2013 – A GREAT STEP IN RIGHT DIRECTION

Pre-tax profit of DKK 670 million and ROE of 10.7 %

spar Nord
tættere på

KEY MESSAGES FROM FULL-YEAR REPORT

1. Core income rose by 15 %: NII were up 14 % and net fees and commissions by 29 %
2. Costs were somewhat lower than expected after merger – Cost/Income Ratio improved to 0.59
3. Core earnings before impairment came out at DKK 1,137 million - guidance was DKK 1.000-1.100 m.
4. Loan impairments reduced to DKK 409 million, corresponding to impairment percentage of 0.95
5. Succesful integration of Sparbank contributes to improvement of key financial ratios
6. Very solid CET1 ratio of 14.1 and strong strategic liquidity of DKK 17.3 billion
7. DKK 1 pr. share dividend corresponding to pay-out ratio of 23 % on DKK 536 million net profit

HIGHLIGHTS FROM THE IMCOME STATEMENT

SPAR NORD BANK DKKm	Realized 2013	Realized 2012	Change in pct.
Net interest income	1,752	1,542	14
Net fees, charges and commissions	719	557	29
Market-value adjustments	201	242	-17
Other income	111	90	23
Core income	**2,784**	**2,432**	**15**
Staff costs	1,006	906	11
Operating expenses etc.	640	595	8
Costs	**1,646**	**1,501**	**10**
Core earnings before impairment	**1,137**	**931**	**22**
Impairments of loans and advances, etc.	409	594	-31
Core earnings	**728**	**338**	**116**
Investment income	44	41	7
Profit/loss on ordinary activities	**772**	**378**	**104**
Sector Fund	-120	-58	106
Cost related to merger	-46	-67	-31
Profit from continuing operations	**605**	**253**	**139**
Profit from discontinued operations	64	37	75
Profit before tax	**670**	**290**	**131**

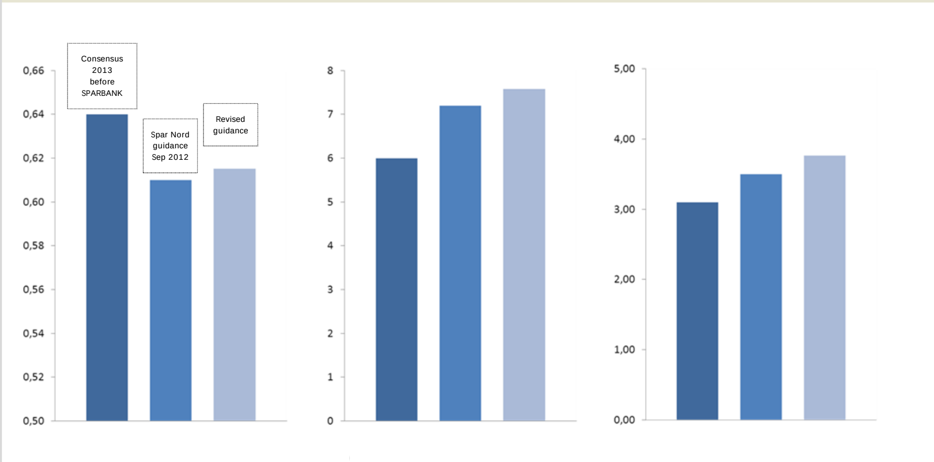
Q4: STRONG END TO STRONG YEAR

SPAR NORD BANK DKKm	Realized Q4 2013	Realized Q3 2013	Change in pct.	Realized Q4 2012	Change in pct.
Net interest income	432	436	-1	414	4
Net fees, charges and commissions	190	158	20	138	37
Market-value adjustments	58	22	162	48	20
Other income	37	20	85	29	27
Core income	**717**	**636**	**13**	**630**	**14**
Staff costs	278	211	32	270	3
Operating expenses etc.	143	155	-8	157	-9
Costs	**421**	**366**	**15**	**427**	**-1**
Core earnings before impairment	**296**	**270**	**10**	**203**	**46**
Impairments of loans and advances, etc.	104	102	2	156	-33
Core earnings	**192**	**168**	**14**	**48**	**304**
Investment income	2	11	-79	16	-85
Profit/loss on ordinary activities	**195**	**179**	**9**	**63**	**207**
Sector Fund	-37	-25	47	-14	158
Cost related to merger	-4	-4	-3	-58	-94
Profit from continuing operations	**154**	**150**	**2**	**-9**	**-**
Profit from discontinued operations	24	9	173	14	74
Profit before tax	**178**	**159**	**12**	**5**	**-**

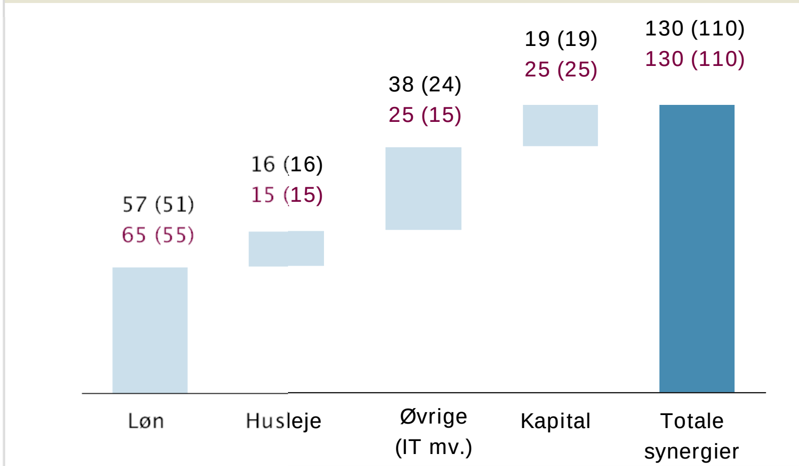
SATISFACTORY INTEGRATION OF SPARBANK

- Total merger-related one-offs of DKK 113 million – original guidance was DKK 110-120 million
- Synergies estimated to amount to DKK 130 million in 2013 – somewhat earlier than expected
- Satisfactory credit quality in SPARBANK portfolio – confirmed by FSA-report
- Positive effect on financial ratios (O/I, ROE, EPS)
- Positive net customer inflow in the affected areas
- In sum: Integration is still going well

Cost/Income | ROE | EPS



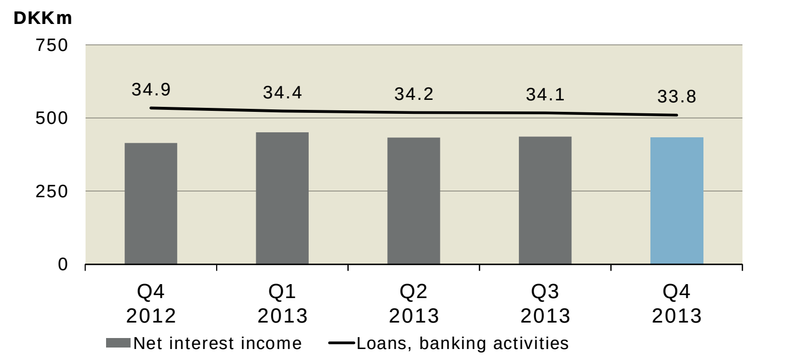
Synergies – original guidance and latest estimate



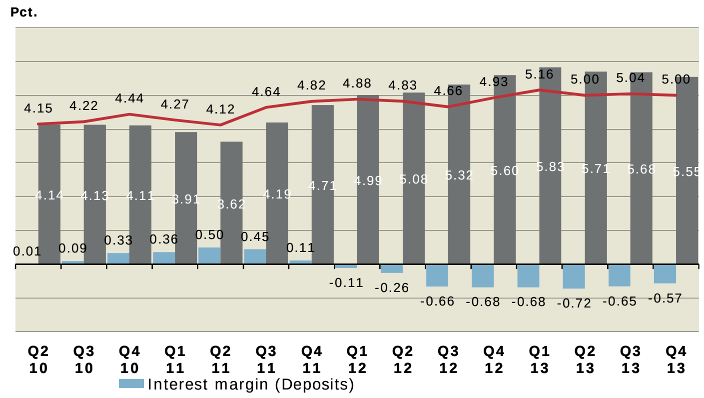
GROWTH IN NET INTEREST INCOME DRIVEN BY MERGER

- Net interest income of DKK 1,752 million – 14 % up from 2012
  - NII flat Q/Q
- Positive trends
  - Growth in volume attributable to merger
  - Lower funding costs due to reduced senior funding
- Negative trends
  - Demand remains modest – in spite of large customers influx bank lending is down DKK 1.1 billion Y/Y
  - Competition puts lending margin under pressure
  - Negative deposit margin due to low market interest level
- Outlook
  - Demand likely to remain subdued
  - Increasing competition to put further pressure on margins
  - Interest hikes don’t seem to be around the corner

Net interest income and volume



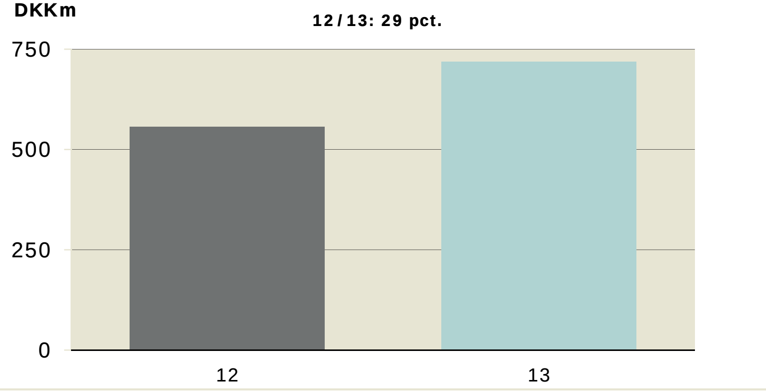
Margin trend



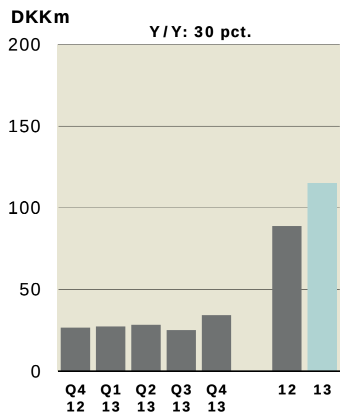
HIGH CUSTOMER ACTIVITY IN KEY AREAS DRIVES NET FEES AND COMMISSIONS TO RECORD LEVEL

- Net fees and commissions of DKK 719 million – 29 % up on 2012
- In general, fee and commission income has been raised to higher level after the merger – not least in the mortgage-area
- But organic growth is also high
  - Growth in asset management driven by customers' demand for investment schemes as alternative to deposits
  - Continued volume growth in mortgage distribution
- Further growth in Q4 in asset management and mortgage distribution

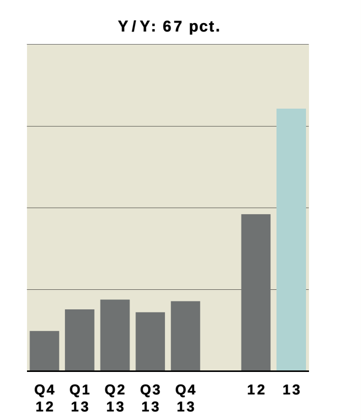
Net fee income



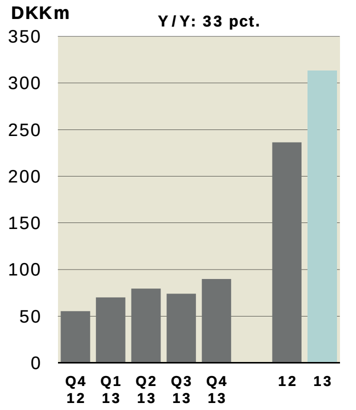
Securities trading etc.



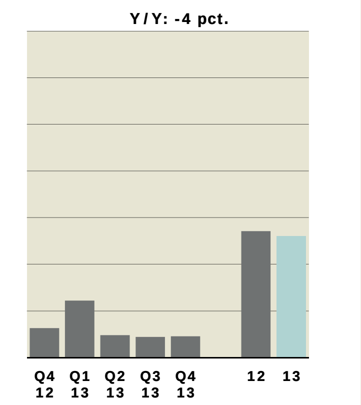
Asset management



Loan transaction fees



Other fees

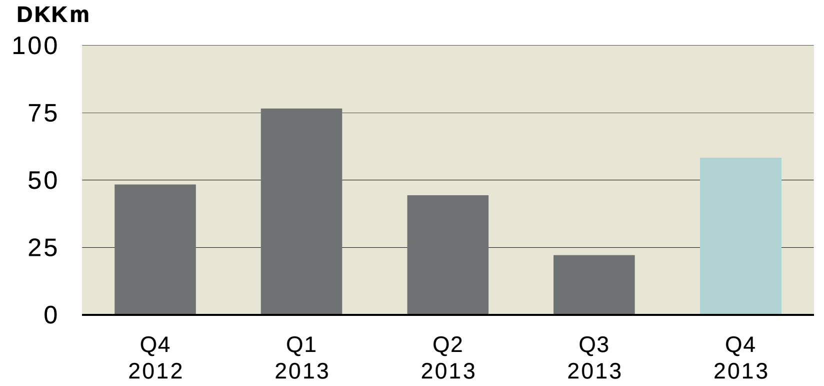


spar Nord

MARKET-VALUE ADJUSTMENTS AND DIVIDENDS HIGHER THAN EXPECTED

- Market-value adjustments and dividends ended at DKK 201 million – 17 % lower than 2012 but higher than expected
- Another year with strong earnings from bonds portfolio, not least related to spread between Danish mortgage bonds and interest swaps
- Positive trends in the stock-market
- Satisfactory market-value adjustments and dividends on portfolio of shares in the financial sector (DLR Kredit, BankInvest etc.)
- Unchanged earnings from customers' hedging of interest risk and FX risk

Market-value adjustments and dividends



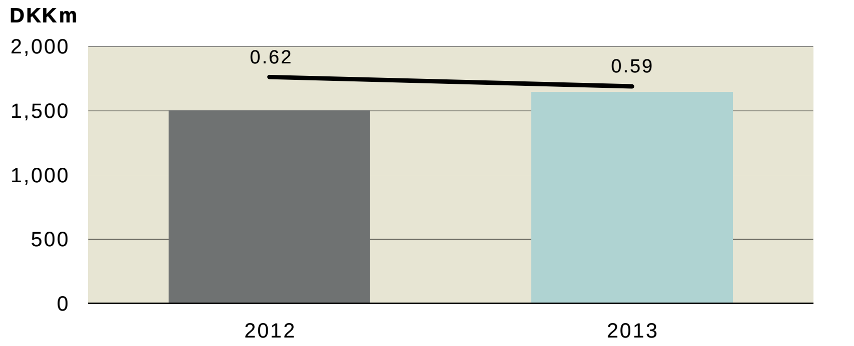
Breakdown on types

DKKm	2013	2012	Change
Market-valued adjustments in Trading, Financial Markets & The International Division	85	165	-81
Tangible assets	27	6	21
Currency trade and -agio	53	54	-2
Dividends on shares, etc.	37	16	21
Total	**201**	**242**	**-41**

COSTS LOWER THAN EXPECTED AFTER MERGER

- Total costs of DKK 1,646 million – 10 % higher than 2012
  - Growth is solely attributable to merger
- Staff costs up 11 % on 2012
  - Headcount up 163 FTE compared to before the merger
- Operating expenses 9 % up on 2012
  - Driven by merger, especially IT and cost of premises
- Cost/Income Ratio improved to 0.59
- During the year 14 branches have been merged or closed
  - 5 in connection with post-merger integration
  - 7 in North Jutland
  - 2 in the Skive area
- Q4: DKK 25 million shift between wages % salaries and operating expenses attributable to regulation of VAT and payroll tax issues

Costs and C/I Ratio



Breakdown on types

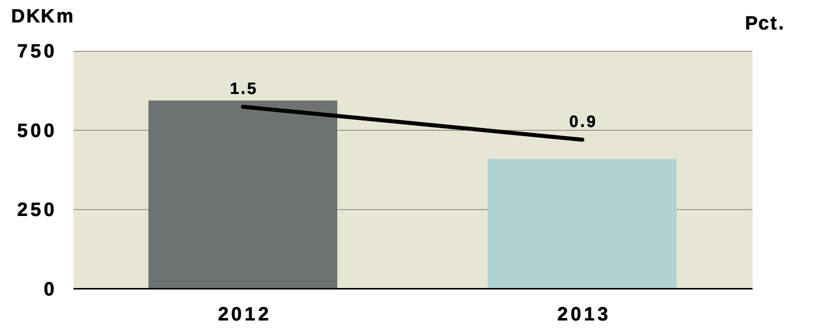
Costs (DKKm)	2013	2012	Change in pct.
Staff costs	1,006	906	11
Operating expenses	573	526	9
Depreciation	67	69	-2
Costs	**1,646**	**1,501**	**10**

Operating expenses (DKKm)	2013	2012	Change (%)
Staff-related expenses	40	41	-2
Travel expenses	14	11	26
Marketing costs	90	84	7
IT expenses	299	248	21
Cost of premises	93	74	26
Other administrative expenses	37	69	-47
Operating expenses	**573**	**526**	**9**

LOAN IMPAIRMENTS DOWN TO 0.95 %

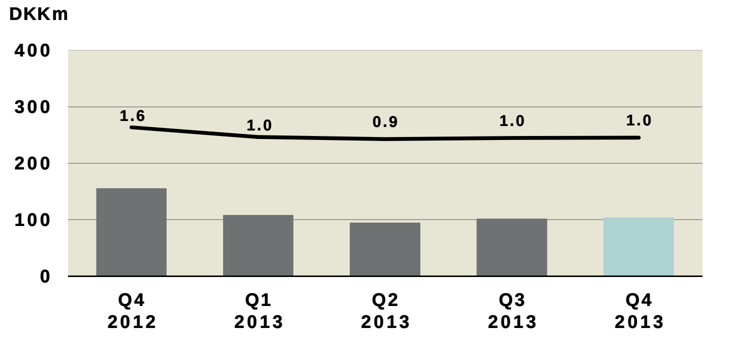
- Total profit impact of DKK 409 million corresponding to impairment percentage of 0.95 – as expected
- Impairment percentage including mortgage loans: 0.4
- Profit impact broken down on business segments
  - Household: DKK 76 million corresponding to impairment percentage of 0.46
  - Corporate: DKK 333 million corresponding to 1.25
- Net impact of impairments and reversal of value-adjustments on Sparbank-portfolio was an expense of DKK 33 million
- FSA report confirms
  - Adequate provisioning level
  - Adequate solvency requirement
  - Strong centralised credit management and underwriting policy

Profit impact and impairment percentage



Note: Average loans and guarantees

Profit impact and impairment percentage



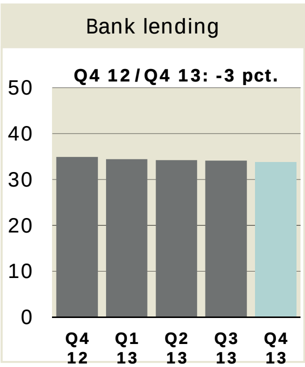
WELL-DIVERSIFIED LOAN BOOK

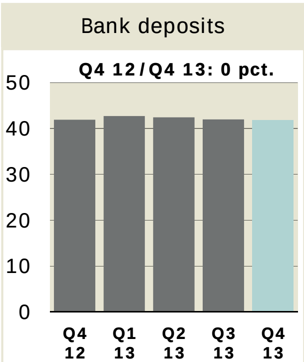
- Very well-diversified portfolio – only one business sector exceeding 10 % of total lending
- Declining exposure to agriculture
- Exposure to commercial property and financing markedly below sector average
- High share of household lending of 38 %

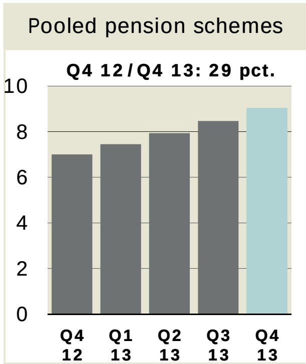
Loans and guarantees, shown by sector (continuing activities)	Loans and guarantees		Impariment account and discount on exposures taken over
Sector, pct.	**31.12.12**	**31.12.13**	**31.12.2013**
Agriculture, forestry etc.	8.4	7.7	22.7
Fishing	0.4	0.4	0.1
Industry and raw materials extraction	3.5	3.4	2.7
Energy supply	4.2	4.2	0.3
Construction and civil engineering	3.4	3.5	5.8
Trade	8.0	7.8	4.2
Transportation, hotels and restaurants	3.2	3.3	2.7
Information and communication	0.4	0.2	0.1
Financing and insurance activities	5.0	8.0	6.8
Real estate	13.0	11.6	22.4
Other business	6.5	6.9	8.3
Corporate customers, total	**56.0**	**57.0**	**76.1**
Public sector	4.0	4.9	0.0
Personal customers, total	40.0	38.1	23.9
Total	**100.0**	**100.0**	**100.0**

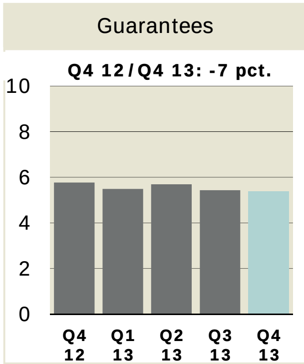
STRONG CUSTOMER INFLUX SECURES GROWTH IN BUSINESS VOLUME

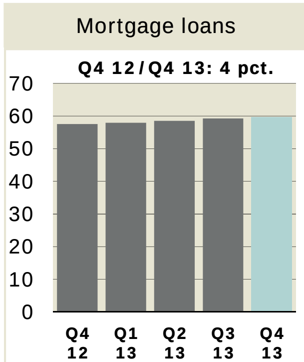
- Total business volume up 3 % (Y/Y) to DKK 180 billion
- Continued pressure on bank lending
  - Bank lending of DKK 33.8 billion at year-end – 3 % lower than 12 months ago
  - Generally modest demand from both households and corporates
  - Strong customer influx mitigates negative pressure
  - Run-off portfolio taken over from Sparbank is wound up as expected
- Very satisfactory growth in mortgage lending
  - Total mortgage loans arranged up DKK 2.1 billion to DKK 59.6 billion
  - Hereof DKK 51.0 billion in Totalkredit and DKK 8.6 billion in DLR Kredit
- High demand for savings and investment schemes leads to slow-down in deposit growth
  - Bank deposits unchanged at DKK 41.8 billion
  - Assets in pooled pension schemes grew by 29 % to DKK 9.1 billion
  - Growth in assets under management of 33 %

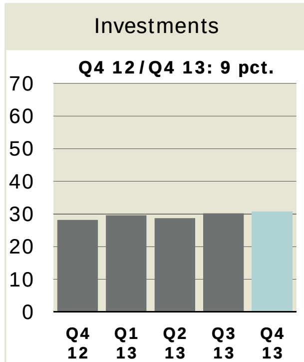








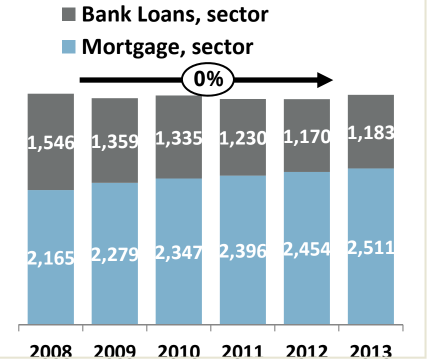




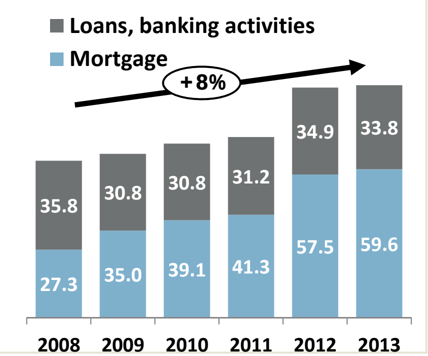
SPAR NORD GAINS MARKET SHARE

- Since the peak in 2008 Danish banks' lending to households are down DKK 47 billion and lending to corporates are down DKK 246 billion
  - Households have to a large extend chosen mortgage loans as substitute for bank financing
  - Business have invested much less than before the downturn
- 2014 is expected to be another year with pressure on lending volumes
- Spar Nord's growth is to be driven by new business units established in recent years

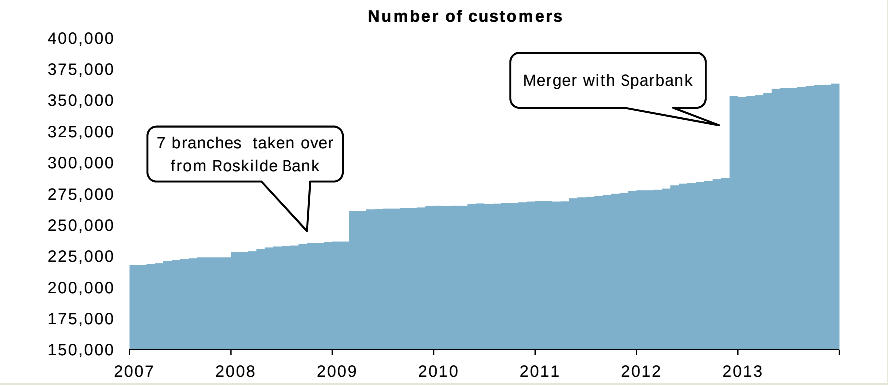
The Danish market has been flat in recent years



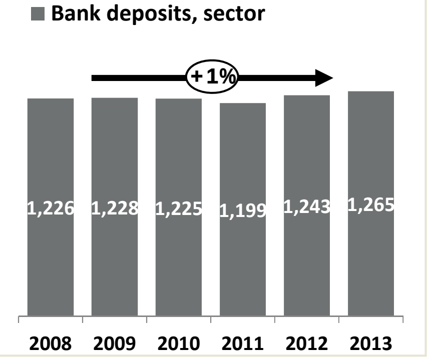
...Spar Nord has managed to grow



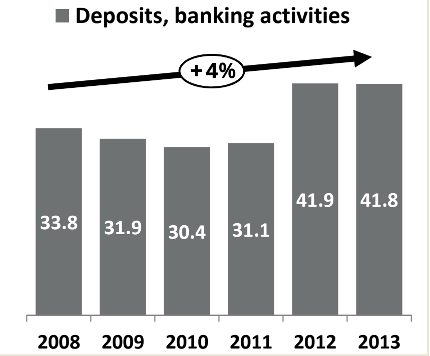
Strong customer influx



Deposits have been flat



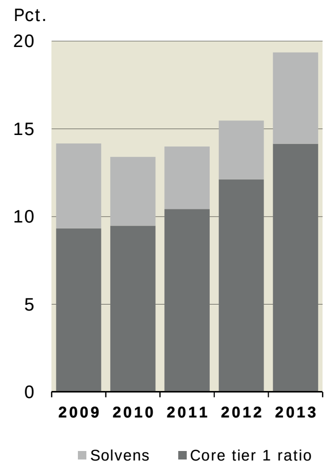
We have grown by 4 % p.a.

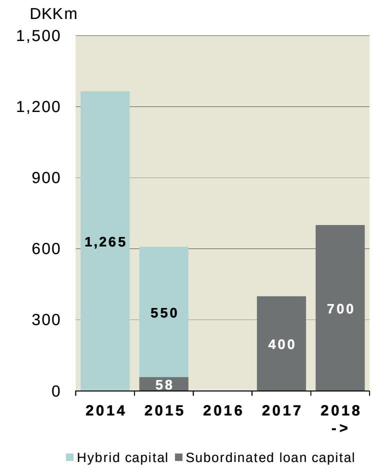


STRONG CAPITAL POSITION MAKES WAY FOR DIVIDENDS

- Strategic targets
  - Core Equity Tier 1 ratio: min. 12 %
  - Solvency ratio: min. 15 % (at least 3 pp above ICAAP ratio)
- At year-end 2013, CET1 ratio stands at 14.1 – up from 12.1 at year-end 2012
- Solvency ratio stands at 19.4 – up from 15.5
- ICAAP ratio of 10.0
  - Excess coverage of DKK 4.0 billion (9.4 pp)
- Strong capital position makes way for repayment of state-funded hybrid capital in May 2014
- New dividend policy (2014-)
  - Target: Pay-out ratio of 33 %
  - Subject to compliance to strategic targets
  - Possibility of extraordinary dividends and buy-backs, if no value-adding investments can be found
- For 2013, dividend is set at DKK 1 per share
  - 23 % of net profits

Solvency and subordinated capital



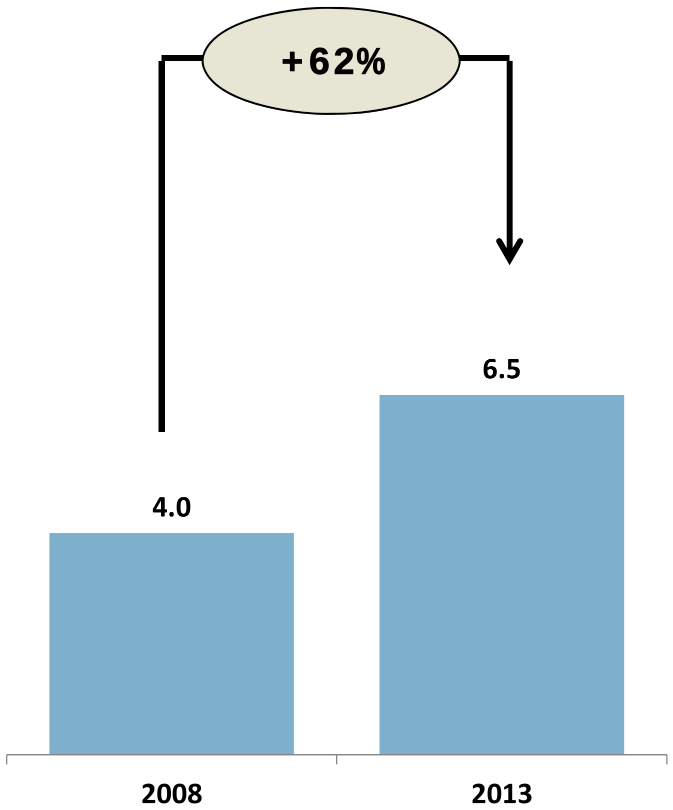


Capital base

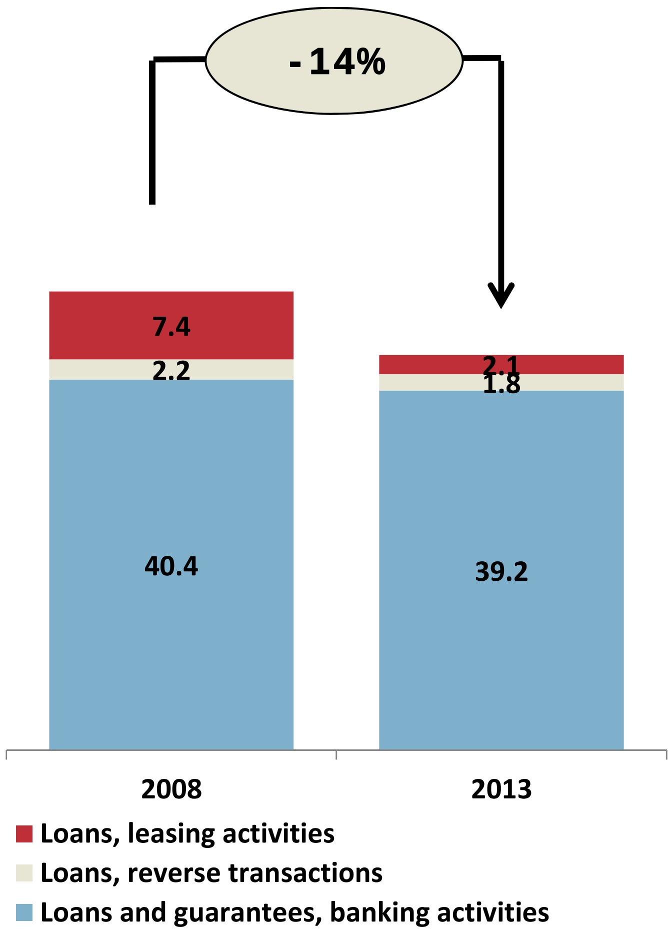
Pct.	Q4 2013	2012	2011	2010
Core tier 1 ratio	14.1	12.1	10.4	9.5
Hybrid capital	4.2	3.9	3.8	3.8
Deductions in hybrid capital	-1.0	-1.0	-0.9	-0.2
Tier 1 ratio	**17.4**	**15.1**	**13.3**	**13.2**
Subordinated debt	2.9	1.4	1.6	2.0
Deductions in capitalbase	-1.0	-1.0	-0.9	-1.8
Solvency ratio	**19.4**	**15.5**	**14.0**	**13.4**

SOLID CAPITAL POSITION THANKS TO STRENGTHENED CORE EQUITY LEADS TO LOWER LEVERAGE – NOT MAGIC MODELS

Equity



Lending and guarantees



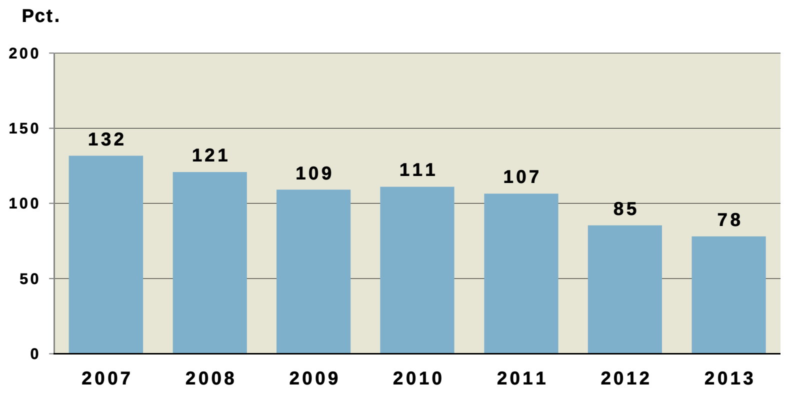
COMFORTABLE STRATEGIC LIQUIDITY OF DKK 17.3 BILLION

- Strategic liquidity of DKK 17.3 billion – improved by DKK 2.5 billion i 2013 primarily due to reduction in leasing lending
- Repayment of DKK 6.2 billion of issued bonds
- Last state-guaranteed bonds issue repayed in July
- Independence of capital market funding

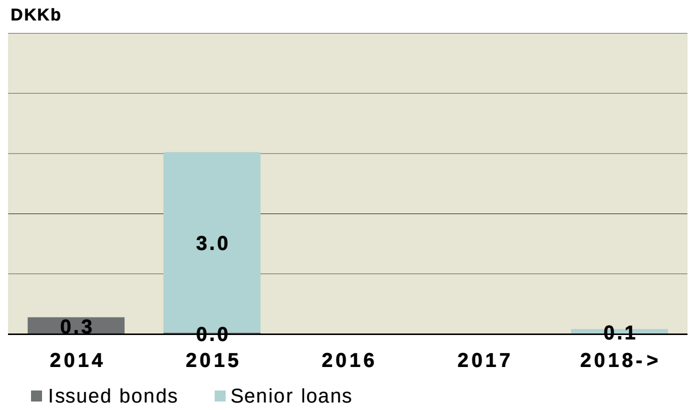
Strategic liquidity

DKKb	2013	Q3 13	2012
Deposits, banking activities	41.8	42.0	41.9
Seniorfunding	3.4	3.3	9.6
Core capital and sub. capital	9.5	8.7	8.5
Stable long term funding	**54.7**	**54.0**	**60.0**
Loans, banking activities	33.8	34.1	34.9
Loans, leasing activities	2.1	2.5	4.0
Maturity < 1 year	-1.5	-1.5	-6.3
Liquidity target	**17.3**	**15.9**	**14.8**

Loan to deposit ratio



Maturity structure

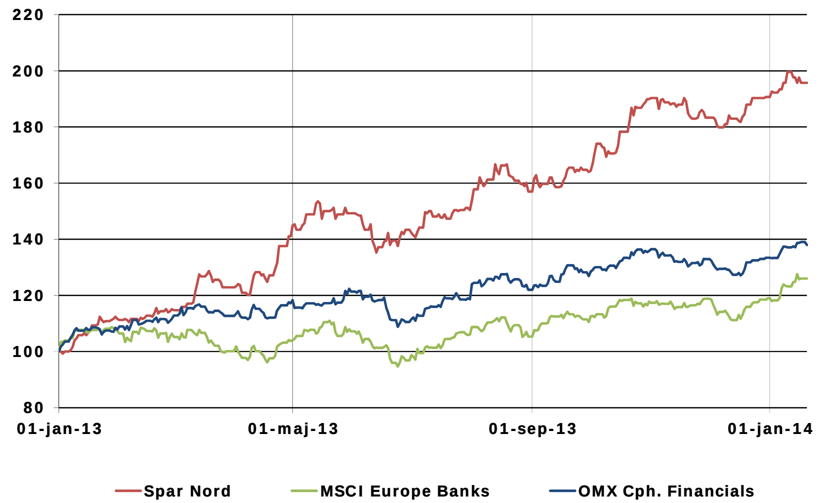


GUIDANCE AND SHARE PRICE

Guidance for 2014

- Core income before impairments expected in the DKK 1.1 billion range
- Impairments of loans etc. expected to be slightly lower than 2013
- Contribution to sector-targeted solutions: DKK 100 million
- Small positive contribution from discontinuing activities

Share price



Share price	50.0	DKK
Market cap	6.3	DKKm
EPS (2014)	4.6	DKK
EPS (2015)	5.8	DKK
P/BV	0.96	

Note: Based on consensus estimates

STRATEGIC INITIATIVES IN NEW PLAN FOR 2014-15

- Further increase in customer-oriented activities
  - Target: Continued net customer influx
  - Strengthened focus on expanding business with existing customers
- Concrete actions in the customer area
  - Increase number of proactive customer meetings
  - New and improved customers segmentation
  - Launch of new loyalty scheme
  - Building stronger profile as corporate bank outside core region
- Work on internal processes
  - Increase automatization and IT-support
- Continued cost focus
  - Branch structure
  - Discontinue insignificant products and accounts
- Focus on avoidable credit losses

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THE ROAD TO 10 % ROE

The goal – and the plan – is to achieve 10 % after tax ROE in 2015

ROE, 2013-2015 (%)