

**PRE-TAX PROFITS OF DKK 512 MILLION EQUAL TO A 15.3
% P. A. RETURN ON EQUITY**

Presentation of Q2 2014



KEY MESSAGES

- 1 Core income 12 % up (y/y) driven by sale of Nets and strong commission income
- 2 Net Interest Income down 8 % (y/y) – but up 5 % q/q
- 3 Costs up 4 % (y/y) – primarily driven by one-offs related to M&A
- 4 Loans losses down to DKK 169 million corresponding to impairment ratio of .78 p.a.
- 5 Negative volume trend has been reversed – bank lending up 2 % (q/q) and back to level of YE 2013
- 6 Acquisition from FIH Erhvervsbank will contribute to further growth
- 7 Capital position and strategic liquidity remain strong

HIGHLIGHTS FROM THE INCOME STATEMENT

H1 Income Statement

SPAR NORD BANK DKKm	Realized YTD 2014	Realized YTD 2013	Change in pct.
Net interest income	813	883	-8
Net fees, charges and commissions	400	372	8
Market-value adjustments	311	121	-
Other income	74	54	36
Core income	1,597	1,430	12
Staff costs	531	518	3
Operating expenses etc.	359	342	5
Costs	890	859	4
Core earnings before impairment	707	571	24
Impairments of loans and advances, etc.	169	203	-17
Core earnings	539	368	47
Investment income	11	30	-64
Profit/loss on ordinary activities	550	398	38
Sector Fund	-52	-58	-11
Cost related to merger	0	-39	-
Profit from continuing operations	498	301	65
Profit from discontinued operations	14	31	-55
Profit before tax	512	332	54

Key messages

- Improvement of ROE
 - H1 13: 10.9 % p.a.
 - H1 14: 15.3 % p.a.
- Core income 12 % up
 - Gain from sale of Nets
 - Strong trend in commissions
- Loan losses down 17 %
- Core earnings up 47 %

POSITIV TREND IN NII AND LOAN LOSSES IN Q2

Q2 Income Statement

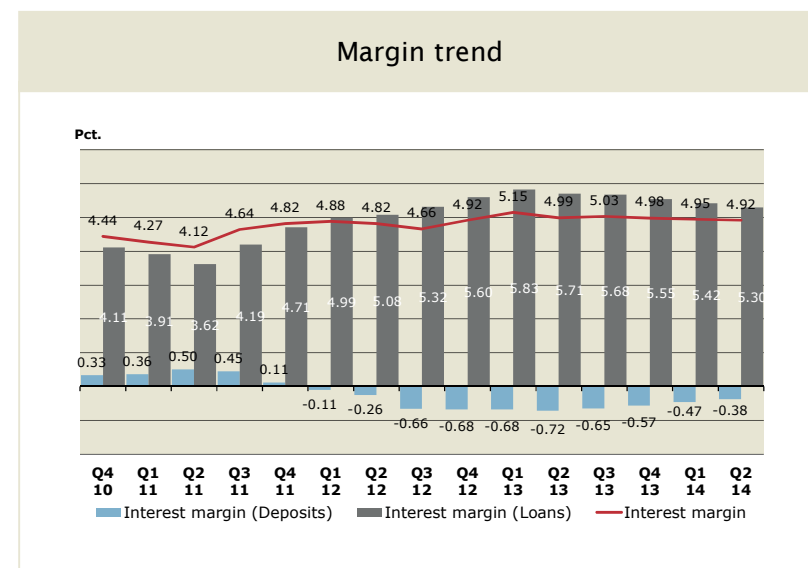
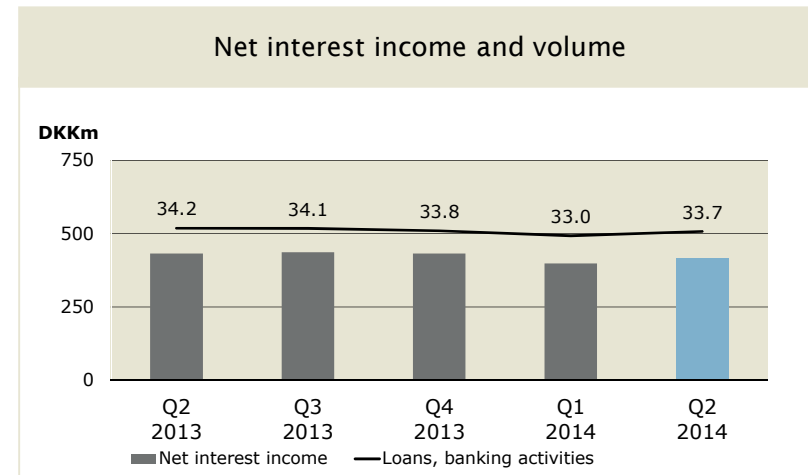
SPAR NORD BANK DKKm	Realized Q2 2014	Realized Q1 2014	Change in pct.	Realized Q2 2013	Change in pct.
Net interest income	416	397	5	432	-4
Net fees, charges and commissions	195	205	-5	176	11
Market-value adjustments	62	250	-75	44	39
Other income	43	31	37	30	43
Core income	714	883	-19	683	5
Staff costs	273	259	5	264	3
Operating expenses etc.	178	181	-1	169	6
Costs	451	439	3	433	4
Core earnings before impairment	264	444	-41	250	6
Impairments of loans and advances, etc.	79	90	-13	95	-17
Core earnings	185	354	-48	155	19
Investment income	0	11	-	14	-
Profit/loss on ordinary activities	185	365	-49	169	10
Sector Fund	-27	-25	9	-27	0
Cost related to merger	0	0		-23	
Profit from continuing operations	158	340	-54	119	33
Profit from discontinued operations	5	9	-46	21	-76
Profit before tax	163	349	-53	139	17

Key messages

- NII up 5 %
 - Volume growth
 - Repayment of hybrid core capital
- Costs up 3 %
 - Driven by one-offs related to acquisition of FIH portfolio
- Loan losses down 13 %

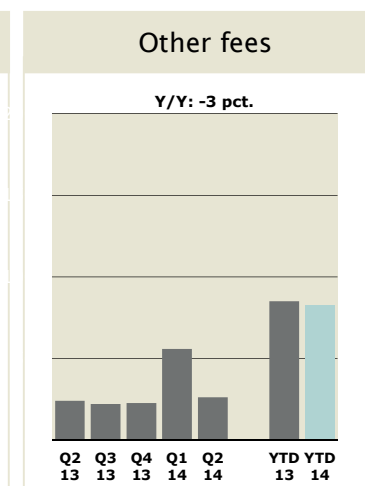
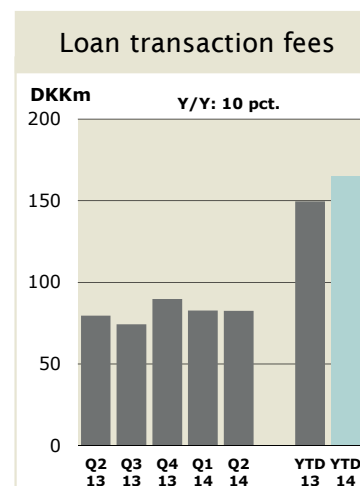
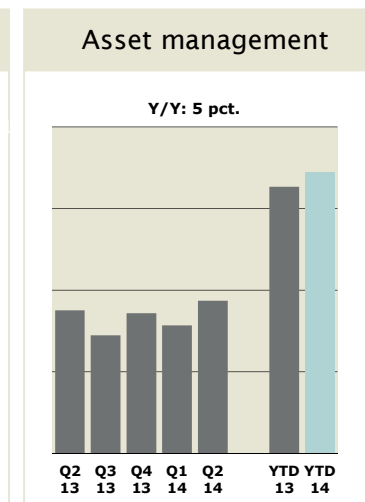
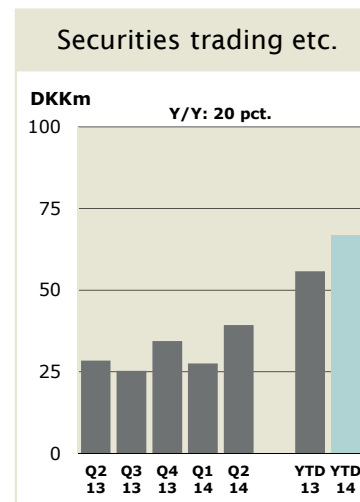
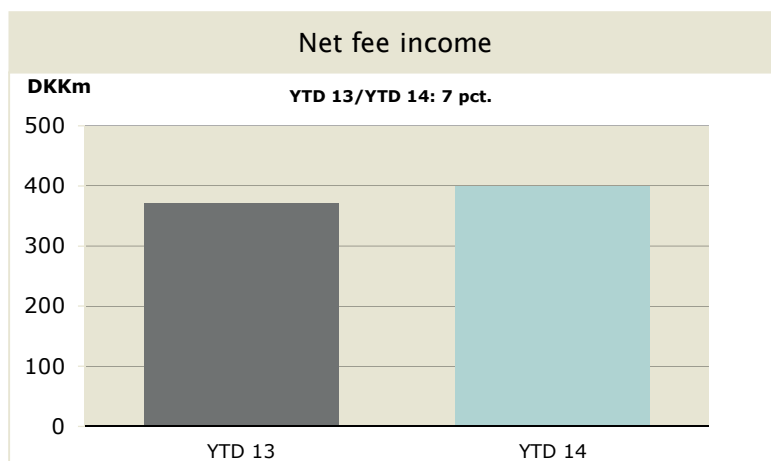
NEGATIVE TREND IN VOLUME AND NII HAS BEEN REVERSED

- Net interest income of DKK 813 million – 8 % down on H1 2013
 - But 5 % up quarter-on-quarter
- Positive trends
 - Lending volume up 2 % (q/q) and back at the level of YE 2013
 - Reduction in interest expenses following repayment of DKK 1,265 million in hybrid core capital in May
 - Pressure on lending margin offset by improvement of deposit margin
- Negative trends
 - Continued pressure on volumes and margins
- Outlook
 - Portfolio taken over from FIH will contribute to growth in volumes and income
 - Underlying growth remains sluggish
 - Competition puts lending margin under pressure



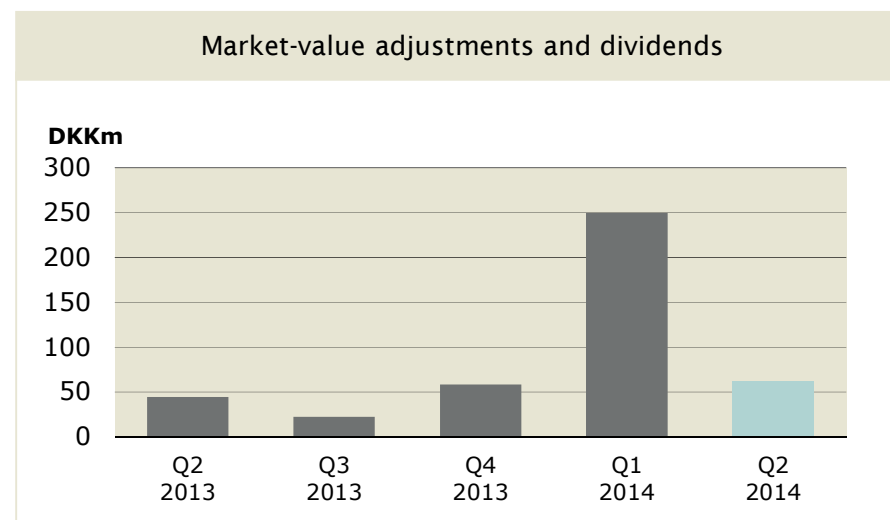
NET FEE INCOME AT HIGHLY SATISFACTORY LEVEL

- Net fees and commissions of DKK 400 million – 8 % up on H1 2013
- Strong growth in asset management and portfolio management
 - AUM in pooled schemes are up DKK 1.7 billion (24 %) since YE 2013
 - AUM in non-pension funds under mandate are up DKK 1.6 billion since YE 2013
- Earnings from mortgage-credit arrangements continues to grow
 - Strong demand for new products launched in Q2



MARKET-VALUE ADJUSTMENTS AT AN EXTRAORDINARILY HIGH LEVEL

- Market-value adjustments and dividends of DKK 311 million (incl. Nets)
- Market developments in Q2 make way for satisfactory market-value adjustments on bond and share portfolio
- Slight decrease in customers' interest and FX related activities

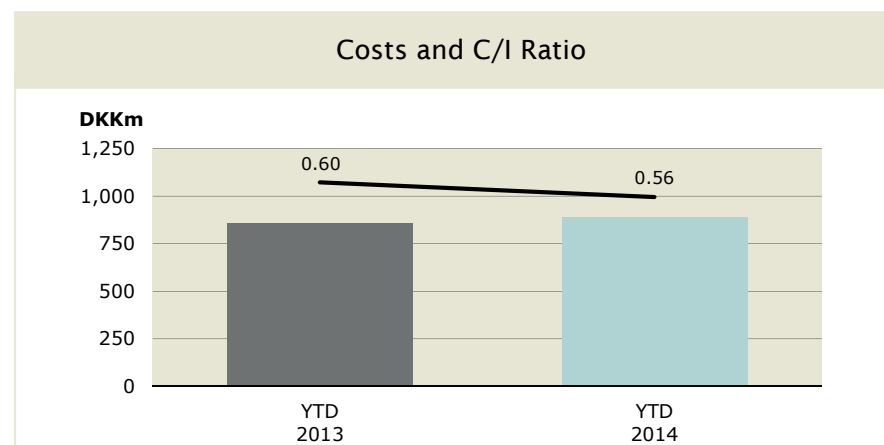


Breakdown on types

DKKm	YTD 2014	YTD 2013	Change
Market-valued adjustments in Trading, Financial Markets & The International Division	62	58	4
Tangible assets	186	12	175
Currency trade and -agio	25	30	-5
Dividends on shares, etc.	38	21	17
Total	311	121	190

COSTS & EXPENSES DEVELOP AS EXPECTED

- Total costs and expenses of DKK 890 million – 4 % higher than H1 2013
- Payroll costs 3 % up on H1 2013
 - Rising payroll taxes
 - Group headcount is down 32 last 12 months
- Operating expenses up 6 % (y/y)
 - Primarily due to DKK 12 million in M&A-related one-offs
- Efforts to streamline branch network continued in H1 with the closing of 5 branches
 - After the implementation of this decision, Spar Nord will have 71 branches
 - 43 branches have been closed down since 2008
- Further cost initiatives in the pipeline
 - Process optimization



Breakdown on types

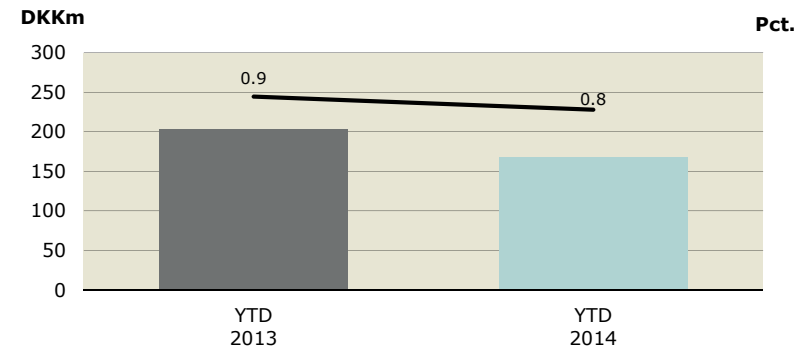
Costs (DKKm)	YTD 2014	YTD 2013	Change
Staff costs	531	518	14
Operating expenses	326	307	19
Depreciation	33	35	-2
Costs	890	859	31

Operating expenses (DKKm)	YTD 2014	YTD 2013	Change
Staff-related expenses	19	20	-1
Travel expenses	6	8	-2
Marketing costs	50	50	1
IT expenses	155	154	0
Cost of premises	43	47	-3
Other administrative expenses	53	29	24
Operating expenses	326	307	19

NOTICEABLE DECLINE IN LOAN LOSSES

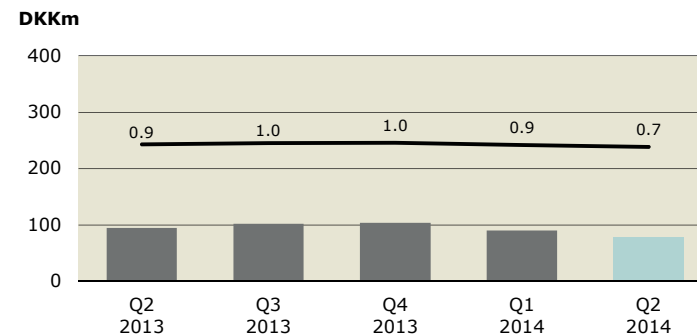
- Total impairments of DKK 169 million corresponding to 0.78 % p.a.
- Impairment percentage incl. Mortgage lending: 0.37
- Breakdown on segments
 - Corporate: 1.0 % p.a.
 - Household: 0.5 % p.a.
- Full-year loan losses still expected to be lower than in 2013

Profit impact and impairment percentage



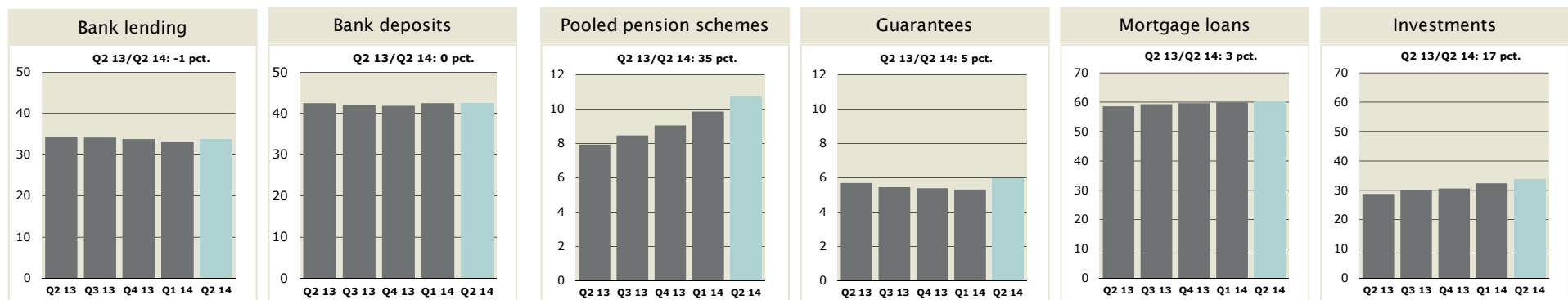
Note: Average loans and guarantees

Profit impact and impairment percentage



BUSINESS VOLUME HAS SWELLED NOTICEABLY IN 2014

- Total business volume has grown by DKK 6.7 billion since YE 2013
- Bank lending of DKK 33.7 billion – same level as YE 2013
 - but up 2 % quarter-on-quarter
- Volume of mortgage-credits arranged continues to grow
 - Total volume of DKK 60.3 billion, hereof DKK 51.4 billion in Totalkredit and DKK 8.9 billion i DLR Kredit
- Strong demand for asset management products
 - AUM in pooled pension schemes and other custodianship account are up DKK 3.3 billion YTD



■ A PERIOD MARKED BY VALUE-CREATING STRATEGIC INITIATIVES

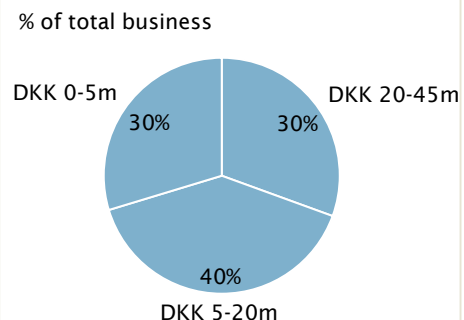
- Acquisition of customer portfolio from Basisbank
 - Strengthened position in the Copenhagen market with 1,000 new household customers
 - Easy integration, attractive ROE and C/I
- Acquisition of customer portfolio from FIH Erhvervsbank
 - Strengthened position in the corporate market – especially outside North Jutland
 - Further business potential in the portfolio and valuable new resources/competences to Spar Nord
 - Attractive alternative to organic growth in competitive market
- Repayment of governmental hybrid core capital
 - Annual savings of about DKK 70 million
- Divestment of Swedish leasing activities
 - Final step in a successful divestment of non-core activity

STATUS ON THE INTEGRATION OF ACTIVITIES FROM FIH

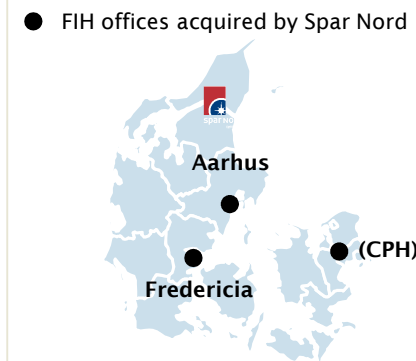
The acquired portfolio

- Approx. 900 commercial customers across Denmark
- Total credit and guarantee facilities of DKK 4.0 billion¹
 - Loans: DKK 2.4 billion
 - Advances and guarantees: DKK 1.3 billion
 - Market value of derivatives: DKK 0.3 billion
- Risk weighted assets of DKK 2.7 billion
- 29 FIH employees to join Spar Nord
- FIH branches in Aarhus and Fredericia and part of Copenhagen branch will be taken over
- After closing the transaction (1 July) has Spar Nord been in dialogue with the acquired customers about products, pricing and potential for expanding business relation

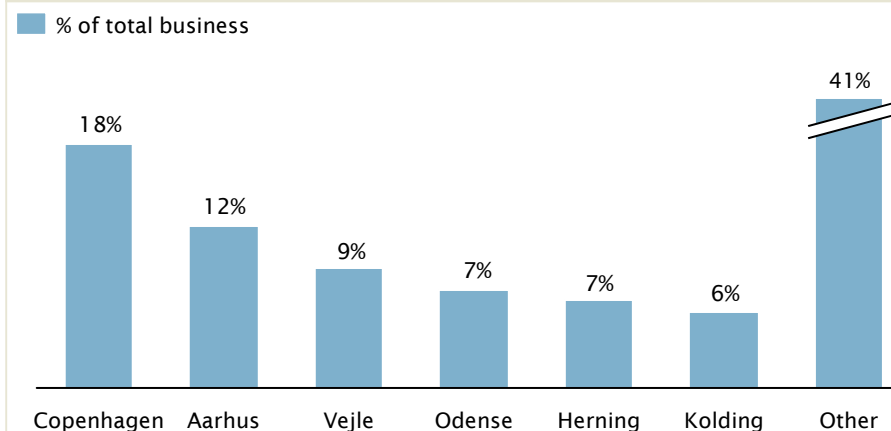
Customers by size of business



Offices acquired from FIH



Customers by geography



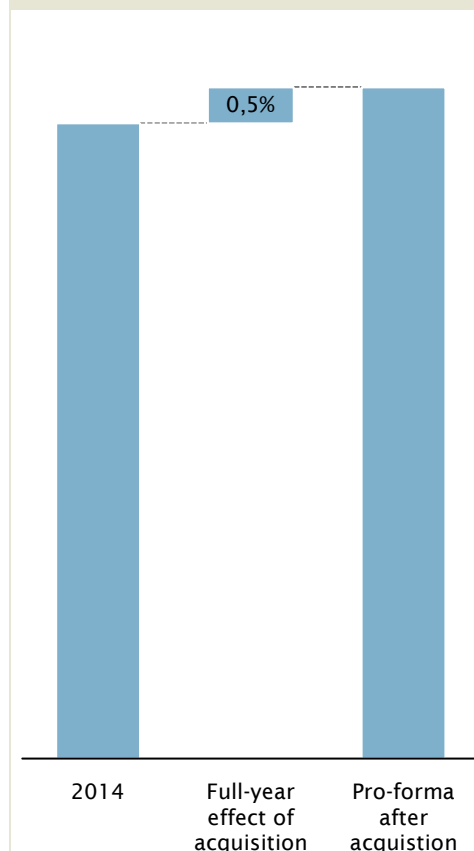
¹In addition, other related assets and liabilities are included in the transaction

POSITIVE IMPACT ON KEY FINANCIALS

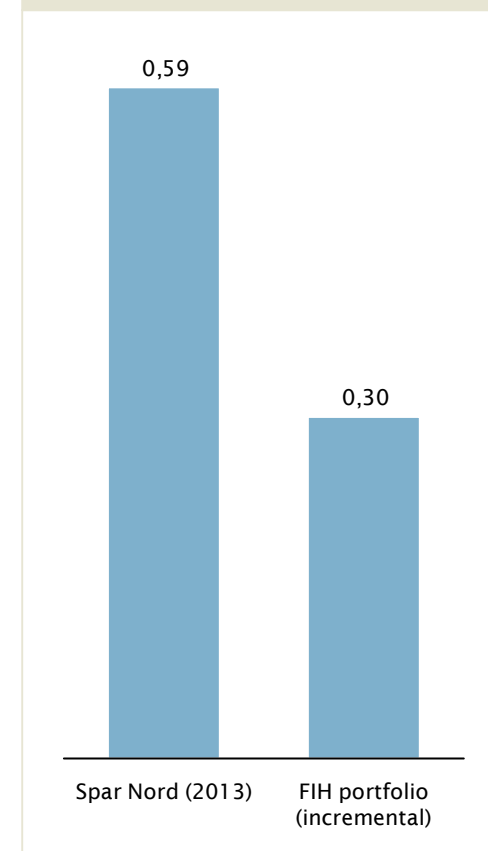
Financial expectations

- Spar Nord anticipates that in 2014, the FIH portfolio will add about DKK 35m to Spar Nord's core earnings before impairment
- As from 2015, the annual earnings before impairment are expected to be around DKK 70m
- The portfolio taken over is assessed to have a risk level that is slightly lower than Spar Nord's existing business customer portfolio (due to first priority collateral)
- Non-recurring costs in connection with the transaction are expected to amount to about DKK 25m before tax, of which the majority is expected to be defrayed in 2014

Return on equity



Cost/Income ratio

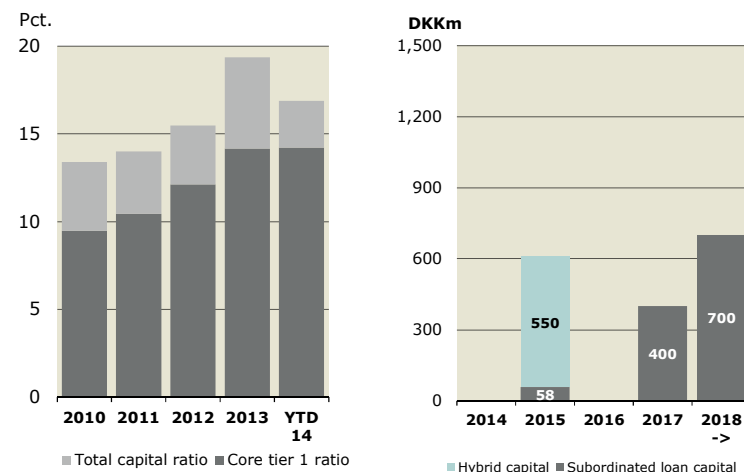


Note: Earnings are before non-recurring costs in connection with the transaction

STRONG CAPITAL POSITION – ALSO AFTER ACQUISITIONS

- CET1 ratio of 14.2 and total capital ratio of 16.9
 - Total capital ratio reduced by 2.8 pp by the repayment of DKK 1,265 hybrid core capital at the end of May
- Individual solvency need of 9.7 %
 - Excess coverage of DKK 3.2 billion (7.2 pp)
- Based on fully loaded CRD IV the reported CET1 ratio corresponds to 13.3
- After the end of Q2, CET1 ratio has been reduced by .8 pp by the FIH-acquisition
- Dividend policy
 - Target: Distribution of 33 % of net profits
 - Subject to compliance to strategic capital targets
 - Possibility of extraordinary dividends and buy-backs, if no value adding investments can be found

Total capital ratio and subordinated capital



Capital base

Pct.	Q2 2014	2013	2012	2011
Core tier 1 ratio	14.2	14.1	12.1	10.4
Hybrid capital	1.0	4.2	3.9	3.8
Deductions in hybrid capital	-0.5	-1.0	-1.0	-0.9
Tier 1 ratio	14.7	17.4	15.1	13.3
Subordinated debt	2.6	2.9	1.4	1.6
Deductions in own funds	-0.5	-1.0	-1.0	-0.9
Total capital ratio	16.9	19.4	15.5	14.0

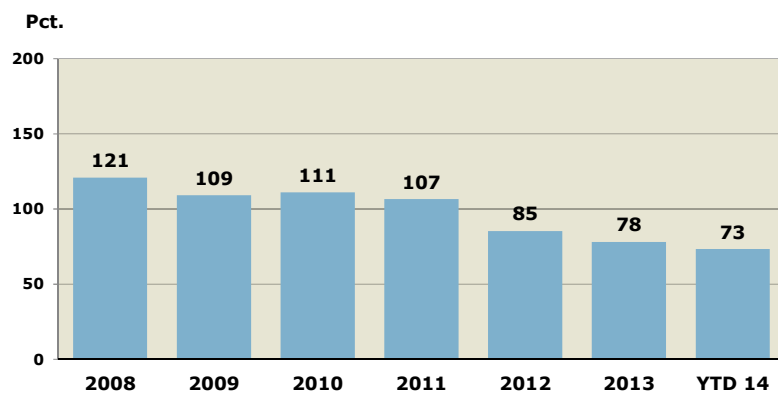
COMFORTABLE STRATEGIC LIQUIDITY OF DKK 17.6 BILLION

- Strategic liquidity of DKK 17.6 billion – up DKK 0.3 billion YTD
- Independence of funding from capital markets
- No challenges from LCR

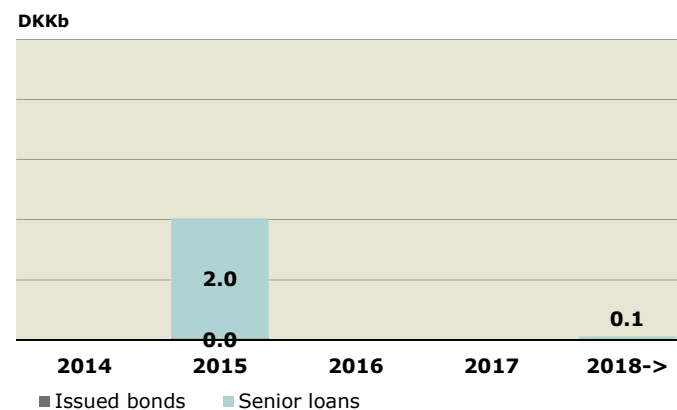
Strategic liquidity

DKKb	YTD		
	2014	2013	2012
Deposits, banking activities	42.5	41.8	41.9
Seniorfunding	2.1	3.4	9.6
Core capital and sub. capital	8.6	9.5	8.5
Stable long term funding	53.2	54.7	60.0
Loans, banking activities	33.7	33.8	34.9
Loans, leasing activities	1.5	2.1	4.0
Maturity < 1 year	-0.4	-1.5	-6.3
Liquidity target	17.6	17.3	14.8

Loan to deposit ratio



Maturity structure



GUIDANCE AND SHARE PRICE

Guidance for 2014

- Core earnings before impairments estimated at about DKK 1,100 million + DKK 175 million relating to sale of Nets
- Impairment percentage expected to come down slightly from last years level
- Contribution to sector targeted solutions: DKK 100 million
- Small positive contribution from discontinued activities

Share price



Share price	60.00	DKK
Market cap	7.5	DKKm
EPS (2013)	3.9	DKK
EPS (2014) ¹	5.6	DKK
P/B	1,10	

Note: Based on consensus estimates