

To NASDAQ OMX Copenhagen and the Press

## Quarterly Report, Q1-Q3 2013 for Spar Nord Bank A/S

# Pre-tax profits of DKK 491 million and an annualized 10.6% return on equity - cost ratio improved to 59%

- Core income grew 15% compared with Q1-Q3 2012, climbing to DKK 2,067 million: Net interest income grew 17% and net income from fees, charges and commissions 27%, driven by a greater volume and a higher activity level.
- Costs totalled DKK 1,225 million - 14% up on the same period 2012, but lower than expected after Sparbank's activities were integrated into Spar Nord in Q4 2012.
- Core earnings before impairment amounted to DKK 841 million, equal to a 16% growth.
- Loan impairment losses totalled DKK 305 million, corresponding to an impairment ratio of 0.95% p.a.
- In Q3 bank lending stabilized at DKK 34.1 billion - continued major capital inflow into pooled schemes and mandate-based investment products resulted in a drop in bank deposits of DKK 0.4 billion to DKK 42.0 billion.
- The Common Equity (Tier 1) ratio was 14.0% (end-2012: 12.1%). The overall solvency ratio came to 17.4% (end-2012: 15.5%), while the solvency need ratio was 10.1% (end-2012: 10.0%), corresponding to an excess coverage of DKK 3.2 billion.
- The projection of core earnings before impairment of DKK 1,000 - 1,100 million for the full year is maintained, and the projected impairment ratio for the year is maintained at a level of 1.0%.
- Together with the quarterly financial statements, the dividend policy is presented: The future dividend level (2014- ) has been fixed at 33% of the net profits for the year.

DKK m	Q1-Q3 2013	Q1-Q3 2012	Change in %	Q3 2013	Q2 2013	Change in %	Q3 2012	Change in %
Net interest income	1,320	1,128	17	436	432	1	368	18
Net income from fees, charges and commiss.	530	419	27	158	176	-10	123	28
Core income	2,067	1,802	15	636	683	-7	561	13
Costs	1,225	1,074	14	366	433	-15	316	16
Core earnings before impairment	841	728	16	270	250	8	245	10
Impairment of loans and advances, etc.	305	438	-30	102	95	7	111	-8
Core earnings	536	290	85	168	155	8	134	25
Contribution to sector-wide solutions	-83	-44	89	-25	-27	-7	-16	56
Profit/loss before tax	491	285	73	159	139	14	135	18

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*Lasse Nyby, Chief Executive Officer of Spar Nord, has the following comment on the financial statements:*

From a helicopter perspective, we are delivering robust quarterly financial statements. As usual, Q3 was a somewhat quiet period in terms of activities, and thus on the income side as well; however, our financial statements show that our costs are firmly in check, and that impairment is also developing as expected. The greatest challenge remains translating our strong customer growth into bank lending growth. If, however, we can keep our eyes on the cost development ball and maintain full control of our credit business, we will remain well positioned to create strong results once the economy hopefully more convincingly rebounds and customer demand for financing begins to grow again.

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# PERFORMANCE INDICATORS AND FINANCIAL RATIOS

## CORE EARNINGS - QUARTERLY - THE GROUP

DKK m	Q1-Q3 2013	Q1-Q3 2012	Change in %	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Full year 2012
<b>INCOME STATEMENT</b>									
Net interest income *)	1,319.5	1,128.3	16.9	436.3	432.4	450.8	414.1	368.4	1,542.4
Net income from fees, charges and commissions	529.6	418.6	26.5	157.6	175.8	196.2	138.4	123.1	557.0
Market-value adjustments and dividends	143.2	193.5	-26.0	22.2	44.4	76.6	48.4	52.7	241.9
Other operating income	32.2	24.5	31.4	8.3	15.8	8.1	11.0	7.1	35.5
Profit/loss on equity investments in associates and group enterprises	42.0	36.6	14.8	11.8	14.1	16.1	18.2	9.8	54.8
<b>Core income</b>	<b>2,066.5</b>	<b>1,801.5</b>	<b>14.7</b>	<b>636.2</b>	<b>682.5</b>	<b>747.8</b>	<b>630.1</b>	<b>561.1</b>	<b>2,431.6</b>
Salaries	728.6	636.2	14.5	211.0	264.0	253.6	269.6	184.9	905.8
Operating expenses	444.8	385.9	15.3	137.5	151.5	155.8	140.0	115.6	525.9
Depreciation, amortiz. and impairment	52.0	51.7	0.6	17.5	17.3	17.2	17.1	15.4	68.8
<b>Costs</b>	<b>1,225.4</b>	<b>1,073.8</b>	<b>14.1</b>	<b>366.0</b>	<b>432.8</b>	<b>426.6</b>	<b>426.7</b>	<b>315.9</b>	<b>1,500.5</b>
<b>Core earnings before impairment</b>	<b>841.1</b>	<b>727.7</b>	<b>15.6</b>	<b>270.2</b>	<b>249.7</b>	<b>321.2</b>	<b>203.4</b>	<b>245.2</b>	<b>931.1</b>
Impairment of loans, advances and receivables, etc. *)	305.3	437.8	-30.3	102.0	94.7	108.6	155.8	111.2	593.6
<b>Core earnings</b>	<b>535.8</b>	<b>289.9</b>	<b>84.8</b>	<b>168.2</b>	<b>155.0</b>	<b>212.6</b>	<b>47.6</b>	<b>134.0</b>	<b>337.5</b>
Earnings from investment portfolios	41.3	25.1	64.5	11.0	13.5	16.8	15.8	20.4	40.9
<b>Profit/loss on ordinary operations</b>	<b>577.1</b>	<b>315.0</b>	<b>83.2</b>	<b>179.2</b>	<b>168.5</b>	<b>229.4</b>	<b>63.4</b>	<b>154.4</b>	<b>378.4</b>
Contributions to sector-wide solutions	-83.1	-44.0	88.9	-25.2	-26.7	-31.2	-14.4	-16.2	-58.4
Special merger-related items	-42.6	-8.9	-	-3.6	-23.1	-15.9	-57.7	-8.9	-66.6
<b>Profit/loss on continuing activities before tax</b>	<b>451.4</b>	<b>262.1</b>	<b>72.2</b>	<b>150.4</b>	<b>118.7</b>	<b>182.3</b>	<b>-8.7</b>	<b>129.3</b>	<b>253.4</b>
The Group's leasing activities (discontinuing act.)	39.8	22.7	75.3	8.9	20.6	10.3	14.0	5.9	36.7
<b>Profit/loss before tax</b>	<b>491.2</b>	<b>284.8</b>	<b>72.5</b>	<b>159.3</b>	<b>139.3</b>	<b>192.6</b>	<b>5.3</b>	<b>135.2</b>	<b>290.1</b>
Tax on continuing activities	110.6	60.5	82.8	33.4	35.7	41.5	-4.6	33.7	55.9
Tax on discontinuing activities	-2.8	5.6	-	2.3	-7.5	2.4	4.8	0.1	10.4
<b>Profit/loss</b>	<b>383.4</b>	<b>218.7</b>	<b>75.3</b>	<b>123.6</b>	<b>111.1</b>	<b>148.7</b>	<b>5.1</b>	<b>101.4</b>	<b>223.8</b>
<b>BALANCE SHEET DISCLOSURES</b>									
Total assets	75,080	68,979	8.8	75,080	75,842	78,492	79,146	68,979	79,146
Loans and advances	37,166	34,991	6.2	37,166	37,684	37,998	39,058	34,991	39,058
- Lending, banking activities	34,134	29,978	13.9	34,134	34,193	34,442	34,916	29,978	34,916
- Lending, reverse transactions	542	698	-22.3	542	572	46	116	698	116
- Lending, leasing activities	2,490	4,315	-42.3	2,490	2,919	3,510	4,026	4,315	4,026
Deposits	50,463	39,868	26.6	50,463	50,359	50,147	48,923	39,868	48,923
- Deposits, banking activities	41,998	33,158	26.7	41,998	42,426	42,700	41,922	33,158	41,922
- Deposits, repo transactions	0	0	-	0	0	0	0	0	0
- Deposits in pooled schemes	8,465	6,710	26.2	8,465	7,933	7,447	7,001	6,710	7,001
Subordinated debt	2,319	1,801	28.8	2,319	2,329	2,546	2,562	1,801	2,562
Shareholders' equity	6,377	5,704	11.8	6,377	6,249	6,143	5,975	5,704	5,975
Contingent liabilities	5,435	4,508	20.6	5,435	5,693	5,485	5,767	4,508	5,767
Risk-weighted items	43,111	38,119	13.1	43,111	43,928	45,054	46,307	38,119	46,307
Core capital (Tier 1), incl. hybrid core capital, after deductions	7,400	6,409	15.5	7,400	7,269	7,167	6,973	6,409	6,973
Impairment account and discount on commitments taken over **]	2,155	1,343	60.5	2,155	2,430	2,766	2,742	1,343	2,742
Contractual non-performing loans	761	199	-	761	997	1,217	1,186	199	1,186
Business volume	93,064	79,367	17.3	93,064	93,736	93,630	93,748	79,367	93,748

\*) In the core earnings statement for Q1-Q3 2013, an amount of DKK 233.1 million (H1 2013: DKK 190.8 million) was reclassified between the items Net interest income, Other operating income and Impairment of loans, advances and receivables, etc., which relates to the share of the discount on commitments taken over from Sparbank which has been recognized as income; see note 3.

\*\*\*) Spar Nord's impairment account amounted to DKK 1,557 million (H1 2013: DKK 1,585 million) (note 12) and the discount on commitments taken over from Sparbank amounted to DKK 598 million (H1 2013: DKK 845 million).

The definition and breakdown of earnings from investment portfolios, contributions to sector-wide solutions and special merger-related items, which have been recognized separately, appear from note 3.

# PERFORMANCE INDICATORS AND FINANCIAL RATIOS

## CORE EARNINGS - QUARTERLY - THE GROUP

DKK m	Q1-Q3 2013	Q1-Q3 2012	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Full year 2012
<b>FINANCIAL RATIOS</b>								
<i>Solvency</i>								
Solvency ratio, %	17.4	16.8	17.4	16.8	16.2	15.5	16.8	15.5
Core capital (Tier 1) ratio, incl. hybrid capital, %	17.2	16.8	17.2	16.5	15.9	15.1	16.8	15.1
Common Equity (Tier 1) ratio, %	14.0	14.3	14.0	13.4	12.8	12.1	14.3	12.1
<i>Earnings</i>								
Return on equity before tax, %	8.0	5.5	2.6	2.3	3.2	0.1	2.6	5.5
Return on equity after tax, %	6.2	4.2	2.0	1.8	2.5	0.1	2.0	4.2
Cost share of core income, continuing activities	0.59	0.60	0.58	0.63	0.57	0.68	0.56	0.62
Cost share of core income - incl. impairment of loans and advances, etc., continuing activities	0.74	0.84	0.74	0.77	0.72	0.92	0.76	0.86
<i>Market risk</i>								
Interest-rate risk, %	0.1	-0.9	0.1	-0.7	-0.2	-1.1	-0.9	-1.1
Foreign-exchange position, %	3.4	2.2	3.4	5.6	2.3	1.4	2.2	1.4
Foreign-exchange risk, %	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0
<i>Credit risk</i>								
Loans & advances plus impairment allowance account and discount hereon related to deposits	77.9	91.1	77.9	79.7	81.3	85.4	91.1	85.4
Loans and advances rel. to shareholders' equity	5.8	6.1	5.8	6.0	6.2	6.5	6.1	6.5
Increase in loans and advances for the period, %	-6.0	-9.6	-1.3	-2.2	-2.5	13.6	1.7	1.7
Excess coverage relative to statutory cash ratio requirement, %	211.8	175.3	211.8	209.4	222.7	211.5	175.3	211.5
Large exposures as % of capital base	16.8	0.0	16.8	14.3	15.7	16.5	0.0	16.5
Impairment ratio for the period, continuing activities, %	0.7	1.2	0.2	0.2	0.3	0.4	0.3	1.4
<i>Employees and branches</i>								
Number of employees (full-time, end of period) (continuing activities)	1,501	1,332	1,501	1,493	1,593	1,633	1,332	1,633
Number of employees (full-time, end of period) (discontinuing activities)	17	19	17	18	19	20	19	20
Number of local banks	76	67	76	78	84	90	67	90
<b>THE SPAR NORD BANK SHARE</b>								
<i>DKK per share of DKK 10</i>								
Share price, end of period	42	27	42	37	32	26	27	26
Net asset value (NAV)	51	50	51	50	49	48	50	48
Profit/loss for the period	3.1	2.1	1.0	0.9	1.2	0.0	0.9	1.9
Dividend	-	-	-	-	-	-	-	0
Return	-	-	-	-	-	-	-	13
Price/earnings	-	-	-	-	-	-	-	15

The Spar Nord Group's pre-tax profits ended at DKK 491 million in Q1-Q3 2013, versus last year's DKK 285 million in the same period. This profit performance represents a return on shareholders' equity of 10.6% p.a.

Core income grew 15% on the same period of 2012 after a strong hike in net interest income and net income from fees, charges and commissions. Costs and expenses were up 14%, which was lower than anticipated after the merger with Sparbank in Q4 2012. Accordingly, the cost-to-income ratio improved to 0.59%.

The income and cost trends mean that core earnings before impairment rose 16% to DKK 841 million. Loan impairment losses, etc. closed at DKK 305 million, equal to 0.95% of total loans, advances and guarantees.

Overall, Management finds this profit performance satisfactory and repeats the forecast that total core earnings for the year before impairment and merger-related non-recurring costs look to hover around DKK 1,000 – 1,100 million. The impairment ratio is still expected to end at about 1% of total loans, advances and guarantees.

## **LARGER LENDING VOLUME DRIVES GROWTH IN NET INTEREST INCOME**

Net interest income for the period under review ended at DKK 1,320 million, which is DKK 191 million, or 17%, up on the same period last year.

The increase is attributable primarily to a larger lending volume following the merger with Sparbank in Q4 2012. To this should be added lower funding costs on account of the positive trend in the Group's liquidity position. In addition, a positive effect of the changed interest rate on deposits introduced in August contributed to the interest margin stabilizing at end-Q3 compared with Q2.

## **STRONG GROWTH IN NET INCOME FROM FEES, CHARGES AND COMMISSIONS**

Net income from interest, fees and charges ended at DKK 530 million, equal to an advance of DKK 111 million, or 27%, on Q1-Q3 2012. The growth in fees is to some extent attributable to the wider business volume achieved, including mortgage credit loans arranged, as a result of the merger with Sparbank.

To this should be added a strong upturn in securities and asset management income. The latter is largely attributable to the fact that many customers chose to pursue a more active asset management strategy rather than leave their funds untouched in deposit accounts.

## **MARKET-VALUE ADJUSTMENTS MAINTAINED AT A HIGH LEVEL**

Market-value adjustments ended at DKK 143 million, which is DKK 50 million down on Q1-Q3 2012, but still higher than expected at the beginning of the year.

The sustained satisfactory market-value adjustments are attributable to the gap between Danish mortgage bonds and interest swaps, which has been favourable for Spar Nord. Particularly during the period from January to May, Spar Nord benefited from the strong performance by Danish mortgage bonds in a market that remains weakened by the debt-ravaged economies of southern Europe. From June and throughout Q3, market-value adjustments of bonds have been under pressure.

Market-value adjustments and dividends on the Bank's portfolio of shares in companies in the financial sector ended DKK 13 million up on the same period of 2012, due to positive adjustments of DLR Kredit, Bankinvest and PRAS, among other factors.

## **COSTS LOWER THAN EXPECTED**

Total costs and expenses amounted to DKK 1,225 million, which is 14% higher than in the same period of 2012, but slightly lower than expected.

Wages and salaries accounted for DKK 729 million of the total costs. The realized payroll costs were DKK 92 million higher than in Q1-Q3 2012, which is exclusively attributable to the higher number of employees after the merger with Sparbank. At end-Q3 2013, the Group had a staff of 1,501 employees (continuing activities, converted into full-time equivalents), which is 132 fewer than at the end of 2012.

Other operating expenses were DKK 59 million up on last year. The rise in other operating expenses, which is slightly lower than expected, stems from an increase in IT and premises costs resulting from the merger.

Since New Year, 14 branches have been closed down or merged, five as a result of the merger with Sparbank, seven in the north Jutland area and two in the Salling area.

## LOAN IMPAIRMENT IN LINE WITH EXPECTATIONS

Loan impairment amounted to DKK 305 million in Q1-Q3 2013, equal to 0.95% of total loans, advances and guarantees p.a. Impairment breaks down into DKK 109 million in Q1, DKK 95 million in Q2 and DKK 102 million in Q3.

DKK 255 million of the impact on the operating profit is attributable to business customers and DKK 50 million to retail customers.

In light of developments in Q1-Q3, Management still expects loan losses for the year to have an ultimate impact on the income statement of around 1% of total loans, advances and guarantees

### The Group's loans, advances and guarantees \*) - breakdown by sector

Line of business, %	Bank lending and guarantees		Impairment account and discount on exposures taken over 30.09.13
	30.09.13	31.12.12	
Agriculture, hunting and forestry	8.5	8.4	21.8
Fisheries	0.5	0.4	0.1
Industry and raw mat. extraction	3.4	3.5	3.0
Energy supply	4.4	4.2	0.3
Building and construction	3.4	3.4	6.8
Trade	7.8	8.0	4.7
Transport, hotels and restaurants	3.3	3.2	1.9
Information and communication	0.4	0.4	0.8
Financing and insurance	7.0	5.0	6.8
Real estate	11.9	13.0	19.0
Other business areas	6.2	6.5	10.0
<b>Business customers, total</b>	<b>56.8</b>	<b>56.0</b>	<b>75.2</b>
Public authorities	4.4	4.0	0.0
<b>Retail customers, total</b>	<b>38.8</b>	<b>40.0</b>	<b>24.8</b>
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

\*) *excl. discontinuing activities.*

## EARNINGS FROM INVESTMENT PORTFOLIOS ENDED AT DKK 41 MILLION

For the year to date, the Group recorded an income of DKK 41 million on its portfolio of securities and unlisted equity investments via Erhvervsinvest Nord A/S and Erhvervsinvest K/S - (Q1-Q3 2012: DKK 25 million). This highly satisfactory performance is attributable to value adjustments connected with the divestment of portfolio companies at both Erhvervsinvest K/S and Erhvervsinvest Nord A/S.

## CONTRIBUTIONS OF DKK 83 MILLION TO SECTOR-WIDE SOLUTIONS

The item "Contributions to sector-wide solutions" comprises Spar Nord's payments and Spar Nord's share of Nørresundby Bank's payments to the Danish Guarantee Fund for Depositors and Investors.

In Q1-Q3 2013, a total of DKK 83 million was expensed, about DKK 13 million of which relates to post-adjustments regarding Fjordbank Mors and Sparekassen Lolland and about DKK 70 million of which represents contributions to the new Depositors' Guarantee Scheme.

Thus, Spar Nord expects the total contributions to sector-wide solutions to end at around DKK 107 million for the full year.

## PROFIT ON DISCONTINUING ACTIVITIES: DKK 40 MILLION

Results of discontinuing activities (leasing) ended at DKK 40 million compared with DKK 23 million in Q1-Q3 2012.

For more details, see the section on Business Areas.

## DKK 491 MILLION IN PRE-TAX PROFITS

The pre-tax profits can accordingly be calculated at DKK 491 million compared with DKK 285 million in Q1-Q3 2012.

## TAX

The Group's effective tax rate for the year to date is 22%, and post-tax profits can thus be calculated at DKK 383 million.

The impact on deferred tax stemming from the reduction of the corporate tax rate was fully recognized in H1.



Total core income for the period under review amounted to DKK 636 million, which is 7% down on Q2 2013, but 13% up on Q3 2012.

Net interest income ended at DKK 436 million, equal to an increase of 1% on Q2 and a rise of 18% on Q3 2012. The increase compared with Q2 is attributable to lower funding costs after the redemption of bonds in Q2 and the interest change for deposits implemented in Q3.

Net income from fees, charges and commissions ended at DKK 158 million, which is 10% down on last quarter's high level, but 28% higher than in Q3 2012. The decline compared with Q2 stems from a generally lower activity level, which is normal during the summer holiday season.

Market-value adjustments came to DKK 22 million versus DKK 44 million in Q2.

Costs and expenses totalled DKK 366 million – DKK 67 million down on Q2. The drop is attributable to the principles governing holiday pay provisions coupled with lower operating expenses (including marketing and IT) during the summer holidays.

Impairment of loans and advances amounted to DKK 102 million versus DKK 95 million in Q2.

Contributions to sector-wide solutions amounted to DKK 25 million, which is DKK 2 million less than in Q2, and discontinuing activities ended at DKK 9 million versus DKK 21 million in Q2.

Accordingly, the pre-tax profits amounted to DKK 159 million compared with DKK 139 million in Q2.

## BUSINESS VOLUME

At end-Q3 2013, the total business volume (continuing activities) stood at DKK 90.1 billion – 21% up on the same time last year and at roughly the same level as at end-2012.

If widening the definition and including customers' assets held in custodianship accounts and mortgage credit loans, the total business volume at end-Q3 2013 amounted to DKK 179.4 billion, equal to a growth of 25% since the same time last year and a growth of 2% since end-2012.

Compared with end-2012, lending, banking activities dropped by DKK 0.8 billion to DKK 34.1 billion.

The item Deposits, banking activities, ended at DKK 42.0 billion, which is in line with the result at end-2012. Deposits in pooled schemes amounted to DKK 8.5 billion at end-Q3 2013, DKK 1.5 billion up on end-2012.

Since end-2012, mortgage-credit loans arranged have increased DKK 1.7 billion, equal to 3%. In total, the volume of mortgage-credit loans arranged on behalf of retail customers (Totalkredit) and business customers (DLR Kredit) amounted to DKK 59.2 billion at end-Q3 2013.

Of the Group's total loans, advances and guarantees (continuing activities) in the amount of DKK 40.1 billion, 39% is attributable to retail customers and 61% to business customers.

## STRONG CAPITAL POSITION

Spar Nord's objective on the capital side is to have a Common Equity (Tier 1) ratio (CET1) of at least 12.0%, an overall solvency ratio of at least 15.0% and a spread between the solvency need ratio (ICAAP result) and the actual solvency ratio of at least 3 percentage points.

At end-Q3 2013, the Group's Common Equity (Tier 1) ratio amounted to 14.0% (end-2012: 12.1%). Management finds it satisfactory that the Common Equity (Tier 1) ratio is already comfortably above the strategic target three quarters after the implementation of the merger with Sparbank.

The solvency ratio has been calculated at 17.4% (end-2012: 15.5%), which should be viewed in relation to Spar Nord having calculated the solvency need ratio at 10.1%. Thus, the Bank has an excess capital coverage of 7.3 percentage points, equal to DKK 3.2 billion.

Spar Nord's capital projections show that during the phase-in of CRD IV over the next few years, the Bank will constantly be comfortably above the strategic capital targets.

## STRATEGIC LIQUIDITY OF DKK 15.9 BILLION

Spar Nord has defined strategic liquidity as the difference between bank lending and long-term funding (bank deposits, senior loans, issued bonds, subordinated loan capital and shareholders' equity). Subordinated loans, senior loans and issued bonds due within 12 months are not included in the Bank's strategic liquidity.

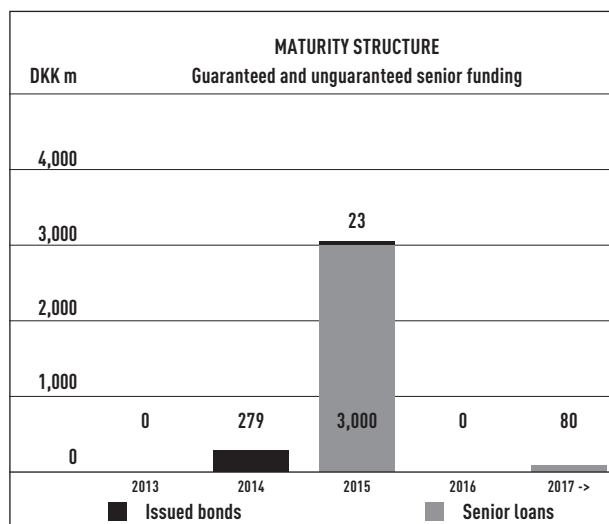
At end-Q3 2013, the strategic liquidity was calculated at DKK 15.9 billion.

### Strategic liquidity

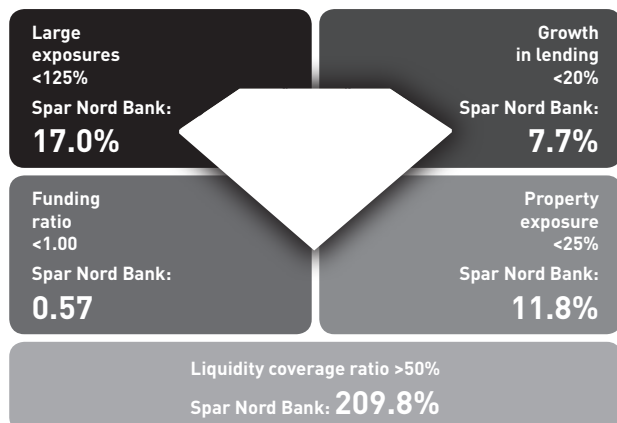
	30.09 2013	30.06 2013	31.03 2013	31.12 2012
<b>DKK bn</b>				
Deposits, banking activities	42.0	42.4	42.7	41.9
Senior loans and bond issues *)	3.3	5.3	8.0	9.6
Shareholders' equity and supplementary capital (Tier 2)	8.7	8.6	8.7	8.5
<b>Generation of cash</b>	<b>54.0</b>	<b>56.3</b>	<b>59.4</b>	<b>60.0</b>
Lending, banking activities	34.1	34.2	34.4	34.9
Lending, leasing activities	2.5	2.9	3.5	4.0
Maturity, senior, issued bonds and suppl. cap. (Tier 2) < 1 year	1.5	3.5	4.8	6.3
<b>Strategic liquidity</b>	<b>15.9</b>	<b>15.7</b>	<b>16.7</b>	<b>14.8</b>

\*) incl. Danmarks Nationalbank's (the central bank) LTRO facility.

The term structure of the Bank's senior funding appears from the figure below.



## THE SUPERVISORY AUTHORITY DIAMOND MODEL



## RISKS

Reference is made to the 2012 Annual Report and to the Group's risk report for 2012, which describe the most significant risks and elements of uncertainty that may affect the Group or the Parent Company.

## OUTLOOK FOR 2013

The Annual Report for 2012 projected core earnings before impairment and the merger-related non-recurring costs to end in the DKK 1,000-1,100-million range for the full year of 2013. In light of developments in Q1-Q3, the Bank repeats this projection.

The impairment ratio for loans, advances, etc. is still expected to end at about 1% of total loans, advances and guarantees.

## DIVIDEND POLICY

After a number of years without distribution of dividend, Spar Nord's Board of Directors has decided to fix the future dividend level at 33% of the net profits for the year, a percentage based on the assumption that the Bank's objective of having a Common Equity (Tier 1) ratio of at least 12% and a solvency ratio of at least 15% has been met.

If value-generating investment options are not available, the potential for distributing extraordinary dividends and/or implementing share repurchase programmes will be considered, with due regard to the Company's capital structure.

Basically, the Bank does not expect to distribute any dividend for 2013, but the Board of Directors will take a final position on this issue when the 2013 financial statements are presented, depending on how risk-weighted assets develop up to the publication of the full-year financial statements.

## SPAR NORD'S LOCAL BANKS

DKK m	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012
Core income	554	575	615	512	438
Costs	348	375	360	316	288
Core earnings before impairment	205	200	255	196	151
Impairment of loans and advances, etc.	101	95	109	156	111
Core earnings	105	105	146	40	40

For Spar Nord's Local Banks Q1-Q3 2013 was characterized by moderate growth in the national economy and a low customer propensity to invest, but the Sparbank merger, a strong organic influx of customers and rising demand for asset management products nonetheless secured healthy business growth.

Core income ended at DKK 1,744 million against DKK 1,445 million during the same period of 2012, equal to a 21% rise, while costs rose by 20% to DKK 1,083 million as a result of the merger.

Impairment of loans and advances, etc. ended at DKK 305 million, which is DKK 133 million, or 30%, down on the same period of 2012.

Thus, core earnings amounted to DKK 356 million compared with DKK 101 million in Q1-Q3 2012.

In terms of activities, in 2013 the Bank focused sharply on the savings and investment area, including consultancy on switching from holding on to cash to a more active asset management strategy. Additional factors included respectable growth in the housing area and particularly in arranged mortgage-credit loans on account of the merger. Finally, as in previous years, an activity programme targeted at this season's newly confirmed teens was launched, once again with great success.

The total business volume (deposits, lending, advances, guarantees, custodianship accounts and mortgage credit arranged) ended at DKK 176.2 billion in Q3 - a level that is 3% higher than at end-2012, and 26% up on the same time last year.

As a result of the sharp increase in customer numbers, bank lending at Spar Nord's Local Banks has grown by DKK 4.5 billion since the same time last year. During the same period, mortgage credit arranged rose by DKK 14.7 billion, equal to a growth in total lending arranged of DKK 19.2 billion, or 26%.

## TRADING, FINANCIAL MARKETS & THE INTERNATIONAL DIVISION

DKK m	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012
Core income	62	74	117	106	106
Costs	14	15	14	18	17
Core earnings before impairment	47	60	103	88	89
Impairment of loans and advances, etc.	0	0	0	0	0
Core earnings	47	60	103	88	89

Trading, Financial Markets & the International Division recorded core earnings of DKK 210 million versus DKK 238 million in Q1-Q3 2012. The continued satisfactory earnings area are attributable to a broad array of activity programmes, launched particularly by Financial Markets, which benefited from the strong performance by Danish mortgage bonds, above all in the period from January to May, in a market characterized by southern Europe's lingering debt woes.

The activity level was also high in the Asset Management area, with a substantial influx of fresh capital, both in pension pools and in other types of mandate agreements, driven by rising demand for more active asset management from customers at Spar Nord's Local Banks. Thus, during Q1-Q3 assets under management related to pension pools and the Star Invest Unlimited mandate programme rose DKK 3.6 billion to about DKK 10.9 billion.

In the share investment area, rising prices and busier customer activity have characterized 2013 so far.

## LEASING (DISCONTINUING ACTIVITY)

DKK m	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012
Net income	31	45	53	75	62
Costs, incl. deprec. of operating lease assets	14	16	35	48	37
Profits before impairment	16	31	17	27	25
Impairment of loans and advances, etc.	7	10	7	14	19
Profit/loss before tax	9	21	10	13	6

During the period under review, the Group's leasing activities generated a highly satisfactory profit of DKK 40 million (Q1-Q3 2012: DKK 23 million). The strong growth, better than expected, is attributable to lower phase-out costs and a reduction in impairment. Overall, the phase-out programme is progressing at a satisfactory pace, and the same applies to credit quality.

Net income amounted to DKK 129 million in Q1-Q3 2013, compared with DKK 214 million in the same period last year. The drop is due to the scheduled and anticipated reduction in business volume. Thus, since the phasing-out process for Spar Nord Leasing started in October 2011, and when leasing activities acquired in connection with the merger are included, total assets have been reduced by DKK 6.3 billion, or 71%.

Costs for the nine-month period ended at DKK 65 million against last year's DKK 137 million, and loan impairment, etc. came to DKK 24 million versus DKK 54 million in Q1-Q3 2012. The major reduction in both items should be viewed in light of the extraordinary circumstances characterizing 2012, including major costs for restructuring, disestablishment and severance pay.

Management expects total assets relating to leasing activities to have been reduced to DKK 2.2 billion at end-2013, and to DKK 1.2 billion at end-2014.

For the year as a whole, Spar Nord Leasing is expected to make a positive contribution to the Group's profits of DKK 55-60 million. This expectation should be viewed in light of the successful outcome of a legal action regarding the leasing activities of Sparbank, among other factors.

## SPAR NORD BANK SHARES HELD BY THE MANAGEMENT \*)

	At 30.09.13 No.	At 30.06.13 No.
<b>BOARD OF DIRECTORS</b>		
Torben Fristrup	34,300	34,300
Per Nikolaj Bukh	16,200	16,200
Kaj Christiansen	7,800	7,801
Laila Mortensen	0	0
Carsten Normann	2,760	2,760
Fritz Dahl Pedersen	1,800	1,800
Ole Skov	7,054	7,054
Jannie Skovsen	7,624	7,624
Gitte Holmgaard Sørensen	2,486	2,708
Hans Østergaard	5,193	5,193
<b>EXECUTIVE BOARD</b>		
Lasse Nyby	48,064	48,064
Bent Jensen	8,383	8,383
John Lundsgaard	65,633	65,633
Lars Møller	62,960	62,960

\*) The holdings include all shares held by all members of the household.

## OVERVIEW OF GROUP COMPANIES

	Share capital end of period *) DKK m	Shareholders' equity, end of period *) DKK m	Profit/loss *) DKK m	Ownership interest 30.09.13 %	Ownership interest 30.09.12 %
<b>Consolidated subsidiaries</b>					
Erhvervsinvest Nord A/S, Aalborg	30.0	41.9	-0.2	100.0	100.0
Aktieselskabet Skelagervej 15, Aalborg (1)	27.0	1,191.5	-41.6	100.0	-
Spar Nord Ejendomsselskab A/S, Aalborg	12.0	10.0	-2.6	100.0	100.0
Spar Nord Leasing A/S, Aalborg (2)	10.0	474.8	25.4	100.0	100.0
SN Finans Nord AB, Sweden (2)	74.6	93.1	-11.4	100.0	100.0

(1) Previously Skive Erhvervsinvest A/S. Acquired in connection with the merger with Sparbank A/S as at 15 November 2012.

(2) The company's activities are being phased out.

\*) According to the most recent Annual Report.

At 30 September 2013, all companies are subsidiaries that are wholly owned, directly or indirectly, by Spar Nord Bank A/S.

# PERFORMANCE INDICATORS AND FINANCIAL RATIOS

## THE DANISH FINANCIAL SUPERVISORY AUTHORITY'S LAYOUT AND RATIO SYSTEM - THE GROUP

DKK m	Q1-Q3 2013	Q1-Q3 2012	Change in %	Q1-Q3 2013	Q1-Q3 2012	Q1-Q3 2011	Q1-Q3 2010	Q1-Q3 2009	Full year 2012
<b>INCOME STATEMENT</b>									
Interest income	1,997.0	1,540.8	29.6	1,997.0	1,540.8	1,551.2	1,573.1	1,977.4	2,104.9
Interest expenses	449.0	412.2	8.9	449.0	412.2	481.4	486.5	740.5	557.2
<b>Net interest income</b>	<b>1,548.0</b>	<b>1,128.6</b>	<b>37.2</b>	<b>1,548.0</b>	<b>1,128.6</b>	<b>1,069.8</b>	<b>1,086.6</b>	<b>1,236.9</b>	<b>1,547.7</b>
Dividends on shares, etc.	20.9	16.1	29.8	20.9	16.1	10.2	13.0	19.7	16.2
Fees, charges and commissions received	574.7	457.5	25.6	574.7	457.5	400.7	416.5	350.1	612.9
Fees, charges and commissions paid	45.2	38.9	16.2	45.2	38.9	41.0	50.4	46.1	56.5
<b>Net income from interest, fees, charges and commissions</b>	<b>2,098.4</b>	<b>1,563.3</b>	<b>34.2</b>	<b>2,098.4</b>	<b>1,563.3</b>	<b>1,439.7</b>	<b>1,465.7</b>	<b>1,560.6</b>	<b>2,120.3</b>
Market-value adjustments	148.2	178.5	-17.0	148.2	178.5	81.6	210.2	209.0	230.9
Other operating income	34.9	24.5	42.4	34.9	24.5	28.1	26.4	25.5	35.5
Staff costs and administrative expenses	1,203.5	1,030.4	16.8	1,203.5	1,030.4	1,017.3	1,037.5	1,045.7	1,493.4
Depreciation, amortization and impairment of intangible assets and property, plant and equipment	66.3	51.7	28.2	66.3	51.7	50.3	47.0	52.9	72.1
Other operating expenses	76.6	41.8	83.3	76.6	41.8	19.4	137.3	125.4	55.5
Impairment of loans, advances and receivables, etc.	538.4	437.8	23.0	538.4	437.8	262.8	351.7	420.8	599.0
Profit/loss on equity investments in associates and group enterprises	54.7	57.5	-4.9	54.7	57.5	44.4	30.3	19.8	86.7
<b>Profit/loss on continuing activities before tax</b>	<b>451.4</b>	<b>262.1</b>	<b>72.2</b>	<b>451.4</b>	<b>262.1</b>	<b>244.0</b>	<b>159.1</b>	<b>170.1</b>	<b>253.4</b>
Tax on continuing activities	110.6	60.5	82.8	110.6	60.5	38.4	34.4	38.7	55.9
<b>Profit/loss on continuing activities</b>	<b>340.8</b>	<b>201.6</b>	<b>69.0</b>	<b>340.8</b>	<b>201.6</b>	<b>205.6</b>	<b>124.7</b>	<b>131.4</b>	<b>197.5</b>
Profit/loss on discontinuing activities after tax	42.6	17.1	-	42.6	17.1	17.3	-4.6	-6.2	26.3
<b>Profit/loss</b>	<b>383.4</b>	<b>218.7</b>	<b>75.3</b>	<b>383.4</b>	<b>218.7</b>	<b>222.9</b>	<b>120.1</b>	<b>125.2</b>	<b>223.8</b>
<b>BALANCE SHEET</b>									
Total assets	75,080	68,979	8.8	75,080	68,979	71,335	70,657	63,357	79,146
Loans and advances	37,166	34,991	6.2	37,166	34,991	39,592	39,293	38,702	39,058
- Lending, banking activities	34,134	29,978	13.9	34,134	29,978	31,388	31,333	31,073	34,916
- Lending, reverse transactions	542	698	-22.3	542	698	536	273	0	116
- Lending, leasing activities	2,490	4,315	-42.3	2,490	4,315	7,668	7,687	7,629	4,026
Deposits	50,463	39,868	26.6	50,463	39,868	35,848	36,457	34,146	48,923
- Deposits, banking activities	41,998	33,158	26.7	41,998	33,158	29,725	31,451	30,417	41,922
- Deposits, repo transactions	0	0	-	0	0	0	0	0	0
- Deposits in pooled schemes	8,465	6,710	26.2	8,465	6,710	6,123	5,006	3,729	7,001
Subordinated debt	2,319	1,801	28.8	2,319	1,801	2,504	2,750	2,830	2,562
Shareholders' equity	6,377	5,704	11.8	6,377	5,704	4,571	4,383	4,175	5,975
Contingent liabilities	5,435	4,508	20.6	5,435	4,508	3,646	7,516	4,890	5,767
Risk-weighted items	43,111	38,119	13.1	43,111	38,119	43,740	43,786	40,545	46,307
Core capital (Tier 1), incl. hybrid core capital, after deductions	7,400	6,409	15.5	7,400	6,409	5,553	5,785	5,536	6,973
Impairment of loans, advances and receivables, etc.	1,557	1,343	15.9	1,557	1,343	1,073	1,241	953	1,330
Contractual non-performing loans	761	199	-	761	199	142	197	93	1,186
Business volume	93,064	79,367	17.3	93,064	79,367	79,086	83,266	77,738	93,748

# PERFORMANCE INDICATORS AND FINANCIAL RATIOS

## THE DANISH FINANCIAL SUPERVISORY AUTHORITY'S LAYOUT AND RATIO SYSTEM - THE GROUP

DKK m	Q1-Q3 2013	Q1-Q3 2012	Q1-Q3 2013	Q1-Q3 2012	Q1-Q3 2011	Q1-Q3 2010	Q1-Q3 2009	Full year 2012
<b>FINANCIAL RATIOS</b>								
<i>Solvency</i>								
Solvency ratio, %	17.4	16.8	17.4	16.8	13.8	14.1	15.0	15.5
Core capital (Tier 1) ratio, %	17.2	16.8	17.2	16.8	12.7	13.2	13.7	15.1
<i>Earnings</i>								
Return on equity before tax, %	8.0	5.5	8.0	5.5	6.2	3.6	3.9	5.5
Return on equity after tax, %	6.2	4.2	6.2	4.2	5.0	2.8	3.1	4.2
Income/cost ratio	1.24	1.17	1.24	1.17	1.18	1.10	1.10	1.11
<i>Market risk</i>								
Interest-rate risk, %	0.1	-0.9	0.1	-0.9	-0.6	-0.3	0.1	-1.1
Foreign-exchange position, %	3.4	2.2	3.4	2.2	2.5	3.2	2.5	1.4
Foreign-exchange risk, %	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0
<i>Credit risk</i>								
Loans and advances rel. to deposits, %	73.7	87.8	73.7	87.8	110.4	107.8	113.3	79.8
Loans and advances plus impairment rel. to deposits, %	76.7	91.1	76.7	91.1	113.4	110.6	115.8	82.5
Loans and advances relative to shareholders' equity	5.8	6.1	5.8	6.1	8.7	9.0	9.3	6.5
Increase in loans and adv. for the period, %	-6.0	-9.6	-6.0	-9.6	-0.9	2.6	-14.7	1.7
Excess coverage relative to statutory cash ratio requirement, %	211.8	175.3	211.8	175.3	99.9	100.6	142.0	211.5
Large exposures as % of capital base *)	16.8	0.0	16.8	0.0	0.0	11.2	10.7	16.5
Impairment ratio for the period, %	1.3	1.2	1.3	1.2	0.7	0.9	1.1	1.4
Impairment ratio for the period, continuing activities, % **]	1.3	1.2	1.3	1.2	0.7	0.9	1.1	1.4
<b>THE SPAR NORD BANK SHARE</b>								
<i>DKK per share of DKK 10</i>								
Profit/loss for the period	3.1	2.6	3.1	2.6	2.8	1.5	1.6	2.5
Net asset value (NAV)	51	50	51	50	57	54	54	48
Dividend	-	-	-	-	-	-	-	0
Share price/earnings for the period	13.5	10.4	13.5	10.4	8.9	26.7	28.1	10.4
Share price/NAV	0.8	0.5	0.8	0.5	0.4	0.7	0.8	0.5

\*) With reference to the Danish Financial Supervisory Authority's "Guidelines on the reporting of financial ratios", the financial ratio "Large exposures as % of capital base" was adjusted for exposures to credit institutions below DKK 1 billion after deductions in 2011, 2012 and 2013 in accordance with section 145 of the Danish Financial Business Act, for which reason this financial ratio is not fully comparable with quarterly figures for previous periods.

\*\*] The continuing activities are the Spar Nord Group's activities, excl. the discontinuing leasing activities; see note 20.

Share-based financial ratios for previous periods have been multiplied by an adjustment factor of 0.7073 as a result of the capital increase in 2012.



# MANAGEMENT'S STATEMENT ON THE INTERIM REPORT

The Board of Directors and the Executive Board have today reviewed and adopted the Interim Report of the Spar Nord Bank Group for the period from 1 January to 30 September 2013.

The Interim Financial Statements have not been audited or subjected to a review by the Group's auditor.

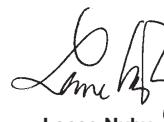
The Consolidated Interim Financial Statements are presented in accordance with IAS 34 "Interim Financial Reporting", as adopted by the EU. Moreover, the Interim Report is presented in accordance with additional Danish disclosure requirements regarding interim reports for listed financial institutions.

In our opinion, the Interim Financial Statements give a true and fair view of the Group's financial position at 30 September 2013 and of the results of the Group's operations and the Group's cash flows for the period from 1 January to 30 September 2013.

In addition, we also consider the Management's review to give a fair presentation of the development in the Group's activities and financial affairs as well as a description of the significant risks and elements of uncertainty that may affect the Group.

Aalborg, 23 October 2013

## EXECUTIVE BOARD



Lasse Nyby

Chief Executive Officer



Bent Jensen

Managing Director



John Lundsgaard

Managing Director



Lars Møller

Managing Director

## BOARD OF DIRECTORS



Torben Frstrup

Chairman  
of the Board of Directors



Per Nikolaj Bukh

Deputy Chairman  
of the Board of Directors



Kaj Christiansen



Laila Mortensen



Carsten Normann



Fritz Dahl Pedersen



Ole Skov

Elected by the employees



Jannie Skovsen

Elected by the employees



Gitte Holmgaard Sørensen

Elected by the employees



Hans Østergaard

# INCOME STATEMENT

## THE GROUP

Note	DKK m	Q1-Q3 2013	Q1-Q3 2012	Q3 2013	Q3 2012	Full year 2012
4	Interest income	1,997.0	1,540.8	613.5	489.1	2,104.9
5	Interest expenses	449.0	412.2	135.7	120.5	557.2
	<b>Net interest income</b>	<b>1,548.0</b>	<b>1,128.6</b>	<b>477.8</b>	<b>368.6</b>	<b>1,547.7</b>
	Dividends on shares, etc.	20.9	16.1	0.1	0.1	16.2
6+8	Fees, charges and commissions received	574.7	457.5	172.2	131.5	612.9
7+8	Fees, charges and commissions paid	45.2	38.9	14.7	8.4	56.5
	<b>Net income from interest, fees, charges and commissions</b>	<b>2,098.4</b>	<b>1,563.3</b>	<b>635.4</b>	<b>491.8</b>	<b>2,120.3</b>
9	Market-value adjustments	148.2	178.5	33.8	53.0	230.9
	Other operating income	34.9	24.5	8.5	7.1	35.5
10	Staff costs and administrative expenses	1,203.5	1,030.4	353.2	309.5	1,493.4
	Depreciation, amortization and impairment of intangible assets and property, plant and equipment	66.3	51.7	18.3	15.4	72.1
	Other operating expenses	76.6	41.8	21.9	15.1	55.5
12	Impairment of loans, advances and receivables, etc.	538.4	437.8	144.3	111.2	599.0
	Profit/loss on equity investments in associates and group enterprises	54.7	57.5	10.4	28.6	86.7
	<b>Profit/loss on continuing activities before tax</b>	<b>451.4</b>	<b>262.1</b>	<b>150.4</b>	<b>129.3</b>	<b>253.4</b>
	Tax on continuing activities	110.6	60.5	33.4	33.7	55.9
	<b>Profit/loss on continuing activities</b>	<b>340.8</b>	<b>201.6</b>	<b>117.0</b>	<b>95.6</b>	<b>197.5</b>
20	Profit/loss on discontinuing activities after tax	42.6	17.1	6.6	5.8	26.3
	<b>Profit/loss</b>	<b>383.4</b>	<b>218.7</b>	<b>123.6</b>	<b>101.4</b>	<b>223.8</b>
	<b>EARNINGS PER SHARE</b>					
	Earnings per share (DKK)	3.1	2.1	1.0	0.9	1.9
	Diluted earnings per share (DKK)	3.1	2.1	1.0	0.9	1.9
	Earnings per share on continuing activities (DKK)	2.8	2.0	1.0	0.9	1.7
	Diluted earnings per share on continuing activities (DKK)	2.8	2.0	1.0	0.9	1.7
	<b>STATEMENT OF COMPREHENSIVE INCOME</b>					
	<b>Profit/loss for the period</b>	<b>383.4</b>	<b>218.7</b>	<b>123.6</b>	<b>101.4</b>	<b>223.8</b>
	<b>Other comprehensive income</b>					
	<b>Items that cannot be reclassified to the income statement:</b>					
	Net revaluation of corporate properties	0.9	0.1	0.3	0.1	9.1
	Other capital movements in associates	-2.9	-0.3	0.0	0.0	-0.3
	Tax on other comprehensive income	0.0	-16.0	0.0	0.0	-16.0
		<b>-2.0</b>	<b>15.8</b>	<b>0.3</b>	<b>0.1</b>	<b>24.8</b>
	<b>Items that can be reclassified to the income statement:</b>					
	Exchange adjustment upon translation of foreign entity	-1.2	5.5	1.3	3.9	4.3
		<b>-1.2</b>	<b>5.5</b>	<b>1.3</b>	<b>3.9</b>	<b>4.3</b>
	<b>Other comprehensive income after tax</b>	<b>-3.2</b>	<b>21.3</b>	<b>1.6</b>	<b>4.0</b>	<b>29.1</b>
	<b>Comprehensive income, total</b>	<b>380.2</b>	<b>240.0</b>	<b>125.2</b>	<b>105.4</b>	<b>252.9</b>

# BALANCE SHEET

## THE GROUP

Note	DKK m	30.09.13	30.09.12	Full year 2012
<b>ASSETS</b>				
	Cash balances and demand deposits with central banks	1,349.2	1,500.7	2,341.2
11	Receivables from credit institutions and central banks	2,952.5	3,544.8	3,977.1
	Lending, banking activities	34,133.2	29,978.0	34,916.1
	Lending, reverse transactions	542.2	698.4	115.5
	Lending, leasing activities	2,490.1	4,314.5	4,026.3
	<b>Loans, advances and other receivables at amortized cost, total</b>	<b>37,165.5</b>	<b>34,990.9</b>	<b>39,057.9</b>
	Bonds at fair value	19,772.3	16,976.3	20,249.3
	Shares, etc.	1,208.6	1,056.4	1,202.4
	Equity investments in associates	974.3	809.4	992.8
	Assets linked to pooled schemes	8,465.1	6,710.2	7,001.5
	Intangible assets	192.9	134.9	200.0
	Investment properties	173.4	49.0	157.9
	Corporate properties	604.3	443.1	622.4
	<b>Land and buildings, total</b>	<b>777.7</b>	<b>492.1</b>	<b>780.3</b>
	Operating lease assets	32.0	282.4	266.2
	Other property, plant and equipment	132.6	121.3	131.3
	<b>Other property, plant and equipment, total</b>	<b>164.6</b>	<b>403.7</b>	<b>397.5</b>
	Current tax assets	3.8	1.6	17.5
	Deferred tax assets	19.9	0.0	0.0
	Temporary assets	39.0	66.8	90.9
13	Other assets	1,855.6	2,208.1	2,578.7
	Prepayments	138.8	83.3	258.6
	<b>Total assets</b>	<b>75,079.8</b>	<b>68,979.2</b>	<b>79,145.7</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>				
<b>LIABILITIES OTHER THAN PROVISIONS</b>				
	Payables to credit institutions and central banks	9,245.0	10,323.5	8,710.8
14	Deposits and other payables	41,998.2	33,158.3	41,921.7
	Deposits in pooled schemes	8,465.1	6,710.2	7,001.5
	Issued bonds at amortized cost	302.0	4,296.0	6,093.3
	Other non-derivative financial liabilities at fair value	1,486.1	1,586.7	1,682.7
	Current tax liabilities	53.5	62.8	2.0
20	Temporary liabilities	0.2	0.0	0.2
15	Other liabilities	4,510.6	4,861.2	4,909.0
	Deferred income	35.3	39.9	47.5
	<b>Total liabilities other than provisions</b>	<b>66,096.0</b>	<b>61,038.6</b>	<b>70,368.7</b>
<b>PROVISIONS FOR LIABILITIES</b>				
	Provisions for deferred tax	188.5	376.0	138.0
	Provisions for losses on guarantees	26.8	2.7	27.3
	Other provisions	72.7	56.9	74.9
	<b>Total provisions for liabilities</b>	<b>288.0</b>	<b>435.6</b>	<b>240.2</b>
<b>SUBORDINATED DEBT</b>				
16	Subordinated debt	2,318.8	1,800.7	2,561.5
	<b>Total liabilities</b>	<b>68,702.8</b>	<b>63,274.9</b>	<b>73,170.4</b>
<b>SHAREHOLDERS' EQUITY</b>				
	Share capital	1,255.3	1,141.4	1,255.3
	Revaluation reserves	84.0	74.3	83.1
	Accumulated exchange adjustments of foreign entities	7.3	9.7	8.5
	<b>Accumulated changes in value, total</b>	<b>91.3</b>	<b>84.0</b>	<b>91.6</b>
	Statutory reserves	484.4	498.9	503.1
	<b>Other reserves, total</b>	<b>484.4</b>	<b>498.9</b>	<b>503.1</b>
	Retained earnings	4,546.0	3,980.0	4,125.3
	<b>Total shareholders' equity</b>	<b>6,377.0</b>	<b>5,704.3</b>	<b>5,975.3</b>
	<b>Total shareholders' equity and liabilities</b>	<b>75,079.8</b>	<b>68,979.2</b>	<b>79,145.7</b>
<b>OFF-BALANCE-SHEET ITEMS</b>				
17	Contingent assets	14.5	0.0	14.5
18	Contingent liabilities	5,434.6	4,507.9	5,767.1
19	Other obligating agreements	596.5	508.9	596.5

# STATEMENT OF CHANGES IN EQUITY

## THE GROUP

DKK m	Share capital	Revaluation reserve	Foreign-curr. translation reserve	Statutory reserves	Proposed dividend	Retained earnings	Total
<b>SHAREHOLDERS' EQUITY 30.09.13</b>							
Shareholders' equity 01.01.13	1,255.3	83.1	8.5	503.1	0.0	4,125.3	5,975.3
<b>Changes in equity in Q1-Q3 2013:</b>							
<b>Comprehensive income in 2013</b>							
Profit/loss for the period	-	-	-	54.6	-	328.8	383.4
<b>Other comprehensive income</b>							
Net revaluation of corporate properties	-	0.9	-	-	-	-	0.9
Other capital movements in associates	-	-	-	-2.9	-	-	-2.9
Exchange adjustment upon translation of foreign entity	-	-	-1.2	-	-	-	-1.2
<b>Other comprehensive income, total</b>	-	<b>0.9</b>	<b>-1.2</b>	<b>-2.9</b>	-	-	<b>-3.2</b>
<b>Total comprehensive income for the period</b>	-	<b>0.9</b>	<b>-1.2</b>	<b>51.7</b>	-	<b>328.8</b>	<b>380.2</b>
<b>Transactions with owners</b>							
Disposal upon acquisition of treasury shares	-	-	-	-	-	-445.0	-445.0
Addition upon sale of treasury shares	-	-	-	-	-	466.5	466.5
Dividends received from associates recognized at net asset value	-	-	-	-70.4	-	70.4	0.0
<b>Transactions with owners, total</b>	-	-	-	<b>-70.4</b>	-	<b>91.9</b>	<b>21.5</b>
<b>Shareholders' equity 30.09.13</b>	<b>1,255.3</b>	<b>84.0</b>	<b>7.3</b>	<b>484.4</b>	<b>0.0</b>	<b>4,546.0</b>	<b>6,377.0</b>

The share capital consists of 125,529,918 shares in the denomination of DKK 10.

<b>SHAREHOLDERS' EQUITY 30.09.12</b>							
Shareholders' equity 01.01.12	570.7	58.2	4.2	450.7	0.0	3,543.5	4,627.3
<b>Changes in equity in Q1-Q3 2012:</b>							
<b>Comprehensive income in 2012</b>							
Profit/loss for the period	-	-	-	57.5	-	161.2	218.7
<b>Other comprehensive income</b>							
Net revaluation of corporate properties	-	0.1	-	-	-	-	0.1
Other capital movements in associates	-	-	-	-0.3	-	-	-0.3
Dissolution of revaluation reserves in group enterprise, non-consolidated	-	-	-	3.7	-	-3.7	0.0
Tax on other comprehensive income	-	16.0	-	-	-	-	16.0
Exchange adjustment upon translation of foreign entity	-	-	5.5	-	-	-	5.5
<b>Other comprehensive income, total</b>	-	<b>16.1</b>	<b>5.5</b>	<b>3.4</b>	<b>0.0</b>	<b>-3.7</b>	<b>21.3</b>
<b>Total comprehensive income for the period</b>	-	<b>16.1</b>	<b>5.5</b>	<b>60.9</b>	-	<b>157.5</b>	<b>240.0</b>
<b>Transactions with owners</b>							
Capital increase	570.7	-	-	-	-	342.4	913.1
Costs of capital increase	-	-	-	-	-	-82.9	-82.9
Disposal upon acquisition of treasury shares	-	-	-	-	-	-642.9	-642.9
Addition upon sale of treasury shares	-	-	-	-	-	649.7	649.7
Dividends received from associates recognized at net asset value	-	-	-	-12.7	-	12.7	0.0
<b>Transactions with owners, total</b>	<b>570.7</b>	-	-	<b>-12.7</b>	-	<b>279.0</b>	<b>837.0</b>
<b>Shareholders' equity 30.09.12</b>	<b>1,141.4</b>	<b>74.3</b>	<b>9.7</b>	<b>498.9</b>	<b>0.0</b>	<b>3,980.0</b>	<b>5,704.3</b>

The share capital consists of 114,137,620 shares in the denomination of DKK 10.

	Q1-Q3 2013	Q1-Q3 2012	Full year 2012
<b>TREASURY SHARE PORTFOLIO</b>			
Number of shares	342,210	590,960	1,032,801
Percentage of share capital	0.3	0.5	0.8

# CASH FLOW STATEMENT

## THE GROUP

DKK m	Q1-Q3 2013	Q1-Q3 2012	Full year 2012
<b>OPERATIONS</b>			
Profit/loss on continuing activities before tax	451.4	262.1	253.4
Profit/loss on discontinuing activities before tax	39.8	22.7	36.7
Foreign-currency translation, subsidiaries	-1.2	5.5	4.3
Fair-value changes, investment properties	0.9	0.1	1.1
Depreciation, amortization and impairment of intangible assets and property, plant and equipment	94.9	114.6	156.8
Gains and losses on the sale of intangible assets and property, plant and equipment	-0.9	-0.2	-0.4
Adjustment of impairment of loans and advances, etc.	227.0	200.6	187.2
Provisions for liabilities	-2.7	1.0	10.6
Profit/loss on equity investments in associates and group enterprises	-54.7	-57.5	-86.7
Corporate income tax paid	-2.5	-3.0	-48.9
<b>Operations, total</b>	<b>752.0</b>	<b>545.9</b>	<b>514.1</b>
<b>WORKING CAPITAL</b>			
Movement in credit institutions and central banks, net	641.8	-1,673.8	-2,771.0
Movement in loans, advances and other receivables at amortized cost	1,665.3	3,510.6	6,431.1
Movement in bonds at fair value	477.0	-555.1	582.4
Movement in equity portfolio	-6.2	-16.0	-45.5
Movement in issued bonds at amortized cost	-5,791.3	-3,725.3	-5,032.3
Movement in other assets and other liabilities, net	226.0	1,523.4	1,105.1
Movement in deposits and other payables	76.5	2,070.8	2,565.6
<b>Working capital, total</b>	<b>-2,710.9</b>	<b>1,134.6</b>	<b>2,835.4</b>
<b>Cash generated from operations, total</b>	<b>-1,958.9</b>	<b>1,680.5</b>	<b>3,349.5</b>
<b>INVESTMENTS</b>			
Net investment in associates and group enterprises	-3.4	-0.2	-0.8
Net investment in intangible assets	-0.9	-8.9	-9.0
Net investment in other property, plant and equipment	197.9	64.6	-104.9
Net investment in treasury shares	21.5	6.8	-4.3
Dividends from associates and group enterprises	70.4	13.1	51.9
<b>Investments, total</b>	<b>285.5</b>	<b>75.4</b>	<b>-67.1</b>
<b>FINANCING</b>			
Subordinated debt	-242.8	-516.1	-707.1
Capital increase	0.0	913.1	913.0
Cost of capital increase	0.0	-82.9	-83.7
<b>Financing, total</b>	<b>-242.8</b>	<b>314.1</b>	<b>122.2</b>
<b>Movement in cash and cash equivalents for the period</b>	<b>-1,916.2</b>	<b>2,070.0</b>	<b>3,404.6</b>
Cash and cash equivalents, beginning of period	6,119.8	2,715.1	2,715.1
Movement in cash and cash equivalents for the period	-1,916.2	2,070.0	3,404.6
<b>Cash and cash equivalents, end of period</b>	<b>4,203.6</b>	<b>4,785.1</b>	<b>6,119.7</b>
<b>Cash and cash equivalents, end of period</b>			
Cash, cash equivalents and demand deposits with central banks	1,349.2	1,500.7	2,136.0
Cash, cash equivalents and demand deposits with central banks, additions relating to merger	0.0	0.0	205.2
Receivables from credit institutions and central banks with less than 3 mths to maturity	2,854.4	3,284.4	3,521.3
Receivables from credit institutions and central banks with less than 3 mths to maturity, additions relating to merger	0.0	0.0	257.2
<b>Total</b>	<b>4,203.6</b>	<b>4,785.1</b>	<b>6,119.7</b>

Information about cash flows for discontinuing activities appears from note 20, "Discontinuing activities".

Note

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### 1 ACCOUNTING POLICIES

The Interim Financial Statements of the Spar Nord Group covering the period from 1 January to 30 September 2013 have been prepared in accordance with IAS 34, "Interim Financial Reporting", as adopted by the EU, and additional Danish disclosure requirements for interim reports of listed financial institutions.

Apart from the changes referred to below, the accounting policies have been consistently applied with those adopted in the 2012 Annual Report, which contains the complete wording of the accounting policies applied.

#### Changed accounting policies

Effective 1 January 2013, the Spar Nord Group implemented amendments to IAS 1, IFRS 13 and annual improvements to IFRSs 2009-2011.

IFRS 13 regarding fair-value measurement changes the principles for determining the fair value of financial and non-financial assets and liabilities and introduces a range of new disclosure requirements.

The implementation of the above-mentioned amendments and new standards has not materially affected recognition and measurement.

### 2 ACCOUNTING ESTIMATES

The measurement of certain assets and liabilities requires Management to estimate how future events will impact on the value of such assets and liabilities. Estimates of significance to the financial reporting are made in connection with determining the impairment of loans and advances, the fair value of unlisted financial instruments, provisions, etc. Estimates are based on assumptions that Management considers appropriate but which are uncertain by their nature.

With the exception of estimates relating to the time horizon for realizing deferred tax as a consequence of the reduced corporate tax rate, the most significant estimates that Management makes in applying the Group's accounting policies and the most important uncertainty affecting estimates made when preparing the condensed Interim Financial Statements are unchanged from the estimates made in connection with the preparation of the Financial Statements at 31 December 2012 and the uncertainties prevailing at that time.

## Note SEGMENT INFORMATION

3 Business segments - Q1-Q3 2013 DKK m	Spar Nord's Local Banks	Trading, Financial Markets & the Intern. Division	Other areas	Core earnings*)	Reclas. and other items after core earnings**)	The Group's leasing activities (discontinuing activities)***)	The Group, total
<b>INCOME STATEMENT</b>							
Net interest income	1,160.2	174.2	-14.9	1,319.5	228.5	-	1,548.0
Net income from fees, charges and commissions	514.7	13.3	1.6	529.6	-0.1	-	529.5
Market-value adjustments and dividends	60.6	64.5	18.1	143.2	25.9	-	169.1
Other operating income	8.1	1.1	23.0	32.2	2.7	-	34.9
Profit/loss on equity investments in ass. and group enterprises	0.0	0.0	42.0	42.0	12.7	-	54.7
<b>Core income/revenue, total</b>	<b>1,743.6</b>	<b>253.1</b>	<b>69.8</b>	<b>2,066.5</b>	<b>269.7</b>	-	<b>2,336.2</b>
Operating expenses, depreciation and amortization	1,083.2	43.4	98.8	1,225.4	121.0	-	1,346.4
<b>Core earnings before impairment</b>	<b>660.4</b>	<b>209.7</b>	<b>-29.0</b>	<b>841.1</b>	<b>148.7</b>	-	<b>989.8</b>
Impairment of loans, advances and receivables, etc.	304.9	0.0	0.4	305.3	233.1	-	538.4
<b>Core earnings / profit/loss on ordinary operations</b>	<b>355.5</b>	<b>209.7</b>	<b>-29.4</b>	<b>535.8</b>	<b>-84.4</b>	-	<b>451.4</b>
Contributions to sector-wide solutions	0.0	0.0	-83.1	-83.1	83.1	-	0.0
Special merger-related items	-	-	-42.6	-42.6	42.6	-	0.0
<b>Profit/loss on continuing activities before tax</b>	<b>355.5</b>	<b>209.7</b>	<b>-155.1</b>	<b>410.1</b>	<b>41.3</b>	-	<b>451.4</b>
The Group's leasing activities (discontinuing activities) ***)	-	-	-	-	-	39.8	39.8
<b>Profit/loss before tax</b>	<b>355.5</b>	<b>209.7</b>	<b>-155.1</b>	<b>410.1</b>	<b>41.3</b>	<b>39.8</b>	<b>491.2</b>

\*) The core earnings column corresponds to the Group figures in the Management's review.

\*\*) The relation to the Group is specified in the columns Reclassifications and other items after core earnings and The Group's leasing activities (discontinuing activities). Reclassifications and other items after core earnings of DKK -84.4 million consist of: Earnings from investment portfolios, DKK 41.3 million, Contributions to sector-wide solutions, DKK -83.1 million, and Special merger-related items, DKK -42.6 million. Contributions to sector-wide solutions and Special merger-related items have primarily impacted the item Operating expenses, depreciation and amortization, with a total of DKK 121.0 million. Reclassifications have impacted the items Net interest income, Other operating income and Impairment of loans, advances and receivables, etc. with an amount of DKK 233.1 million.

\*\*\*) For yderligere oplysninger om Ophørende aktiviteter henvises til note 20.

Note **SEGMENT INFORMATION**

<b>3 Business segments - Q1-Q3 2013 (continued)</b>						
DKK m	Spar Nord's Local Banks	Trading, Financial Markets & the Intern. Division	Other areas	Earnings from investment portfolios, etc.	The Group's leasing activities (discontinuing activities)***)	The Group, total
<b>BALANCE SHEET</b>						
Loans, advances and other receivables at amortized cost	34,034.1	801.7	-160.4	0.0	2,490.1	37,165.5
Equity investments in associates and group enterprises	0.0	0.0	972.6	1.7	0.0	974.3
Intangible assets and property, plant and equipment *)	239.1	1.4	841.8	0.0	52.9	1,135.2
Miscellaneous assets **)	8,943.5	24,465.0	2,219.9	138.8	37.6	35,804.8
<b>Total assets</b>	<b>43,216.7</b>	<b>25,268.1</b>	<b>3,873.9</b>	<b>140.5</b>	<b>2,580.6</b>	<b>75,079.8</b>
Deposits and other payables	40,703.3	1,535.0	-440.1	0.0	200.0	41,998.2
Shareholders' equity (allocated capital)	3,829.5	641.6	1,654.8	23.9	227.2	6,377.0
Miscellaneous liabilities	8,238.5	5,920.6	10,783.7	7.0	1,754.8	26,704.6
<b>Total shareholders' equity and liabilities</b>	<b>52,771.3</b>	<b>8,097.2</b>	<b>11,998.4</b>	<b>30.9</b>	<b>2,182.0</b>	<b>75,079.8</b>
<b>DISCLOSURES - TOTAL INCOME/REVENUE</b>						
Internal income/revenue	-58.4	24.5	496.8	0.0	0.0	462.9
Internal income and eliminations offset against costs	0.0	-23.7	-439.2	0.0	0.0	-462.9
Income/revenue, external customers, Denmark	1,802.0	252.3	12.2	269.7	0.0	2,336.2
<b>Income/revenue, total</b>	<b>1,743.6</b>	<b>253.1</b>	<b>69.8</b>	<b>269.7</b>	<b>0.0</b>	<b>2,336.2</b>
<b>FINANCIAL RATIOS</b>						
Return on equity (%) ****)	12.4	43.6	-	-	-	-
Cost share of core income	0.62	0.17	-	-	-	-
Risk-weighted items, end of period	31,912	5,347	3,758	200	1,894	43,111
Number of employees (full-time, end of period)	1,104	68	329	-	17	1,518

As in previous years, the Group uses core earnings as its profit target.

The reporting segments correspond to the Group's organizational units, and internal follow-up is carried on in this regard.

**Description of the activities of the business areas:**

- For a description of the activities of Spar Nord's Local Banks, Trading, Financial Markets & the International Division and the Group's leasing activities (discontinuing activities), please see the 2012 Annual Report, pp. 21-25 and p. 68.
- The activities of Other areas include Corporate Coordination & Support and Staff Functions, which are the Group's support functions.
- Earnings from investment portfolios, etc. consist of earnings from the Bank's trading portfolio, Erhvervsinvest Nord A/S and companies from which investment in unlisted shares is carried on.

Internal settlement is determined based on the same principles as in previous years, and expresses contributions to earnings from the activities carried on by the respective business areas.

Internal control takes place based on a net-interest consideration, and accordingly interest income and expenses are not disclosed.

\*) Assets located in countries other than Denmark amounted to DKK 4.3 million at 30 September 2013.

\*\*) Temporary assets amount to DKK 39.0 million, of which DKK 25.2 million relates to the Group's leasing activities and DKK 13.8 million relates to Other areas.

\*\*\*) For further information about Discontinuing activities, please see note 20.

\*\*\*\*) The rate of return on equity per annum has been calculated on allocated capital, which amounts to 12% of the average risk-weighted items.



### Note SEGMENT INFORMATION

3 Business segments - Q1-Q3 2012 DKK m	Spar Nord's Local Banks	Trading, Financial Markets & the Intern. Division	Other areas	Core earnings*)	Reclas. and other items after core earnings**)	The Group's leasing activities (discontinuing activities)***)	The Group, total
<b>INCOME STATEMENT</b>							
Net interest income	980.5	148.1	-0.3	1,128.3	0.3	-	1,128.6
Net income from fees, charges and commissions	398.1	13.4	7.1	418.6	0.0	-	418.6
Market-value adjustments and dividends	59.8	129.9	3.8	193.5	1.1	-	194.6
Other operating income	6.7	0.8	17.0	24.5	0.0	-	24.5
Profit/loss on equity investments in ass. and group enterprises	0.0	0.0	36.6	36.6	20.9	-	57.5
<b>Core income/revenue, total</b>	<b>1,445.1</b>	<b>292.2</b>	<b>64.2</b>	<b>1,801.5</b>	<b>22.3</b>	-	<b>1,823.8</b>
Operating expenses, depreciation and amortization	905.9	53.8	114.1	1,073.8	50.1	-	1,123.9
<b>Core earnings before impairment</b>	<b>539.2</b>	<b>238.4</b>	<b>-49.9</b>	<b>727.7</b>	<b>-27.8</b>	-	<b>699.9</b>
Impairment of loans, advances and receivables, etc.	438.4	0.0	-0.6	437.8	0.0	-	437.8
<b>Core earnings / profit/loss on ordinary operations</b>	<b>100.8</b>	<b>238.4</b>	<b>-49.3</b>	<b>289.9</b>	<b>-27.8</b>	-	<b>262.1</b>
Contributions to sector-wide solutions	0.0	0.0	-44.0	-44.0	44.0	-	0.0
Special merger-related items	0.0	0.0	-8.9	-8.9	8.9	-	0.0
<b>Profit/loss on continuing activities before tax</b>	<b>100.8</b>	<b>238.4</b>	<b>-102.2</b>	<b>237.0</b>	<b>25.1</b>	-	<b>262.1</b>
The Group's leasing activities (discontinuing activities) ***)	-	-	-	-	-	22.7	22.7
<b>Profit/loss before tax</b>	<b>100.8</b>	<b>238.4</b>	<b>-102.2</b>	<b>237.0</b>	<b>25.1</b>	<b>22.7</b>	<b>284.8</b>

\*) The core earnings column corresponds to the Group figures in the Management's review

\*\*) The relation to the Group is specified in the columns Reclassifications and other items after core earnings and the Group's leasing activities (discontinuing activities). Reclassifications and other items after core earnings of DKK -27.8 million consist of: Earnings from investment portfolios, DKK 25.1 million, Contributions to sector-wide solutions, DKK -44.0 million, and Special merger-related items, DKK -8.9 million. Contributions to sector-wide solutions and Special merger-related items have primarily impacted the item Operating expenses, depreciation and amortization, with a total of DKK 50.1 million.

\*\*\*) For further information about Discontinuing activities, please see note 20.

Note **SEGMENT INFORMATION**

<b>3 Business segments - Q1-Q3 2012 (continued)</b>					The Group's	
DKK m	Spar Nord's	Trading, Financial Markets & the Intern. Division	Other areas	Earnings from investment portfolios, etc.	leasing activities [discontinuing activities]***)	The Group, total
<b>BALANCE SHEET</b>						
Loans, advances and other receivables at amortized cost	29,514.7	1,219.1	-57.4	0.0	4,314.5	34,990.9
Equity investments in associates and group enterprises	0.0	0.0	746.5	62.9	0.0	809.4
Intangible assets and property, plant and equipment *)	183.0	1.8	560.9	0.0	285.0	1,030.7
Miscellaneous assets **)	7,271.9	21,873.0	2,715.9	136.3	151.1	32,148.2
<b>Total assets</b>	<b>36,969.6</b>	<b>23,093.9</b>	<b>3,965.9</b>	<b>199.2</b>	<b>4,750.6</b>	<b>68,979.2</b>
Deposits and other payables	31,446.0	1,347.0	365.3	0.0	0.0	33,158.3
Shareholders' equity (allocated capital)	2,171.6	338.4	2,890.2	14.2	289.9	5,704.3
Miscellaneous liabilities	6,467.9	6,505.3	12,845.8	14.8	4,282.8	30,116.6
<b>Total shareholders' equity and liabilities</b>	<b>40,085.5</b>	<b>8,190.7</b>	<b>16,101.3</b>	<b>29.0</b>	<b>4,572.7</b>	<b>68,979.2</b>
<b>DISCLOSURES - TOTAL INCOME/REVENUE</b>						
Internal income/revenue	-54.6	30.0	457.9	-1.2	-	432.1
Internal income and eliminations offset against costs	0.0	-15.0	-417.1	0.0	-	-432.1
Income/revenue, external customers, Denmark	1,499.7	277.2	20.4	26.5	-	1,823.8
<b>Income/revenue, total</b>	<b>1,445.1</b>	<b>292.2</b>	<b>61.2</b>	<b>25.3</b>	<b>-</b>	<b>1,823.8</b>
<b>FINANCIAL RATIOS</b>						
Return on equity (%) ****)	6.2	109.7	-	-	-	-
Cost share of core income	0.63	0.18	-	-	-	-
Risk-weighted items, end of period	27,145	4,231	2,943	177	3,623	38,119
Number of employees (full-time, end of period)	937	71	324	-	19	1,351

As in previous years, the Group uses core earnings as its profit target.

The reporting segments correspond to the Group's organizational units, and an internal follow-up is carried on in this regard.

**Description of the activities of the business areas:**

- For a description of the activities of Spar Nord's Local Banks, Trading, Financial Markets & the International Division and the Group's leasing activities (discontinuing activities), please see the 2012 Annual Report, pp. 21-25 and p. 68.
- The activities of Other areas include Corporate Coordination & Support and Staff Functions, which are the Group's support functions.
- Earnings from investment portfolios, etc. consist of earnings from the Bank's trading portfolio, Erhvervsinvest Nord A/S and companies from which investment in unlisted shares is carried on.

Internal settlement is determined based on the same principles as in previous years, and expresses contributions to earnings from the activities carried on by the respective business areas.

Internal control takes place based on a net-interest consideration, and accordingly interest income and expenses are not disclosed.

\*) Assets located in countries other than Denmark amounted to DKK 11.3 million at 30 September 2012.

\*\*) Temporary assets amount to DKK 66.8 million, of which DKK 64.4 million relates to the Group's leasing activities and DKK 2.4 million relates to Other areas.

\*\*\*) For further information about Discontinuing activities, please see note 20.

\*\*\*\*) The rate of return on equity per annum has been calculated on allocated capital, which amounts to 8% of the average risk-weighted items.

# NOTES

## THE GROUP

Note	DKK m	Q1-Q3 2013	Q1-Q3 2012	Full year 2012
<b>4</b>	<b>INTEREST INCOME</b>			
	Receivables from credit institutions and central banks	4.3	15.2	17.2
	Loans, advances and other receivables	1,587.9	1,420.0	1,933.2
	Interest income, discontinuing activities *)	-57.6	-123.1	-148.6
	Bonds	269.9	259.0	350.5
	Foreign-exchange contracts	-4.6	-8.0	-10.9
	Interest-rate contracts	-33.3	-22.3	-41.8
	<b>Derivative instruments, total</b>	<b>-37.9</b>	<b>-30.3</b>	<b>-52.7</b>
	Other interest income	230.4	0.0	5.3
	<b>Total interest income</b>	<b>1,997.0</b>	<b>1,540.8</b>	<b>2,104.9</b>
	<i>Of which, income from genuine purchase and resale transactions booked under</i>			
	Receivables from credit institutions and central banks	-2.4	0.7	-0.4
	Loans, advances and other receivables	0.3	0.3	0.4
	<i>*) Discontinuing activities are described in more detail in note 20</i>			
<b>5</b>	<b>INTEREST EXPENSES</b>			
	Credit institutions and central banks	10.0	30.2	34.9
	Deposits and other payables	304.6	256.0	351.7
	Issued bonds	52.6	138.3	163.8
	Interest expenses, discontinuing activities *)	-57.6	-123.1	-149.0
	Subordinated debt	139.4	110.6	155.6
	Other interest expenses	0.0	0.2	0.2
	<b>Total interest expenses</b>	<b>449.0</b>	<b>412.2</b>	<b>557.2</b>
	<i>Of which, interest expenses from genuine sale and repo transactions booked under</i>			
	Payables to credit institutions and central banks	1.2	12.4	14.7
	Deposits and other payables	0.0	0.0	0.0
	<i>*) Discontinuing activities are described in more detail in note 20</i>			
<b>6</b>	<b>FEES, CHARGES AND COMMISSIONS RECEIVED</b>			
	Securities trading and custody accounts	95.2	78.3	113.9
	Asset management	120.1	73.8	99.6
	Payment services	56.9	47.3	63.6
	Loan transaction fees	223.8	181.0	238.7
	- of which, mortgage-credit institutions	148.3	114.4	152.7
	Guarantee commissions	31.3	32.9	41.9
	Other fees, charges and commissions	47.4	44.2	55.2
	<b>Total fees, charges and commissions received</b>	<b>574.7</b>	<b>457.5</b>	<b>612.9</b>
<b>7</b>	<b>FEES, CHARGES AND COMMISSIONS PAID</b>			
	Securities trading and custody accounts	14.3	16.1	23.5
	Asset management	2.4	2.3	3.5
	Guarantee commissions	0.1	0.2	0.2
	Other fees, charges and commissions	28.4	20.3	29.3
	<b>Total fees, charges and commissions paid</b>	<b>45.2</b>	<b>38.9</b>	<b>56.5</b>
<b>8</b>	<b>NET FEES, CHARGES AND COMMISSIONS RECEIVED</b>			
	Securities trading and custody accounts	80.9	62.2	90.4
	Asset management	117.7	71.5	96.1
	Payment services	56.9	47.3	63.6
	Loan transaction fees	223.8	181.0	238.7
	- of which, mortgage-credit institutions	148.3	114.4	152.7
	Guarantee commissions	31.2	32.7	41.7
	Other fees, charges and commissions	19.0	23.9	25.9
	<b>Total net fees, charges and commissions received</b>	<b>529.5</b>	<b>418.6</b>	<b>556.4</b>
<b>9</b>	<b>MARKET-VALUE ADJUSTMENTS</b>			
	Other loans, advances and receivables at fair value	-2.0	3.4	4.0
	Bonds	-71.0	113.7	160.6
	Shares, etc.	78.2	31.4	21.5
	Currency	-28.7	62.9	25.6
	Foreign-exchange, interest, share, commodity and other contracts and derivative instruments	124.0	-58.1	-12.4
	Assets linked to pooled schemes	455.7	417.8	444.4
	Deposits in pooled schemes	-455.7	-417.8	-444.4
	Miscellaneous commitments	47.7	25.2	31.6
	<b>Total market-value adjustments</b>	<b>148.2</b>	<b>178.5</b>	<b>230.9</b>

# NOTES

## THE GROUP

Note	DKK m	Q1-Q3 2013	Q1-Q3 2012	Full year 2012
<b>10 STAFF COSTS AND ADMINISTRATIVE EXPENSES</b>				
Staff costs		736.9	636.3	938.9
Administrative expenses		466.6	394.1	554.5
<b>Total staff costs and administrative expenses</b>		<b>1,203.5</b>	<b>1,030.4</b>	<b>1,493.4</b>
<i>Staff costs</i>				
Salaries		591.2	525.1	784.2
Share-based payment		-	-	-
Pensions		81.1	65.3	90.3
Social security costs		64.6	45.9	64.4
<b>Total staff costs</b>		<b>736.9</b>	<b>636.3</b>	<b>938.9</b>
<i>Of which, remuneration to present and previous members of the Executive Board and Board of Directors amounts to</i>				
<i>Board of Directors</i>				
Number		10	9	10
Fixed pay		2.0	1.8	2.4
Variable pay		0.0	0.0	0.0
Pension		0.0	0.0	0.0
<b>Total remuneration</b>		<b>2.0</b>	<b>1.8</b>	<b>2.4</b>
<i>Executive Board</i>				
Number		4	3	4
Base salary		9.5	7.2	9.9
- less directorship fees		1.2	1.3	1.7
<b>The Bank's expense, base salary</b>		<b>8.3</b>	<b>5.9</b>	<b>8.2</b>
Variable pay		0.0	0.0	0.0
Pension, ordinary contribution		1.2	0.9	1.1
Pension, extraordinary single payment		0.9	0.0	0.0
<b>Total remuneration</b>		<b>10.4</b>	<b>6.8</b>	<b>9.3</b>
<i>Breakdown of remuneration to Executive Board</i>				
<i>Lasse Nyby *)</i>				
Base salary		2.7	2.6	3.5
- less directorship fees		0.3	0.4	0.6
<b>The Bank's expense, base salary</b>		<b>2.4</b>	<b>2.2</b>	<b>2.9</b>
Variable pay		0.0	0.0	0.0
Pension, ordinary contribution		0.3	0.3	0.4
Pension, extraordinary single payment		0.3	0.0	0.0
<b>Total remuneration</b>		<b>3.0</b>	<b>2.5</b>	<b>3.3</b>
<i>Bent Jensen *) **)</i>				
Base salary		2.2	-	0.3
- less directorship fees		0.0	-	0.0
<b>The Bank's expense, base salary</b>		<b>2.2</b>	<b>-</b>	<b>0.3</b>
Variable pay		0.0	-	0.0
Pension, ordinary contribution		0.3	-	0.1
<b>Total remuneration</b>		<b>2.5</b>	<b>-</b>	<b>0.4</b>
<i>John Lundsgaard</i>				
Base salary		2.4	2.4	3.1
- less directorship fees		0.5	0.5	0.6
<b>The Bank's expense, base salary</b>		<b>1.9</b>	<b>1.9</b>	<b>2.5</b>
Variable pay		0.0	0.0	0.0
Pension, ordinary contribution		0.3	0.3	0.3
<b>Total remuneration</b>		<b>2.2</b>	<b>2.2</b>	<b>2.8</b>
<i>Lars Møller *)</i>				
Base salary		2.2	2.2	3.0
- less directorship fees		0.4	0.4	0.5
<b>The Bank's expense, base salary</b>		<b>1.8</b>	<b>1.8</b>	<b>2.5</b>
Variable pay		0.0	0.0	0.0
Pension, ordinary contribution		0.3	0.3	0.3
Pension, extraordinary single payment		0.6	0.0	0.0
<b>Total remuneration</b>		<b>2.7</b>	<b>2.1</b>	<b>2.8</b>
*) To which should be added employer-paid car				
**) Bent Jensen took office in connection with the merger with Sparbank on 15 November 2012				
<i>Termination rules:</i>				
The members of the Executive Board have a term of notice of 12 months and will receive compensation corresponding to two years' pay.				
<i>Pension obligation:</i>				
Like the other employees, members of the Executive Board are comprised by defined-contribution pension plans.				
The contractual provisions upon resignation in connection with transition to a retirement plan between age 60 and 64 previously applying to Lasse Nyby, Lars Møller and John Lundsgaard were removed as at 30 April 2013 and replaced by a higher regular pension contribution coupled with a higher extraordinary single pension payment.				
In this connection, provisions of DKK 1.1 million previously made were reversed.				
<i>Incentive scheme:</i>				
No new share-option schemes were established for any of the Bank's staff groups.				
<i>Number of employees:</i>				
The average number of employees in terms of full-time employees:				
- continuing activities		1,548.6	1,343.8	1,377.9
- discontinuing activities		18.2	27.0	25.0

# NOTES

## THE GROUP

Note	DKK m	Q1-Q3 2013	Q1-Q3 2012	Full year 2012
	<i>Administrative expenses</i>			
	IT expenses	224.9	185.4	256.1
	Marketing costs	68.3	65.0	85.8
	Cost of premises	69.5	53.7	82.4
	Staff costs and travelling expenses	41.0	39.5	53.7
	Office expenses	25.3	19.6	30.7
	Other administrative expenses	37.6	30.9	45.8
	<b>Total administrative expenses</b>	<b>466.6</b>	<b>394.1</b>	<b>554.5</b>
<b>11</b>	<b>RECEIVABLES FROM CREDIT INSTITUTIONS AND CENTRAL BANKS</b>			
	Receivables from central banks, subject to notice	0.0	0.0	0.0
	Receivables from credit institutions	2,952.5	3,544.8	3,977.1
	<b>Total receivables from credit institutions and central banks</b>	<b>2,952.5</b>	<b>3,544.8</b>	<b>3,977.1</b>
<b>12</b>	<b>IMPAIRMENT OF LOANS AND ADVANCES AND PROVISIONS FOR LOSSES ON GUARANTEES</b>			
	<i>Individual impairment of loans and advances</i>			
	Individual impairment, beginning of period	1,230.3	1,050.4	1,050.4
	New individual impairment	629.9	522.3	642.9
	Reversal of individual impairment losses	211.4	168.9	233.1
	Previously written down, now definitively lost	259.0	225.2	318.8
	Interest on impaired loans and advances taken to income	69.5	67.4	88.9
	<b>Individual impairment, end of period</b>	<b>1,459.3</b>	<b>1,246.0</b>	<b>1,230.3</b>
	<i>Groups of impairment losses, loans and advances</i>			
	Groups of impairment losses, beginning of period	97.4	90.6	90.6
	New groups of impairment losses	2.9	3.9	6.8
	Reversal of groups of impairment losses	5.6	0.0	0.0
	<b>Groups of impairment losses, end of period</b>	<b>94.7</b>	<b>94.5</b>	<b>97.4</b>
	<i>Total impairment of loans and advances</i>			
	Impairment, beginning of period	1,327.7	1,141.0	1,141.0
	New impairment	632.8	526.2	649.7
	Reversal of impairment losses	217.0	168.9	233.1
	Previously written down, now definitively lost	259.0	225.2	318.8
	Interest on impaired loans and advances taken to income	69.5	67.4	88.9
	<b>Impairment, end of period</b>	<b>1,554.0</b>	<b>1,340.5</b>	<b>1,327.7</b>
	<i>Impairment recognized in the income statement</i>			
	New impairment	632.8	526.2	649.7
	Reversal of impairment losses	217.0	168.9	233.1
	Losses without prior impairment	152.6	126.1	238.4
	Carried to income, previously written off	29.1	19.8	25.8
	<b>Recognized in the income statement</b>	<b>539.3</b>	<b>463.6</b>	<b>629.2</b>
	<b>Impairment, other credit risks</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
	<i>Provisions for losses on guarantees</i>			
	Provisions, beginning of period	2.3	1.8	1.8
	New provisions	1.0	1.9	1.9
	Reversal of provisions	0.4	1.0	1.4
	Previously written down, now definitively lost	0.0	0.0	0.0
	<b>Provisions for losses on guarantees, end of period</b>	<b>2.9</b>	<b>2.7</b>	<b>2.3</b>
	<i>Provisions for losses on guarantees recognized in the income statement</i>			
	New provisions	1.0	1.9	1.9
	Reversal of provisions	0.4	1.0	1.4
	Losses without prior provisions	0.0	0.9	1.2
	<b>Recognized in the income statement</b>	<b>0.6</b>	<b>1.8</b>	<b>1.7</b>
	<b>Impairment account for loans, advances and provisions for losses on guarantees, total</b>	<b>1,556.9</b>	<b>1,343.2</b>	<b>1,330.0</b>
	<b>Impairment of loans, advances and receivables, etc.</b>			
	<i>The total recognition in the income statement under impairment of loans, advances and receivables, etc. can be broken down as follows:</i>			
	Impairment of loans, advances and receivables, etc.	539.3	463.6	629.2
	Provisions for losses on guarantees	0.6	1.8	1.7
	<b>Total impairment of loans, advances and receivables, etc.</b>	<b>539.9</b>	<b>465.4</b>	<b>630.9</b>
	Recognized in profit/loss on discontinuing activities	1.5	27.6	31.9
	<b>Recognized in impairment of loans, advances and receivables, etc.</b>	<b>538.4</b>	<b>437.8</b>	<b>599.0</b>
	<b>Total impairment recognized under profit/loss on discontinuing activities</b>			
	New impairment losses and reversal of impairment losses	1.5	27.6	31.9
	Losses without prior impairment	32.9	28.8	40.3
	Carried to income, previously written off	10.4	2.3	4.0
	<b>Recognized in the income statement</b>	<b>24.0</b>	<b>54.1</b>	<b>68.2</b>
	<b>Non-accrual loans</b>			
	Continuing activities	422.1	77.2	391.6
	Discontinuing activities	64.9	18.6	11.6
	<b>Total non-accrual loans</b>	<b>487.0</b>	<b>95.8</b>	<b>403.2</b>
	<b>Interest on impaired receivables is calculated on the impaired balance only</b>			
	<i>Interest on impaired loans and advances taken to income:</i>			
	Continuing activities	65.7	62.6	81.9
	Discontinuing activities	3.8	4.8	7.0
	<b>Total interest on impaired loans and advances taken to income</b>	<b>69.5</b>	<b>67.4</b>	<b>88.9</b>

# NOTES

## THE GROUP

Note	DKK m	Q1-Q3 2013	Q1-Q3 2012	Full year 2012				
<b>13 OTHER ASSETS</b>								
Positive market value of derivative instruments, etc.		1,404.5	1,816.4	2,067.5				
Miscellaneous receivables		57.0	55.1	82.9				
Interest and commissions receivable		350.8	310.8	380.9				
Miscellaneous assets		43.3	25.8	47.4				
<b>Other assets, total</b>		<b>1,855.6</b>	<b>2,208.1</b>	<b>2,578.7</b>				
<b>14 DEPOSITS AND OTHER PAYABLES</b>								
On demand		27,459.5	21,706.6	27,252.5				
Subject to notice		6,249.8	4,798.3	4,065.0				
Time deposits		3,112.1	3,196.8	5,328.9				
Special types of deposit		5,176.8	3,456.6	5,275.3				
<b>Deposits and other payables, total</b>		<b>41,998.2</b>	<b>33,158.3</b>	<b>41,921.7</b>				
<b>15 OTHER LIABILITIES</b>								
Miscellaneous payables		1,937.1	1,245.1	1,758.0				
Negative market value of derivative instruments, etc.		1,390.8	1,988.4	2,173.6				
Interest and commissions payable		379.0	329.1	230.2				
Miscellaneous liabilities		803.7	1,298.6	747.2				
<b>Other liabilities, total</b>		<b>4,510.6</b>	<b>4,861.2</b>	<b>4,909.0</b>				
<b>16 SUBORDINATED DEBT</b>								
Currency	Note	Principal (DKK m)	Interest rate	Received	Maturity			
DKK	a	200.0	3.065%	2006	14.11.2014	0.0	0.0	200.0
DKK	b	100.0	1.908%	2007	03.12.2015	0.0	100.0	0.0
DKK	c	58.0	8.000%	2010	25.11.2020	57.8	0.0	57.7
DKK	d	400.0	6.043%	2012	28.11.2022	396.7	0.0	397.6
<b>Supplementary capital contributions, total</b>						<b>454.5</b>	<b>100.0</b>	<b>655.3</b>
<b>Hybrid core capital</b>								
DKK	e	350.0	5.250%	2005	Perpetual	365.8	377.0	375.1
DKK	f	200.0	4.804%	2005	Perpetual	209.7	0.0	214.2
DKK	g	1,265.0	9.690%	2009	Perpetual	1,290.5	1,323.7	1,317.0
Portfolio of own bonds						-1.7	0.0	-0.1
<b>Subordinated debt, total</b>						<b>2,318.8</b>	<b>1,800.7</b>	<b>2,561.5</b>
Interest on subordinated debt						134.8	109.9	153.9
Costs of raising subordinated debt						4.6	0.7	1.7
a	Redeemed on 15.05.2013.							
b	Redeemed on 03.12.2012.							
c	Redeemable as from 25.11.2015, after which date interest is fixed at Danmarks Nationalbank's 5-year swap rate + a 5.416% margin.							
d	Redeemable as from 28.11.2017, after which date interest is fixed at DKKC3M + a 5.00% margin.							
e	Redeemable as from 16.03.2015, after which date interest is fixed at DKKC3M + a 2.33% margin.							
f	Redeemable as from 09.09.2015, after which date interest is fixed at DKKC3M + a 2.60% margin.							
g	Redeemable as from 30.05.2014 - 30.06.2014 at par, from 01.07.2014 - 30.06.2015 at a price of 105 and after that at a price of 110.							
The subordinated debt under items a), c) and f) was acquired in connection with the merger with Sparbank. In addition, a loan of DKK 480.3 million was acquired in connection with the merger with Sparbank. The loan was subsequently repaid on 12 December 2012.								
<b>17 CONTINGENT ASSETS</b>	The Group has an unutilized tax loss of DKK 56.7 million, equal to a tax base of DKK 14.2 million, which has not been recognized in the balance sheet as the time horizon for utilizing it is long.							
The unutilized tax loss has arisen as a result of the merger between Spar Nord Bank A/S and Sparbank A/S, but is a separate loss specifically relating to Aktieselskabet Skelagervej 15 (a previous, jointly taxed subsidiary of Sparbank A/S), which means that only Aktieselskabet Skelagervej 15 can utilize the tax loss.								
The subgroup joint taxation loss arose during the period of joint taxation between Aktieselskabet Skelagervej 15 and Sparbank A/S, during which period tax losses were realized.								
<b>18 CONTINGENT LIABILITIES</b>	The Bank and all major wholly-owned subsidiaries are jointly registered for payroll tax and VAT and are jointly and severally liable for the payroll tax and VAT payable.							
Financial guarantees						2,068.6	1,666.0	2,044.8
Loss guarantees for mortgage-credit loans						1,909.4	823.7	1,709.9
Registration and refinancing guarantees						699.5	1,549.9	1,362.6
Other contingent liabilities						757.1	468.3	649.8
<b>Total contingent liabilities</b>						<b>5,434.6</b>	<b>4,507.9</b>	<b>5,767.1</b>

Note	DKK m	Q1-Q3 2013	Q1-Q3 2012	Full year 2012
<b>19 OTHER OBLIGATING AGREEMENTS</b>				
Miscellaneous		596.5	508.9	596.5
<b>Other obligating agreements, total</b>		<b>596.5</b>	<b>508.9</b>	<b>596.5</b>
<i>Miscellaneous is composed of:</i>				
<i>Rent obligations *)</i>				
The Bank has concluded lease agreements with real property lessors regarding a number of the Bank's branches. The rent obligation until the legal notice of termination date amounts to DKK 84.5 million.				
<i>Data-processing centre *)</i>				
The Bank has concluded an agreement with the data-processing centre Skandinavisk Data Center A/S regarding provision of services in the IT area. Early cancellation of this agreement within the agreed notice period would result in the Bank incurring a maximum cost of DKK 512.0 million corresponding to the average monthly payments over a period of 36 months.				
The Spar Nord Group has no other obligating agreements.				
*) According to the most recent Annual Report.				
<b>20 DISCONTINUING ACTIVITIES</b>				
Discontinuing activities comprise activities in Spar Nord Leasing and the leasing activities acquired in connection with the merger with Sparbank.				
Since September 2011, when the forward-looking activities of Spar Nord Leasing A/S were transferred, the activities of Spar Nord Leasing A/S have been classified as discontinuing activities.				
The disclosures below show the income and costs, etc. that will discontinue when the leasing activities have been fully phased out.				
<b>Income statement disclosures - discontinuing activities:</b>				
Interest income		148.3	236.9	293.4
Interest expenses		57.8	131.8	159.0
<b>Net interest income</b>		<b>90.5</b>	<b>105.1</b>	<b>134.4</b>
Fees, charges and commissions received		2.6	4.0	5.1
Fees, charges and commissions paid		0.3	0.4	0.5
<b>Net income from interest, fees, charges and commissions</b>		<b>92.8</b>	<b>108.7</b>	<b>139.0</b>
Market-value adjustments		-0.1	2.3	1.9
Other operating income		36.1	102.6	148.3
Staff costs and administrative expenses		39.8	66.8	88.9
Depreciation, amortization and impairment of intangible assets and property, plant and equipment		20.8	63.0	84.7
Other operating expenses		4.4	7.0	10.7
Impairment of loans, advances and receivables, etc.		24.0	54.1	68.2
<b>Profit/loss before tax</b>		<b>39.8</b>	<b>22.7</b>	<b>36.7</b>
Tax		-2.8	5.6	10.4
<b>Total profit/loss on discontinuing activities</b>		<b>42.6</b>	<b>17.1</b>	<b>26.3</b>
<b>Cash flow statement disclosures - discontinuing activities:</b>				
Cash generated from operations		-20.7	-96.0	127.4
Cash generated from investments		281.9	80.5	106.2
Cash generated from financing		-250.0	0.0	0.0
<b>Total cash flows</b>		<b>11.2</b>	<b>-15.5</b>	<b>233.6</b>
Earnings per share on discontinuing activities (DKK)		0.3	0.1	0.2
Diluted earnings per share on discontinuing activities (DKK)		0.3	0.1	0.2

# NOTES WITHOUT REFERENCE NUMBERS

## THE GROUP

DKK m	Listed prices Level 1	Observable inputs Level 2	Non-observable inputs Level 3	Total fair value	Carrying amount
<b>FINANCIAL INSTRUMENTS RECOGNIZED AT FAIR VALUE</b>					
The table below breaks down financial instruments relative to the classification in the fair-value hierarchy and net carrying amount.					
<b>Q1-Q3 2013</b>					
<i>Financial assets</i>					
Bonds at fair value	8,344.1	11,341.9	86.3	19,772.3	19,772.3
Shares, etc.	98.9	1,029.8	79.9	1,208.6	1,208.6
Assets linked to pooled schemes	6,120.9	2,344.2	0.0	8,465.1	8,465.1
Positive market value of derivative instruments	0.0	1,404.5	0.0	1,404.5	1,404.5
<b>Total</b>	<b>14,563.9</b>	<b>16,120.4</b>	<b>166.2</b>	<b>30,850.5</b>	<b>30,850.5</b>
<i>Financial liabilities</i>					
Deposits in pooled schemes	0.0	8,465.1	0.0	8,465.1	8,465.1
Negative market value of derivative instruments	0.0	1,390.8	0.0	1,390.8	1,390.8
<b>Total</b>	<b>0.0</b>	<b>9,855.9</b>	<b>0.0</b>	<b>9,855.9</b>	<b>9,855.9</b>

*Bonds, assets linked to pooled schemes and derivative instruments are valued according to the following principles:*

- In case of listed prices, the fair value is fixed at the listed price or the price quoted by a recognized exchange or another external party.
- In case of pricing based on observable inputs, the fair value is calculated by means of a market-based yield curve plus/minus a credit spread, which is also calculated based on market prices.
- In case of pricing based on non-observable inputs, the calculation includes inputs based on the Bank's own valuations of individual elements, and also market data in some cases.

*Shares are valued according to the following principles:*

- In case of listed prices, the fair value is fixed at the price quoted by a recognized exchange or another external party.
- In case of pricing based on observable inputs, the fair value is calculated in accordance with the provisions of shareholders' agreements, etc. or inputs based on actual trades. At June 2013, shares priced on the basis of the prices recommended by Lokale Pengeinstitutter (the Association of Local Banks, Savings Banks and Cooperative Banks in Denmark) were classified as observable inputs.
- In case of pricing based on non-observable inputs, the calculation includes shares valued according to generally accepted valuation principles, e.g., the discounting of future expected cash flows.
- The fair value has been determined reliably for all shares, and accordingly no shares have been recognized at cost.

### Financial instruments measured at fair value based on non-observable prices (Level 3)

In Q1-Q3 2013, the Bank recognized market-value adjustments of DKK 18.9 million in respect of unlisted shares and bonds valued on the basis of non-observable inputs.

	Q1-Q3 2013 DKK m
Carrying amount at 1 January 2013	194.5
Market-value adjustments in the income statement	18.9
Market-value adjustments in other comprehensive income	0.0
Purchase	23.8
Sale	75.2
Transferred to/from Level 3	4.2
<b>Carrying amount at 30 September 2013</b>	<b>166.2</b>



# NOTES WITHOUT REFERENCE NUMBERS

## THE GROUP

DKK m	Q1-Q3 2013	Q1-Q3 2012	Full year 2012
<b>CAPITAL BASE AND SOLVENCY RATIO</b>			
Shareholders' equity	6,377.0	5,704.3	5,975.3
Intangible assets, incl. share recognized in investments in associates	229.9	171.9	237.0
Deferred tax assets *)	19.9	0.0	27.6
Other primary deductions	4.2	4.8	6.4
Revaluation reserves	91.3	84.0	91.6
<b>Common Equity (Tier 1) after primary deductions</b>	<b>6,031.7</b>	<b>5,443.6</b>	<b>5,612.7</b>
Hybrid core capital **)	1,813.7	1,613.2	1,812.9
Change in value of liabilities (own credit risk)	5.4	0.0	0.0
Other deductions	439.61	647.3	452.7
<b>Core capital (Tier 1), incl. hybrid core capital, after deductions</b>	<b>7,400.4</b>	<b>6,409.5</b>	<b>6,972.9</b>
Subordinated debt, excl. hybrid core capital **)	453.9	100.0	553.8
Revaluation reserves, etc.	91.3	84.0	91.6
Other deductions	439.6	184.0	452.7
<b>Capital base after deductions</b>	<b>7,506.0</b>	<b>6,409.5</b>	<b>7,165.6</b>
<b>Risk-weighted items</b>	<b>43,111.3</b>	<b>38,118.6</b>	<b>46,307.4</b>
Common Equity (Tier 1) ratio, %	14.0	14.3	12.1
Core capital (Tier 1) ratio, incl. hybrid core capital, after deductions, %	17.2	16.8	15.1
Solvency ratio, %	17.4	16.8	15.5

The determination of solvency ratio includes recognition of profit/loss for the period.

\*) The amount relates to a separate loss in a subsidiary

\*\*) Including portfolio of own bonds.

### SECURITY FURNISHED

At the end of Q3, the following securities were deposited in connection with margining and securities settlement, etc.

With Danmarks Nationalbank (the central bank), the Royal Bank of Scotland (RBS) and foreign clearing centres

Bonds included in the trading portfolio	5,937.6	5,400.8	6,044.7
Shares outside the trading portfolio	337.6	304.9	894.6
Deposits, futures clearing	8.1	13.7	10.0

In credit institutions

Provided under CSA agreements, etc. for derivatives trades	870.8	1,349.1	1,391.0
Received under CSA agreements, etc. for derivatives trades	22.6	38.3	159.6

Bonds sold as an element in genuine sale and repo transactions

Bonds bought as an element in genuine sale and repo transactions	4,702.8	4,253.0	2,943.3
	1,647.1	1,432.5	1,730.5

Vis-à-vis customers

Provided under CSA agreements, etc. for derivatives trades	0.9	0.0	0.0
Received under CSA agreements, etc. for derivatives trades	0.0	0.0	8.0

Bonds bought as an element in genuine sale and repo transactions

	542.2	698.4	115.5
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Uncollateralized securities deposited may be released on demand.

The minimum value of collateral required to be provided with Danmarks Nationalbank amounted to DKK 3,350.0 million at end-Q3 2013 (end-2012: DKK 3,350.0 million).

# NOTES WITHOUT REFERENCE NUMBERS

## THE GROUP

DKK m	Q1-Q3 2013	Q1-Q3 2012	Full year 2012
<b>HEDGE ACCOUNTING</b>			
<b>Assets</b>			
<i>Loans and advances</i>			
Carrying amount	85.9	89.2	89.6
Purchase price	75.0	75.0	75.0
Fair value	85.9	89.2	89.6
Nominal value	75.0	75.0	75.0
<i>Interest-risk-hedging financial instruments</i>			
<i>Derivatives (swap contracts)</i>			
Carrying amount	-10.9	-14.1	-14.6
Fair value	-10.9	-14.1	-14.6
Synthetic principal/nominal value	75.0	75.0	75.0
<b>Liabilities</b>			
<i>Subordinated debt</i>			
Carrying amount	2,262.2	1,702.5	2,309.8
Purchase price	2,215.0	1,615.0	2,215.0
Fair value	2,262.2	1,702.5	2,309.8
Nominal value	2,215.0	1,615.0	2,215.0
<i>Interest-risk-hedging financial instruments</i>			
<i>Derivatives (swap contracts)</i>			
Carrying amount	46.1	85.7	94.2
Fair value	46.1	85.7	94.2
Synthetic principal/nominal value	2,215.0	1,615.0	2,215.0

## OWNERSHIP

The Spar Nord Foundation, Aalborg, Nykredit Realkredit A/S, Copenhagen, the Spar Vest Foundation, Skive, and FMR LLC, USA, have disclosed that they each own more than 5% of the share capital of Spar Nord Bank A/S.