

Company announcement

## Spar Nord designated as systemically important financial institution (SIFI)

The Danish FSA has announced that Spar Nord Bank A/S, effective 2 January 2019, is designated as a systemically important financial institution in Denmark.

The Bank had anticipated this designation, which is a result of the amendment to the Danish Financial Business Act, according to which the SIFI threshold value for the deposit indicator is changed to "the institution's deposits in Denmark represent more than 3% (previously 5%) of total deposits in Danish banks in Denmark".

In connection with the designation, the Danish FSA has informed Spar Nord that, on the basis of Spar Nord's systemic importance, the Minister for Industry, Business and Financial Affairs has set the Bank's SIFI buffer requirement at 1%. The buffer requirement, which must be met using common equity tier 1 capital (CET1), must be complied with by the end of 2020.

In connection with the SIFI designation, as previously announced, Spar Nord raises its strategic target for the CET1 ratio from 13.0 to 13.5 and its target for the own funds ratio from 16.5 to 17.5.

At the end of Q3 2018, Spar Nord had a common equity tier 1 (CET1) ratio of 14.3% and an own funds ratio of 18.7% and was thus comfortably above the thresholds applicable to the Bank after the SIFI designation.

"Our new SIFI status entails a number of stricter requirements in terms of administration and capital, but overall we expect the designation to be an advantage for us. In particular, we expect that our SIFI status will be an advantage in terms of future capital and funding procurement. Furthermore, we expect our SIFI status to strengthen our position in the Corporate and Institutional segment" said Spar Nord's CEO Lasse Nyby.

*Please direct any questions or comments regarding this announcement to Ole Madsen, SVP, Communication & Innovation, on tel. +45 96 34 40 10.*

### **Ole Madsen**

Senior Vice President, Communication & Innovation

### **Spar Nord Bank A/S Executive Board**



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