

Net profit of DKK 263 million and ROE of 11.8 %

Presentation of Spar Nord's financial results for Q1 2019

Net profit of DKK 263 million and ROE of 11.8 %

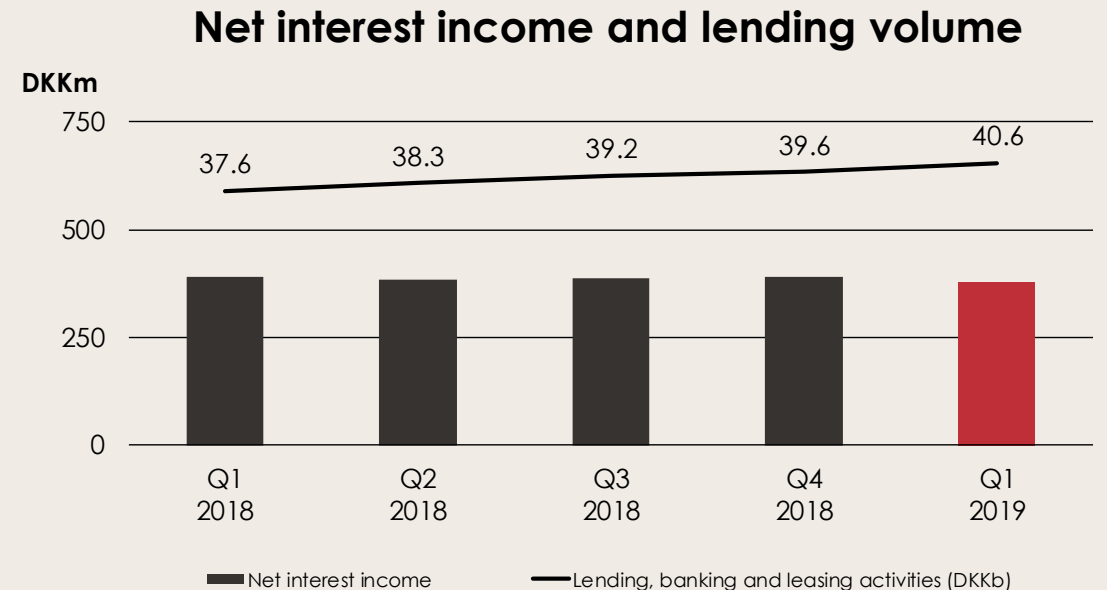
Headlines from the income statement

- Strong trend in core income – without help from significant one-offs
- NII under pressure despite strong lending growth
- Volume growth and positive market conditions drive net fee income to record level
- Market value adjustments on shares and bonds markedly improved
- Pressure on both payroll cost and operating expenses due to high customer activity and major projects
- Loan losses at very low level

DKKm	YTD 2019	YTD 2018	Index	Q1 2019	Q4 2018	Index
Net interest income	378	389	97	378	390	97
Net fees, charges and commissions	317	290	109	317	271	117
Market-value adjustments and dividends	118	119	99	118	8	1,438
Other income	42	20	211	42	27	156
Core income	854	819	104	854	695	123
Staff costs	306	277	111	306	311	98
Operating expenses	212	198	107	212	195	109
Costs and expenses	518	474	109	518	506	102
Core earnings before impairment	336	344	98	336	189	177
Impairments of loans and advances, etc.	10	-23	-	10	106	9
Profit before tax	326	367	89	326	83	393
Tax	63	56	112	63	12	514
Profit	263	311	85	263	71	372

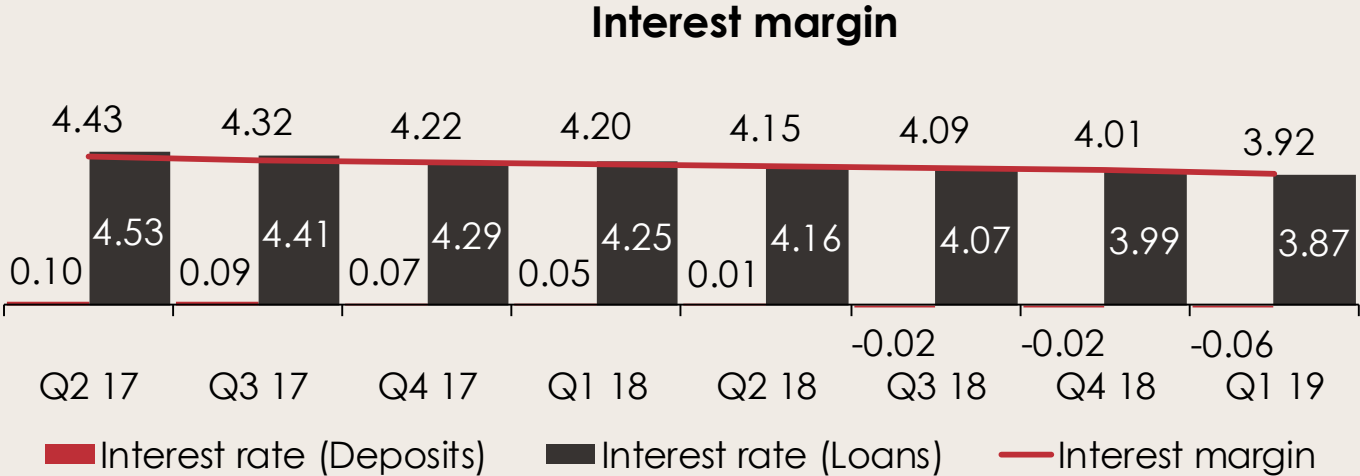
Net interest income under pressure despite strong lending growth

- Net interest income came to DKK 378 million versus DKK 390 last quarter and DKK 389 in Q1 last year
- NII level should be viewed in the light of a DKK 15 million positive one-off in Q1 last year
- Bank and leasing lending has grown by DKK 1.0 billion (3 %) year-to-date
 - Lending to household customers is up DKK 0.1 billion (1 %)
 - Lending to corporates, excluding leasing, is up DKK 0.7 billion (3 %)
 - Leasing business has grown by DKK 0.2 billion (5 %)



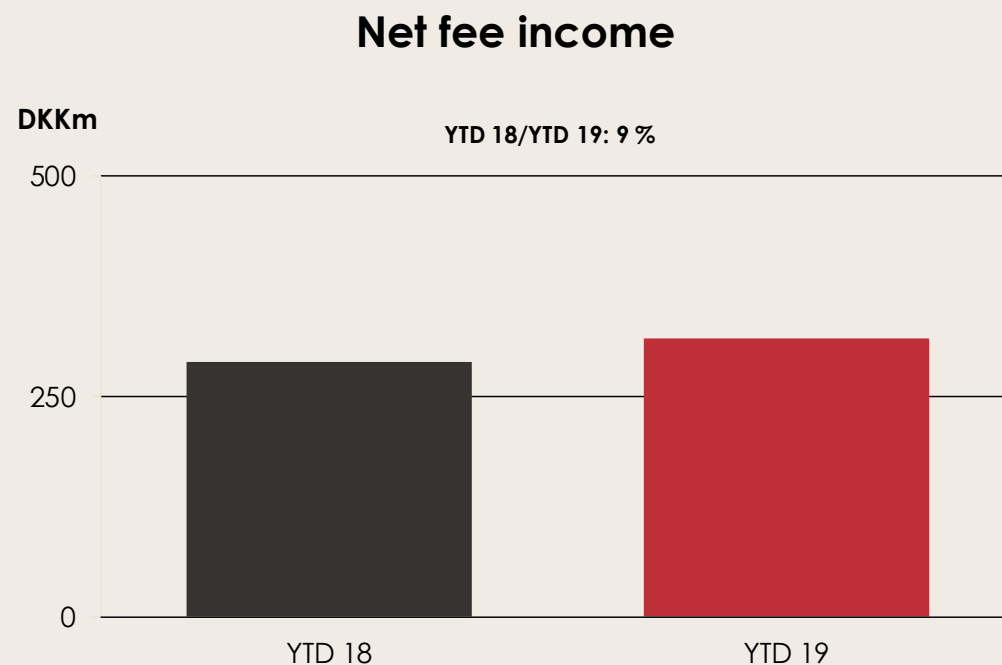
Net interest income under pressure despite strong lending growth

- Total interest margin has declined by 9 bps since the end of 2018
 - Lending margin is down by 12 bps
 - Active measures on the deposit side leads to 3 bps reduction on deposit margin
- Lending growth is mainly driven by business areas with relatively low margins (larger corporates, leasing etc.)

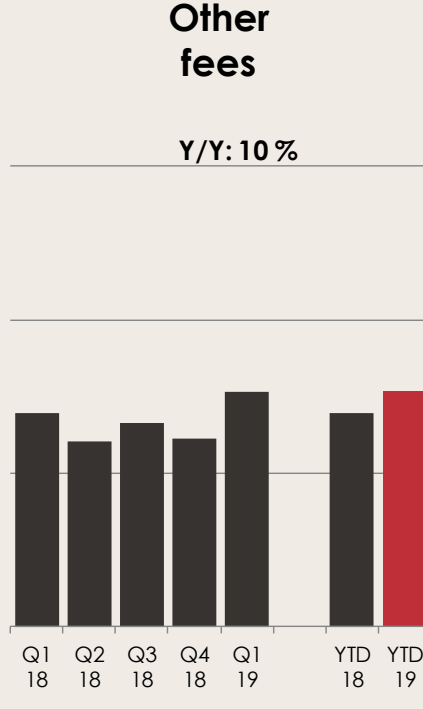
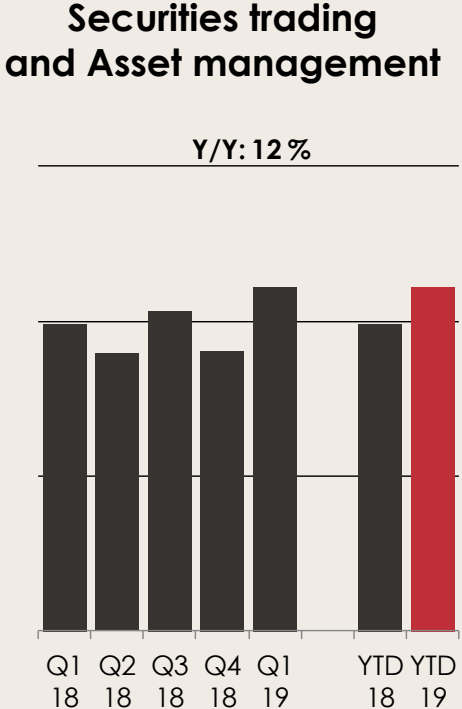
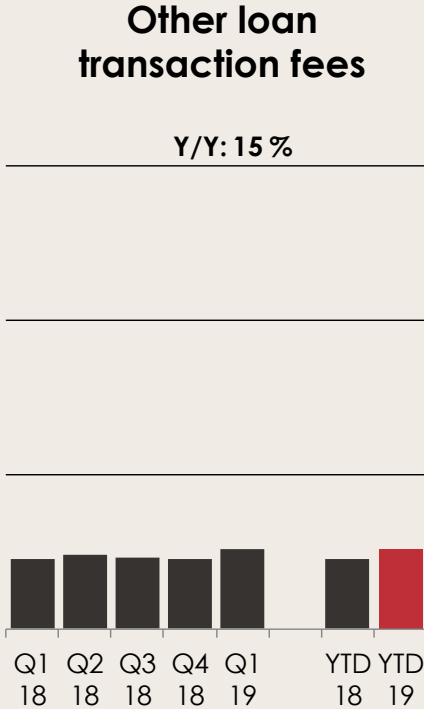
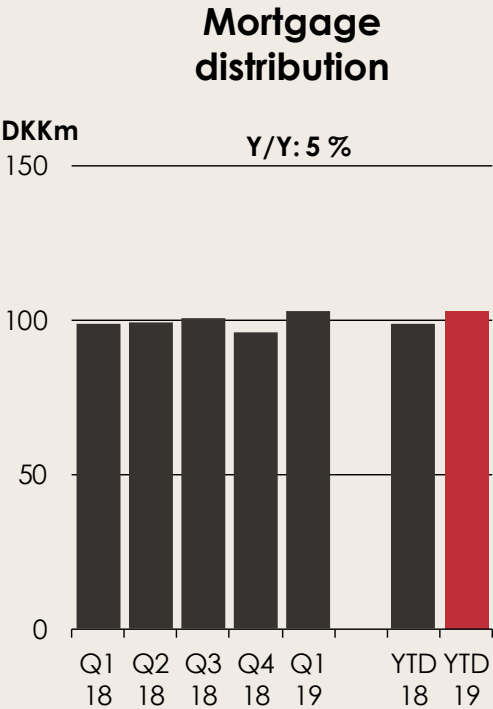


Volume growth and positive market conditions drive net fee income to record level

- Net income from fees, charges and commissions came to DKK 317 million versus DKK 271 million in the last quarter and DKK 290 million in Q1 last year
- Fees from securities trading and asset management were up by 12 % (y/y) due to hike in activity and growth in AuM
- Income from mortgage distribution was up by 5 % (Y/Y) driven by continued volume growth – Spar Nord is now the largest distributor of mortgage loans from Totalkredit
- Own loan transaction fees grew by 15 % driven by high activity, e.g. re-mortgaging
- Continued growth in fee income from “daily banking” (insurance, payments etc.)



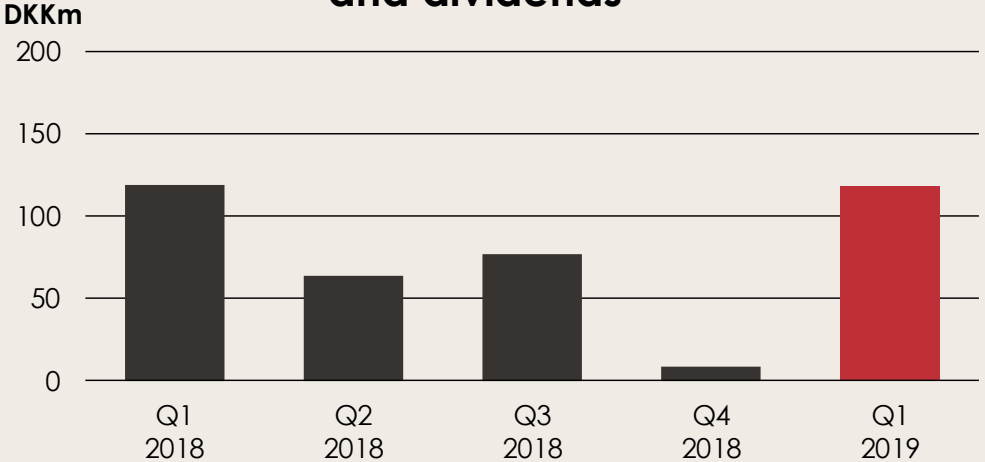
Volume growth and positive market conditions drive net fee income to record level



Market value adjustments on shares and bonds markedly improved

- Market value adjustments and dividends amounted to DKK 118 million versus DKK 8 million last quarter and DKK 119 million in Q1 last year
- In Q1 last year, market value adjustments were impacted by a DKK 74 million positive one-off relating to BankInvest Holding
- This year, market value adjustments on bonds (liquidity portfolio) have recovered very satisfactorily
- Sizeable contribution from equities in positive market
- An “eventless” quarter for the portfolio of shares in financial sector companies

Market value adjustments and dividends



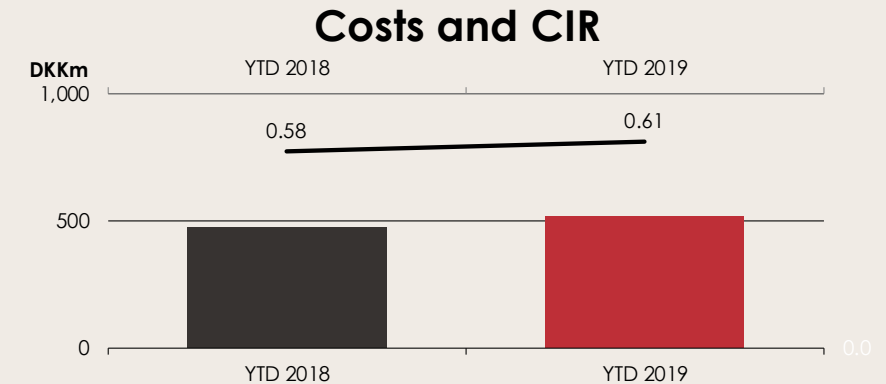
DKKm	YTD 2019	YTD 2018	Change
Market-valued adjustments in Trading, Financial Markets & The International Division	67	-19	86
Tangible assets incl. dividends	38	129	-91
Currency trade and -agio	13	9	4
Total	118	119	-1

Investment in Danske Andelskassers Bank

- From September 2018 to March 2019, Spar Nord acquired ~ 33 % of Danske Andelskassers Bank
 - An attractive financial investment due to low capital weight
 - A potentially interesting M&A case
 - In March 2019, we announced our intention to offer up to DKK 9,00 per share for the outstanding shares in order to merge the two banks
 - 135 % upside compared to just before our initial investment in DAB
- The BoD of Danske Andelskassers Bank chose not to await and evaluate our offer but carried out a share issue targeted at a small group of shareholders (at DKK 8.30)
 - After the issue, our stake amounts to ~ 27 % - and the DAB share is down ~ 25 %
- Impact on our P&L
 - Unchanged expectations to DAB's ordinary results for 2019
 - One-off gain of DKK 16 million in Q1 related to the issue of new shares
 - Expected one-off gain of DKK 50 million related to DAB's sale of shares in Sparinvest

Pressure on payroll and operating costs due to high customer activity and major projects

- The Group's total costs and expenses amounted to DKK 518 million versus DKK 474 in Q1 last year
- Payroll costs were 30 million (11 %) higher than in Q1 last year
 - Collective wage increases (2 %) and higher payroll tax (0.5 %)
 - Absence of positive one-offs (Q1 18: DKK 7 million)
 - High customer activity leads to increase in overtime pay (DKK 6 million)
 - 11 FTEs more than 12 months ago
- Other operating expenses up DKK 14 million (7 %)
 - Costs (both IT and other types) generally as expected
 - Growth mainly attributable to expenses relating to the DAB case
- Reclassification between operating expenses and depreciation due to IFRS16
- Cost/Income Ratio came to 0.61 – in line with strategic target



Breakdown on cost types

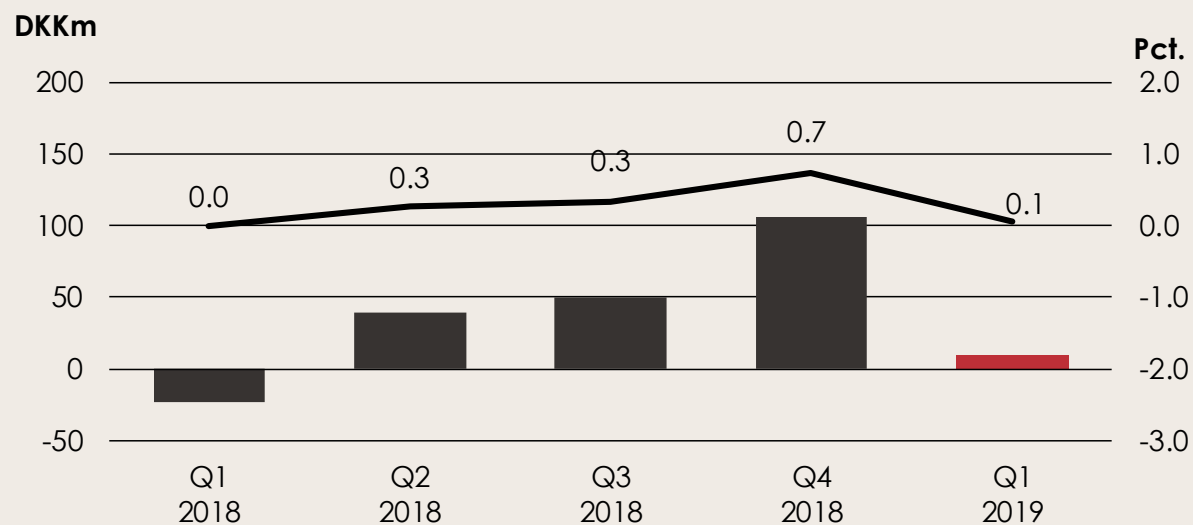
Costs (DKKm)	YTD 2019	YTD 2018	Change
Staff costs	306	277	30
Operating expenses	212	198	14
Costs and expenses	518	474	44

Operating expenses (DKKm)	YTD 2019	YTD 2018	Change
Staff-related expenses	10	10	1
Travel expenses	4	4	0
Marketing costs	25	27	-2
IT expenses	99	103	-4
Cost of premises	15	19	-4
Other administrative expenses	37	21	16
Depreciation	21	15	6
Operating expenses	212	198	14

Loan losses at low level

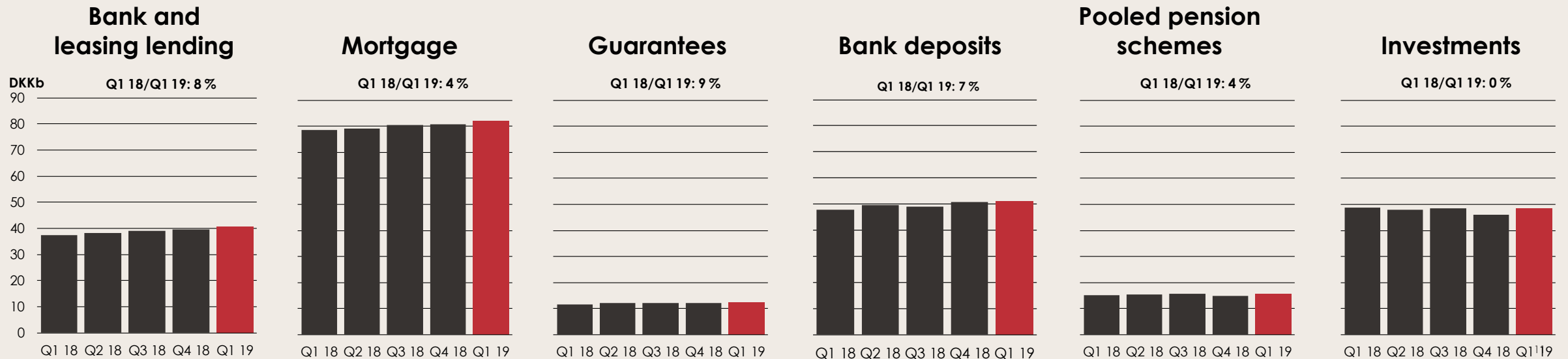
- Loan impairment charges etc. were an expense of DKK 10 million, which compares to an expense of DKK 106 million in last quarter and an income of DKK 23 million in Q1 last year
- Broken down by segment impairment charges came to:
 - Retail: - DKK 21 million (hereof SparXpres: DKK 5 million)
 - Business excl. agriculture: DKK 21 million
 - Agriculture: DKK 10 million
- Credit quality remains strong
 - Agriculture is doing better
 - Private households' economies are generally heathy
- Impairments broken down on stages (IFRS 9)
 - Individual impairments (stage 3): DKK 1,430 million (DKK 1,531 million at YE18)
 - Stage 1 and 2: DKK 454 million (DKK 414 million)

Impairments and impairment percentage



Business volume above DKK 250 billion for the first time in history

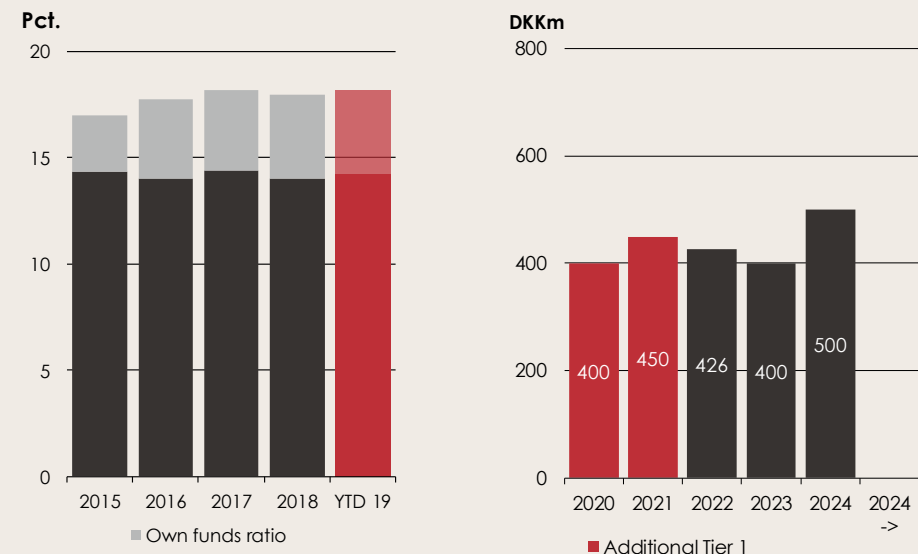
- Positive trend in credit distribution to both private customers and corporates
 - Bank and leasing lending has grown by 1.0 billion (3 %) and distribution of mortgage loans has grown by DKK 1.2 billion (1 %) YTD
- Deposits and pooled pension savings are still growing
 - Bank deposits are up DKK 0.2 billion and deposits in pooled schemes are up DKK 0.9 billion (6 %)
- Customers invested assets have increased by DKK 2.5 billion year-to-date



Solid capital position

- Strategic capital targets
 - CET1: 13.5
 - Own funds ratio: 17.5
- At the end of Q1, CET1 ratio stood at 14.2 and own funds ratio at 18.2
- Individual solvency requirement of 9.5 and combined buffer requirement of 3.0
 - Excess capital coverage of 5.6 percentage points or DKK 3.1 billion
- Expected need for MREL capital of around DKK 7 billion
 - First issue expected to take place in H2 2019

Capital percentage and subordinated capital



Capital base

Pct.	Q1 2019	2018	2017	2016
Common equity Tier 1 capital ratio	14.2	14.0	14.4	14.0
Additional Tier 1	1.5	1.6	1.7	1.8
Deductions in additional Tier 1	0.0	0.0	-0.1	-0.2
Tier 1 capital ratio	15.8	15.6	16.0	15.6
Tier 2 capital	2.4	2.4	2.3	2.3
Deductions in own funds	0.0	0.0	-0.1	-0.2
Own funds ratio	18.2	18.0	18.2	17.7

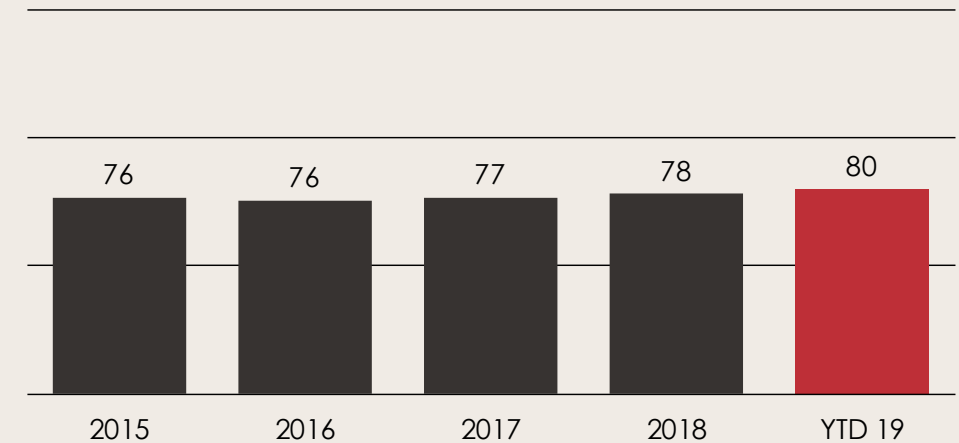
Strategic liquidity of DKK 21.2 billion

Strategic liquidity

DKKb	YTD 2019	2018	2017
Deposits, banking activities	51.0	50.8	48.7
Seniorfunding	0.0	0.0	0.0
Core capital and sub. capital	10.8	10.6	10.1
Stable long term funding	61.8	61.3	58.8
Loans, banking and leasing activities	40.6	39.6	37.3
Maturity < 1 year	0.0	0.0	0.7
Liquidity target	21.2	21.8	20.8

Loan to deposit ratio

Pct.



Upward revision of 2019 guidance

- Core earnings before impairments
 - At the beginning of 2019, our guidance for core earnings before impairments was in the DKK 1.0-1.1 billion range
 - In Q1, our core earnings before impairments came to DKK 336 million
 - Based on Q1 and expectations to the coming quarters, guidance is revised to DKK 1.1-1.2 billion
- Net profit
 - At the beginning of 2019, our guidance for net profit was in the DKK 700-800 million range
 - In Q1, our net profit came to DKK263 million
 - Based on Q1 and expectations to the coming quarters, guidance is revised to DKK 750-850 million