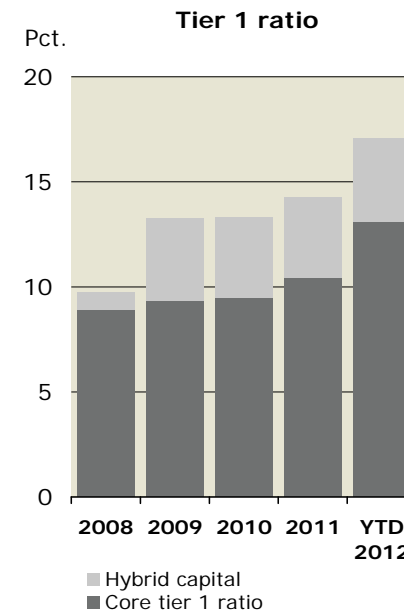


\* Incl. repo, reverse and pooled schemes

## STRONG CAPITAL POSITION AFTER SUCCESFUL RIGHTS- ISSUE

- Fully subscribed rights-issue completed in Q1 – net proceeds of DKK 831
- Core Tier 1 increased to 13.1 (YE 2011: 10.4)
- Solvency ratio of 15.5 – up from 14.0 % YE
- ICAAP ratio of 8.8 %
  - Excess coverage of 6.7 pp corresponding to DKK 2.7 billion

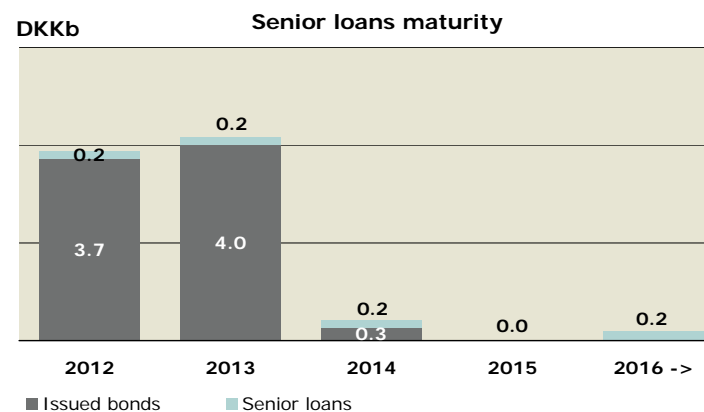
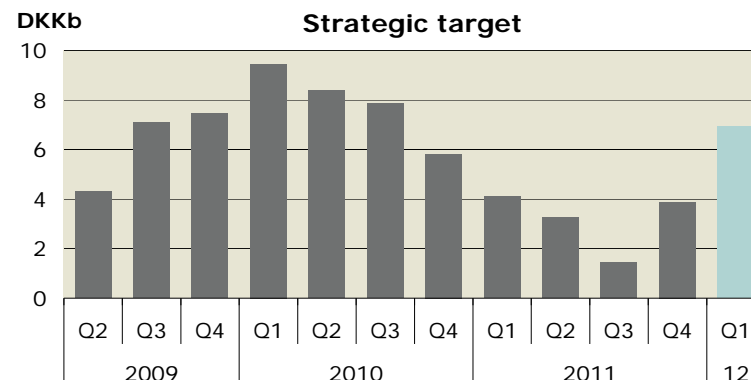
Pct.	Q1 2012	2011	2010	2009
Core tier 1 ratio	13.1	10.4	9.5	9.3
Hybrid capital	4.0	3.8	3.8	3.9
Deductions in hybrid capital	-1.5	-0.9	-0.2	-0.1
<b>Tier 1 ratio</b>	<b>15.5</b>	<b>13.3</b>	<b>13.2</b>	<b>13.2</b>
Subordinated debt	0.4	1.6	2.0	2.6
Deductions in capitalbase	-0.4	-0.9	-1.8	-1.7
<b>Solvency ratio</b>	<b>15.5</b>	<b>14.0</b>	<b>13.4</b>	<b>14.2</b>



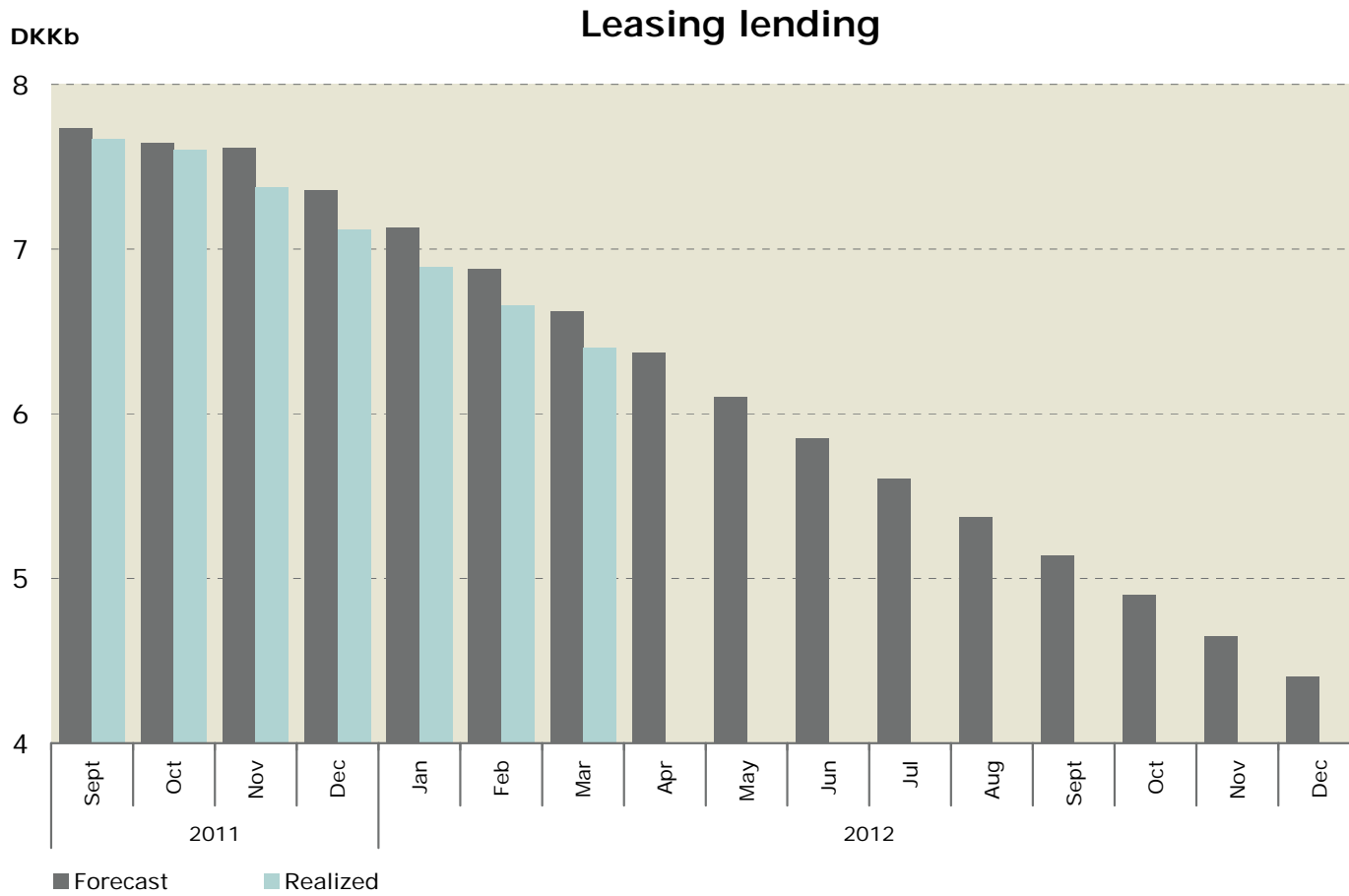
## EXCESS COVERAGE RELATIVE TO STRATEGIC LIQUIDITY TARGET IMPROVED TO DKK 6.9 BILLION

- Excess coverage relative to strategic liquidity target of DKK 6.9 billion – up DKK 3.0 billion in Q1
- Trends i Q1
  - Run-off on leasing portfolio: DKK 0.7 bn..
  - Reduction in bank lending: DKK 1.3 bn.
  - Increase in equity: DKK 0.9 bn.
- Current liquidity buffer and run-off on leasing portfolio expected to be sufficient to repay all senior funding maturing in 2012 and 2013

DKKb	Q1 2012	Q4 2011	Q3 2011
Deposits ex. repo	31.1	31.1	29.7
Seniorfunding	8.7	10.2	10.8
Core capital and sub. capital	7.4	6.9	7.1
<b>Stable long term funding</b>	<b>47.2</b>	<b>48.2</b>	<b>47.6</b>
Loans, banking activities	29.9	31.2	31.4
Loans, leasing activities	6.4	7.1	7.7
Maturity < 1 year	-4.0	-6.0	-7.1
<b>Strategic target (&gt;0)</b>	<b>6.9</b>	<b>3.9</b>	<b>1.4</b>



**RUN-OFF ON LEASING PORTFOLIO PRECEEDING AS PLANNED**



## GUIDANCE FOR 2012 RE-ITERATED

- Core earnings before impairments in the DKK 800 million range
- Zero growth in costs
- Impairments still at substantial level
- Contribution to sector-targeted solutions in the DKK 45 million range