

DKK 150 MILLION IN PRE-TAX PROFITS – HEAVY INCOME GROWTH OFFSET BY EXTRAORDINARY IMPAIRMENT

Presentation of H1 2012



KEY MESSAGES

- 1 Heavy income growth and modest cost growth – 42% growth in core earnings before impairment
- 2 Impairments at high level – extraordinary impairment of DKK 96 million triggered by guidelines from the FSA
- 3 Strongest customer inflow on record – 6,200 new customers (net) in H1
- 4 Continued modest demand for bank financing – growth in the mortgage-credit area secures growth in total loans arranged
- 5 Very solid liquidity and capital position – liquidity surplus of DKK 8.4 billion and Core Tier 1 ratio of 13.2

HEADLINES FROM THE SIX-MONTHS FINANCIAL STATEMENT

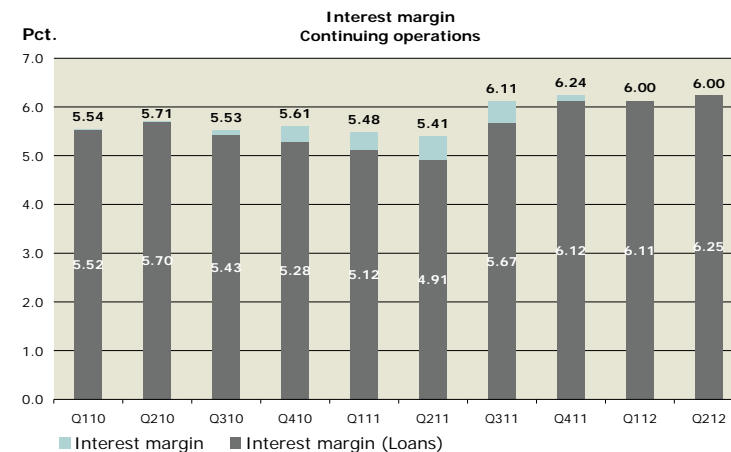
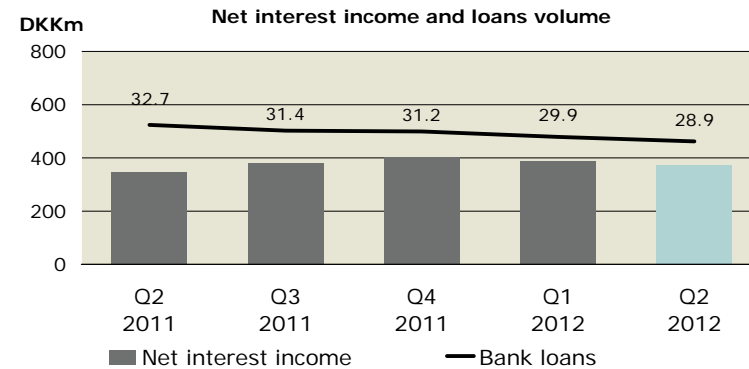
SPAR NORD BANK DKKm	Realized YTD 2012	Realized YTD 2011	Change in pct.
Net interest income	760	690	10
Net fees, charges and commissions	296	249	19
Market-value adjustments	141	98	44
Other income	44	46	-5
Core income	1.240	1.083	15
Staff costs	451	452	0
Operating expenses etc.	307	290	6
Costs	758	742	2
Core earnings before impairment	482	341	42
Impairments of loans and advances, etc.	327	169	93
Core earnings	156	172	-10
Investment income	5	3	88
Profit/loss on ordinary activities	160	175	-8
Sector Fund	-28	-36	24
Profit from continuing operations	133	138	-4
Profit from discontinued operations	17	52	-68
Profit before tax	150	191	-22

Q2: EXTRAORDINARY IMPAIRMENT STEALS THE ATTENTION

SPAR NORD BANK DKKm	Realized Q2 2012	Realized Q1 2012	Change in pct.	Realized Q2 2011	Change in pct.
Net interest income	374	386	-3	346	8
Net fees, charges and commissions	144	152	-5	117	23
Market-value adjustments	62	79	-22	44	39
Other income	23	21	11	23	-1
Core income	602	638	-6	530	14
Staff costs	237	215	10	238	-1
Operating expenses etc.	148	158	-6	143	3
Costs	385	373	3	381	1
Core earnings before impairment	217	265	-18	149	46
Impairments of loans and advances, etc.	221	106	109	85	160
Core earnings	-3	159	-102	64	-105
Investment income	-1	6	-120	-5	73
Profit/loss on ordinary activities	-5	165	-103	60	-108
Sector Fund	-9	-19	55	-35	76
Profit from continuing operations	-13	146	-109	24	-154
Profit from discontinued operations	19	-2		28	-32
Profit before tax	6	144	-96	52	-89

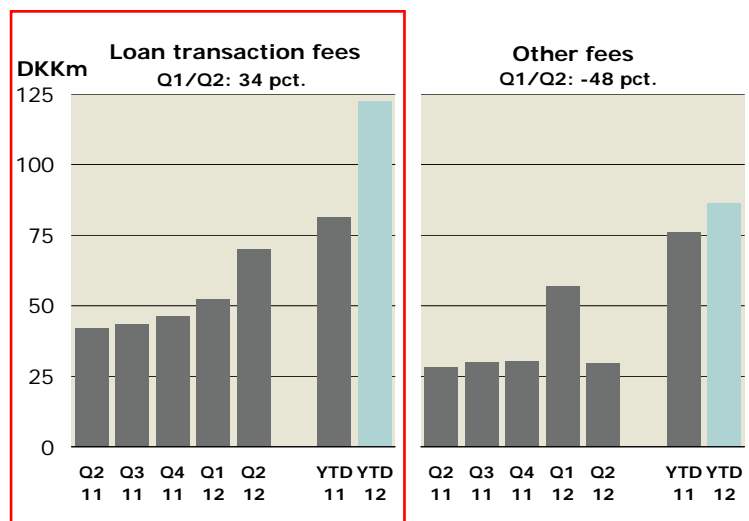
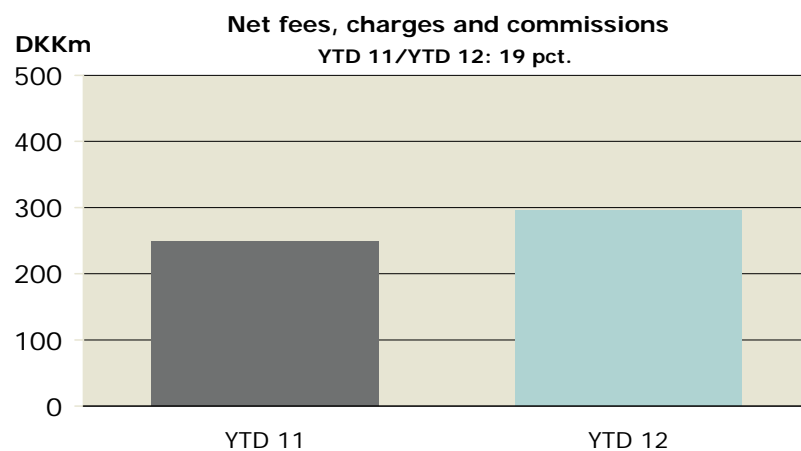
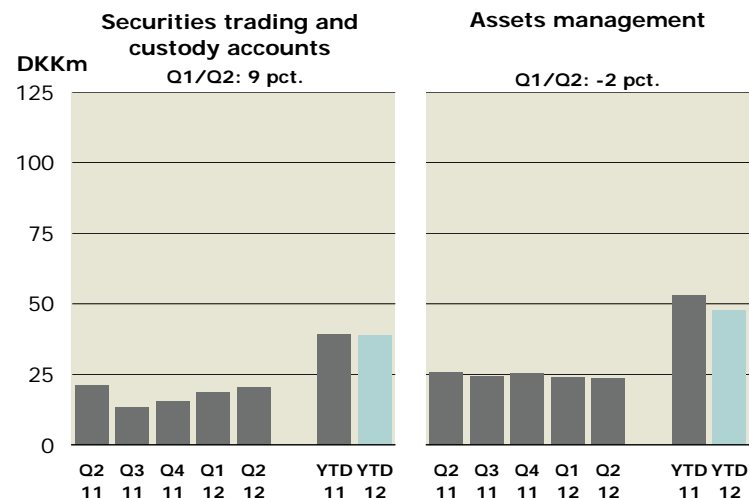
NET INTEREST INCOME INFLUENCED BY DECLINING LENDING VOLUME AND LOW MARKET INTEREST RATES

- NII of DKK 760 million – 10% up on H1 2011
 - But less than satisfactory 3% decline q-o-q
- Lending volume continues to be under pressure – bank lending down DKK 2.3 billion on YE 2011
- Small hike in lending margin in Q2
- Low market interest level triggers
 - Negative deposit margin
 - Declining interest income from bonds portfolio

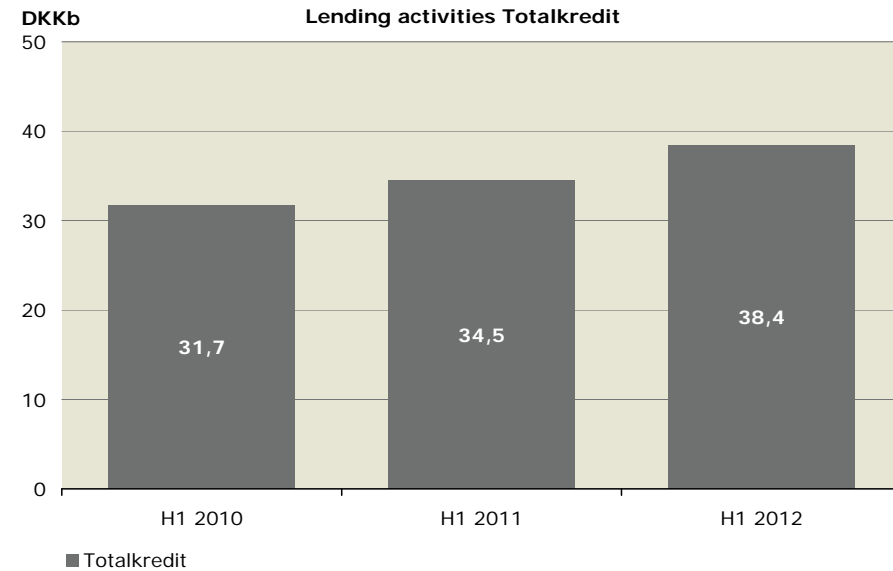
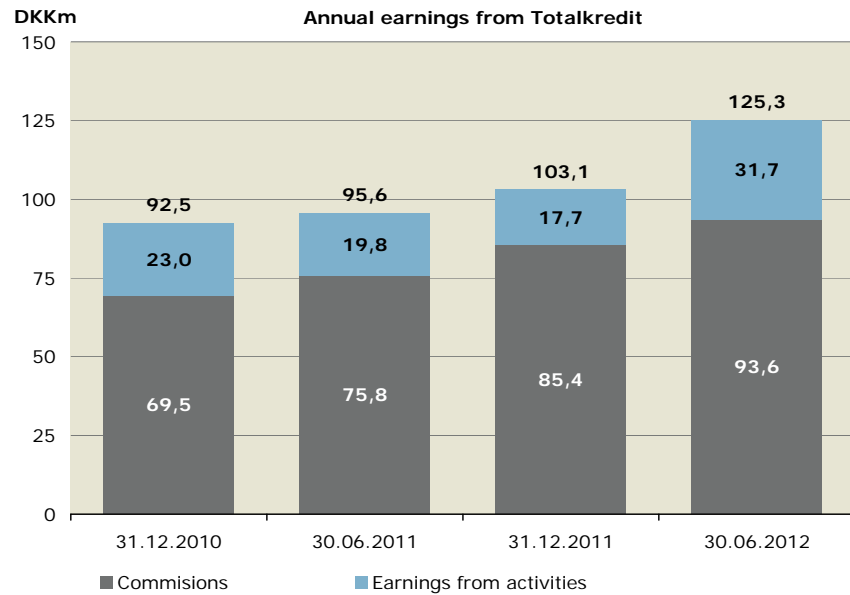


HEAVY ACTIVITY IN THE MORTGAGE CREDIT AREA TAKES NET FEES AND COMMISSIONS TO RECORD-LEVEL

- Net fees, charges and commissions of DKK 296 million – 19% up on H1 2011
- Activity and income in the mortgage-credit area have been better
 - Heavy growth in number of new loans arranged
 - Re-mortgaging at record-level
- Strong growth in “other fees”
 - Primarily driven by insurance sales

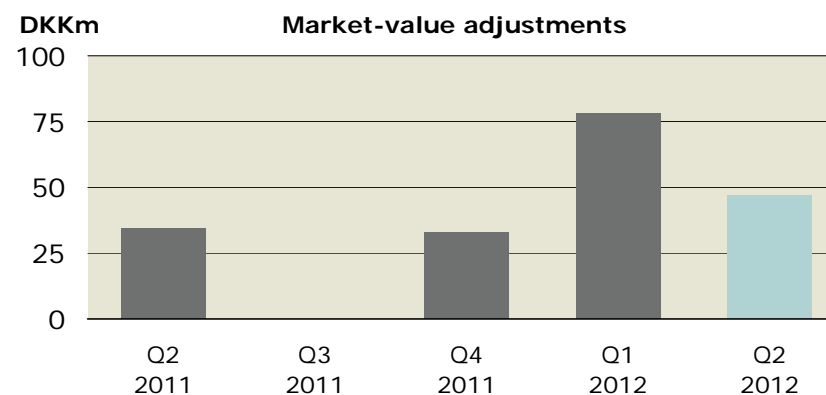


VOLUME GROWTH AND STRONG ACTIVITY MAKE WAY FOR HEAVY GROWTH IN INCOME RELATED TO MORTGAGE-CREDIT



MARKET-VALUE ADJUSTMENTS AT HIGH LEVEL – DRIVEN BY STRONG Q1

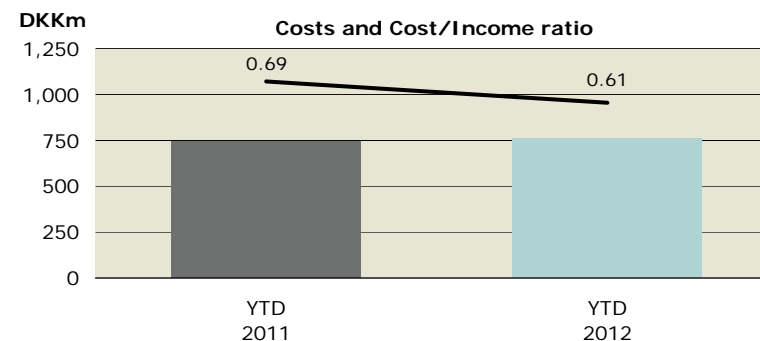
- Market-value adjustments of DKK 125 million – 44% up on H1 2011
- Favourable widening of the spread between Danish mortgage-credit bonds and interest swaps
- Strong trading flow in the Markets Division
- Declining income from customers' hedging of interest risk and FX risk



DKKm	YTD 2012	YTD 2011	Change
Market-valued adjustments in Trading, Financial Markets & The International Division	83	38	45
Tangible assets	13	18	-4
Currency trade and -agio	28	32	-3
Total	125	88	37

TOTAL COSTS UP 2% - IN LINE WITH EXPECTATIONS

- Total costs of DKK 758 million – 2% up on H1 2011 but in line with budget
- Staff costs at unchanged level (y/y)
 - Headcount reduced by 28 since 12 months ago
- Operating expenses up 6% (y/y)
 - Attributable to timing differences
 - Increase in IT-expenses
- Cost/Income Ratio down to 0.61
- Continued expectation as to zero growth in costs in 2012

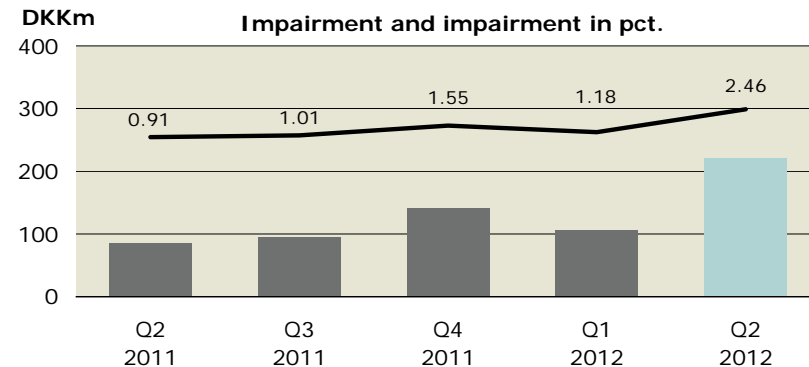
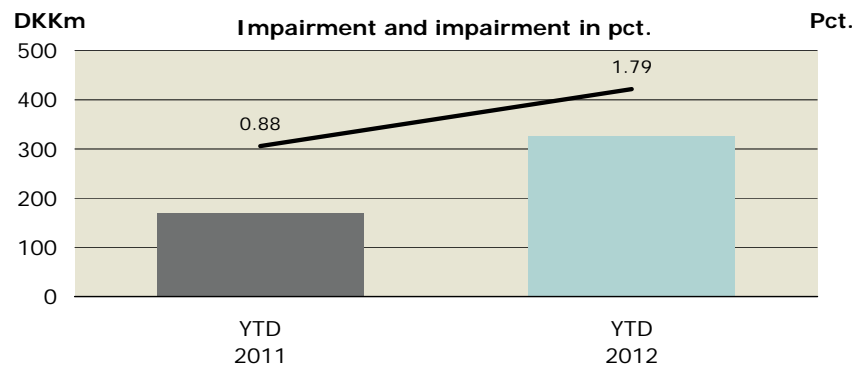


Costs (DKKm)	YTD 2012	YTD 2011	Change in pct.
Staff costs	451	452	0
Operating expenses	270	255	6
Depreciation	36	34	6
Costs	758	742	2

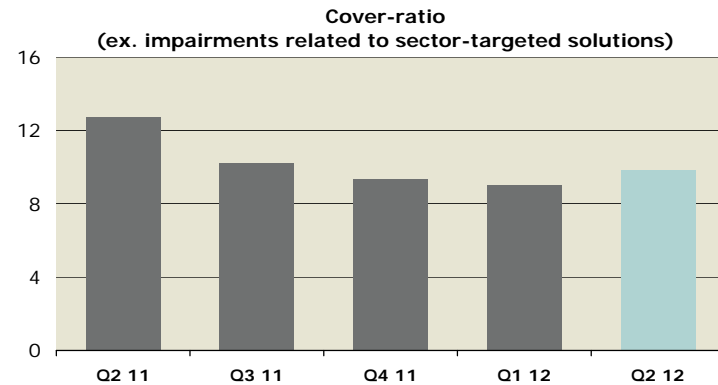
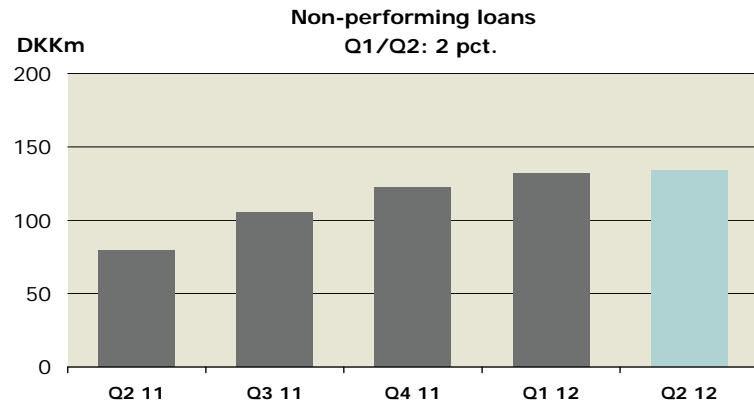
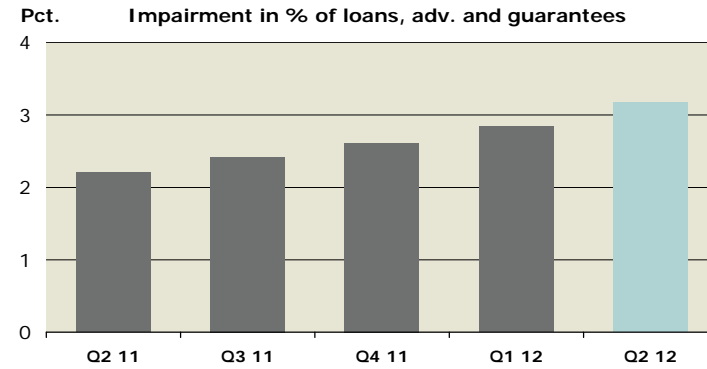
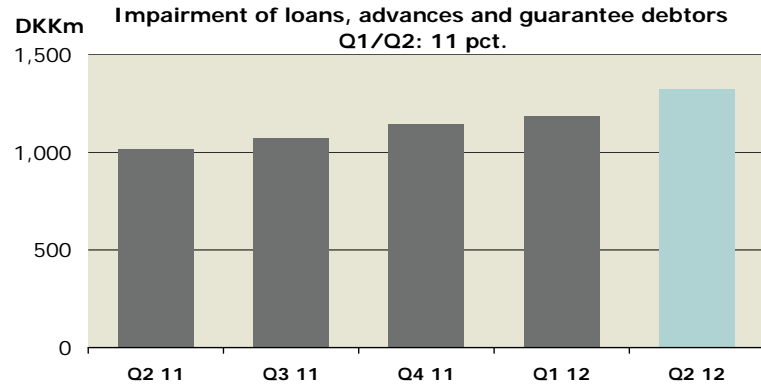
Operating expenses (DKKm)	YTD 2012	YTD 2011	Change
Staff-related expenses	22	17	5
Travel expenses	6	5	1
Marketing costs	48	46	1
IT expenses	129	118	11
Cost of premises	35	37	-2
Other administrative expenses	31	32	-1
Operating expenses	270	255	15

EXTRAORDINARY IMPAIRMENT TRIGGERED BY FSA GUIDELINES

- **Total impairment charges of 327 million – up from DKK 169 million in H1 2011**
 - DKK 288 million attributable to corporate customers – hereof DKK 165 million to agriculture
 - DKK 39 million attributable to household customers
- **Extraordinary impairment of DKK 96 million booked in Q2 – attributable to detailed guidelines from the FSA**
 - DKK 45 million attributable to commercial retail-estate
 - DKK 51 million attributable to agriculture
- **As of Q3, impairment losses are expected to revert to Q1 level**



LOAN BOOK – STRONG IMPAIRMENT BALANCE



HIGHLY DIVERSIFIED LOAN BOOK

- Loans and guarantees to household customers now account for 43% of total lending
- Exposure to agriculture drops to 9.1% - covered by 39% of individual impairments
- Exposure to financing and insurance continues to be considerably lower than sector average
- Total individual impairments up from DKK 913 million at YE 2011 to DKK 1,086 million at end of Q2- now corresponding to 3.3% of total loans and guarantees

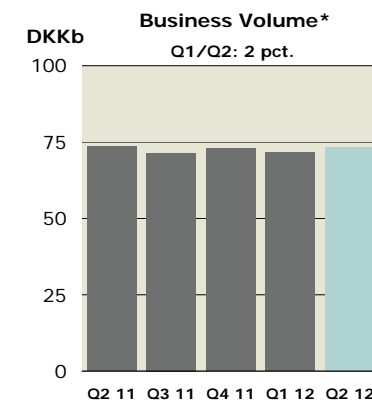
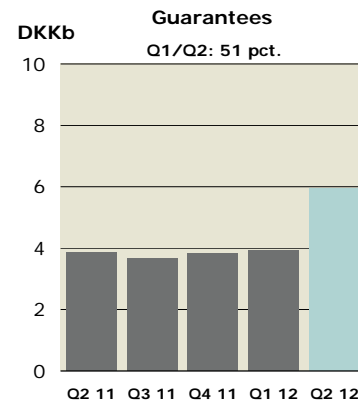
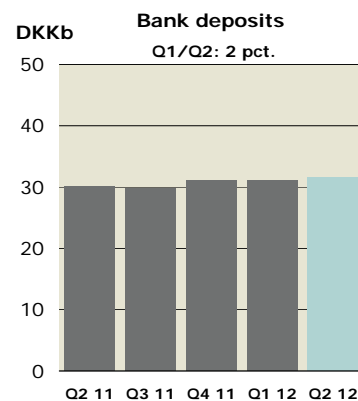
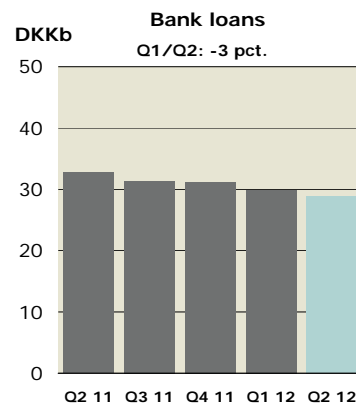
Line of Business Pct.	Loans and advances			Indiv. impairments
	* Spar Nord		Sector	* Spar Nord
	30.06 2012	31.12 2011	31.12 2011	30.06 2012
Agriculture	9.1	9.2	**4,3	38.5
Fishing	0.4	0.5	-	0.2
Industry and raw materials extraction	2.5	2.5	6.8	2.5
Energy supply	4.1	4.4	1.8	0.3
Construction and civil engineering	2.8	2.8	2.3	4.3
Trade	8.3	8.7	5.3	8.1
Transportation, hotels and restaurants	2.8	3.0	3.8	1.7
Information and communication	0.3	0.4	0.7	0.6
Financing and insurance activities	4.8	6.3	20.6	3.5
Real estate	11.9	13.2	12.4	12.1
Other business	6.7	5.6	6.1	7.3
Corporate customers, total	53.7	56.6	64.1	79.1
Public sector	3.8	4.8	3.4	0.0
Personal customers, total	42.5	38.6	32.5	20.9
Total	100.0	100.0	100.0	100.0

*) excl. discontinuing activities

***) incl. fishing

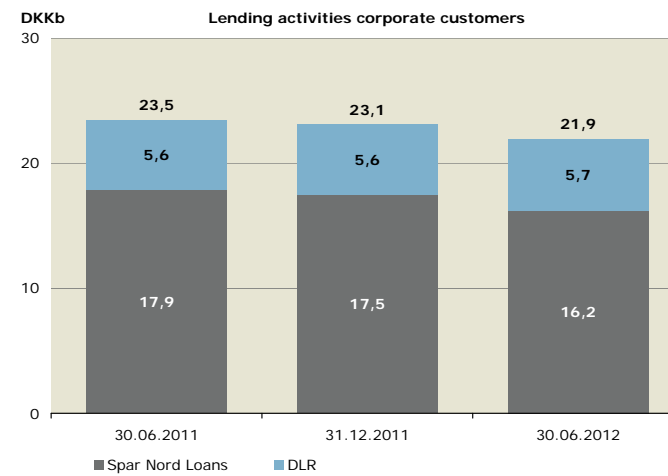
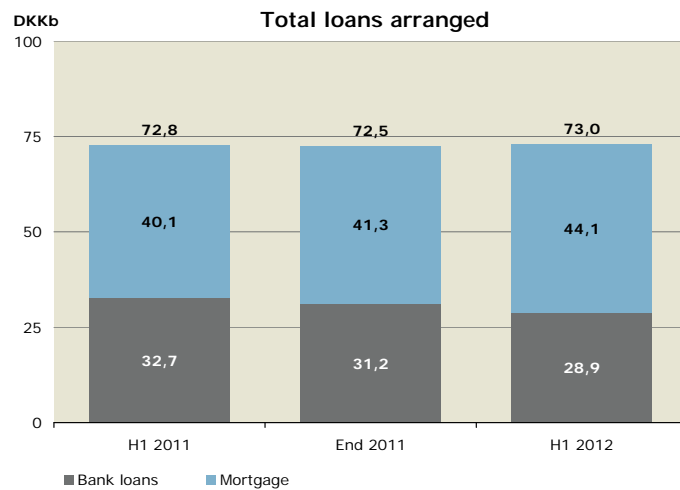
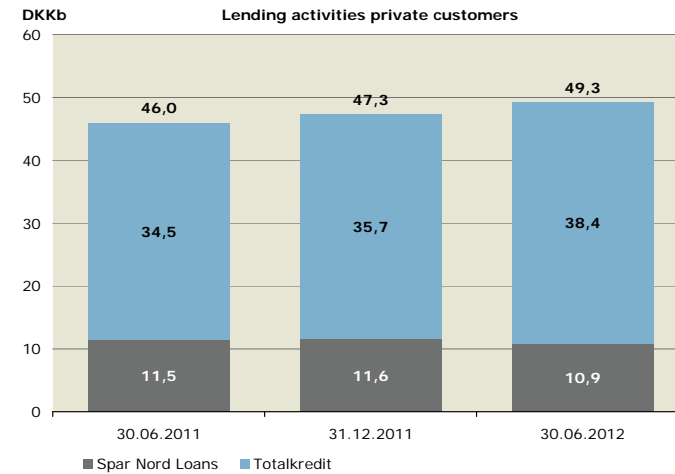
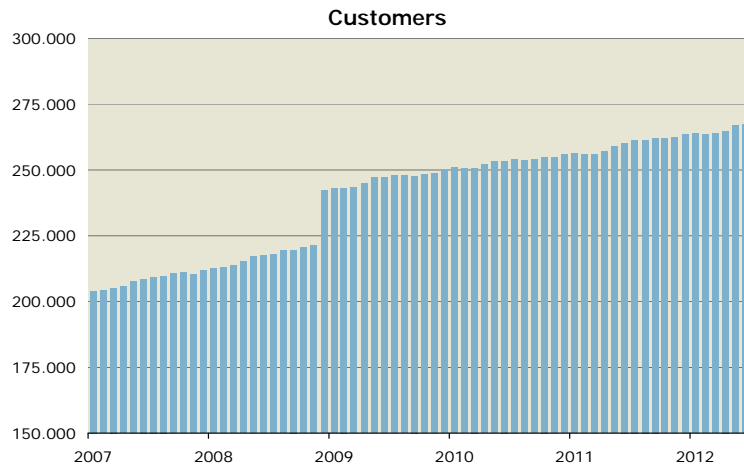
LENDING VOLUME UNDER PRESURE – SATISFACTORY GROWTH IN DEPOSITS AND GUARANTEES

- **Bank lending 7% down on YE 2011 and 3% down on last quarter**
 - Reduction across customer segments
 - Very modest demand – sector lending still contracting
 - Total loans arranged to household customers (bank + mortgage-credit)realkredit) up 7%
- **Bank deposits up 2% on YE 2011 and up 2% on last quarter**
 - Growth attributable to core deposits from household customers – which is up 17% since 12 months ago
- **Guarantees up 55% on YE 2011 and up 51% on last quarter**
 - Sharp growth in re-mortgaging activity



* Incl. repo, reverse and pooled schemes

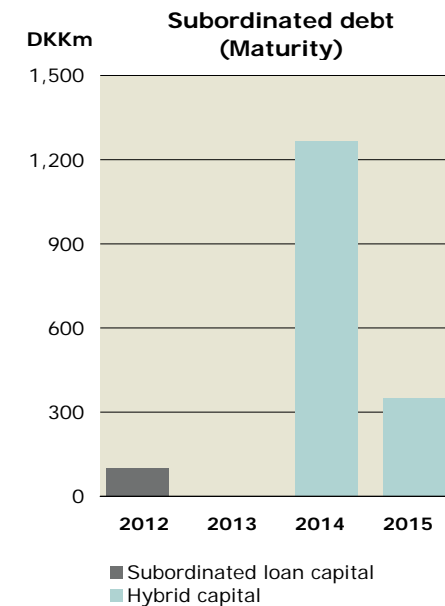
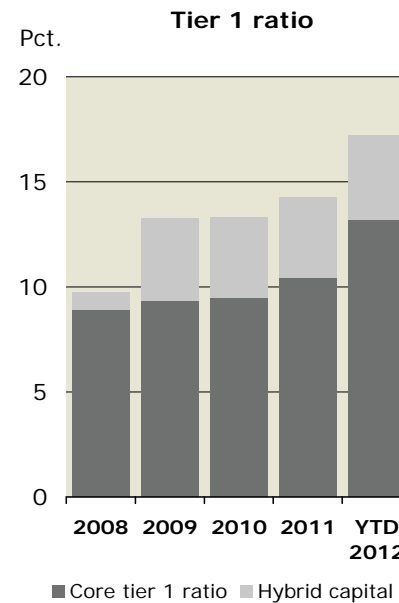
GROWTH IN THE HOUSEHOLD SEGMENT DRIVES GROWTH IN TOTAL LOANS ARRANGED



STRONG CAPITAL POSITION FOLLOWING RIGHTS-ISSUE AND DECLINE IN LENDING VOLUME

- Rights-issue in Q1 with net proceeds of DKK 830 million
- Core Tier 1 up to 13.2 (YE 2011: 10.4)
- Subordinated capital of DKK 508 million redeemed in H1
- Solvency ratio at 15.7 – up from 14.0 at YE 2011
- ICAAP ratio of 8.8
 - Excess capital coverage of 6.9 pp equal to DKK 2.8 billion

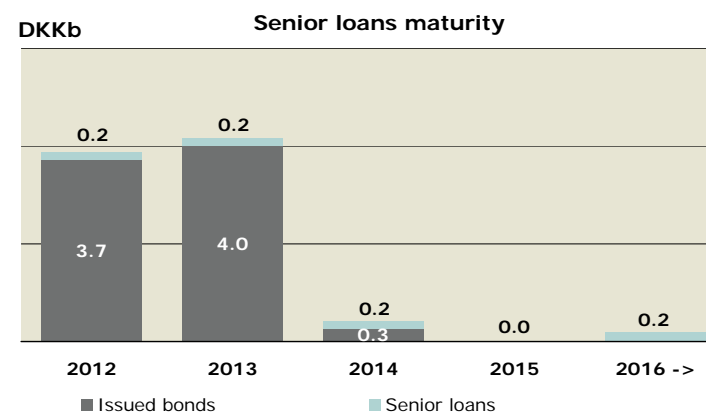
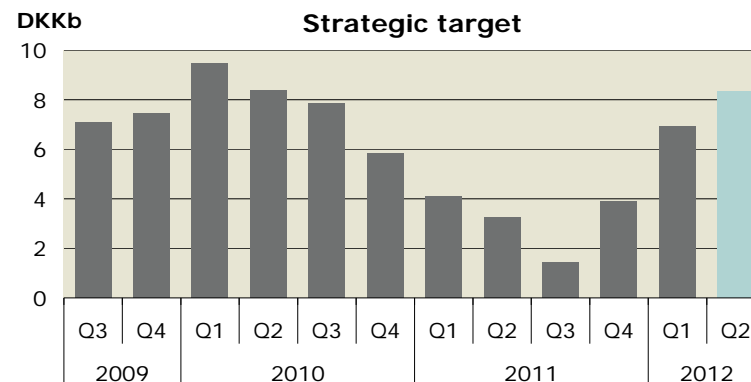
Pct.	Q2 2012	2011	2010	2009
Core tier 1 ratio	13.2	10.4	9.5	9.3
Hybrid capital	4.0	3.8	3.8	3.9
Deductions in hybrid capital	-1.5	-0.9	-0.2	-0.1
Tier 1 ratio	15.7	13.3	13.2	13.2
Subordinated debt	0.4	1.6	2.0	2.6
Deductions in capitalbase	-0.4	-0.9	-1.8	-1.7
Solvency ratio	15.7	14.0	13.4	14.2



EXCESS COVERAGE RELATIVE TO STRATEGIC LIQUIDITY TARGET IMPROVED TO DKK 8.4 BILLION

- Excess coverage relative to strategic liquidity target of DKK 8.4 billion – up from DKK 3.9 billion at YE 2011
- Trends in H1
 - Run-off on leasing portfolio: DKK 2.2 bn.
 - Reduction in bank lending: DKK 2.3 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

	Q2	Q1	Q4
DKKb	2012	2012	2011
Deposits ex. repo	31.6	31.1	31.1
Seniorfunding	8.7	8.7	10.2
Core capital and sub. capital	7.4	7.4	6.9
Stable long term funding	47.7	47.2	48.2
Loans, banking activities	28.9	29.9	31.2
Loans, leasing activities	4.9	6.4	7.1
Maturity < 1 year	-5.5	-4.0	-6.0
Strategic target (>0)	8.4	6.9	3.9



GUIDANCE

- Core earnings before impairment in the DKK 900 million range
- Zero growth in costs
- As from Q3 impairment losses expected to revert to Q1 level
- Contribution to sector-wide solutions in the DKK 50 million range