

**PRE-TAX PROFIT OF DKK 761 MILLION, PRE-TAX ROE OF 14.9 % AND
DKK 100 MILLION UPWARD REVISION OF FULL-YEAR GUIDANCE**

Presentation of Spar Nord's financial results for Q1-Q3 2014



■ KEY MESSAGES FROM THE Q3-REPORT

- 1 *Decision to resume leasing activities results in re-segmentation of accounting data*
- 2 *Core income up 11 % (y/y) driven by sale of Nets and strong commission income*
- 3 *Net interest income down 5 % (y/y) – but very strong trend since Q1*
- 4 *Impairment percentage drops to 0.83 in spite of large portfolio writedown on agricultural exposure*
- 5 *M&A leads to growth in bank lending – satisfactory underlying trend (zero-growth since YE 2013)*
- 6 *Switch to BEC makes way for annual savings of DKK 55m from 2017 – Q4-writedown of DKK 195m*
- 7 *Full-year guidance raised by DKK 195 million compared with the forecast at the beginning of the year*

HEADLINES FROM THE INCOME STATEMENT

Income statement for Q1-Q3 2014

SPAR NORD BANK DKKm	Realized YTD 2014	Realized YTD 2013	Change in pct.
Net interest income	1,322	1,392	-5
Net fees, charges and commissions	625	532	18
Market-value adjustments	353	143	147
Other income	119	110	8
Core income	2,420	2,177	11
Staff costs	773	742	4
Operating expenses etc.	540	548	-2
Costs	1,313	1,290	2
Core earnings before impairment	1,107	887	25
Impairments of loans and advances, etc.	288	311	-7
Core earnings	819	576	42
Investment income	19	41	-54
Profit/loss on ordinary activities	838	617	36
Sector Fund	-77	-83	-8
Cost related to merger	0	-43	-
Profit before tax	761	491	55

Key messages

- **Improvement of ROE**
 - Q1-Q3 13: 10.6 % p.a.
 - Q1-Q3 14: 14.9 % p.a.
- **Core income 11 % up**
 - Gain from sale of Nets
 - Strong trend in commissions
- **Loan losses down 7 %**
- **Core earnings up 42 %**

Q3: STRONG TREND IN CORE INCOME

Q3 income statement

SPAR NORD BANK DKKm	Realized Q3 2014	Realized Q2 2014	Change in pct.	Realized Q3 2013	Change in pct.
Net interest income	479	430	11	457	5
Net fees, charges and commissions	225	195	15	159	42
Market-value adjustments	42	61	-31	23	88
Other income	37	44	-17	26	44
Core income	782	730	7	664	18
Staff costs	227	278	-18	214	6
Operating expenses etc.	161	191	-16	166	-3
Costs	388	469	-17	381	2
Core earnings before impairment	394	261	51	284	39
Impairments of loans and advances, etc.	128	71	80	107	20
Core earnings	266	190	40	177	50
Investment income	8	0	-	11	-26
Profit/loss on ordinary activities	275	190	45	188	46
Sector Fund	-25	-27	-5	-25	1
Cost related to merger	0	0	-	-4	-
Profit before tax	249	163	53	159	56

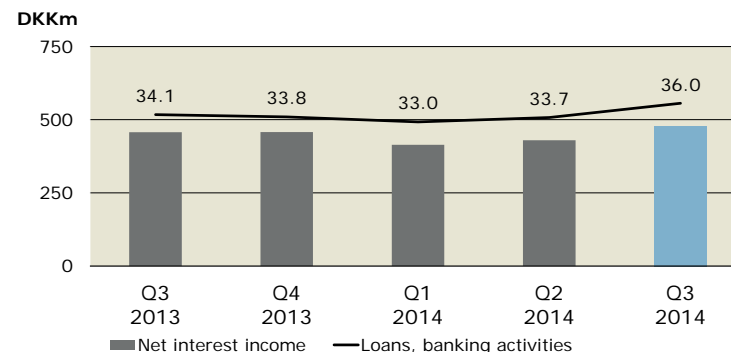
Key messages

- *NII up 11 %*
 - Volume growth attributable to M&A
 - Repayment of hybrid core capital
- *Net fees and commissions up 15 %*
 - Continued growth in asset management
 - High activity in mortgage-area
- *Portfolio writedown of DKK 60 million on agriculture*

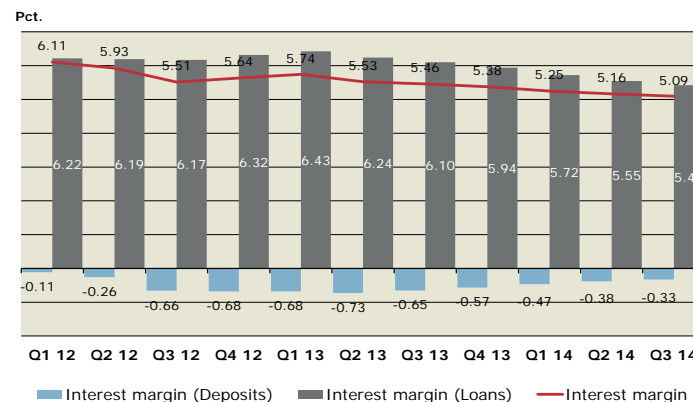
POSITIVE TREND IN VOLUME AND NET INTEREST INCOME

- Net interest income of DKK 1,322 million – 5 % down on Q1-Q3 2013
 - But 4 % growth from Q1 to Q2 and 11 % growth from Q2 to Q3
- Positive trends
 - Lending volume is up (q/q) due to M&A combined with stable underlying trend
 - 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
 - Underlying growth in volume remains weak
 - Competition puts lending margin under pressure
 - Large customer (Danish Region) expected to move lending of DKK 1.8 billion away from Spar Nord in Q4 (no tangible effect on earnings)

Net interest income and volume trend

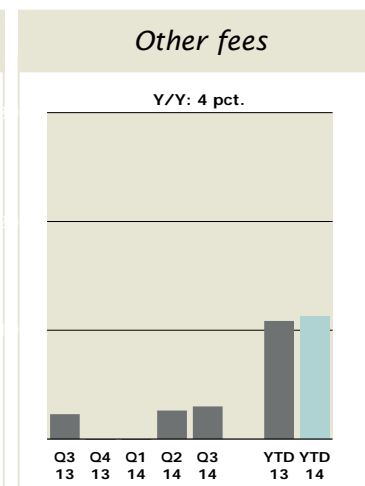
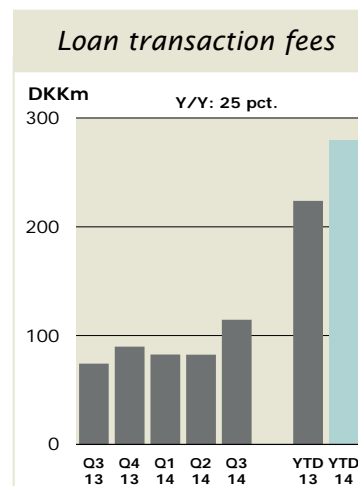
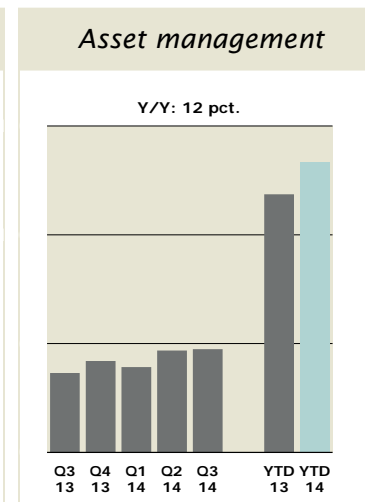
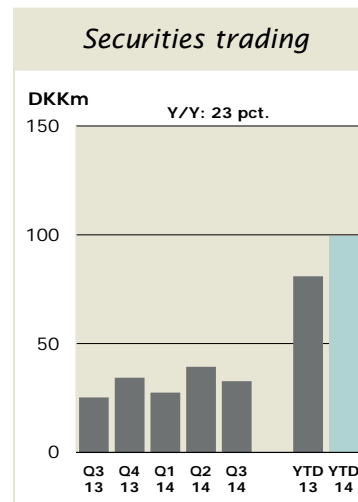
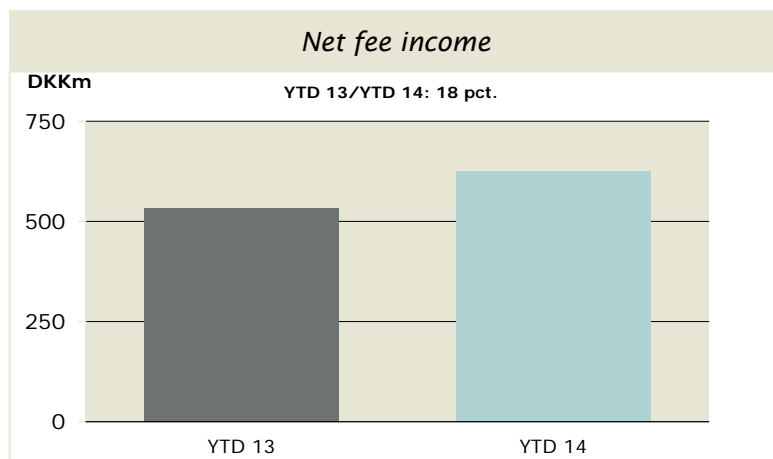


Interest margin



VERY STRONG TREND IN NET FEE INCOME

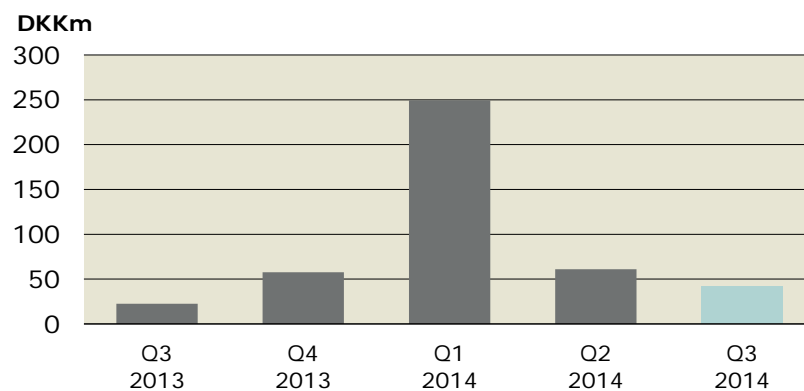
- Net fees and commissions of DKK 625 million – 18 % up on Q1-Q3 2013
- High growth in securities trading and asset management
 - AUM in pooled pension schemes up DKK 1.3 billion (15 %) (15 %) YTD
 - AUM in on-pension funds under mandate up DKK 2.2 billion (73 %) YTD
- Strong activity and earnings trend in mortgage arranging continues
 - High demand for new products launched in Q2
 - Re-mortgaging activity at all-time high in Q3



MARKET-VALUE ADJUSTMENTS AT EXTRAORDINARILY HIGH LEVEL FOLLOWING SALE OF NETS

- *Market-value adjustments and dividends of DKK 353 million including gain from sale of Nets*
- *Satisfactory market-value adjustments on bond and share portfolio*
- *Higher income from customers' hedging of interest and FX risk*

Market-value adjustments



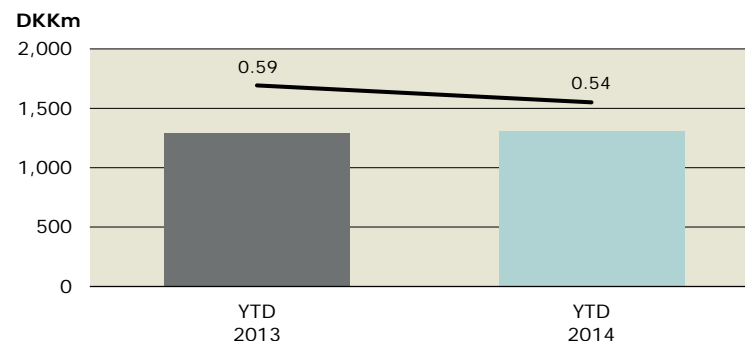
Breakdown on types

DKKm	YTD 2014	YTD 2013	Change
Market-valued adjustments in Trading, Financial Markets & The International Division	66	54	12
Tangible assets	203	29	174
Currency trade and -agio	46	39	7
Dividends on shares, etc.	38	21	17
Total	353	143	210

COSTS AND EXPENSES DEVELOP AS FORECAST

- Total costs and expenses of DKK 1,313 – 2 % up on Q1-Q3 2013
- Wages and salaries were up 4 %
 - Rising payroll taxes
 - 29 new employees from FIH
- Other operating expenses were up 2 %
 - DKK 20 million in M&A-related one-offs
- Depreciation drops DKK million following reduction i operationel leases
- I 2014 another 5 branches have been closed
 - Following this, Spar Nord has 71 branches
 - 43 branches have been merged or closed since 2008
- Other cost-reducing efforts in pipeline
 - Process optimization
 - Change of IT-provider

Costs and CIR



Breakdown on types

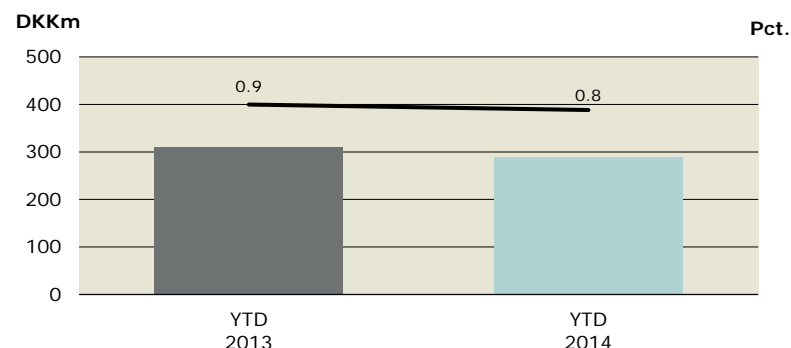
Costs (DKKm)	YTD 2014	YTD 2013	Change
Staff costs	773	742	31
Operating expenses	486	476	11
Depreciation	54	73	-19
Costs	1,313	1,290	22

Operating expenses (DKKm)	YTD 2014	YTD 2013	Change
Staff-related expenses	27	31	-4
Travel expenses	9	11	-1
Marketing costs	68	68	0
IT expenses	230	226	4
Cost of premises	66	70	-4
Other administrative expenses	86	70	16
Operating expenses	486	476	11

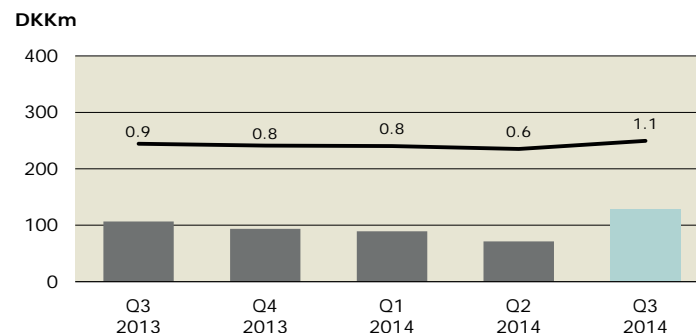
IMPAIRMENT DOWN DESPITE EXTRAORDINARY WRITEDOWN OF AGRICULTURAL EXPOSURE

- *Loan losses amounted to DKK 288 million corresponding to impairment percentage of 0.82 p.a.*
- *Impairment percentage including mortgage-arrangement: 0.37*
- *Breakdown on segments*
 - *Corporate: 1,1 % p.a.*
 - *Household: 0.4 % p.a.*
- *DKK 60 million portfolio writedown on agricultural exposure triggered by declining settlement prices*
- *Full-year loan losses still expected to be lower than in 2013*

Impairments and impairment percentage



Impairments and impairment percentage

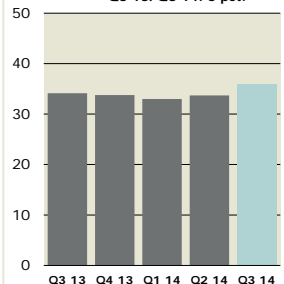


BUSINESS VOLUME – GROWTH IN ALLE AREAS

- Total business volume has grown by DKK 10 billion since YE 2013 and is now at DKK 193 billion
- Total bank lending of DKK 36,0 billion – 6 % up on YE 2013
- Mortgage arrangement continues to grow
 - Total volume of DKK 61.2 billion, hereof DKK 52.1 billion in Totalkredit and DKK 9.1 billion in DLR Kredit
- Total bank deposits of DKK 42.9 billion – 3 % up on YE 2013
- Great demand for asset management and savings products
 - AUM in pooled pension schemes and non-pension funds under mandate has grown by DKK 3.5 billion since YE 2013

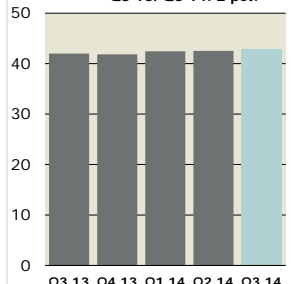
Bank lending

Q3 13/Q3 14: 5 pct.



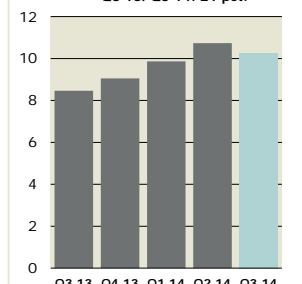
Bank deposits

Q3 13/Q3 14: 2 pct.



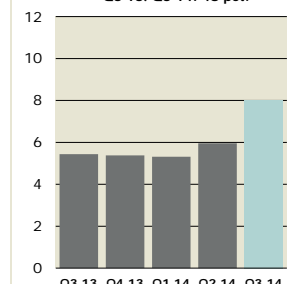
Pooled schemes

Q3 13/Q3 14: 21 pct.



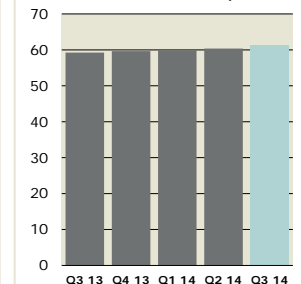
Guarantees

Q3 13/Q3 14: 48 pct.



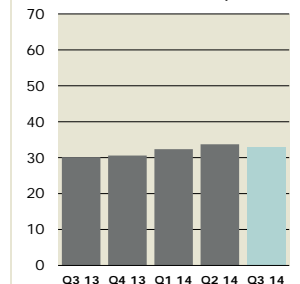
Mortgage arrangement

Q3 13/Q3 14: 3 pct.



Investments

Q3 13/Q3 14: 9 pct.



LEASING RESUMED AS STRATEGIC ACTIVITY

Strategic rationale

- *Non-competition clause with Jyske Finans has now expired*
- *Customers still demand leasing products*
- *We still have competencies and IT*
- *Our liquidity position allows us to make the decision*
- *Consequence: Line-by-line re-segmentation of leasing from "discontinuing activities" to core earnings*
- *See sparnord.com for further details*

Impact on Q3 income statement

SPAR NORD BANK - Q3 2014 DKKm	Spar Nord ex. Leasing	Spar Nord Leasing	Spar Nord incl. Leasing
Net interest income	469	10	479
Net fees, charges and commissions	225	0	225
Market-value adjustments	42	0	42
Other income	35	2	37
Core income	770	12	782
Staff costs	225	1	227
Operating expenses etc.	158	3	161
Costs	383	4	388
Core earnings before impairment	387	7	394
Impairments of loans and advances, etc.	139	-11	128
Core earnings	248	19	266
Investment income	8	0	8
Profit/loss on ordinary activities	256	19	275
Sector Fund	-25		-25
Cost related to merger	0		0
Profit from continuing operations	231		249
Profit from discontinued operations	19		0
Profit before tax	249		249

WE HAVE CHOSEN BEC AS OUR NEW IT-PLATFORM

Business perspectives

- *Conversion to BEC makes way for huge cost savings and synergies*
- *Well-functioning digital solutions will be a key competitive parameter in the future*
- *At BEC, we will team up with partners with great focus on IT and strong development power*
 - Nykredit, Handelsbanken, Arbejdernes Landsbank, Danish Central Bank etc.
- *BEC's concept is a great match for our strategy "AN UNCOMPLICATED BANK"*
 - High degree of integration between business data and reporting data

Attractive business case

1

Spar Nord's investment

- *Negative market-value adjustment on shareholding in SDC of DKK 195 million ((Q4 2014)*
- *Conversion costs of DKK 40 million (2016)*
- *BEC will grant Spar Nord a discount that will largely eliminate Spar Nord's obligations to SDC at the time of conversion*

2

BEC's pricing model is very attractive

- *Larger discounts to high volume customers*
- *Spar Nord's annual IT-expenses will be reduced by DKK 35 million in 2016 and DKK 55 million from 2017 and onwards*
- *Expected to lower Spar Nord's Cost/Income Ratio with 0.02R*

The new data processing centre landscape

BEC



SDC



Bankdata



Danske Bank



Nordea

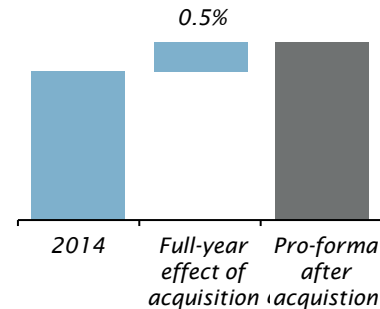


STATUS OF THE INTEGRATION OF CUSTOMER PORTFOLIO ACQUIRED FROM FIH ERHVERVSBANK

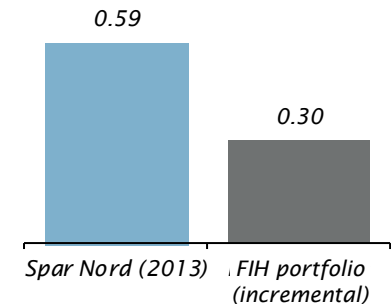
Portfolio

- Total business volume of DKK 4.0 billion (RWA: DKK 2.7 billion)
 - Lending: DKK 2.4 billion
 - Guarantees: DKK 1.25 billion (net: DKK 256 million)
 - Market-value of derivatives: DKK 0.3 billion
- First round of dialogue with the 900 new customers has confirmed our expectation of further business potential
- Expected core earnings in 2014: DKK 15 million after transaction costs of DKK 20 million
- Expected core earnings before impairment of DKK 70 million (from 2015)

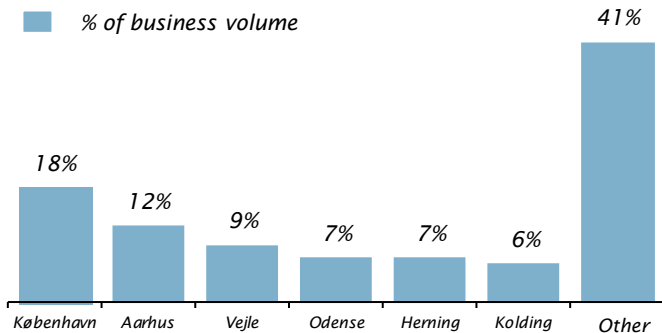
Return on equity



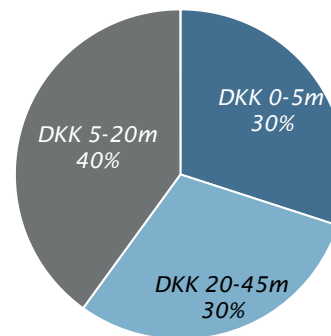
Cost/Income Ratio



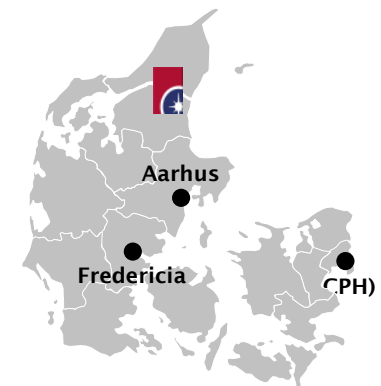
Geography



Size of commitment



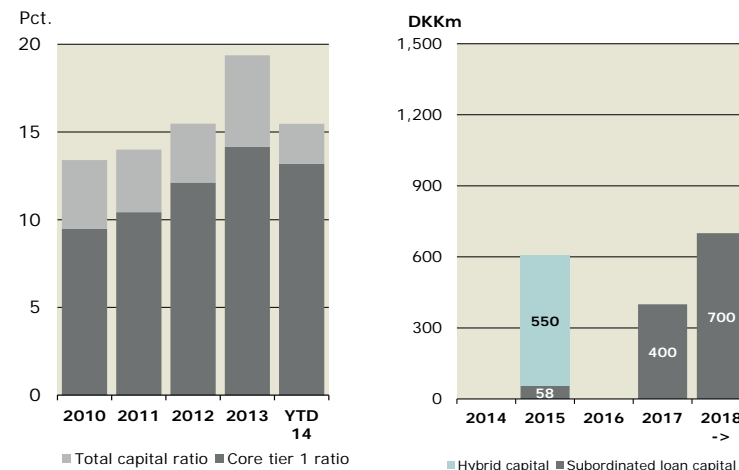
Branches taken over



SOLID CAPITAL POSITION – ALSO AFTER CONSOLIDATION OF FIH-PORTFOLIO

- At end-Q3, CET1 stood at 13.2 and total capital ratio stood at 15.5
 - The 0.9 pp reduction in CET1 is attributable to the acquisition of assets from FIH Erhvervsbank etc.
- Individual solvency requirement (ICAAP result) of 9.7 %
 - Excess coverage of DKK 2.8 billion (5.8 pp)
- Based on fully loaded CRD IV, Spar Nord's CET1 ratio would have been 12.2 at end-Q3
- Dividend policy
 - Target: Pay-out ratio of 33 %
 - Subject to compliance to strategic capital targets
 - Extraordinary dividends and/or buy-backs in case no value-creating investment opportunities can be found

Capital ratio and subordinated capital



Capital base

Pct.	Q3 2014	2013	2012	2011
Core tier 1 ratio	13.2	14.1	12.1	10.4
Hybrid capital	0.9	4.2	3.9	3.8
Deductions in hybrid capital	-0.5	-1.0	-1.0	-0.9
Tier 1 ratio	13.6	17.4	15.1	13.3
Subordinated debt	2.4	2.9	1.4	1.6
Deductions in own funds	-0.5	-1.0	-1.0	-0.9
Total capital ratio	15.5	19.4	15.5	14.0

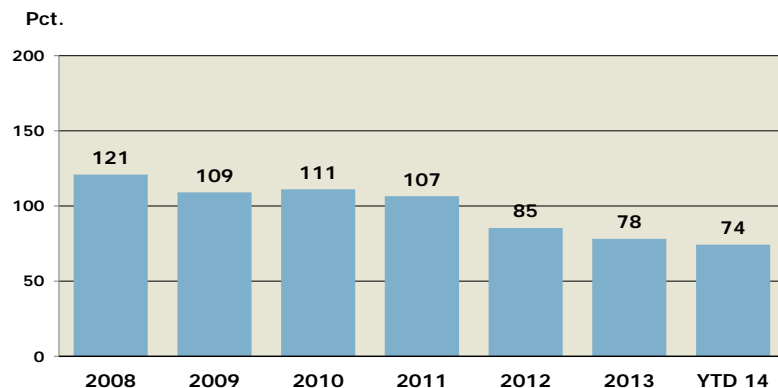
STRATEGIC LIQUIDITY OF DKK 14.0 BILLION

- Strategic liquidity of 14.0 billion
- Reduction of DKK 3.3 billion since end-2013 attributable to lending growth and long-term funding reaching a term to maturity less than 12 months
- On the upside, deposits have grown
- LCR not projected to pose a challenge
- Contemplating bond issue to refinance LTRO

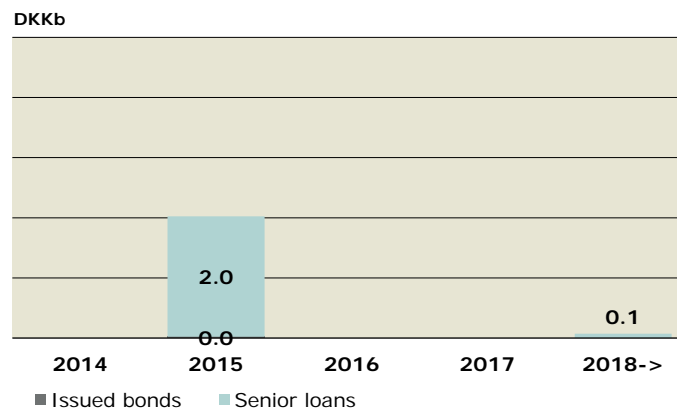
Strategic liquidity

DKKb	YTD 2014	2013	2012
Deposits, banking activities	42.9	41.8	41.9
Seniorfunding	2.1	3.4	9.6
Core capital and sub. capital	8.8	9.5	8.5
Stable long term funding	53.8	54.7	60.0
Loans, banking activities	36.0	33.8	34.9
Loans, leasing activities	1.2	2.1	4.0
Maturity < 1 year	-2.6	-1.5	-6.3
Liquidity target	14.0	17.3	14.8

Loan to deposit ratio



Maturity structure



GUIDANCE AND SHARE PRICE

Guidance

- Core earnings before impairments now expected in the DKK 1,200 million range – corresponding to upward revision of DKK 100 million compared with the beginning of the year
- DKK 195 million negative market-value adjustment on shareholding in SDC (Q4) will more than eliminate gain from sale of Nets
- Loan losses still expected to be slightly lower than in 2013
- Contribution to sector-wide solutions expected to end slightly above DKK 100 million

Share price

