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## Quarterly report for Q3 2010 for Spar Nord Bank A/S

Stable income, declining costs and a downturn in impairment provisions spurred Q3's sharp profit growth

- DKK 658 million in core income – compared with DKK 669 million in Q2
- Operating expenses down 14% to DKK 364 million
- Impairment losses on loans and advances amounted to DKK 101 million - corresponding to an impairment ratio of 0.85% p.a.
- Core earnings up 39% to DKK 192 million
- DKK 82 million by way of contributions to sector-targeted solutions - last quarter with contributions to Bank Package I
- Pre-tax profits up from DKK 39 million in Q2 to DKK 102 million in Q3
- Third successive quarterly period with growth in bank lending
- Sustained strong liquidity position - excess coverage relative to strategic target amounted to DKK 7.6 billion
- Core earnings before impairment now expected to hover at the DKK 900-1,000 million mark for the full year, compared with the previous DKK 800-1,000 million estimate. The impairment ratio is still expected to end at around 1.0%.

DKK million	Q3 2010	Q2 2010	Change in DKK	Change in pct.	Q1-Q3 2010	Q1-Q3 2009	Change in pct.
Core income	658	669	-11	-2	1.971	2.009	-2
Costs and expenses	364	423	-59	-14	1.225	1.206	2
Impairment of loans and advances, etc.	101	107	-6	-6	331	420	-21
Core earnings	192	138	54	39	415	383	8
Contributions to sector-targeted solutions	82	81	1	1	245	217	13
Profit/loss before tax	102	39	63	162	151	161	-6

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

- Q3 proved to continue the positive trends we saw in Q2. Our income level is respectable, and the implemented cost-cutting exercise is running extremely smoothly. Although the going is still a bit heavy, it is gratifying that we have now seen growth in lending across three successive quarterly periods. The inflow of new customers is increasing, especially on the business customer side, and in future quarterly periods we will strengthen our stakes to increase our market share.

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## PERFORMANCE INDICATORS AND FINANCIAL RATIOS - THE GROUP

THE DANISH FINANCIAL SUPERVISORY AUTHORITY'S LAYOUT AND RATIO SYSTEM

DKK million	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q1-Q3 2010	Q1-Q3 2009	Change in pct.	Full year 2009
<b>INCOME STATEMENT</b>									
Net interest income	402.2	411.2	392.5	410.1	415.5	1,205.9	1,357.6	-11.2	1,767.7
Net income from fees, charges and commissions	121.7	121.6	128.0	108.0	103.5	371.3	308.8	20.2	416.8
Market-value adjustments and dividends	78.3	77.5	82.4	69.0	61.3	238.2	235.0	1.4	304.0
Other operating income	37.3	41.7	31.8	26.1	23.9	110.8	73.7	50.3	99.8
Profit/loss on investments in associates and group enterprises	18.4	16.6	10.0	2.0	16.8	45.0	33.9	32.7	35.9
<b>Core income</b>	<b>657.9</b>	<b>668.6</b>	<b>644.7</b>	<b>615.2</b>	<b>621.0</b>	<b>1,971.2</b>	<b>2,009.0</b>	<b>-1.9</b>	<b>2,624.2</b>
Salaries	201.2	248.5	256.6	227.1	230.2	706.3	688.3	2.6	915.4
Operating costs	123.6	139.9	151.6	158.9	136.3	415.1	435.6	-4.7	594.5
Depreciation and impairment, assets held under operating leases	21.6	20.0	14.5	13.7	10.5	56.1	27.1	107.0	40.8
Depreciation and impairment, other assets	18.0	14.7	15.2	15.7	12.8	47.9	55.0	-12.9	70.7
<b>Costs and expenses</b>	<b>364.4</b>	<b>423.1</b>	<b>437.9</b>	<b>415.4</b>	<b>389.8</b>	<b>1,225.4</b>	<b>1,206.0</b>	<b>1.6</b>	<b>1,621.4</b>
<b>Core earnings before impairment</b>	<b>293.5</b>	<b>245.5</b>	<b>206.8</b>	<b>199.8</b>	<b>231.2</b>	<b>745.8</b>	<b>803.0</b>	<b>-7.1</b>	<b>1,002.8</b>
Impairment of loans, advances and receivables, etc.	101.1	107.2	122.6	164.5	142.4	330.9	419.5	-21.1	584.0
<b>Core earnings</b>	<b>192.4</b>	<b>138.3</b>	<b>84.2</b>	<b>35.3</b>	<b>88.8</b>	<b>414.9</b>	<b>383.5</b>	<b>8.2</b>	<b>418.8</b>
Earnings from investment portfolios *)	-9.4	-18.0	8.6	22.3	29.9	-18.8	-5.2	-	17.1
<b>Profit/loss on ordinary operations</b>	<b>183.0</b>	<b>120.3</b>	<b>92.8</b>	<b>57.6</b>	<b>118.7</b>	<b>396.1</b>	<b>378.3</b>	<b>4.7</b>	<b>435.9</b>
The Danish Banking Sector Emergency Fund *)	-81.5	-81.3	-81.9	-74.0	-71.1	-244.7	-217.2	12.7	-291.2
<b>Profit/loss before tax</b>	<b>101.5</b>	<b>39.0</b>	<b>10.9</b>	<b>-16.4</b>	<b>47.6</b>	<b>151.4</b>	<b>161.1</b>	<b>-6.0</b>	<b>144.7</b>
Tax	22.9	7.0	1.4	-8.7	13.0	31.3	35.9	-12.8	27.2
<b>Profit/loss</b>	<b>78.6</b>	<b>32.0</b>	<b>9.5</b>	<b>-7.7</b>	<b>34.6</b>	<b>120.1</b>	<b>125.2</b>	<b>-4.1</b>	<b>117.5</b>
<b>BALANCE SHEET</b>									
Total assets	70,657	67,910	69,126	64,529	63,357	70,657	63,357	11.5	64,529
Loans and advances	39,293	39,627	40,027	38,315	38,702	39,293	38,702	1.5	38,315
- bank loans and advances	39,020	38,820	38,600	38,315	38,702	39,020	38,702	0.8	38,315
- reverse transactions	273	807	1,427	0	0	273	0	-	0
Deposits	36,457	37,829	38,478	35,998	34,146	36,457	34,146	6.8	35,998
- bank deposits	31,451	33,155	34,075	31,931	30,417	31,451	30,417	3.4	31,931
- repo transactions	0	0	0	0	0	0	0	-	0
- deposits in pooled schemes	5,006	4,674	4,403	4,067	3,729	5,006	3,729	34.2	4,067
Subordinated debt	2,750	2,752	2,717	2,681	2,830	2,750	2,830	-2.8	2,681
Shareholders' equity	4,383	4,306	4,274	4,143	4,175	4,383	4,175	5.0	4,143
Contingent liabilities	7,516	6,568	6,370	6,235	4,890	7,516	4,890	53.7	6,235
Risk-weighted items	43,786	43,384	42,881	41,692	40,545	43,786	40,545	8.0	41,692
Core capital ratio (incl. hybrid core capital) after deductions	5,785	5,718	5,656	5,502	5,536	5,785	5,536	4.5	5,502
Impairment of loans, advances and receivables, etc.	1,241	1,194	1,150	1,100	953	1,241	953	30.2	1,100
Non-performing loans	151	124	122	103	57	151	57	165.6	103
Business volume	83,266	84,024	84,875	80,548	77,738	83,266	77,738	7.1	80,548
<b>FINANCIAL RATIOS</b>									
<i>Solvency</i>									
Solvency ratio (%)	14.1	14.1	14.2	14.2	15.0	14.1	15.0		14.2
Core capital ratio, incl. hybrid capital, (%)	13.2	13.2	13.2	13.2	13.7	13.2	13.7		13.2
Core capital ratio, excl. hybrid capital (%)	9.3	9.3	9.3	9.3	9.6	9.3	9.6		9.3
<i>Earnings</i>									
Return on equity before tax (%)	2.4	0.9	0.3	-0.4	1.2	3.6	3.9		3.5
Return on equity after tax (%)	1.8	0.8	0.2	-0.2	0.8	2.8	3.1		2.9
Cost share of core income	0.55	0.63	0.68	0.68	0.63	0.62	0.60		0.62
Cost share of core income - incl. impairment of loans and advances, etc.	0.71	0.79	0.87	0.94	0.86	0.79	0.81		0.84
<i>Market risk</i>									
Interest-rate risk (%)	-0.3	-0.2	-0.2	0.4	0.7	-0.3	0.7		0.4
Foreign-exchange position (%)	3.2	3.4	3.2	2.9	2.5	3.2	2.5		2.9
Foreign-exchange risk (%)	0.1	0.0	0.0	0.0	0.0	0.1	0.0		0.0
<i>Credit risk</i>									
Loans and advances plus impairment rel. to deposits	110.6	107.4	106.6	109.1	115.8	110.6	115.8		109.1
Loans and advances rel. to shareholders' equity	9.0	9.2	9.4	9.2	9.3	9.0	9.3		9.2
Increase in loans and advances for the period (%)	-0.8	-1.0	4.5	-1.0	-3.2	2.6	-14.7		-15.6
Excess coverage relative to statutory cash ratio requirement (%)	100.6	131.2	165.6	157.0	142.0	100.6	142.0		157.0
Sum total of major commitments (%)	11.2	12.5	13.0	10.9	10.7	11.2	10.7		10.9
Impairment for the period in per cent	0.2	0.2	0.3	0.4	0.3	0.7	0.9		1.3
<i>Spar Nord Bank</i>									
Number of employees (full-time, end of period)	1,500	1,515	1,541	1,530	1,530	1,500	1,530		1,530
Number of branches	72	75	77	77	74	72	74		77
<b>THE SPAR NORD BANK SHARE</b>									
<i>DKK per share of DKK 10</i>									
Share price, end of period	57	59	58	56	64	57	64		56
Net asset value (NAV)	77	76	75	75	76	77	76		75
Profit/loss for the period	1.4	0.6	0.2	-0.1	0.6	2.1	2.3		2.1
Dividend	-	-	-	-	-	-	-		0
Return	-	-	-	-	-	-	-		32
Price/earnings	-	-	-	-	-	-	-		27

\*) The definition and breakdown of earnings from investment portfolios and the Danish Banking Sector Emergency Fund, which have been recognized separately, appear from note 3.

## MANAGEMENT'S COMMENTS ON Q3 2010

**The Spar Nord Group's pre-tax profits ended at DKK 102 million in Q3 2010 versus DKK 39 million in Q2.**

Compared with Q2, Spar Nord recorded a slight decline in core income – down from DKK 669 million to DKK 658 million. The main reason for this is a decrease in net interest income, amounting to DKK 402 million compared with DKK 411 million in Q2. On the upside, market-value adjustments grew from DKK 65 million to DKK 78 million. Net income from fees, charges and commissions ended at DKK 122 million, thus retaining the high level attained in the most recent quarterly periods.

On the cost side we saw a highly satisfactory 14% reduction in Q3, down to DKK 364 million. 9.5 percentage points of this reduction is attributable to changed accrual accounting principles for holiday pay, and 4.5 percentage points relates to targeted initiatives implemented during the two first quarterly periods of the year.

In total, costs and expenses – excluding depreciation of operating leases - are now 1% below the 2009 level.

Impairment of loans and advances, etc. continued the downward trend recorded in the most recent quarterly periods, ending at DKK 101 million, while contributions to sector-targeted solutions (Bank Package I) in the eighth and last quarterly period ended at DKK 82 million.

Management finds the growth and profit performance for Q3 satisfactory, and in light of these results it has chosen to narrow down the forecast for full-year core earnings before impairment from DKK 800-1,000 million to DKK 900-1,000 million.

### SLIGHT DOWNTURN IN NET INTEREST INCOME

Net interest income ended at DKK 402 million, corresponding to a fall of 2% relative to the Q2 level.

This decline is due to a slight increase in interest expenses relating to senior loans, a slight downturn in interest income from the Bank's allocated liquidity sources and a further decline in the interest level. In Q3, the Bank recorded unchanged net interest income on basic deposits and lending compared with Q2.

### NET INCOME FROM FEES, CHARGES AND COMMISSIONS MAINTAINED AT A SATISFACTORY LEVEL

On the fee side, income ended at exactly the same level as in Q2, viz. DKK 122 million.

Compared with the most recent quarterly period, Spar Nord recorded growth in fees from asset management, guarantees and payment services, while loan transaction fees remained at an unchanged high level.

Fees from securities trading slipped relative to Q2.

### SHARP GROWTH IN MARKET-VALUE ADJUSTMENTS

Market-value adjustments ended at DKK 78 million, up 20% on Q2.

This growth is attributable primarily to market-value adjustments on the Group's bond portfolio, while earnings were down on customers' interest and foreign-exchange hedging transactions.

Bond portfolio broken down by type of issuer (DKK million) *	Q3 2010	Q2 2010	Q1 2010
Government bonds	65	-40	118
Mortgage-credit bonds	10,359	11,281	11,444
Financial issuers	1,428	1,157	985
CDOs	0	0	36
Other issuers	150	137	148
<b>Bonds</b>	<b>12,002</b>	<b>12,535</b>	<b>12,731</b>

Bond portfolio broken down by rating (DKK million) *	Q3 2010	Q2 2010	Q1 2010
AAA	6,763	7,663	8,216
AA	3,912	4,038	3,892
A	1,128	614	487
BBB	15	13	0
B	121	113	124
CCC	1	0	0
CC	12	12	12
Unrated	50	82	0
<b>Bonds</b>	<b>12,002</b>	<b>12,535</b>	<b>12,731</b>

\*) The bond portfolio plus spot and forward transactions (purchase + sale)  
For Q2 and Q1 2010, the bond portfolio has been calculated, having regard to the Danish state-guarantee scheme.

### OTHER INCOME REMAINS AT A HIGH LEVEL

The "Other operating income" item ended at DKK 37 million versus DKK 42 million in Q2. Of this amount, income from operating leases at Finans Nord accounts for DKK 26 million (Q2: DKK 24 million) - a figure that should be viewed in the context of the expense item, "Depreciation of operating leases", which ended at DKK 22 million (Q2: DKK 20 million).

The profit on investments in associates and group enterprises came to DKK 18 million compared with DKK 17 million in Q2. The income is attributable chiefly to Spar Nord Bank's shareholding in Nørresundby Bank A/S.

### COST REDUCTION ACROSS THE BOARD

Total costs and expenses amounted to DKK 364 million in Q3 2010, down 14% on Q2.

Payroll costs dropped 19%, or DKK 47 million. Of the total reduction, DKK 7 million is attributable to the closure of positions, and DKK 40 million relates to changed accrual accounting principles with respect to holiday pay. The latter means that payroll costs will be higher in the quarterly periods with few employees on holiday, and sharply lower at other times, especially the summer holidays.

The number of full-time employees was 1,500 at end-Q3, compared with 1,530 at the beginning of the year. This total reflects growth in the number of employees in certain business units, including the new branch of the Markets division in Odense and Finans Nord's operating lease division, while positions were closed down in net terms at the local banks and central support units.

A highly satisfactory reduction of 12% was realized with respect to other operating expenses, resulting in savings on most of the key expense items.

As a result of the reduction in staff numbers and the general focus on costs and other expenditures, Spar Nord still expects to achieve zero growth in costs in 2010 and 2011 - excluding depreciation and impairment of assets held under operating leases.

#### **SUSTAINED DECLINE IN LOAN IMPAIRMENT**

Impairment of loans and advances, etc. ended at DKK 101 million in Q3 2010, DKK 6 million down on Q2. The profit impact of DKK 101 million corresponds to an impairment ratio of 0.85% p.a. - a figure that should be viewed in relation to the announcement made at end-Q2 forecasting a full-year impairment ratio of around 1.0%.

The realized impairment is also mainly attributable to business customers in Q3. In total, DKK 88 million of the DKK 101 million is attributable to business customers, corresponding to an impairment ratio of 1.17% p.a. Of this amount, DKK 33 million is attributable to agricultural customers, corresponding to an impairment ratio of 2.41% p.a. Retail customers continue to show a high level of financial strength, as impairment related to this segment amounted to only DKK 13 million, corresponding to an impairment ratio of 0.30% p.a.

Total impairment of loans and advances amounted to DKK 1,241 million, of which the provision relating to the Danish Banking Sector Emergency Fund accounts for DKK 224 million. The Group's non-performing loans amount to DKK 151 million, and the cover ratio can thus be calculated at 6.7.

#### **The Group's loans, advances and guarantees, by sector**

	Banking sector 31.12.2009	Exposures The Group 30.09.2010	Individual impairment 30.09.2010
Fisheries, etc.	0.2	0.4	0.6
Agriculture, etc.	3.8	11.2	24.7
Manufacturing, etc.	8.7	6.2	5.2
Building and construction	2.7	4.3	5.0
Trade, etc.	5.5	8.5	14.1
Transport, etc.	3.5	5.9	6.6
Credit and financing	25.2	6.2	8.2
Property management, etc.	14.2	11.6	10.1
Other sectors	5.6	5.1	5.9
Business customers, total	69.4	59.4	80.4
Public administration	2.3	3.3	0.0
Retail customers	28.3	37.3	19.6
Total	100.0	100.0	100.0

\*) Exposures, banking sector, represent the breakdown of exposures on the total banking sector for 2008.

#### **EARNINGS FROM INVESTMENT PORTFOLIOS ENDED AT DKK -9 MILLION**

In Q3 2010, the Group recorded a loss of DKK 9 million on its portfolio of securities and unlisted equity investments via Erhvervsinvest Nord A/S and Erhvervsinvest K/S - compared with a loss of DKK 18 million in Q2.

#### **EXPENSES RELATING TO BANK PACKAGE I: DKK 82 MILLION**

Q3 2010 turned out to be yet another quarterly period with major financial contributions to sector-targeted solutions. In total, Spar Nord has thus expensed DKK 46 million in ongoing guarantee commissions and DKK 36 million by way of losses in connection with Bank Package I.

In total, Spar Nord's expenses in Q3 relating to Bank Package I - incl. Spar Nord's share of Nørresundby Bank's contribution - amounted to DKK 82 million.

#### **DKK 102 MILLION IN PRE-TAX PROFITS**

Accordingly, the pre-tax profits amounted to DKK 102 million compared with DKK 39 million in Q2.

Excluding contributions to sector-targeted solutions, this represents a highly satisfactory profit of DKK 183 million for the quarterly period.

#### **TAX**

The effective tax rate in Q3 was 22.6%.

## SUMMARY Q1-Q3 2010

The Spar Nord Group's pre-tax profits ended at DKK 151 million in Q1-Q3 2010, versus last year's DKK 161 million in the same period.

### INCOME

Net interest income dropped 11% relative to Q1-Q3 2009, ending at DKK 1,206 million. The principal reason for this decline is the increase in interest expenses relating to the hybrid core capital raised in June 2009, and rising interest expenses relating to issued bonds. To this should be added the generally decreasing interest level.

Net income from fees, charges and commissions ended 20% up on the same period last year at DKK 371 million. This growth was due to satisfactory development in all fee categories, particularly securities trading, asset management and loan transaction fees.

Market-value adjustments ended at DKK 238 million, corresponding to a 1% increase relative to the same period last year.

The item "Other operating income" ended at DKK 111 million, 50% up on the same period last year. This growth is attributable to sustained growth in income from operating leases at Finans Nord.

The profit on investments in associates and group enterprises came to DKK 45 million compared with DKK 34 million in the corresponding period the previous year. This growth is attributable to Spar Nord Bank's shareholding in Nørresundby Bank A/S.

Overall, core income in Q1-Q3 2010 ended at DKK 1,971 million versus DKK 2,009 million in the corresponding period the year before.

### COSTS AND EXPENSES

The Group's total costs and expenses aggregated DKK 1,225 million in Q1-Q3 2010, equal to a 2% increase compared with last year. Excluding the costs and expenses attributable to operating leases, this equals a 1% decline in cost level.

Payroll costs increased by 3% to DKK 706 million. The two reasons that this rise occurred despite staff reductions are rising pay levels due to collective agreement stipulations and extraordinary severance pay and disestablishment costs.

Other operating expenses were successfully reduced by 5% to DKK 415 million. This reduction took place across a wide range of expense types.

Zero growth is expected for the Group's full-year costs and expenses – excluding depreciation and impairment of operating leases.

### IMPAIRMENT OF LOANS AND ADVANCES

Impairment of loans and advances, etc. ended at DKK 331 million, 21% down on the same period last year and corresponding to an impairment ratio of 0.95 p.a.

A total of DKK 300 million of the realized impairment provisions is attributable to business customers, corresponding to an impairment ratio of 1.37%. The balance of DKK 31 million is attributable to retail customers, corresponding to an impairment ratio of 0.24%.

### CONTRIBUTIONS TO SECTOR-TARGETED SOLUTIONS

The Spar Nord Group's total contributions to sector-targeted solutions under the auspices of the Danish Banking Sector Emergency Fund and the Depositors' Guarantee Fund totalled DKK 245 million in Q1-Q3, compared with DKK 217 million in the same period last year.

Guarantee commissions in the amount of DKK 135 million and losses of DKK 101 million relating to Bank Package I have been expensed, based on a potential loss of DKK 10 billion expected to be recorded by Finansiel Stabilitet A/S. To this should be added DKK 9 million covering anticipated contributions to the Depositors' Guarantee Fund triggered by Capinordic's bankruptcy.

In total, Spar Nord has expensed DKK 617 million during the past eight quarterly periods by way of sector-targeted solutions.

### PROFIT/LOSS BEFORE TAX

Accordingly, the Spar Nord Group's pre-tax profits can be calculated at DKK 151 million compared with DKK 161 million in Q1-Q3 2009.

### TAX

The effective tax rate in the Q1-Q3 was 20.7% compared with 22.3% the previous year.

## OTHER INFORMATION

### BUSINESS VOLUME

The Group's total business volume (deposits, loans, advances and guarantees) stood at DKK 83.3 billion at the end of Q3 – 1% down on the end of Q2 and 3% higher than at the end of 2009.

Compared with the end-2009 position, bank lending grew 2% to DKK 39.0 billion, bank deposits declined 2% to DKK 31.5 billion, and guarantees rose 21% to DKK 7.5 billion.

The reduction in total deposits is attributable to a decline in time deposits. Since 1 January, ordinary customer deposits have grown 2%.

Of the Group's total loans, advances and guarantees in the amount of DKK 46.8 billion, 37% is attributable to retail customers and 63% to business customers.

Since end-2009, mortgage-credit loans arranged have increased DKK 3.0 billion, equal to 9%. Thus, the Group's arranged credits have increased 5% in total.

### CAPITAL

The core capital ratio, incl. hybrid core capital, for which Spar Nord has an internal target of minimum 12.0%, stood at 13.2% at the end of Q3 2010 (end-Q2: 13.2%). The core capital ratio, excl. hybrid core capital, for which Spar Nord has an internal target of minimum 8.0%, amounted to 9.3% (end-Q2: 9.3%).

The solvency ratio stood at 14.1% (end-Q2: 14.1%), which should be viewed in relation to Spar Nord having calculated the individual solvency requirement at 8.4% at end-Q3. Thus, the Bank has an excess capital coverage of 5.7 percentage points, equal to DKK 2.5 billion.

Ordinary redemption of a subordinated loan of DKK 250 million at 29 October will reduce the solvency ratio by 0.6%.

### LIQUIDITY

Spar Nord's strategic liquidity target is for cash deposits, senior funding, bond issues, subordinated debt and shareholders' equity to exceed the Bank's volume of lending.

Thus, the target is for long-term funding to finance loans and advances at all times. As from 2010, this target has been tightened, as subordinated loans, senior funding and issued bond loans falling due within 12 months are no longer included in the Bank's strategic liquidity.

At end-Q3, Spar Nord had an excess coverage relative to the strategic liquidity target of DKK 7.6 billion (end-Q2: DKK 7.6 billion).

### Liquidity

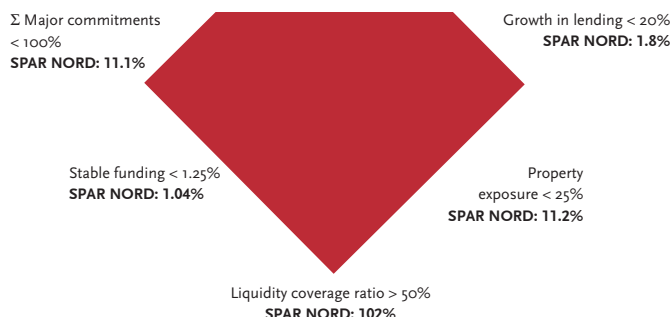
	30.09 2010	31.12 2009	31.12 2008	31.12 2007
<b>DKK billion</b>				
Deposits and other payables	31.5	31.9	33.8	27.4
Senior loans/ bond issues	8.5	7.2	5.1	7.5
Shareholders' equity and supplementary capital	6.9	6.6	5.7	5.9
Generation of cash	46.9	45.7	44.6	40.8
Loans and advances	39.3	38.3	45.4	40.9
Liquidity target (>0)	7.6	7.4	-0.8	-0.1

### THE SUPERVISORY AUTHORITY DIAMOND MODEL

The Danish Financial Supervisory Authority has introduced a new model, the so-called 'Tilsynsdiamanten' ("The Supervisory Authority Diamond Model") – used to test the financial strength and risk exposure of a financial institution based on five parameters, each having its unique threshold value. Together the five parameters should provide a picture showing how Danish financial institutions are operating, whether they are run at a sound risk level, and whether a given financial institution is financially robust.

At the end of Q3, Spar Nord Bank is comfortably within all boundaries set by the model's threshold values.

#### The Supervisory Authority Diamond Model for financial institutions



### RISKS

Reference is made to the 2009 Annual Report and to the Group's risk report for 2009 regarding a description of the most significant risks and elements of uncertainty that may affect the Group or the Parent Company.

### OUTLOOK FOR 2010

The Annual Report for 2009 projected core earnings before impairment to end in the DKK 800-1,000 million range for the full 2010 year. In light of the growth in Q1-Q3, this projection is narrowed from DKK 800-1,000 million to a more specific range of DKK 900-1,000 million.

For the year as a whole, the impairment ratio is still expected to range around 1.0%.

## BUSINESS AREAS

### SPAR NORD'S LOCAL BANKS

DKK m	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009
Core income	450	466	469	468	478
Expenses	302	321	342	329	310
Core earnings before impairment	148	145	127	139	168
Impairment of loans and advances, etc.	88	83	84	129	119
Core earnings	60	62	43	10	49

In Q3 2010, Spar Nord's Local Banks recorded DKK 450 million in core income – in line with expectations.

Costs and expenses ended DKK 19 million down on the previous quarterly period at DKK 302 million – a reduction attributable to the implemented initiatives and to the changed accrual principles for holiday pay.

Impairment of loans and advances, etc. ended at DKK 88 million (Q2: DKK 83 million).

In total, this yields a growth in core earnings of DKK 60 million (Q2: DKK 62 million).

Q3 was characterized by satisfactory growth in customer inflow and activities on the business customer side – a development that is expected to make its mark by way of an additional surge in loans and advances and earnings during the coming quarterly periods.

On the retail customer side, Q3 was characterized by a sustained high level of remortgaging activities and thus focus on advice to homeowners.

At the close of Q3, the total business volume of Spar Nord's Local Banks stood at DKK 67.7 billion (end-Q2: DKK 65.6 billion).

Bank lending amounted to DKK 30.8 billion (end-Q2: DKK 30.4 billion). To this should be added mortgage-credit loans arranged by Spar Nord, amounting to DKK 38.2 billion, with total credits arranged adding up to DKK 69.0 billion, versus DKK 67.6 billion at end-Q2 2010.

In Q3, the number of branches was reduced by three, with the total number of branches now standing at 72.

### THE TRADING, FINANCIAL MARKETS DIVISION & THE INTERNATIONAL DIVISION

DKK m	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009
Core income	116	99	76	76	92
Expenses	16	16	15	13	15
Core earnings before impairment	100	83	61	63	77
Impairment of loans and advances, etc.	0	0	0	0	0
Core earnings	100	83	61	63	77

Trading, Financial Markets & the International Division continued the favourable trends in recent quarterly periods, with core earnings reaching DKK 100 million - DKK 17 million up on Q2.

In terms of earnings, the Group's bond portfolio made a particularly positive contribution. Thus, Q3 turned out to be yet another quarterly period with excellent income from transactions relating to the interest differential and yield spread.

Activities and earnings from customer-related transactions – both in terms of shares, bonds and in the area of international transactions – were satisfactory. In the bond area, the Bank experienced the highest inflow of new management orders ever. One reason was the fact that many major customers in the market chose to convert cash to bonds. The total volume of funds under management on behalf of companies, foundations and individual management orders now amounts to DKK 8.5 billion.

On the downside, there was reduced activity in the area dealing with customers' hedging of interest and foreign-exchange risks.

### FINANS NORD

The leasing company Finans Nord recorded core earnings of DKK 20 million in Q3 – DKK 15 million up on Q2.

Core earnings before impairment of DKK 33 million (Q2: DKK 30 million), and loan impairment ended at DKK 13 million, the lowest level for eight quarterly periods.

### FINANS NORD

DKK m	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009
Core income	80	80	67	64	64
Expenses	47	50	42	42	36
Core earnings before impairment	33	30	25	22	28
Impairment of loans and advances, etc.	13	25	38	36	23
Core earnings	20	5	-13	-14	5

The growth in core earnings was due to the 1% growth in lending to DKK 7.7 billion and a widening of the interest margin. In this respect, the business area Easyfleet, which engages in operating leases for passenger cars and trucks, is growing at a highly satisfactory pace.

At the same time, the Swedish subsidiary, SN Finans Nord AB, once again reported highly satisfactory growth in sales and earnings.

Finally, Finans Nord reported an improvement of business trends and market conditions in most business areas, which gives rise to positive expectations regarding impairment and earnings during the next few quarterly periods.

## SPAR NORD BANK SHARES HELD BY MEMBERS OF THE SUPERVISORY AND EXECUTIVE BOARDS

	30.09.2010	30.06.2010	20.04.2010		30.09.2010	30.06.2010	20.04.2010
Torben Fristrup	5,750	5,750	4,200	Lasse Nyby	22,571	22,474	22,381
Hans Østergaard	2,000	2,000	2,000	John Lundsgaard	27,205	26,741	24,670
Per Nikolaj Bukh	4,100	4,100	100	Lars Møller	27,000	26,000	26,000
Jannie Skovsen	1,743	1,646	1,553				
Niels Kristian Kirketerp	7,155	7,155	7,155				
Jan Høholt Jensen	3,208	3,208	3,208				
Carsten Normann	1,380	1,380	1,380				
Ole Skov	1,638	1,401	1,173				
Per Søndergaard Pedersen	10,380	10,380	10,380				

*Note: 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 30.09.10 %	Ownership interest 30.09.09 %
<b>Consolidated subsidiaries</b>					
Erhvervsinvest Nord A/S, Aalborg	30.0	42.3	-15.6	100	100
Finans Nord A/S, Aalborg	10.0	413.3	-21.9	100	100
SN Finans Nord AB, Sweden (1)	74.5	68.0	3.2	0	0
Finans Nord Cross Border A/S, Aalborg (1)	0.5	1.5	0.2	0	0
Spar Nord Ejendomsselskab A/S, Aalborg	12.0	7.5	-4.5	100	100
<b>Non-consolidated companies</b>					
Beluni Inc., USA (2)	0.0	0.0	0.0	100	100

(1) A subsidiary of Finans Nord A/S, Aalborg

(2) The company is in liquidation

\*) According to the most recent Annual Report.

All companies are subsidiaries that are wholly owned,  
directly or indirectly, by Spar Nord Bank A/S.

## PERFORMANCE INDICATORS AND FINANCIAL RATIOS - THE GROUP

### CORE EARNINGS - QUARTERLY

DKK million	Q1-Q3 2010	Q1-Q3 2009	Change in pct.	Q1-Q3 2010	Q1-Q3 2009	Q1-Q3 2008	Q1-Q3 2007	Q1-Q3 2006	Full year 2009
<b>INCOME STATEMENT</b>									
Interest income	1,818.7	2,269.4	-19.9	1,818.7	2,269.4	2,661.4	2,045.9	1,435.7	2,900.3
Interest expenses	612.7	911.5	-32.8	612.7	911.5	1,637.6	1,196.6	669.9	1,134.3
Net interest income	<b>1,206.0</b>	<b>1,357.9</b>	<b>-11.2</b>	<b>1,206.0</b>	<b>1,357.9</b>	<b>1,023.8</b>	<b>849.3</b>	<b>765.8</b>	<b>1,766.0</b>
Dividends on shares, etc.	13.0	19.7	-34.0	13.0	19.7	17.0	16.0	20.5	19.7
Fees, charges and commissions received	422.4	355.2	18.9	422.4	355.2	353.4	423.1	389.2	490.4
Fees, charges and commissions paid	51.1	46.4	10.1	51.1	46.4	50.1	53.4	49.3	73.6
<b>Net income from interest, fees, charges and commissions</b>	<b>1,590.3</b>	<b>1,686.4</b>	<b>-5.7</b>	<b>1,590.3</b>	<b>1,686.4</b>	<b>1,344.1</b>	<b>1,235.0</b>	<b>1,126.2</b>	<b>2,202.5</b>
Market-value adjustments	208.1	212.9	-2.3	208.1	212.9	-13.4	106.3	255.9	305.2
Other operating income	110.8	73.6	50.5	110.8	73.6	62.8	52.9	57.7	99.8
Staff costs and administrative expenses	1,110.8	1,117.3	-0.6	1,110.8	1,117.3	972.5	892.3	801.5	1,500.5
Depreciation, amortization and impairment of intangible assets and property, plant and equipment	104.0	82.1	26.7	104.0	82.1	67.2	54.7	57.0	111.6
Other operating expenses	145.8	131.1	11.2	145.8	131.1	1.5	1.1	1.1	176.0
Impairment of loans, advances and receivables, etc.	427.5	501.1	-14.7	427.5	501.1	38.5	-110.2	-30.0	691.8
Profit/loss on investments in associates and group enterprises	30.3	19.8	53.0	30.3	19.8	53.0	97.8	77.2	17.1
<b>Profit/loss before tax</b>	<b>151.4</b>	<b>161.1</b>	<b>-6.0</b>	<b>151.4</b>	<b>161.1</b>	<b>366.8</b>	<b>654.1</b>	<b>687.4</b>	<b>144.7</b>
Tax	31.3	35.9	-12.8	31.3	35.9	79.1	127.3	127.9	27.2
<b>Profit/loss after tax</b>	<b>120.1</b>	<b>125.2</b>	<b>-4.1</b>	<b>120.1</b>	<b>125.2</b>	<b>287.7</b>	<b>526.8</b>	<b>559.5</b>	<b>117.5</b>
<b>BALANCE SHEET</b>									
Total assets	70,657	63,357	11.5	70,657	63,357	70,308	62,020	54,021	64,529
Loans and advances	39,293	38,702	1.5	39,293	38,702	44,478	38,229	32,020	38,315
- bank loans and advances	39,020	38,702	0.8	39,020	38,702	41,562	38,229	29,566	38,315
- reverse transactions	273	0	-	273	0	2,916	0	2,454	0
Deposits	36,457	34,146	6.8	36,457	34,146	36,546	28,328	26,782	35,998
- bank deposits	31,451	30,417	3.4	31,451	30,417	30,193	24,416	21,169	31,931
- repo transactions	0	0	-	0	0	0	0	2,349	0
- deposits in pooled schemes	5,006	3,729	34.2	5,006	3,729	6,353	3,912	3,264	4,067
Subordinated debt	2,750	2,830	-2.8	2,750	2,830	1,660	1,676	1,381	2,681
Shareholders' equity	4,383	4,175	5.0	4,383	4,175	4,226	4,008	3,389	4,143
Contingent liabilities	7,516	4,890	53.7	7,516	4,890	3,544	3,921	6,361	6,235
Risk-weighted assets	43,786	40,545	8.0	43,786	40,545	42,741	42,147	35,495	41,692
Core capital ratio (incl. hybrid core capital) after deductions	5,785	5,536	4.5	5,785	5,536	4,432	4,040	3,085	5,502
Impairment of loans, advances and receivables, etc.	1,241	953	30.2	1,241	953	451	446	653	1,100
Non-performing loans	151	57	165.6	151	57	68	29	34	103
Business volume	83,266	77,738	7.1	83,266	77,738	84,568	70,478	65,163	80,548
<b>FINANCIAL RATIOS</b>									
<i>Solvency</i>									
Solvency ratio (%)	14.1	15.0		14.1	15.0	12.0	11.2	9.7	14.2
Core capital ratio (%)	13.2	13.7		13.2	13.7	10.4	9.6	8.7	13.2
<i>Earnings</i>									
Return on equity before tax (%)	3.6	3.9		3.6	3.9	8.8	17.1	21.4	3.5
Return on equity after tax (%)	2.8	3.1		2.8	3.1	6.9	13.8	17.4	2.9
Income/cost ratio (DKK)	1.08	1.09		1.08	1.09	1.34	1.78	1.83	1.06
<i>Market risk</i>									
Interest-rate risk (%)	-0.3	0.7		-0.3	0.7	0.8	2.0	0.2	0.4
Foreign-exchange position (%)	3.2	2.5		3.2	2.5	10.5	5.3	7.9	2.9
Foreign-exchange risk (%)	0.1	0.0		0.1	0.0	0.1	0.1	0.1	0.0
<i>Credit risk</i>									
Loans and advances rel. to deposits	107.8	113.3		107.8	113.3	121.7	135.0	119.6	106.4
Loans and advances plus impairment rel. to deposits	110.6	115.8		110.6	115.8	122.9	136.5	121.9	109.1
Loans and advances rel. to shareholders' equity	9.0	9.3		9.0	9.3	10.5	9.5	9.4	9.2
Increase in loans and advances for the period (%)	2.6	-14.7		2.6	-14.7	8.6	11.4	18.0	-15.6
Excess coverage relative to statutory cash ratio requirement (%)	100.6	142.0		100.6	142.0	43.5	80.1	27.9	157.0
Sum total of major commitments (%)	11.2	10.7		11.2	10.7	27.7	87.8	94.2	10.9
Impairment for the period in per cent	0.9	1.1		0.9	1.1	0.1	-0.3	-0.1	1.5
<b>The SPAR NORD BANK share</b>									
DKK per share of DKK 10									
Earnings for the period	2.1	2.3		2.1	2.3	5.2	9.5	10.0	2.1
Net asset value (NAV)	77	76		77	76	77	72	61	75
Dividend	-	-		-	-	-	-	-	-
Share price/earnings for the period	26.9	27.8		26.9	27.8	12.9	12.7	12.8	26.7
Share price/NAV	0.7	0.8		0.7	0.8	0.9	1.7	2.1	0.7

## MANAGEMENT'S STATEMENT ON THE INTERIM REPORT

Aalborg, 27 October 2010

The Supervisory and Executive Boards have today reviewed and adopted the Interim Report for Q3 2010 of Spar Nord Bank A/S.

The Interim Report has not been audited or subjected to a review by the Group's auditor.

The Consolidated Financial Statements for Q1-Q3 2010 are presented in accordance with IAS 34 "Interim Financial Reporting", as approved by the EU. Furthermore, the Interim Report for the first nine months is presented in accordance with additional Danish disclosure requirements regarding quarterly interim reports for listed financial companies.

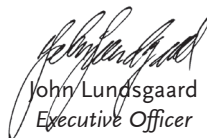
We consider the accounting policies applied to be appropriate, and in our opinion the Interim Report gives a true and fair view of the Group's assets, liabilities and financial position at 30 September 2010 and of the results of the Group's operations and cash flows for the period from Q1 to Q3 2010.

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.

### EXECUTIVE BOARD



Lasse Nyby  
Chief Executive Officer

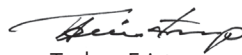


John Lundsgaard  
Executive Officer



Lars Møller  
Executive Officer

### SUPERVISORY BOARD



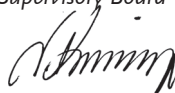
Torben Frstrup  
Chairman of the Supervisory Board



Per Nikolaj Bukh  
Deputy Chairman of the  
Supervisory Board



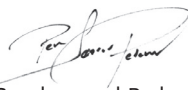
Jan Høholt Jensen  
Elected by the employees



Niels Kristian Kirketerp



Carsten Nørmann



Per Søndergaard Pedersen



Ole Skov  
Elected by the employees



Jannie Skovsen  
Elected by the employees



Hans Østergaard

## INCOME STATEMENT - THE GROUP

Note	DKK million	Q1-Q3 2010	Q1-Q3 2009	Q3 2010	Q2 2009	Full year 2009
4	Interest income	1,818.7	2,269.4	592.0	678.4	2,900.3
5	Interest expenses	612.7	911.5	189.4	253.5	1,134.3
	<b>Net interest income</b>	<b>1,206.0</b>	<b>1,357.9</b>	<b>402.6</b>	<b>424.9</b>	<b>1,766.0</b>
	Dividends on shares, etc.	13.0	19.7	0.2	0.0	19.7
6+8	Fees, charges and commissions received	422.4	355.2	136.0	119.0	490.4
7+8	Fees, charges and commissions paid	51.1	46.4	14.3	15.6	73.6
	<b>Net income from interest, fees, charges and commissions</b>	<b>1,590.3</b>	<b>1,686.4</b>	<b>524.5</b>	<b>528.3</b>	<b>2,202.5</b>
9	Market-value adjustments	208.1	212.9	71.3	87.2	305.2
	Other operating income	110.8	73.6	37.3	23.7	99.8
10	Staff costs and administrative expenses	1,110.8	1,117.3	321.6	364.6	1,500.5
	Depreciation, amortization and impairment of intangible assets and property, plant and equipment	104.0	82.1	39.6	23.3	111.6
	Other operating expenses	145.8	131.1	45.3	43.9	176.0
12	Impairment of loans, advances and receivables, etc.	427.5	501.1	137.6	167.1	691.8
	Profit/loss on equity investments in associates and group enterprises	30.3	19.8	12.5	7.3	17.1
	<b>Profit/loss before tax</b>	<b>151.4</b>	<b>161.1</b>	<b>101.5</b>	<b>47.6</b>	<b>144.7</b>
	Tax	31.3	35.9	22.9	13.0	27.2
	<b>Profit/loss</b>	<b>120.1</b>	<b>125.2</b>	<b>78.6</b>	<b>34.6</b>	<b>117.5</b>
	To be distributed as follows:					
	The shareholders of Spar Nord Bank A/S	120.1	125.2	78.6	34.6	117.5
		<b>120.1</b>	<b>125.2</b>	<b>78.6</b>	<b>34.6</b>	<b>117.5</b>
	<b>EARNINGS PER SHARE</b>					
	Earnings per share	2.1	2.3	1.4	0.6	2.1
	Diluted earnings per share	2.1	2.3	1.4	0.6	2.1
<b>STATEMENT OF COMPREHENSIVE INCOME</b>						
	Profit/loss for the period	120.1	125.2	78.6	34.6	117.5
	<i>Other comprehensive income</i>					
	Exchange-rate adjustment upon translation of foreign entity	8.1	4.3	2.4	3.6	3.8
	Net revaluation of properties	-3.1	12.0	-3.1	0.0	20.1
	Tax on other comprehensive income	0.8	0.0	0.8	0.0	-4.5
	<b>Other comprehensive income after tax</b>	<b>5.8</b>	<b>16.3</b>	<b>0.1</b>	<b>3.6</b>	<b>19.4</b>
	<b>Total comprehensive income</b>	<b>125.9</b>	<b>141.5</b>	<b>78.7</b>	<b>38.2</b>	<b>136.9</b>
	To be distributed as follows:					
	The shareholders of Spar Nord Bank A/S	125.9	141.5	78.7	38.2	136.9
		<b>125.9</b>	<b>141.5</b>	<b>78.7</b>	<b>38.2</b>	<b>136.9</b>

## BALANCE SHEET - THE GROUP

Note	DKK million	30.09 2010	30.09 2009	Full year 2009
<b>ASSETS</b>				
	Cash balances and demand deposits with central banks	527.7	459.0	841.5
11	Receivables from credit institutions and central banks	4,486.0	2,937.3	4,013.7
	Loans, advances and other receivables at amortized cost	39,293.1	38,701.6	38,315.4
	Bonds at fair value	15,396.0	12,690.2	12,578.8
	Shares, etc.	1,100.2	753.4	869.8
	Equity investments in associates, etc.	733.1	718.5	718.8
	Assets linked to pooled schemes	5,006.2	3,729.3	4,066.5
	Intangible assets	159.5	166.2	165.9
	Investment properties	61.1	63.3	60.4
	Corporate properties	450.6	457.0	462.8
	<i>Land and buildings, total</i>	511.7	520.3	523.2
	Other property, plant and equipment	471.5	298.0	352.1
	Current tax assets	7.0	3.6	3.5
	Temporary assets	95.0	99.1	96.7
13	Other assets	2,798.7	2,196.7	1,907.4
	Prepayments	71.2	83.4	75.9
	<b>Total assets</b>	<b>70,656.9</b>	<b>63,356.6</b>	<b>64,529.2</b>
<b>EQUITY AND LIABILITIES</b>				
<b>LIABILITIES OTHER THAN PROVISIONS</b>				
	Payables to credit institutions and central banks	10,351.4	9,591.0	9,327.3
14	Deposits and other payables	31,451.0	30,417.1	31,930.7
	Deposits in pooled schemes	5,006.2	3,729.3	4,066.5
	Issued bonds at amortized cost	7,802.5	6,258.3	6,445.2
	Other non-derivative financial liabilities at fair value	1,268.3	88.7	86.0
	Temporary liabilities	0.0	4.9	0.1
15	Other liabilities	6,843.2	5,660.0	5,210.8
	Deferred income	182.9	159.5	158.7
	<b>Total liabilities other than provisions</b>	<b>62,905.5</b>	<b>55,908.8</b>	<b>57,225.3</b>
<b>PROVISIONS FOR LIABILITIES</b>				
	Provisions for deferred tax	344.5	304.4	311.1
	Provisions for losses on guarantees	227.4	107.0	133.8
	Other provisions	45.6	31.6	35.2
	<b>Total provisions</b>	<b>617.5</b>	<b>443.0</b>	<b>480.1</b>
<b>SUBORDINATED DEBT</b>				
16	<b>Subordinated debt</b>	<b>2,750.4</b>	<b>2,830.2</b>	<b>2,681.1</b>
	<b>TOTAL LIABILITIES</b>	<b>66,273.4</b>	<b>59,182.0</b>	<b>60,386.5</b>
<b>SHAREHOLDERS' EQUITY</b>				
	Share capital	570.7	570.7	570.7
	Revaluation reserves	59.2	57.9	61.5
	Accumulated exchange adjustments of foreign entities	1.3	-6.3	-6.8
	Accumulated changes in value, total	60.5	51.6	54.7
	Statutory reserves	427.3	414.3	411.9
	Other reserves, total	427.3	414.3	411.9
	Retained earnings or loss	3,325.0	3,138.0	3,105.4
	<b>Total shareholders' equity</b>	<b>4,383.5</b>	<b>4,174.6</b>	<b>4,142.7</b>
	<b>Total shareholders' equity and liabilities</b>	<b>70,656.9</b>	<b>63,356.6</b>	<b>64,529.2</b>
<b>OFF-BALANCE-SHEET ITEMS</b>				
17	Contingent liabilities	7,516.1	4,890.3	6,235.3
18	Other commitments	576.3	547.3	575.5
	<b>Total off-balance-sheet items</b>	<b>8,092.4</b>	<b>5,437.6</b>	<b>6,810.8</b>

## STATEMENT OF CHANGES IN EQUITY - THE GROUP

DKK million	Share capital	Revaluation reserve	Foreign-curr. translation reserves	Statutory reserves	Proposed dividend	Retained earnings	Total
<b>SHAREHOLDERS' EQUITY - 30.09.10</b>							
<i>Shareholders' equity 01.01.10</i>	570.7	61.5	-6.8	411.9	0.0	3.105.4	4.142.7
<b>Changes in equity in Q1-Q3 2010:</b>							
Dividends received from associates recognized at net asset value	0.0	0.0	0.0	-11.3	0.0	11.3	0.0
Disposal upon acquisition of treasury shares	0.0	0.0	0.0	0.0	0.0	-326.8	-326.8
Addition upon sale of treasury shares	0.0	0.0	0.0	0.0	0.0	445.1	445.1
Other capital movements in associates and group enterprises	0.0	0.0	0.0	-3.4	0.0	0.0	-3.4
Comprehensive income for the period	0.0	-2.3	8.1	30.1	0.0	90.0	125.9
<i>Shareholders' equity 30.09.10, the Group</i>	570.7	59.2	1.3	427.3	0.0	3.325.0	4.383.5
<b>SHAREHOLDERS' EQUITY 30.09.09</b>							
<i>Shareholders' equity 01.01.09</i>	570.7	46.2	-10.6	433.5	0.0	2.984.7	4.024.5
<b>Changes in equity in Q1-Q3 2009:</b>							
Dividends received from associates recognized at net asset value	0.0	0.0	0.0	-3.6	0.0	3.6	0.0
Disposal upon acquisition of treasury shares	0.0	0.0	0.0	0.0	0.0	-177.3	-177.3
Addition upon sale of treasury shares	0.0	0.0	0.0	0.0	0.0	201.7	201.7
Tax, treasury shares	0.0	0.0	0.0	0.0	0.0	-22.6	-22.6
Dissolution of revaluation reserves, associates	0.0	0.0	0.0	-42.1	0.0	42.1	0.0
Other capital movements in associates and group enterprises	0.0	0.0	0.0	6.7	0.0	0.0	6.7
Dissolution of revaluation reserves, properties - sold properties	0.0	-0.3	0.0	0.0	0.0	0.3	0.0
Comprehensive income for the period	0.0	12.0	4.3	19.8	0.0	105.5	141.6
<i>Shareholders' equity 30.09.09, the Group</i>	570.7	57.9	-6.3	414.3	0.0	3.138.0	4.174.6
<i>The share capital consists of 57,068,810 shares in the denomination of DKK 10.</i>							
					<b>Q1-Q3 2010</b>	<b>Q1-Q3 2009</b>	<b>Full year 2009</b>
<b>TREASURY SHARE PORTFOLIO</b>							
Number of shares					64,735	1,781,993	2,074,436
Percentage of share capital					0.1	3.1	3.6

## CASH FLOW STATEMENT - THE GROUP

DKK million	Q1-Q3 2010	Q1-Q3 2009	Full year 2009
<b>OPERATIONS</b>			
Profit/loss before tax	151.4	161.1	144.7
Market-value adjustments	11.5	4.3	3.8
Fair-value changes, investment properties	2.1	0.0	2.5
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	104.0	82.1	111.6
Gains and losses on the sale of property, plant and equipment and intangible assets	0.6	-3.7	-3.8
Adjustment of impairment of loans and advances, etc.	141.6	347.5	493.6
Provisions for liabilities	104.0	107.9	127.8
Profit/loss on equity investments in associates and group enterprises	-30.3	-19.8	-17.1
Corporate income tax paid	-4.0	-12.0	1.5
<b>Total operations</b>	<b>480.9</b>	<b>667.4</b>	<b>864.6</b>
<b>WORKING CAPITAL</b>			
Movement in credit institutions and central banks, net	-2,916.0	-8,706.1	-8,485.7
Movement in loans, advances and other receivables at amortized cost	-1,119.3	6,326.9	6,566.9
Movement in bonds at fair value	-2,817.2	-3,936.6	-3,825.1
Movement in equity portfolio	-230.5	-171.7	-288.1
Movement in issued bonds at amortized cost	1,357.3	2,837.6	3,024.5
Movement in other assets and other liabilities, net	4,907.7	2,615.5	2,452.3
Movement in deposits and other payables	-479.7	-3,416.0	-1,902.4
<b>Total working capital</b>	<b>-1,297.7</b>	<b>-4,450.4</b>	<b>-2,457.6</b>
<b>Cash generated from operations, total</b>	<b>-816.8</b>	<b>-3,783.0</b>	<b>-1,593.0</b>
<b>INVESTMENTS</b>			
Net investment in associates and group enterprises	-2.0	166.1	163.3
Net investment in intangible assets	0.0	0.4	-1.6
Net investment in property, plant and equipment	-209.4	-120.2	-196.4
Net investment in treasury shares	118.4	24.4	7.5
Dividends from associates and group enterprises	11.8	3.6	3.5
<b>Investments, total</b>	<b>-81.2</b>	<b>74.3</b>	<b>-23.7</b>
<b>FINANCING</b>			
Subordinated debt	69.2	1,177.8	1,028.8
Total financing	<b>69.2</b>	<b>1,177.8</b>	<b>1,028.8</b>
<b>Movements in cash and cash equivalents for the period</b>	<b>-828.8</b>	<b>-2,530.9</b>	<b>-587.9</b>
Cash and cash equivalents, beginning of period	4,365.2	4,953.0	4,953.0
Movements in cash and cash equivalents for the period	-828.8	-2,530.9	-587.9
<b>Cash and cash equivalents, end of period</b>	<b>3,536.4</b>	<b>2,422.1</b>	<b>4,365.1</b>
<b>Cash and cash equivalents, end of period</b>			
Cash, cash equivalents and demand deposits with central banks	1,650.4	1,593.0	1,519.0
Receivables from credit institutions and central banks with less than 3 mths to maturity	1,886.0	829.1	2,846.1
<b>Total</b>	<b>3,536.4</b>	<b>2,422.1</b>	<b>4,365.1</b>

## NOTES - THE GROUP

### Note

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#### **1 ACCOUNTING POLICIES**

The Interim Report of the Spar Nord Bank A/S Group covering the period 1 January - 30 September 2010 has been prepared in accordance with IAS 34, "Interim Financial Reporting", as approved by the EU, and additional Danish disclosure requirements for interim reports prepared by listed financial institutions. The accounting policies are unchanged compared with the 2009 Annual Report, to which reference is made. The 2009 Annual Report contains the complete wording of the accounting policies applied.

Clearing items of DKK 3,6 billion have been reclassified from Payables to credit institutions to Other liabilities. The comparative figures have been reclassified as follows: DKK 2,9 billion at 30 September 2009 and DKK 3,0 billion at 31 December 2009.

#### **FUTURE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS**

The International Accounting Standards Board (IASB) has issued a number of new accounting standards (IAS and IFRS) and interpretations (IFRIC) that have not yet entered into force. None of these are expected to have an impact on the Group's future financial reporting.

#### **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.

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 Report are unchanged from the estimates made in connection with the preparation of the Annual Report at 31 December 2009 and the uncertainties prevailing at that time.

## NOTES - THE GROUP

Note DKK million

### 3 Business segments - Q1-Q3 2010

#### INCOME STATEMENT

	Spar Nord's Local Banks	Finans Nord	Trading, Financial Markets & the Inter- national Division	Corporate Coordination & Support	Staff Functions	Unallocated	Eliminations	Core earnings <sup>*)</sup>	Earnings from investment portfolios, etc.	Expenses for the Danish Banking Sector Emergency Fund	The Group, total
Net interest income	928.7	139.2	158.5	-1.1	-4.7	-14.7	0.0	1,205.9	0.1	0.0	1,206.0
Net income from fees, charges and commissions	353.5	5.2	4.5	1.9	-0.1	6.3	0.0	371.3	0.0	0.0	371.3
Market-value adjustments and dividends	82.4	-2.1	122.0	3.9	-2.4	32.3	2.1	238.2	-17.1	0.0	221.1
Other operating income	20.3	84.4	5.6	0.1	18.6	-6.3	-11.9	110.8	0.0	0.0	110.8
Profit/loss on equity investments in associates and group enterprises	0.0	0.0	0.0	0.0	0.0	45.0	0.0	45.0	1.5	-16.2	30.3
<b>Core income/revenue, total</b>	<b>1,384.9</b>	<b>226.7</b>	<b>290.6</b>	<b>4.8</b>	<b>11.4</b>	<b>62.6</b>	<b>-9.8</b>	<b>1,971.2</b>	<b>-15.5</b>	<b>-16.2</b>	<b>1,939.5</b>
Operating costs, depreciation and amortization	965.4	138.8	47.0	3.5	12.6	66.9	-8.8	1,225.4	0.2	135.0	1,360.6
<b>Core earnings before impairment</b>	<b>419.5</b>	<b>87.9</b>	<b>243.6</b>	<b>1.3</b>	<b>-1.2</b>	<b>-4.3</b>	<b>-1.0</b>	<b>745.8</b>	<b>-15.7</b>	<b>-151.2</b>	<b>578.9</b>
Impairment of loans, advances and receivables, etc.	255.0	75.9	0.0	0.0	0.0	0.0	0.0	330.9	3.1	93.5	427.5
<b>Core earnings / profit/loss on ordinary operations</b>	<b>164.5</b>	<b>12.0</b>	<b>243.6</b>	<b>1.3</b>	<b>-1.2</b>	<b>-4.3</b>	<b>-1.0</b>	<b>414.9</b>	<b>-18.8</b>	<b>-244.7</b>	<b>151.4</b>
The Danish Banking Sector Emergency Fund	-84.8	-18.8	-12.6	-0.4	-1.5	-126.6	0.0		0.0	244.7	0.0
<b>Profit/loss before tax</b>	<b>79.7</b>	<b>-6.8</b>	<b>231.0</b>	<b>0.9</b>	<b>-2.7</b>	<b>-130.9</b>	<b>-1.0</b>		<b>-18.8</b>	<b>0.0</b>	<b>151.4</b>

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

The correlation to the Group is specified in the columns "Earnings from investment portfolios, etc." and "Expenses for the Danish Banking Sector Emergency Fund".

## NOTES - THE GROUP

Note DKK million

### 3 Business segments - Q1-Q3 2010 (continued)

#### BALANCE SHEET FIGURES

	Spar Nord's Local Banks	Finans Nord	Trading, Financial Markets & the Inter- national Division	Corporate Coordination & Support	Staff Functions	Unallocated	Eliminations	Earnings from investment portfolios, etc.	The Group, total
Loans, advances and other receivables at amort. cost	30,753.2	7,686.7	7,634.5	0.6	0.2	0.0	-6,782.1	0.0	39,293.1
Equity investments in ass. and group enterprises	0.0	0.0	0.0	0.0	0.0	695.8	0.0	37.3	733.1
Intangible assets and property, plant and equipment *)	204.9	355.9	1.0	57.6	487.1	37.1	-0.9	0.0	1,142.7
Miscellaneous assets	5,588.0	169.4	20,185.2	254.3	39.1	2,987.3	-63.5	328.2	29,488.0
<b>Total assets</b>	<b>36,546.1</b>	<b>8,212.0</b>	<b>27,820.7</b>	<b>312.5</b>	<b>526.4</b>	<b>3,720.2</b>	<b>-6,846.5</b>	<b>365.5</b>	<b>70,656.9</b>
Deposits and other payables	29,901.4	0.0	1,353.4	229.2	0.0	0.0	-33.0	0.0	31,451.0
Shareholders' equity (allocated capital)	2,371.8	523.3	362.0	10.1	39.4	1,052.1	-0.9	25.7	4,383.5
Miscellaneous liabilities	4,777.3	7,799.9	8,543.1	299.1	12,171.7	8,042.6	-6,812.6	1.3	34,822.4
<b>Total shareholders' equity and liabilities</b>	<b>37,050.5</b>	<b>8,323.2</b>	<b>10,258.5</b>	<b>538.4</b>	<b>12,211.1</b>	<b>9,094.7</b>	<b>-6,846.5</b>	<b>27.0</b>	<b>70,656.9</b>

#### DISCLOSURES -TOTAL INCOME/REVENUE

Internal income/revenue	13.5	1.1	-66.9	300.0	229.8	-7.6	-3.9	-4.6	461.4
Internal income and eliminations offset against costs	0.0	0.0	-14.1	-320.4	-126.9	0.0	0.0	0.0	-461.4
Income/revenue, external customers	1,371.4	225.6	371.6	25.2	-91.5	54.0	-5.9	-10.9	1,939.5
<b>Income/revenue, total</b>	<b>1,384.9</b>	<b>226.7</b>	<b>290.6</b>	<b>4.8</b>	<b>11.4</b>	<b>46.4</b>	<b>-9.8</b>	<b>-15.5</b>	<b>1,939.5</b>

#### Income/revenue, total - external customers

Denmark	1,371.4	200.1	371.6	25.2	-91.5	54.0	-5.9	-10.9	1,914.0
Other EU countries	0.0	25.5	0.0	0.0	0.0	0.0	0.0	0.0	25.5
<b>Revenue, external customers, total</b>	<b>1,371.4</b>	<b>225.6</b>	<b>371.6</b>	<b>25.2</b>	<b>-91.5</b>	<b>54.0</b>	<b>-5.9</b>	<b>-10.9</b>	<b>1,939.5</b>

#### FINANCIAL RATIOS

Return on equity, % **)	6.6	-2.6	180.5	-	-	-	-	-	-
Cost share of core income	0.70	0.61	0.16	-	-	-	-	-	-
Risk-weighted items, end of period	29,647	6,541	4,526	126	492	2,132	-	322	43,786
Number of employees (full-time, end of period)	957	107	72	257	107	-	-	-	1,500

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.

#### A DESCRIPTION OF THE ACTIVITIES OF THE BUSINESS AREAS:

- For a description of the activities of Spar Nord's Local Banks, Finans Nord and the Trading, Financial Markets & the International Division, please see the 2009 Annual Report, pp. 17-23 and page 66.
- The activities of Corporate Coordination & Support and Staff Functions 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.

Expenses for the Danish Banking Sector Emergency Fund comprise payment of guarantee commission (costs) and losses on sector-targeted solutions (impairment of loans and advances, etc.)

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.

In 2010, we made adjustments in the calculation of the company internal settlement rate charged between business areas.

The effect of the change to the liquidity premium and the distribution of long-term funding is an additional internal interest expense of DKK 86 million for the Local Banks as of 30 September 2010. The contrary effect primarily impacts the item, Unallocated.

In addition, the business units are impacted to a small extent by adjustments to the company internal settlement rate.

Internal control takes place based on a net-interest consideration, and accordingly we do not report interest income and expenses.

\*) Non-current assets located in other countries than Denmark amounted to DKK 18.6 million at 30 September 2010.

\*\*) 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 million

### 3 Business segments - Q1-Q3 2009

#### INCOME STATEMENT

	Spar Nord's Local Banks	Finans Nord	Trading, Financial Markets & the Inter- national Division	Corporate Coordination & Support	Staff Functions	Unallocated	Eliminations	Core earnings <sup>*)</sup>	Earnings from investment portfolios, etc.	Expenses for the Danish Banking Sector Emergency Fund	The Group, total
Net interest income	1,117.6	140.7	237.1	1.6	-71.4	-68.0	0.0	1,357.6	0.3	0.0	1,357.9
Net income from fees, charges and commissions	303.0	4.8	-0.4	-0.3	-0.2	1.9	0.0	308.8	0.0	0.0	308.8
Market-value adjustments and dividends	74.4	3.8	129.6	4.1	23.7	-0.6	0.0	235.0	-2.4	0.0	232.6
Other operating income	-0.9	48.0	3.4	-7.1	42.4	-4.3	-7.8	73.7	-0.1	0.0	73.6
Profit/loss on equity investments in associates and group enterprises	2.2	0.0	0.0	0.0	0.0	31.7	0.0	33.9	-0.9	-13.2	19.8
<b>Core income/revenue, total</b>	<b>1,496.3</b>	<b>197.3</b>	<b>369.7</b>	<b>-1.7</b>	<b>-5.5</b>	<b>-39.3</b>	<b>-7.8</b>	<b>2,009.0</b>	<b>-3.1</b>	<b>-13.2</b>	<b>1,992.7</b>
Operating costs, depreciation and amortization	953.5	106.4	40.4	-3.4	-1.5	118.4	-7.8	1,206.0	0.6	123.9	1,330.5
<b>Core earnings before impairment</b>	<b>542.8</b>	<b>90.9</b>	<b>329.3</b>	<b>1.7</b>	<b>-4.0</b>	<b>-157.7</b>	<b>0.0</b>	<b>803.0</b>	<b>-3.7</b>	<b>-137.1</b>	<b>662.2</b>
Impairment of loans, advances and receivables, etc.	339.2	80.3	0.0	0.0	0.0	0.0	0.0	419.5	1.5	80.1	501.1
<b>Core earnings / profit/loss on ordinary operations</b>	<b>203.6</b>	<b>10.6</b>	<b>329.3</b>	<b>1.7</b>	<b>-4.0</b>	<b>-157.7</b>	<b>0.0</b>	<b>383.5</b>	<b>-5.2</b>	<b>-217.2</b>	<b>161.1</b>
The Danish Banking Sector Emergency Fund	-87.8	-18.1	-9.0	-0.3	-2.2	-99.8	0.0		0.0	217.2	0.0
<b>Profit/loss before tax</b>	<b>115.8</b>	<b>-7.5</b>	<b>320.3</b>	<b>1.4</b>	<b>-6.2</b>	<b>-257.5</b>	<b>0.0</b>		<b>-5.2</b>	<b>0.0</b>	<b>161.1</b>

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

The correlation to the Group is specified in the columns "Earnings from investment portfolios, etc." and "Expenses for the Danish Banking Sector Emergency Fund".

## NOTES - THE GROUP

Note DKK million

### 3 Business segments - Q1-Q3 2009 (continued)

#### BALANCE SHEET FIGURES

	Spar Nord's Local Banks	Finans Nord	Trading, Financial Markets & the Inter- national Division	Corporate Coordination & Support	Staff Functions	Unallocated	Eliminations	Earnings from investment portfolios, etc.	The Group, total
Loans, advances and other receivables at amort. cost	30,277.5	7,629.5	7,166.0	0.9	0.2	0.0	-6,372.5	0.0	38,701.6
Equity investments in ass. and group enterprises	0.0	0.0	0.0	0.0	0.0	677.6	0.0	40.9	718.5
Intangible assets and property, plant and equipment *)	206.9	182.7	1.1	29.8	512.3	51.7	0.0	0.0	984.5
Miscellaneous assets	4,022.6	134.9	15,674.9	218.0	39.1	2,441.5	-66.9	487.9	22,952.0
<b>Total assets</b>	<b>34,507.0</b>	<b>7,947.1</b>	<b>22,842.0</b>	<b>248.7</b>	<b>551.6</b>	<b>3,170.8</b>	<b>-6,439.4</b>	<b>528.8</b>	<b>63,356.6</b>
Deposits and other payables	29,002.6	0.0	1,263.2	182.0	0.0	0.0	-30.7	0.0	30,417.1
Shareholders' equity (allocated capital)	2,257.7	508.3	301.5	8.2	50.7	1,038.3	0.0	9.9	4,174.6
Miscellaneous liabilities	3,591.1	7,523.3	5,385.6	202.8	12,941.9	5,527.7	-6,408.9	1.4	28,764.9
<b>Total shareholders' equity and liabilities</b>	<b>34,851.4</b>	<b>8,031.6</b>	<b>6,950.3</b>	<b>393.0</b>	<b>12,992.6</b>	<b>6,566.0</b>	<b>-6,439.6</b>	<b>11.3</b>	<b>63,356.6</b>

#### DISCLOSURES - TOTAL INCOME/REVENUE

Internal income/revenue	185.0	1.5	-187.2	308.6	257.2	-67.8	0.0	-11.4	485.9
Internal income and eliminations offset against costs	0.0	0.0	-16.2	-325.3	-144.4	0.0	0.0	0.0	-485.9
Income/revenue, external customers	1,311.3	195.8	573.1	15.0	-118.3	15.3	-7.8	8.3	1,992.7
<b>Income/revenue, total</b>	<b>1,496.3</b>	<b>197.3</b>	<b>369.7</b>	<b>-1.7</b>	<b>-5.5</b>	<b>-52.5</b>	<b>-7.8</b>	<b>-3.1</b>	<b>1,992.7</b>

#### Income/revenue, total - external customers

Denmark	1,311.3	179.8	573.1	15.0	-118.3	15.3	-7.8	8.3	1,976.7
Other EU countries	0.0	16.0	0.0	0.0	0.0	0.0	0.0	0.0	16.0
<b>Revenue, external customers, total</b>	<b>1,311.3</b>	<b>195.8</b>	<b>573.1</b>	<b>15.0</b>	<b>-118.3</b>	<b>15.3</b>	<b>-7.8</b>	<b>8.3</b>	<b>1,992.7</b>

#### FINANCIAL RATIOS

Return on equity, % **)	6.7	-1.5	182.3	-	-	-	-	-	-
Cost share of core income	0.64	0.54	0.11	-	-	-	-	-	-
Risk-weighted items, end of period	28,221	6,353	3,769	103	634	1,341	-	124	40,545
Number of employees (full-time, end of period)	1,003	106	66	259	96	-	-	-	1,530

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.

#### A DESCRIPTION OF THE ACTIVITIES OF THE BUSINESS AREAS:

- For a description of the activities of Spar Nord's Local Banks, Finans Nord and the Trading, Financial Markets & the International Division, please see the 2009 Annual Report, pp. 17-23 and page 66.
- The activities of Corporate Coordination & Support and Staff Functions 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.

Expenses for the Danish Banking Sector Emergency Fund comprise payment of guarantee commission (costs) and losses on sector-targeted solutions (impairment of loans and advances, etc.)

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 we do not report interest income and expenses.

\*) Non-current assets located in other countries than Denmark amounted to DKK 3.8 million at 30 September 2009.

\*\*) 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 million	Q1-Q3 2010	Q1-Q3 2009	Full year 2009
<b>4 Interest income</b>				
Receivables from credit institutions and central banks		37.9	80.7	96.2
Loans, advances and other receivables		1,480.4	1,794.3	2,302.8
Bonds		287.0	321.3	431.7
Foreign-exchange contracts		25.8	90.1	103.9
Interest-rate contracts		-12.7	-17.2	-34.6
<i>Derivative instruments, total</i>		13.1	72.9	69.3
Other interest income		0.3	0.2	0.3
<b>Total interest income</b>		<b>1,818.7</b>	<b>2,269.4</b>	<b>2,900.3</b>
<i>Of which, income from genuine purchase and resale transactions booked under</i>				
Receivables from credit institutions and central banks		18.5	26.0	34.4
Loans, advances and other receivables		6.9	28.9	28.9
<b>5 Interest expenses</b>				
Credit institutions and central banks		51.5	181.0	200.3
Deposits and other payables		303.0	543.3	661.0
Bonds issued		133.3	97.6	141.4
Subordinated debt		124.7	89.5	131.4
Other interest expenses		0.2	0.1	0.2
<b>Total interest expenses</b>		<b>612.7</b>	<b>911.5</b>	<b>1,134.3</b>
<i>Of which, interest expenses from genuine sale and repo transactions booked under</i>				
Payables to credit institutions and central banks		2.4	10.5	11.7
Deposits and other payables		0.0	0.0	0.2
<b>6 Fees, charges and commissions received</b>				
Securities trading and custody accounts		89.2	75.4	111.8
Asset management		72.3	57.7	82.4
Payment services		44.8	38.7	51.7
Loan transaction fees		118.2	109.5	146.9
- of which, mortgage credit institutions		75.9	75.5	101.4
Guarantee commissions		48.4	32.0	44.6
Other fees, charges and commissions		49.5	41.9	53.0
<b>Total fees, charges and commissions received</b>		<b>422.4</b>	<b>355.2</b>	<b>490.4</b>
<b>7 Fees, charges and commissions paid</b>				
Securities trading and custody accounts		37.0	31.7	52.0
Asset management		5.7	7.4	10.7
Guarantee commissions		0.1	0.0	0.0
Other fees, charges and commissions		8.3	7.3	10.9
<b>Total fees, charges and commissions paid</b>		<b>51.1</b>	<b>46.4</b>	<b>73.6</b>
<b>8 Net fees, charges and commissions received</b>				
Securities trading and custody accounts		52.2	43.7	59.8
Asset management		66.6	50.3	71.7
Payment services		44.8	38.7	51.7
Loan transaction fees		118.2	109.5	146.9
- of which, mortgage credit institutions		75.9	75.5	101.4
Guarantee commissions		48.3	32.0	44.6
Other fees, charges and commissions		41.2	34.6	42.1
<b>Total fees (net), charges and commissions received, total</b>		<b>371.3</b>	<b>308.8</b>	<b>416.8</b>

## NOTES - THE GROUP

Note	DKK million	Q1-Q3 2010	Q1-Q3 2009	Full year 2009
<b>9</b>	<b>Market-value adjustments</b>			
	Other loans, advances and receivables at fair value	-21.1	10.1	10.8
	Bonds	198.2	161.6	172.0
	Shares, etc.	56.2	-12.8	33.2
	Foreign exchange	275.7	-151.1	-182.8
	Foreign-exchange, interest, share, commodity and other contracts and derivative instruments	-205.8	226.2	298.2
	Assets linked to pooled schemes	338.7	383.6	437.0
	Deposits in pooled schemes	-338.7	-383.6	-437.0
	Miscellaneous commitments	-95.1	-21.1	-26.2
	<b>Total market-value adjustments</b>	<b>208.1</b>	<b>212.9</b>	<b>305.2</b>
<b>10</b>	<b>Staff costs and administrative expenses</b>			
	Staff costs	706.4	688.3	915.5
	Administrative expenses	404.4	429.0	585.0
	<b>Total</b>	<b>1.110.8</b>	<b>1.117.3</b>	<b>1.500.5</b>
	<i>Staff costs</i>			
	Salaries	593.6	580.8	770.7
	Share-based payment	0.0	0.0	0.0
	Pensions	68.4	66.0	88.7
	Social security costs and payroll tax, etc.	44.4	41.5	56.1
	<b>Total</b>	<b>706.4</b>	<b>688.3</b>	<b>915.5</b>
	<i>Of which, salaries and remuneration of the Supervisory and Executive Boards account for</i>			
	Executive Board	5.4	5.0	6.7
	Supervisory Board	1.8	1.7	2.3
	Pensions	0.8	0.7	1.0
	<b>Salaries and remuneration of Supervisory and Executive Boards, total</b>	<b>8.0</b>	<b>7.4</b>	<b>10.0</b>
	<i>The Executive Board's remuneration is composed of four elements:</i>			
	Base pay	6.2	6.0	8.0
	- fees received from directorships	0.8	1.0	1.3
	<i>The Bank's expense, base pay</i>	<i>5.4</i>	<i>5.0</i>	<i>6.7</i>
	Pension	0.8	0.7	1.0
	Bonus	0.0	0.0	0.0
	Share-option scheme	0.0	0.0	0.0
	Number of employees (average no. of full-time employees)	1.519.6	1.537.6	1.534.7
	<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.			
	<i>Incentive scheme:</i>			
	The Executive Board and executive staff members are comprised by the Group's share-option scheme for the period 2005-2007. Reference is made to the Group's 2009 Annual Report for a more detailed description.			
	As an element in the agreement concluded between the Danish Government and Danish financial institutions regarding a two-year government-backed guarantee scheme, the establishment of new share-option schemes has been suspended. There are no plans to establish new share-option schemes.			
	<b>Other administrative expenses</b>			
	IT expenses	178.7	177.9	238.9
	Marketing costs	50.9	58.7	82.3
	Cost of premises	61.1	59.0	81.6
	Staff and travelling expenses	39.8	49.0	66.1
	Office expenses	24.9	28.1	36.8
	Other administrative expenses	49.0	56.3	79.3
	<b>Other administrative expenses, total</b>	<b>404.4</b>	<b>429.0</b>	<b>585.0</b>
	<i>Minor reclassifications have been made between the individual expense categories.</i>			

## NOTES - THE GROUP

Note	DKK million	Q1-Q3 2010	Q1-Q3 2009	Full year 2009
<b>11 Receivables from credit institutions and central banks</b>				
Receivables from central banks, subject to notice		0.0	500.0	799.8
Receivables from credit institutions		4,486.0	2,437.3	3,213.9
<b>Total receivables from credit institutions and central banks</b>		<b>4,486.0</b>	<b>2,937.3</b>	<b>4,013.7</b>
<b>12 Impairment of loans and advances and provisions for guarantees</b>				
<i>Individual impairment of loans and advances</i>				
Individual impairment, beginning of period		856.8	496.2	496.2
New individual impairment provisions		397.0	405.3	578.9
Reversal of individual impairment losses		154.1	66.3	105.1
Previously written down, now definitively lost		208.1	134.3	175.7
Interest on impaired loans and advances taken to income		39.5	43.2	62.5
<b>Individual impairment, end of period</b>		<b>931.1</b>	<b>744.1</b>	<b>856.8</b>
<i>Groups of impairment losses, loans and advances</i>				
Groups of impairment losses, beginning of period		108.9	83.2	83.2
New groups of impairment losses		0.0	19.0	25.7
Reversal of groups of impairment losses		26.4	0.0	0.0
<b>Groups of impairment losses, end of period</b>		<b>82.5</b>	<b>102.2</b>	<b>108.9</b>
<i>Total impairment of loans and advances</i>				
Impairment, beginning of period		965.7	579.4	579.4
New provisions for impairment		397.0	424.3	604.6
Reversal of impairment losses		180.5	66.3	105.1
Previously written down, now definitively lost		208.1	134.3	175.7
Interest on impaired loans and advances taken to income		39.5	43.2	62.5
<b>Impairment, end of period</b>		<b>1,013.6</b>	<b>846.3</b>	<b>965.7</b>
<i>Impairment recognized in the income statement</i>				
New provisions for impairment		397.0	424.3	604.6
Reversal of impairment losses		180.5	66.3	105.1
Losses without prior impairment		135.8	82.4	106.7
Carried to income, previously written off		18.4	21.2	23.1
<b>Recognized in the income statement</b>		<b>333.9</b>	<b>419.2</b>	<b>583.1</b>
<i>Impairment, other credit risks</i>		0.0	0.0	0.0
<i>Provisions for losses on guarantees</i>				
Provisions for losses on guarantees, beginning of period		133.8	26.5	26.5
New provisions		94.3	83.7	111.1
Reversal of provisions		0.7	1.8	2.4
Definitively lost		0.0	1.4	1.4
<b>Provisions for losses on guarantees, end of period</b>		<b>227.4</b>	<b>107.0</b>	<b>133.8</b>
<i>Provisions for losses on guarantees recognized in the income statement</i>				
New provisions		94.3	83.7	111.1
Reversal of provisions		0.7	1.8	2.4
<b>Recognized in the income statement</b>		<b>93.6</b>	<b>81.9</b>	<b>108.7</b>
<b>Impairment of loans and advances and provisions for losses on guarantees recognized in the income statement, total</b>		<b>427.5</b>	<b>501.1</b>	<b>691.8</b>
<b>13 Other assets</b>				
Positive market value of derivative instruments		2,335.1	1,739.0	1,463.1
Miscellaneous receivables		58.4	34.6	51.6
Interest and commissions receivable		378.6	364.9	362.4
Miscellaneous assets		26.6	58.2	30.3
<b>Other assets, total</b>		<b>2,798.7</b>	<b>2,196.7</b>	<b>1,907.4</b>
<b>14 Deposits and other payables</b>				
On demand		23,766.0	20,990.7	21,122.8
Subject to notice		2,390.4	3,786.5	4,127.9
Time deposits		2,159.7	2,353.6	3,194.9
Special types of deposit		3,134.9	3,286.3	3,485.1
<b>Deposits and other payables, total</b>		<b>31,451.0</b>	<b>30,417.1</b>	<b>31,930.7</b>
<b>15 Other liabilities</b>				
Negative market value of derivative instruments		2,094.4	1,557.4	1,073.5
Miscellaneous payables		3,857.1	3,047.7	3,208.9
Interest and commissions payable		275.3	332.1	214.5
Miscellaneous liabilities		616.4	722.8	713.9
<b>Other liabilities, total</b>		<b>6,843.2</b>	<b>5,660.0</b>	<b>5,210.8</b>

## NOTES - THE GROUP

Note DKK million						Q1-Q3 2010	Q1-Q3 2009	Full year 2009
<b>16 Subordinated debt</b>								
Note	Currency	Principal (DKK m)	Interest rate	Received	Maturity			
a	DKK	155.0	4.245 %	2004	29.10.2012	0.0	155.0	0.0
b	DKK	200.0	2.458 %	2006	16.11.2014	200.0	200.0	200.0
c	NOK	220.0	3.250 %	2006	20.02.2015	205.7	193.5	196.7
d	EUR	40.0	1.754 %	2007	28.03.2015	297.9	297.5	297.4
e	EUR	33.5	1.864 %	2005	29.10.2015	249.7	249.4	249.3
f	DKK	100.0	2.343 %	2007	03.12.2015	100.0	100.0	100.0
<b>Supplementary capital contributions, total</b>						<b>1,053.3</b>	<b>1,195.4</b>	<b>1,043.4</b>
<b>Hybrid core capital</b>								
g	DKK	350.0	5.250 %	2005	Perpetual	375.2	360.8	360.5
h	DKK	1,265.0	9.690 %	2009	Perpetual	1,321.9	1,274.0	1,277.7
Portfolio of own bonds						0.0	0.0	-0.5
<b>Subordinated debt, total</b>						<b>2,750.4</b>	<b>2,830.2</b>	<b>2,681.1</b>
Interest on subordinated debt						123.8	89.0	130.6
Costs of raising subordinated debt						0.9	0.5	0.8
Subordinated debt that can be included for the purpose of calculating the capital base						2,750.4	2,830.2	2,681.1
a Redeemed on 29.10.2009								
b Redeemable as from 16.11.2011, after which date interest is fixed at DKKC6M + a 2.40% margin.								
c Redeemable as from 20.02.2012, after which date interest is fixed at NOKL3M + a 2.10% margin.								
d Redeemable as from 28.03.2012, after which date interest is fixed at EURI6M + a 1.81% margin.								
e Redeemable and scheduled to be redeemed on 29.10.2010								
f Redeemable as from 03.12.2012, after which date interest is fixed at DKKC6M + a 2.35% margin.								
g Redeemable as from 16.03.2015, after which date interest is fixed at DKKC3M + a 2.33% margin.								
h 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								
<b>17 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						2,052.4	1,763.6	1,848.9
Loss guarantees for mortgage loans						666.1	564.2	598.2
Registration and refinancing guarantees						4,160.0	1,800.8	3,063.9
Other contingent liabilities						637.6	761.7	724.3
<b>Total contingent liabilities</b>						<b>7,516.1</b>	<b>4,890.3</b>	<b>6,235.3</b>
Spar Nord Bank operates under the government-backed deposit guarantee scheme that expired on 30 September 2010. Other than the agreement to pay guarantee commission to the Danish Winding-Up Company, it also contains a guarantee to cover losses under the government-backed deposit guarantee scheme sustained by the Company. The guarantee is recognized under other contingent liabilities.								
Spar Nord Bank's share of the total, maximum guarantee during the period covered by the agreement until 30 September 2010 has been preliminarily estimated at DKK 448 million, regarding which a DKK 224 million provision was made at 30 September 2010.								
The share of the guarantee has been calculated based on the necessary capital base of the individual member of the Danish Banking Sector Emergency Fund.								
<b>18 Other obligating agreements</b>								
Other						576.3	547.3	575.5
<b>Other obligating agreements, total</b>						<b>576.3</b>	<b>547.3</b>	<b>575.5</b>
Other is composed of:								
Rent obligations								
The Bank has concluded lease agreements with real property lessors regarding a number of the Bank's branches. The rent commitment until the legal notice of termination date amounts to DKK 126.3 million.								
Data processing centre *)								
The Bank has concluded an agreement with the data processing centre SDC 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 450 million, corresponding to the average monthly payments over a period of 36 months.								
The Spar Nord Bank Group has no other obligating agreements.								
*) According to the most recent Annual Report								

## NOTES TO THE FINANCIAL STATEMENTS WITHOUT REFERENCE NUMBERS - THE GROUP

DKK million	Q1-Q3 2010	Q1-Q3 2009	Full year 2009
<b>SOLVENCY INFORMATION</b>			
<b>Capital base and solvency ratio</b>			
Shareholders' equity	4,383.5	4,174.6	4,142.7
Intangible assets, incl. share recognized in investments in associates	196.6	203.3	203.0
Other deductions	99.1	70.6	75.9
<b>Core capital after deductions</b>	<b>4,087.8</b>	<b>3,900.7</b>	<b>3,863.8</b>
<b>Hybrid core capital</b>	<b>1,697.1</b>	<b>1,634.8</b>	<b>1,638.2</b>
<b>Core capital (incl. hybrid core capital) after deductions</b>	<b>5,784.9</b>	<b>5,535.5</b>	<b>5,502.0</b>
Subordinated debt (excl. hybrid core capital) *)	1,053.3	1,195.4	1,042.9
Revaluation reserves, etc.	60.5	51.6	54.7
Other deductions	728.1	693.7	693.4
<b>Capital base after deductions</b>	<b>6,170.6</b>	<b>6,088.8</b>	<b>5,906.2</b>
<b>Risk-weighted items</b>	<b>43,786.2</b>	<b>40,544.9</b>	<b>41,692.3</b>
Core capital ratio (excl. hybrid core capital) (%)	9.3	9.6	9.3
Core capital ratio (incl. hybrid core capital) after deductions in per cent of risk-weighted items (%)	13.2	13.7	13.2
Solvency ratio (%)	14.1	15.0	14.2
The determination of solvency ratio includes the profit/loss for the period			
*) Including portfolio of own bonds			
<b>Genuine sale and repo transactions and genuine purchase and resale transactions</b>			
<i>Genuine purchase and resale transactions constitute the following:</i>			
Receivables from credit institutions and central banks	1,339.3	474.8	1,750.3
Loans, advances and other receivables	272.9	0.0	0.0
<i>Genuine sale and repo transactions constitute the following:</i>			
Payables to credit institutions and central banks	1,791.5	1,519.0	1,697.0
Deposits and other payables	0.0	0.0	0.0
<i>Assets sold as an element in genuine sale and repo transactions</i>			
Asset item:			
Bonds at fair value	1,743.3	1,479.4	1,672.7
<b>Security furnished</b>			
At the end of Q3 the following were deposited with Danmarks Nationalbank (the central bank), The Royal Bank of Scotland and foreign clearing centres			
- bonds included in the trading portfolio	4,375.2	6,426.4	6,647.1
- shares not included in the trading portfolio	0.0	162.5	168.6
- deposits, futures clearing	10.1	0.0	0.0
with credit institutions			
- deposits via CSA agreements for derivatives trades	756.9	115.4	159.9

## NOTES TO THE FINANCIAL STATEMENTS WITHOUT REFERENCE NUMBERS - THE GROUP

DKK million	Q1-Q3 2010	Q1-Q3 2009	Full year 2009
<b>Hedge accounting</b>			
<b>Assets</b>			
<i>Loans and advances</i>			
Carrying amount	86.0	80.7	80.0
Purchase price	75.0	75.0	75.0
Fair value	86.0	80.7	80.0
Nominal value	75.0	75.0	75.0
<i>Derivatives (swap contracts)</i>			
Carrying amount	-11.0	-5.6	-5.0
Fair value	-11.0	-5.6	-5.0
Synthetic principal/nominal value	75.0	75.0	75.0
<b>Liabilities</b>			
<i>Bonds issued</i>			
Carrying amount	3,766.1	3,723.5	3,724.0
Purchase price	3,726.0	3,722.2	3,720.8
Fair value	3,766.1	3,723.5	3,724.0
Nominal value	3,726.0	3,722.2	3,720.8
<i>Derivatives (swap contracts)</i>			
Carrying amount	39.8	1.0	3.1
Fair value	39.8	1.0	3.1
Synthetic principal/nominal value	3,726.0	3,722.2	3,720.8
<i>Subordinated debt</i>			
Carrying amount	1,700.8	1,639.5	1,642.7
Purchase price	1,615.0	1,615.0	1,615.0
Fair value	1,700.8	1,639.5	1,642.7
Nominal value	1,615.0	1,615.0	1,615.0
<i>Derivatives (swap contracts)</i>			
Carrying amount	84.4	21.0	26.4
Fair value	84.4	21.0	26.4
Synthetic principal/nominal value	1,615.0	1,615.0	1,615.0

### Ownership

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