



CONTENTS

PAGE

	MANAGEMENT'S REVIEW
4	TO READERS OF THE ANNUAL REPORT
6	PERFORMANCE INDICATORS AND FINANCIAL RATIOS FOR THE GROUP - CORE EARNINGS - YEAR
8	PERFORMANCE INDICATORS AND FINANCIAL RATIOS FOR THE GROUP - CORE EARNINGS - QUARTER
11	THE YEAR IN REVIEW - THE GROUP
22	CORPORATE GOVERNANCE
25	VISION AND STRATEGY
	STAKEHOLDERS:
28	• CUSTOMERS
30	• EMPLOYEES
32	• SHAREHOLDERS
	BUSINESS AREAS:
34	• SPAR NORD'S LOCAL BANKS
37	• FINANS NORD
39	• TRADING, FINANCIAL MARKETS & THE INTERNATIONAL DIVISION
	RISKS:
42	• CREDIT RISK
52	• MARKET RISK
58	• OPERATIONAL RISK
	MANAGEMENT'S STATEMENT AND AUDITORS' REPORTS
60	STATEMENT BY THE SUPERVISORY AND EXECUTIVE BOARDS ON THE ANNUAL REPORT
61	REPORT BY THE INTERNAL AUDIT DEPARTMENT
62	INDEPENDENT AUDITORS' REPORT
	PARENT COMPANY'S FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS
64	INCOME STATEMENT
65	BALANCE SHEET
66	STATEMENT OF CHANGES IN EQUITY
68	CASH FLOW STATEMENT
	LIST OF NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS AND THE CONSOLIDATED FINANCIAL STATEMENTS
70	NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS
	OTHER DISCLOSURES
120	THE BANK'S MANAGEMENT
122	DIRECTORSHIPS, ETC. AND MANAGEMENT'S SHAREHOLDINGS
125	ORGANIZATIONAL UNITS AND MANAGEMENT
129	STOCK EXCHANGE ANNOUNCEMENTS 2008

2008 - A YEAR OF EXTREMES

After a number of years with handsome profits, most recently DKK 833 million in 2007, the pre-tax profits for 2008 ended at only DKK 124 million - and that in a year when Spar Nord's core business continued to grow respectably!

As an ambitious business accustomed to growth, we cannot be satisfied with an annual profit 85% down on the previous year. A look at the market conditions under which this profit was generated, however, makes it somewhat more acceptable.

As a matter of fact, 2008 proved the worst for many decades across a wide range of areas.

For one thing, we ran into the most serious liquidity crisis since the 1930s. In the wake of the collapse of the subprime mortgage market and the losses it inflicted on some of the largest financial institutions globally, the confidence - so necessary for the globalized financial system to operate - evaporated.

Instead of allowing liquidity to seep into the market, banks worldwide began holding onto the money - an understandable reaction but untenable in the long term.

Denmark resolved the problem with a "bank package", whereby the financial sector and the Government joined forces to provide depositors with a guarantee that protects them against the losses dreaded by both professional and private depositors. The guarantee scheme was necessary and effective, but also an expensive solution for the financial sector, carrying a combined price tag of DKK 35 billion (max.) over a two-year period. Spar Nord's share of the annual guarantee commission will amount

to about DKK 170 million. To this should be added our share of the overall capped guarantee, and any increase thereof, in the amount of up to DKK 450 million. Already in 2008, this amounted to an expense of DKK 81 million regarding guarantee and sector-targeted solutions.

The sour bond-market climate in 2008 marked another turn in investor sentiment. As a derivative effect of investors' wish to obtain maximum security, demand shifted from mortgage-credit bonds to government bonds. This resulted in a heavily widened yield spread, the brunt of which Spar Nord took on its market-value adjustments and earnings from investment portfolios - and which had a negative effect on profits in the amount of more than DKK 300 million.

At the same time, the Danish stock market dove more than 50%, and financials even more. The Spar Nord share lost more than 63% of its value - an unsatisfactory decrease, which incidentally was the second lowest among major Danish banks. For by far the majority of listed companies, the development served to wipe out several years' return in the course of a few months.

Finally, 2008 was the year when we saw a downturn in business trends, particularly in Q4. Many businesses experienced declining demand, economic growth ground to a halt, and unemployment began to rise.

For us as a bank, this development is reflected in higher losses and loan impairment. Thanks to our subdued risk profile, and thus our excellent credit quality, we have not been struck by heavy 'financial lightning'. But after two years of having reported net income regarding the item, impairment of loans and advances, etc. - most recently DKK 111 million in 2007 - we had to report an expense of DKK 236 million in 2008 in respect of this item.

Focusing on all the external events puts the sharp decline in our profit performance for the year in a somewhat different light. In fact, our core business is running no less well than in the past. On the contrary, 2008 was a satisfactory year for both Spar Nord's Local Banks and Finans Nord, with sustained growth in both customer numbers and in business volume.

After a number of years in which the Spar Nord chain grew by establishing new local banks outside North Jutland, the growth we saw in 2008 was the result of acquisitions. Thus, in Q4 we acquired seven branches from Roskilde Bank and on this basis established three new bank regions: Spar Nord Roskilde, Spar Nord Holbæk and Spar Nord Helsingør.

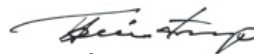
If we look ahead at the rest of 2009, the outlook is tainted by somewhat greater uncertainty than usual. The guarantee scheme from October and the new "credit package" introduced in January 2009 by the 'Folketing', the Danish parliament, calmed troubled liquidity and capital markets. Thus, we expect to have the opportunity to make the most of our financial and distributive strength during the year and thus bolster our market position even further.

We also expect our existing core business to continue its favourable growth trend. Despite the gloomy business developments, we have fashioned an excellent platform for sustained growth via our geographical expansion in recent years.

Nonetheless, we must expect 2009, and 2010 as well, to yield more moderate financial profits. The expenses connected with our participation in the two-year guarantee scheme and the expected higher loan losses mean that the figures on our bottomline - and that of other banks - will not reach the highs seen in recent years.

All the same, we believe that Spar Nord has an excellent and solid platform with the potential for continued business growth.

Sincerely yours,



Torben Fristrup
Chairman of the
Supervisory Board



Lasse Nyby
Chief Executive Officer

PERFORMANCE INDICATORS AND FINANCIAL RATIOS FOR THE GROUP - CORE EARNINGS - YEAR

Annual Report 2008

PERFORMANCE INDICATORS

INCOME STATEMENT DISCLOSURES	2004	2005	2006	2007	2008
DKK million					
Net interest income	862.4	890.4	1,010.7	1,149.7	1,502.3
Net income from fees, charges and commissions	299.0	392.1	470.3	482.9	402.1
Dividends on shares, etc.	24.8	11.0	17.1	13.7	14.9
Market-value adjustments	126.5	204.5	191.5	168.2	-83.1
Other operating income	55.8	73.7	61.4	75.6	89.6
Profit/loss on equity investments in associates and group enterprises	33.5	49.2	84.0	99.1	31.5
Core income	1,402.0	1,620.9	1,835.0	1,989.2	1,957.3
Operating costs, depreciation and amortization	925.2	1,031.6	1,161.8	1,286.3	1,380.1
Core earnings before impairment	476.8	589.3	673.2	702.9	577.2
Impairment of loans and advances, etc.	170.8	33.9	-172.5	-111.3	235.8
Core earnings	306.0	555.4	845.7	814.2	341.4
Earnings from investment portfolios *)	58.0	58.1	35.2	18.8	-229.3
Totalkredit (sale of shares)	44.3	0.0	152.3	0.0	92.9
Profit/loss on ordinary operations	408.3	613.5	1,033.2	833.0	205.0
The Danish Banking Sector Emergency Fund *)	0.0	0.0	0.0	0.0	-81.3
Profit/loss before tax	408.3	613.5	1,033.2	833.0	123.7
Tax	84.6	134.2	204.6	152.7	28.4
Profit/loss after tax	323.7	479.3	828.6	680.3	95.3

BALANCE SHEET DISCLOSURES **)

DKK million					
Total assets	36,677	45,962	58,565	63,394	69,268
Loans and advances	19,611	27,134	34,318	40,939	45,376
- bank loans and advances	19,509	27,134	32,409	40,506	43,156
- reverse transactions	102	0	1,909	433	2,220
Deposits	20,658	22,289	26,259	31,416	38,019
- bank deposits	18,418	19,243	22,166	27,387	33,833
- repo transactions	101	155	537	0	0
- deposits in pooled schemes	2,139	2,891	3,556	4,029	4,186
Subordinated debt	1,087	1,693	1,458	1,770	1,652
Shareholders' equity	2,361	3,039	3,649	4,138	4,024
Contingent liabilities	4,714	6,394	7,017	4,048	4,561
Risk-weighted assets	25,619	31,665	38,289	43,656	42,813
Core capital (incl. hybrid core capital) after deductions	2,176	3,137	3,727	4,098	4,154
Impairment of loans, advances and guarantees	694	688	525	444	606
Non-performing loans	91	41	48	27	48
Business volume	44,983	55,817	67,594	76,403	87,956

*) The definition and breakdown of earnings from investment portfolios and the Danish Banking Sector Emergency Fund, which have been segregated, appear from note 2.

**) The balance sheet figures for 2004 have been taken from the opening balance sheet at 1 January 2005.

PERFORMANCE INDICATORS AND FINANCIAL RATIOS FOR THE GROUP - CORE EARNINGS - YEAR

Annual Report 2008

FINANCIAL RATIOS

		2004	2005	2006	2007	2008
Solvency						
Solvency ratio		10.2	12.3	10.8	11.1	11.3
Core capital ratio, incl. hybrid capital, (%)		8.5	9.9	9.7	9.4	9.7
Core capital ratio, excl. hybrid capital, (%)		8.5	8.8	8.8	8.6	8.9
Earnings						
Return on equity before tax	%	18.0	24.3	30.9	21.4	3.0
Return on equity after tax	%	14.2	19.0	24.8	17.5	2.3
Cost share of core income		0.66	0.64	0.63	0.65	0.71
Cost share of core income, incl. impairment		0.78	0.66	0.54	0.59	0.83
Core income/cost ratio		1.52	1.57	1.58	1.55	1.42
Market risks						
Interest-rate risk	%	4.4	2.3	1.0	2.1	0.6
Foreign-exchange position	%	14.1	4.9	6.7	5.7	9.1
Foreign-exchange risk	%	0.2	0.3	0.1	0.1	0.1
Credit risks						
Loans and advances plus impairment rel. to deposits	%	98.3	124.7	132.6	131.7	120.9
Loans and advances rel. to shareholders' equity		8.3	8.9	9.4	9.9	11.3
Increase in loans and advances for the year	%	10.0	38.4	26.5	19.3	10.8
Excess coverage rel. to statutory cash ratio requirement	%	108.8	47.8	34.3	91.9	86.7
Sum total of major commitments	%	47.7	103.2	80.9	65.0	12.3
Impairment ratio		0.7	0.1	-0.4	-0.2	0.5
Employees and branches						
Number of employees (full-time, end of year)		1,114	1,198	1,313	1,416	1,554
Number of branches		69	71	77	82	75
THE SPAR NORD BANK SHARE						
DKK per share of DKK 10						
Share price, end of year		73	93	137	116	43
Net asset value (NAV)		46	54	65	75	73
Profit/loss for the year		6.1	8.8	14.5	11.9	1.7
Dividend		3	3	3	3	0
Return	%	48	32	50	-13	-61
Price/earnings		12	11	9	10	25

In 2005, the Group changed its accounting policies in connection with the transition to IFRS. The performance indicators and financial ratios have only been partially restated for 2004.

The Danish Financial Supervisory Authority's layout and ratio system appear from note 55. Ratio definitions appear from note 56.

PERFORMANCE INDICATORS AND FINANCIAL RATIOS FOR THE GROUP - CORE EARNINGS - QUARTER

Annual Report 2008

PERFORMANCE INDICATORS

INCOME STATEMENT DISCLOSURES

DKK million	4th quarter 2007	1st quarter 2008	2nd quarter 2008	3rd quarter 2008	4th quarter 2008
Net interest income	299.6	312.5	345.7	365.6	478.5
Net income from fees, charges and commissions	113.2	104.1	97.0	102.5	98.5
Dividends on shares, etc.	0.0	0.2	14.8	0.0	-0.1
Market-value adjustments	70.1	7.7	40.4	-33.7	-97.5
Other operating income	24.3	20.4	22.2	20.5	26.5
Profit/loss on equity investments in associates and group enterprises	11.9	36.6	7.5	-2.1	-10.5
Core income	519.1	481.5	527.6	452.8	495.4
Operating costs, depreciation and amortization	342.5	343.2	348.0	347.2	341.7
Core earnings before impairment	176.6	138.3	179.6	105.6	153.7
Impairment of loans and advances, etc.	-3.3	-8.3	8.3	38.5	197.3
Core earnings	179.9	146.6	171.3	67.1	-43.6
Earnings from investment portfolios *)	-1.0	-56.3	-14.9	-39.9	-118.2
Totalkredit (sale of shares)	0.0	92.9	0.0	0.0	0.0
Profit/loss on ordinary operations	178.9	183.2	156.4	27.2	-161.8
The Danish Banking Sector Emergency Fund *)	0.0	0.0	0.0	0.0	-81.3
Profit/loss before tax	178.9	183.2	156.4	27.2	-243.1
Tax	25.4	35.2	37.3	6.6	-50.7
Profit/loss after tax	153.5	148.0	119.1	20.6	-192.4

BALANCE SHEET DISCLOSURES

DKK million	4th quarter 2007	1st quarter 2008	2nd quarter 2008	3rd quarter 2008	4th quarter 2008
Total assets	63,394	67,288	68,561	70,308	69,268
Loans and advances	40,939	41,015	42,205	44,478	45,376
- bank loans and advances	40,506	40,324	41,155	41,562	43,156
- reverse transactions	433	691	1,050	2,916	2,220
Deposits	31,416	32,464	34,124	36,546	38,019
- bank deposits	31,416	28,438	30,073	30,193	33,833
- repo transactions	0	0	0	0	0
- deposits in pooled schemes	4,029	4,026	4,051	6,353	4,186
Subordinated debt	1,770	1,776	1,658	1,660	1,652
Shareholders' equity	4,138	4,272	4,219	4,226	4,024
Contingent liabilities	4,048	3,475	3,959	3,544	4,561
Risk-weighted assets	43,656	41,286	42,234	42,741	42,813
Core capital (incl. hybrid core capital) after deductions	4,098	4,235	4,337	4,432	4,154
Impairment of loans, advances and guarantees	444	429	422	451	606
Non-performing loans	27	29	33	68	48
Business volume	76,403	76,954	80,288	84,568	87,956

*) The definition and breakdown of earnings from investment portfolios and the Danish Banking Sector Emergency Fund, which have been segregated, appear from note 2.

Ratio definitions appear from note 56.

The performance indicators and financial ratios for the Group, core earnings - quarter - are unaudited.

PERFORMANCE INDICATORS AND FINANCIAL RATIOS FOR THE GROUP - CORE EARNINGS - QUARTER

Annual Report 2008

FINANCIAL RATIOS

		4th quarter 2007	1st quarter 2008	2nd quarter 2008	3rd quarter 2008	4th quarter 2008
Solvency						
Solvency ratio		11.1	12.1	11.9	12.0	11.3
Core capital ratio, incl. hybrid capital, (%)		9.4	10.3	10.3	10.4	9.7
Core capital ratio, excl. hybrid capital, (%)		8.6	9.4	9.5	9.6	8.7
Earnings						
Return on equity before tax	%	4.6	4.4	3.7	0.7	-6.0
Return on equity after tax	%	3.9	3.5	2.9	0.5	-4.7
Cost share of core income		0.66	0.71	0.66	0.77	0.69
Cost share of core income, incl. impairment		0.65	0.70	0.68	0.85	1.09
Core income/cost ratio		1.52	1.40	1.52	1.30	1.45
Market risks						
Interest-rate risk	%	2.1	0.9	1.7	0.8	0.6
Foreign-exchange position	%	5.7	4.2	8.8	10.5	9.1
Foreign-exchange risk	%	0.1	0.1	0.1	0.1	0.1
Credit risks						
Loans and advances plus impairment rel. to deposits	%	131.7	127.6	124.9	122.9	120.9
Loans and advances rel. to shareholders' equity		9.9	9.6	10.0	10.5	11.3
Increase in loans and advances for the year	%	7.1	0.2	2.9	5.4	2.0
Excess coverage rel. to statutory cash ratio requirement	%	91.9	66.0	73.2	43.5	86.7
Sum total of major commitments	%	65.0	67.3	74.7	27.7	12.3
Impairment ratio		0.0	0.0	0.0	0.1	0.4
Employees and branches						
Number of employees (full-time, end of period)		1,416	1,434	1,432	1,444	1,554
Number of branches		82	80	79	76	75
THE SPAR NORD BANK SHARE						
DKK per share of DKK 10						
Share price, end of period		116.0	97	79	67	43
Net asset value (NAV)		75	77	77	77	73
Profit/loss for the period		2.7	2.6	2.1	0.4	-3.4

Ratio definitions appear from note 56.

The performance indicators and financial ratios for the Group, core earnings - quarter - are unaudited.

**PRE-TAX PROFITS OF DKK 124 MILLION
GENERATED IN A HIGHLY TURBULENT MARKET ENVIRONMENT**

The Spar Nord Bank Group wrapped up its financial year 2008 with DKK 124 million in pre-tax profits and DKK 95 million in post-tax profits. The profit performance yields a pre-tax return on the beginning equity of 3.0%.

Management considers the profits for the year, which should be viewed in light of the financial crisis that rocked 2008 and the ensuing highly turbulent market conditions, to be less than satisfactory.

On the upside, the Group's core business - the retail bank and the leasing activities - continued to develop on a satisfactory note, with growth in customer numbers and business volume and an excellent and robust earn-

ings performance. Core earnings before impairment were higher than the forecasts reported at the end of Q3 2008.

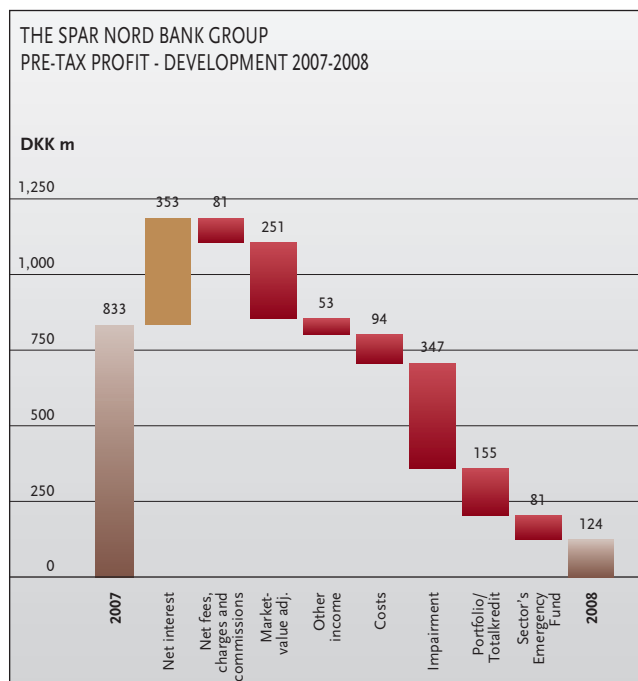
Several factors pushed down profits for the year, which ended as much as DKK 709 million (85%) down on 2007. Developments on the financial markets, with plunging securities prices and a major widening of the yield spread between mortgage credit and government bonds, were the primary causes. For Spar Nord, this affects both market-value adjustments and earnings from investment portfolios, together contributing with a negative impact on profits of more than DKK 300 million.

In addition, impairment of loans and advances again ended as an expense item of DKK 236 million, following two years of net income recognition. Compared with the DKK 111 million that was carried to income last year, this amounts to a DKK 347 million reduction of the impact on profits.

Finally, the financial crisis feeds through into the 2008 Annual Report by way of sector-targeted solutions, to which Spar Nord will make financial contributions totaling DKK 81 million.

In autumn 2008, Spar Nord joined forces with Nordea and Arbejdernes Landsbank in acquiring Roskilde Bank's branch network. Spar Nord took over seven branches, and on this basis established three new bank regions: Spar Nord Roskilde, Spar Nord Holbæk and Spar Nord Helsingør.

Due to Spar Nord's participation in the Danish Banking Sector Emergency Fund and the new Act on Financial Stability, no dividend will be distributed for 2008 and 2009.



OPERATING DEVELOPMENTS

INCOME

The Group's core income ended at DKK 1,957 million in 2008 - down 2% on 2007. Spar Nord's Local Banks and Finans Nord A/S reported growth in the business areas, while the core income of the Trading, Financial Markets Division & the International Division was sliced heavily, primarily because of capital losses on the bond portfolio.

Net interest income ended at DKK 1,502 million - an increase of 31% on 2007. Net interest income amounted to 77% of the total core income for the year (2007: 58%). Net interest income grew due to the sustained volume growth and because the interest margin widened compared with the extremely low level seen in recent years.

Net income from fees, charges and commissions ended at DKK 402 million - a drop of 17% on 2007. Net income from fees, charges and commissions amounted to 21% of the total core income (2007: 24%). The decline in income from fees, charges and commissions is a consequence of the reduced activity level, particularly in capital-market-related areas. Thus, fees from securities trading (36%) and asset management (40%) slipped significantly. On the upside, there was an increase in income from lending-related fees (20%).

Market-value adjustments ended at a loss of DKK 83 million - or DKK 251 million down on 2007. The decline should be seen against the crisis on international financial markets. The crisis has precipitated major demand for government bonds, among other things, and, consequently, a major widening of the yield spread between mortgage credit and government bonds.

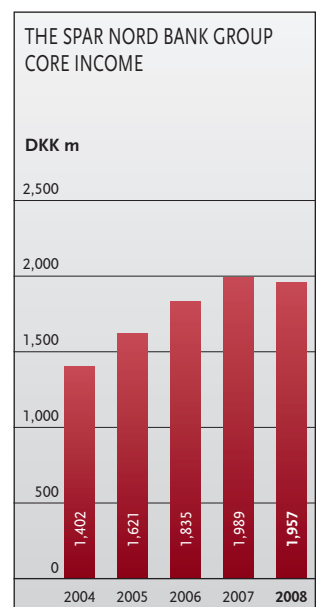
The fact that Spar Nord retains a major portfolio of mort-

gage-credit bonds as part of its cash resources, partly hedging the interest-rate risk with swaps and futures on government bonds, explains why this development resulted in such heavy negative market-value adjustments for the Bank.

In autumn, Spar Nord chose not to use the option available by virtue of IAS 39 to reclassify assets in the trading portfolio - and thus classify parts of the bond portfolio as held-to-maturity investments. If a reclassification had been made, the adverse impact on profits of the unrealized capital losses would have been reduced. This means that Spar Nord continues to market-value adjust interest-bearing securities to fair value via the income statement.

Other operating income ended DKK 90 million, or 19%, above last year's level. Finans Nord's income from assets held under operating leases primarily drove this growth.

The profit on equity investments in associates and group enterprises came to DKK 32 million - 68% down on last year. This decrease occurred chiefly because of lower returns on the Bank's portfolio of shares in Nørresundby Bank and ValueInvest Asset Management SA. It should be noted that in line with previous years Spar Nord has booked its shareholding in Nørresundby Bank at the proportional share of Nørresundby Bank's net asset value.



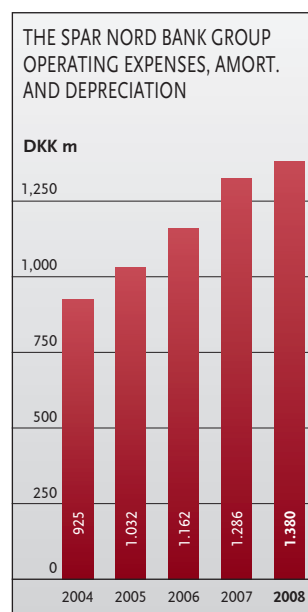
DKK 22 million of the core income is attributable to the seven branches that Spar Nord acquired from Roskilde Bank in October.

COSTS AND EXPENSES

Total costs and expenses ended at DKK 1,380 million - up 7% on 2007. However, the actual growth in costs and expenses came to 9%, if the DKK 1,380 million is adjusted for DKK 16 million attributable to the seven branches taken over from Roskilde Bank, and extraordinary VAT income of DKK 32 million.

The rise, which follows expectations, is mainly attributable to an increase in staff costs and expenses connected with the Bank's expansion and recent years' increases in staff numbers. Thus, staff costs were DKK 50 million up on 2007 - a direct consequence of the staff increase over the year, totalling 138 employees, 108 of whom became part of Spar Nord when the Bank took over seven branches from Roskilde Bank. Since March 2008, the number of employees remained largely unchanged, apart from the seven new branches on Zealand.

On the upside, there was a reduction in expenses regarding performance-related remuneration amounting to DKK 44 million.



Among the other major cost items, development investments connected with a number of major IT projects have chiefly triggered the growth. Projects like Basel IRB and a number of in-house development initiatives, coupled with the general growth in activity level, sent IT costs up DKK 31 million.

Finally, costs and expenses are down DKK 32 million due to the fact that the Danish Supreme Court decided in favour of a leasing company in another group in a case concerning partial VAT deductibility.

IMPAIRMENT OF LOANS AND ADVANCES, ETC.

After two consecutive years with net income recognition on the accounting item, "impairment of loans, advances, etc.", the item once more ended as an expense in 2008. For the full year, the Bank recorded impairment of loans and advances, etc., in the amount of DKK 236 million, corresponding to an impairment ratio of 0.5%. Of this amount, DKK 28 million is attributable to the loss guarantee provided by Spar Nord to customers who have invested their savings in the Bank's pension pool 4. If this recognized loss on the guarantee is excluded, the impairment ratio is 0.4%.

The negative change compared with 2007 is attributable to an increase in new impairment coupled with a reduction in reversals and amounts received in respect of claims previously written off.

This was chiefly due to the deteriorating economic climate, which resulted in a mounting need for individual impairment regarding both retail and business customers towards the end of the year.

DKK 156 million of the profit impact from impairment of loans, advances, etc. is attributable to business customers, and DKK 52 million to retail customers, excl. losses on the guarantee regarding pension pool 4. Despite the significantly weaker profit impact from impairment of loans and advances, Management still considers Spar Nord's credit quality to be good. More information can be found in the section entitled "Credit risk".

Total impairment of loans, advances and guarantees amounted to DKK 605.9 million at end-2008, as compared with DKK 444.0 million at the same time last year. The impairment corresponds to 1.2% of the Bank's total loans, advances and guarantees. The Bank's non-performing loans amount to DKK 48 million, corresponding to 0.1% of total lending. Thus, the cover ratio can be calculated at 12.7%.

CORE EARNINGS

The Group's core earnings before losses and impairment amount to DKK 577 million versus DKK 703 million in 2007. Core earnings after losses and impairment ended at DKK 341 million versus DKK 814 million in 2007.

In light of the extremely difficult market conditions, Management finds core earnings before impairment acceptable.

EARNINGS FROM INVESTMENT PORTFOLIOS

Earnings from investment portfolios comprise the Group's long-term portfolio of shares, bonds and derivatives and venture investments via Erhvervsinvest Nord A/S, Erhvervsinvest K/S and Vækst-Invest Nordjylland A/S.

A loss of DKK 229 million was recognized on earnings from investment portfolios in 2008, versus last year's moderate gain of DKK 19 million.

As a result of the highly volatile market conditions and as a consequence of Spar Nord's aim to carry on a well-balanced retail bank in terms of risk exposure, the Bank decided during the first six months to reduce trading portfolio activities sharply, meaning that risk in the market risk area will primarily be assumed by way of proprietary trading in the Markets Division in future.

This decision meant that the trading portfolio was reduced from DKK 2.9 billion at end-2007 to DKK 1.2 billion at end-2008

The Bank has reduced its trading portfolio of bonds from DKK 2.7 billion at end-2007 to DKK 1.17 billion at end-2008, and it is now primarily composed of bonds issued by European financial institutions. In aggregate, there was a negative return of DKK 197 million in 2008 on interest- and foreign-exchange positions. In 2008, there was an unrealized capital loss of DKK 87 million alone on the Bank's portfolio of Scandinotes (supplementary loan capital to Danish financial institutions).

EARNINGS FROM INVESTMENT PORTFOLIOS					
DKK m	Q1 2008	Q2 2008	Q3 2008	Q4 2008	Total 2008
Interest & for.-exch. positions	-43.2	-12.9	-36.5	-104.3	-196.9
Share positions		-11.6	2.9	-3.1	-21.4
Trading portfolio	-54.8	-10.0	-39.6	-113.9	-218.3
Erhvervsinvest Nord, etc.	-1.5	-4.9	-0.3	-4.3	-11.0
Earnings from inv. portfolios	-56.3	-14.9	-39.9	-118.2	-229.3

In addition, the Bank has reduced its portfolio of CDOs from DKK 174 million at end-2007 to DKK 77 million at end-2008. This portfolio yielded a negative return of DKK 33 million.

The portfolio of shares was reduced from DKK 142 million at end-2007 to DKK 45 million at end-2008. Share positions yielded a negative return of DKK 21 million.

Finally, an extra income of DKK 93 million was realized regarding the sale of Totalkredit to Nykredit.

FINANCIAL CRISIS AND CONTRIBUTIONS TO SECTOR-TARGETED SOLUTIONS

In many respects, 2008 was a dramatic financial year. On the one hand, the international financial crisis made its mark in Denmark by way of major challenges in the capital and liquidity areas. On the other, the second half of the year saw a number of individual crises affecting Danish financial institutions, with the financial sector and the Danish central bank (Danmarks Nationalbank) joining forces to find solutions.

Under the auspices of the Danish Banking Sector Emergency Fund and together with Danmarks Nationalbank, Spar Nord contributed to a bailout arrangement in August that resulted in a capital injection of DKK 4.5 billion into a new banking company charged with responsibility for winding up the collapsed Roskilde Bank.

In September, Spar Nord, together with various other financial institutions and Danmarks Nationalbank, contributed fresh capital to provide the liquidity necessary for EBH Bank to continue operations. Affirming its membership of the Danish Banking Sector Emergency Fund, in October Spar Nord committed itself to taking

part in the new government-backed guarantee scheme for unsecured claims with Danish financial institutions. Spar Nord's share of the annual guarantee commission will amount to about DKK 170 million. To this should be added Spar Nord's share of the overall capped guarantee, and any increase thereof, in the amount of up to DKK 450 million.

For 2008, participation in sector-targeted solutions and payment to the government-backed guarantee scheme resulted in an overall expense of DKK 81 million – of which guarantee commissions accounted for DKK 42 million and impairment for DKK 39 million.

THE DANISH BANKING SECTOR EMERGENCY FUND	
DKK m	2008
Guarantee commission, the government-backed guarantee scheme	42.2
Loss on sector-targeted solutions	39.1
The Danish Banking Sector Emergency Fund, total	81.3

Other consequences of participating in the new government-backed guarantee include the obligatory suspension of dividend distribution. To this should be added Spar Nord's own decision to cancel ongoing share-option schemes with immediate effect.

COMBINED PROFIT

Accordingly, the pre-tax profits amounted to DKK 124 million compared with last year's DKK 833 million. This profit performance yields a 3.0% return on the beginning equity.

After DKK 28 million in estimated tax, profits amount to DKK 95 million. The tax amounts to 23.0% of the pre-tax profits for the year.

DEVELOPMENTS IN Q4 2008

Core earnings before impairment of loans and advances ended at DKK 154 million in Q4 2008, which was higher than expected. This should be compared with core earnings before impairment of DKK 106 million in Q3 2008 and DKK 177 million in Q4 2007.

However, a pre-tax loss of DKK 243 million was recorded in Q4 in 2008 versus pre-tax profits of DKK 27 million in Q3 2008 and DKK 179 million in Q4 in 2007.

The unsatisfactory profit performance for Q4 was due to the sustained and deepening crisis on the financial markets. Q4 saw additional negative market-value adjustments at the Markets Division and additional losses on earnings from investment portfolios, as projected in the interim report for Q1-Q3. The Bank also recognized an increase in impairment of the Group's loans and advances and losses on, and impairment of guarantees related to sector-targeted solutions.

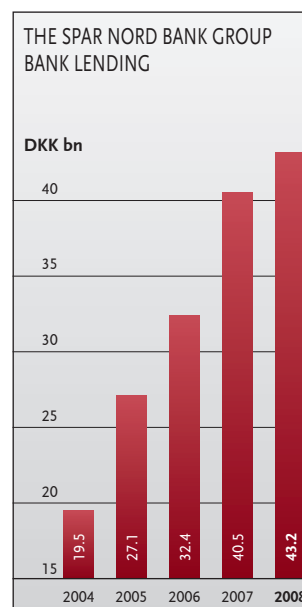
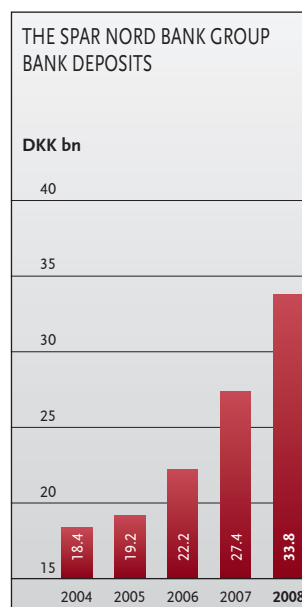
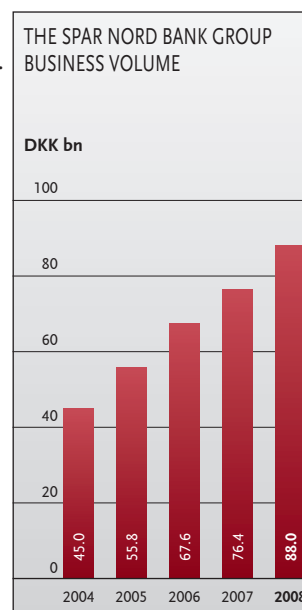
BUSINESS VOLUME

At end-2008, the total business volume (deposits, loans, advances and guarantees) stood at DKK 88.0 billion - 15% up on the same time last year.

During the year, total bank lending grew by 7%, and at end-2008 stood at DKK 43.2 billion. Local banks and Finans Nord report a gratifying underlying growth in lending, while there was a reduction of DKK 4.7 billion during 2008 in the areas of investment credits and guaranteed

foreign loans to customers at other financial institutions. Lending to retail customers grew 22% to DKK 14.8 billion, and loans and advances to business customers by 7% to DKK 30.6 billion (year-over-year).

At end-2008, the DKK 34.4 billion lent by Spar Nord's local banks can be broken down as follows: DKK 24.3 billion went to North Jutland customers and DKK 10.1 billion to customers outside the region. A growing share



of the lending by the local banks tends to be channelled to the new business regions outside North Jutland - a development that thus helps diversify credit exposure.

DKK 2.1 billion of the growth in lending is attributable to loans and advances taken over by Spar Nord from Roskilde Bank.

Bank deposits increased by 24% to DKK 33.8 billion - a growth that Management finds highly satisfactory, as it contributes to the continued improvement of the Bank's strategic liquidity.

Of the total deposits of DKK 38.0 billion, business customers accounted for 49% and retail customers for 51%. Deposits taken over from Roskilde Bank amount to DKK 1.5 billion.

FROM ORGANIC GROWTH TO ACQUISITIONS

After a number of years during which the Spar Nord chain expanded geographically by establishing new local banks outside North Jutland, acquisitions drove growth in 2008. In Q4, Spar Nord thus acquired seven branches from Roskilde Bank and, based on these, established three new bank regions: Spar Nord Roskilde, Spar Nord Holbæk and Spar Nord Helsingør.

With the new local banks on Zealand, Spar Nord has established a total of 24 new local banks since 2002 - 15 by organic growth and nine as a result of acquisitions.

The Bank invested particularly heavily in the expansion process in 2006 and 2007, when a total of 12 new entities were established.

As for the business volume, the local banks outside North Jutland are beginning to have a marked presence in the combined financial statements. Thus, at end-2008, DKK 17.7 billion of the total DKK 88.0 billion business volume generated by the local banks can be ascribed to branches located outside North Jutland.

The new local banks outside North Jutland - including the seven branches acquired from Roskilde Bank - are expected to contribute with core earnings before impairment in the amount of DKK 150 million or so in 2009 versus DKK 62 million in 2008.

ACQUISITION OF SEVEN BRANCHES FROM ROSKILDE BANK

As mentioned above, in September Spar Nord participated in the acquisition of Roskilde Bank's branch network together with Nordea and Arbejdernes Landsbank. With the conclusion of the agreement, Spar Nord acquired a retail business with seven branches, 29,000 customers, a lending volume of DKK 2.4 billion, DKK 0.9 billion in guarantees and deposits amounting to DKK 1.6 billion. A payment of DKK 183 million for goodwill and customer rights was agreed in connection with the acquisition, which should be viewed in relation to anticipated core earnings before impairment in 2009 in the range of DKK 60-70 million.

As the agreement was concluded without a previous due diligence process, the acquiring banks were granted the option subsequently to review the portfolio of acquired commitments and decline to take over loans and guarantees whose credit quality failed to meet the requirements of the acquiring banks. Having completed this review, Spar Nord found reason to reject a total of 300 business customers with a total business volume of about DKK 700 million.

In January 2009, Spar Nord had to return to source 1,600 retail customers with a total business volume of about DKK 700 million.

In light of having to decline to accept these customers, Spar Nord's forecast for earnings in 2009 from the acquired units was revised upwards to about DKK 25 million at the beginning of February. At the same time, the payment for goodwill and customer rights was adjusted to DKK 123 million. Also, based on the number of customers returned to source, Spar Nord has stationed 16 employees at Roskilde Bank for a limited period of time and reduced the staff to six employees.

CUSTOMERS AND SHAREHOLDERS

At end-2008, Spar Nord had a total of 271,000 customers - 36,000 more than the previous year. The total number of customers breaks down into 242,000 retail customers and 29,000 business customers.

Spar Nord has been able to generate net customer growth quarter by quarter for four consecutive years due to its geographical expansion and the unusually high level of loyalty that the Bank enjoys among existing customers, especially those who have joined the Star Concept loyalty programme. In 2008, the number of Star Account customers grew by 10,000, which meant that Spar Nord had 86,000 private Star Account customers at the close of the year.

The Bank's total net growth in customers was more than 36,000 customers for the year, of whom the new local banks outside North Jutland account for 8,000 and Finans Nord for 1,000. The branches taken over from Roskilde Bank contribute with 27,000 customers.

In parallel with the intake of customers, the number of shareholders continues to rise. At end-2008, Spar Nord Bank A/S thus had 112,500 shareholders - an advance of 6,700 in 2008.

ADAPTATION OF BRANCH STRUCTURE

During 2008, a number of changes were made in the North Jutland part of the branch network. In total, there were 14 mergers during the year, with either two small branches choosing to merge, or a small unit merging with a larger one. The goal of these mergers has typically been to create larger competence units, thus making it easier to attract, develop and retain employees. The experience so far has been positive - both among customers and employees.

As a result of Spar Nord's business model with a high degree of decentralized decision-making, mergers of this type always take place in response to local initiative. In this light, Spar Nord's Management finds that the significant number of mergers testifies to the drive and readiness for change in the local organization.

CAPITALIZATION

SOLVENCY RATIO

During the year, the core capital, after deductions, dropped by DKK 26 million, ending the year at DKK 4,830 million. No new supplementary capital was raised last year, whereas DKK 100 million was redeemed. Thus, supplementary capital went down DKK 100 million (net).

In the course of the year, risk-weighted items decreased by DKK 0.9 billion to DKK 42.8 billion at the close of 2008.

The solvency ratio has been calculated at 11.3% at end-2008 (compared with 11.1% at end-2007). The core capital ratio, including hybrid core capital, stood at 9.7% at end-2008. Excluding hybrid core capital, the core capital ratio amounted to 8.9% at end-2008.

The Bank's long-term targets regarding capital base and solvency ratio were adjusted during the year as the transition to Basel II served to ease capital requirements, with the result that the Bank now pursues the target of a solvency ratio of minimum 11%, while the internal goal for the core capital ratio, excl. hybrid core capital, is minimum 8.0%.

Wishing to bolster the capital base and prepare for continued growth at the local banks outside North Jutland and in the leasing area, and considering the uncertainty attaching to the ongoing recession, Spar Nord decided to apply to the Danish government for permission to float hybrid core capital corresponding to a core capital increase of 3 percentage points. If this application is granted, the Bank's core capital ratio will come to 12.7%, and the total solvency ratio will be 14.3%. In all, the hybrid core capital, including the existing hybrid core capital, will amount to 30.1% of the Bank's core capital.

The Bank has made due allowance in its 2009 forecast for the increased costs of funding for the hybrid core capital.

LIQUIDITY

Spar Nord's long-term internal liquidity target is for cash deposits, senior funding, subordinated loan capital and shareholders' equity to exceed total loans and advances. This target is intended to ensure that customer lending is financed with long-term liabilities. In addition, Spar Nord strives to ensure an even maturity structure in respect of the Bank's senior debt.

At end-2008, Spar Nord had a highly satisfactory liquidity and an excess coverage relative to the statutory requirement of 87%. Relative to the internal strategic target, the excess coverage amounts to DKK 3.6 billion.

During 2008, strategic funding aggregating DKK 1 billion matured. Despite the credit crunch, it was possible during the same period to raise new strategic funding for a total of DKK 2 billion. Together with a DKK 6.4 billion growth in deposits, this makes Spar Nord capable of funding the mounting lending volume and keeping the Bank's internal strategic target.

RATING

Moody's has reaffirmed Spar Nord's rating and maintains the "stable" outlook: A1 for long-term debt, P-1 for short-term debt and C for financial strength.

YEAR 2008 FORECAST FOLLOW-UP

At the beginning of 2008, Spar Nord expected core earnings for the year before impairment to hover around DKK 675-775 million.

After Q3, the forecast was revised downwards to DKK 400-450 million. The background to the downward revision was a development that proved unfavourable for Spar Nord in the mortgage credit bond market (the widening of the yield spread), and the Bank's contribution to the new government-backed guarantee scheme. Finally, a derivative consequence of the crisis in the financial sector is a decrease in the return on equity investments.

During the year, the only positive deviation from the forecast was the increase in net interest income. However, at the turn of the year a situation arose which meant that the year's total core earnings before impairment nevertheless ended at a higher level than expected after the end of Q3 - viz. DKK 577 million. One of the reasons being a further positive development in net interest income and a reduction of costs as a result of the Danish Supreme Court's judgment in a case regarding partial VAT deduction for leasing companies.

GENERAL MEETING AND DIVIDEND

The Annual General Meeting will be held on 29 April 2009 in Aalborg. Before then, 43 shareholders' meetings will be held during March and April in the individual shareholder regions. More information can be found in the section entitled "Stakeholders".

As a result of the Bank's participation in the new government-backed scheme, no dividend will be distributed for 2008.

At the Annual General Meeting, the Supervisory Board will request authorization to raise hybrid core capital from the Danish government as described above.

Three members are to be elected to the Supervisory Board at the Annual General Meeting. Erling Kjær, Per Nikolaj Bukh and Per Søndergaard Pedersen are up for election. Per Nikolaj Bukh and Per Søndergaard Pedersen are prepared to accept re-election, while Erling Kjær has announced that he does not wish to stand for re-election.

OUTLOOK FOR 2009

The uncertainty regarding the depth of the incipient recession makes the unpredictability of the forecast for 2009 significantly greater than would normally be the case.

Net interest income is expected to grow, primarily due to a rise in the interest margin, but also in response to the sustained growth in both deposits and lending. The business volume is expected to increase as a result of the Bank's geographical expansion.

On the downside, funding costs are expected to go up, as the margins connected with refinancing will be rising.

On the fee side, the Bank expects a small decline as a consequence of the recession and the ensuing slowdown in customer activity.

After the extremely unfavourable developments in 2008, earnings at the Trading, Financial Markets Division & the International Division and in turn market-value adjustments are expected to normalize.

The return on equity investments, deriving primarily from the Bank's shareholding in Nørresundby Bank, is also expected to end at a moderate level for 2009.

In accounting terms, the growth in costs is expected to amount to 12% in 2009. When the appropriate adjustments are made for the effect of the extraordinary VAT income in 2008 and for the fact that the branches taken over from Roskilde Bank will be recognized in the 2009 financial statements for the full year compared with the two months' recognition in 2008, the actual growth in costs will amount to less than 5%.

The total number of employees is expected to fall slightly, and the 14 branch mergers in 2008 will also keep expenses down.

Overall, Management expects core earnings before impairment to hover around DKK 600-800 million. This should be compared with the realized core earnings before losses and impairment of DKK 577 million in 2008.

This estimate takes into account extra financing costs in respect of hybrid core capital if the Bank's application to the Danish government is granted.

Regardless of the excellent credit quality of the Bank's credit portfolio, the recession is expected to drive the impairment ratio up. Because the scope of the economic crisis is uncertain, the forecast impairment ratio is subject to great uncertainty. A level of around 0.75-1.0% is not thought to be unrealistic.

In addition, costs in connection with the government-backed guarantee scheme will amount to DKK 170 million. To this should be added any losses in connection with the sector-targeted solutions.

STANCE ON CORPORATE GOVERNMENT

Spar Nord's Supervisory Board backs efforts to secure good corporate governance and the associated dialogue with the Bank's stakeholders. In line with this policy, it has chosen to follow the bulk of the recommendations of the Copenhagen Stock Exchange and the new supplementary recommendations from the Danish Financial Supervisory Board. Below follows a review of the areas in which the Supervisory Board has chosen to depart, in whole or in part, from the recommendations of the Nørby Committee, according to the 'comply or explain' principle. The full review is posted on the Bank's website, and can be accessed at: www.sparnord.dk/corporategovernance

SPAR NORD FOCUSES ON GOOD COMMUNICATION WITH SHAREHOLDERS - BUT VIEWS INVESTMENT DECISIONS AS A PRIVATE MATTER

A focal point of Spar Nord's corporate management is building good investor relations and ensuring high standards of shareholder information. The Bank organizes about 40 shareholders' meetings every year, attended by more than 20,000 shareholders, who join the events to hear about and discuss the Bank's development. In addition, Spar Nord supports communication with shareholders via www.sparnord.dk/international/ and the news magazine Spar Nord Nyt, distributed four times a year to all shareholders.

Contrary to the Nørby Committee's recommendations, Spar Nord has chosen not to publish its register of shareholders. One reason for this decision is Spar Nord's shareholder structure and number of shareholders; another is the Board's position that investment decisions should remain a private matter.

The shareholdings of Management appear from the Annual Report.

SCHEME FOR APPOINTING DELEGATES AND PROXIES

In general, Spar Nord follows the recommendations on preparing for annual general meetings, including the convening notice and the issuing of proxies. Shareholders with less than 20,000 shares appoint delegates at the annual local shareholders' meetings who then represent the total share capital of the shareholder region at the Annual General Meeting. Eight delegates are elected in each region. If a delegate is unable to attend, another of the attending delegates from the same region is issued a proxy.

Shareholders holding 20,000 shares or more are entitled to attend the Annual General Meeting as delegates at the Meeting. As concerns the relations with these shareholders, Spar Nord's Articles of Association and practice are in line with the Nørby Committee recommendations.

The scheme for appointing delegates means that the votes of all local shareholders are represented at the Annual General Meeting.

STAKEHOLDERS' INTERESTS ARE SAFEGUARDED VIA DIALOGUE AND SCRUTINIES AND COMMUNICATE VIA NON-FINANCIAL REPORTING

As the Stock Exchange recommends, Spar Nord prioritizes having a positive dialogue with all stakeholders. Extensive customer surveys are conducted every year, including one major annual analysis and some smaller, targeted surveys of customers who have recently been in contact with the Bank. A review of the results is published in the Annual Report.

Spar Nord also carries out surveys of employee satisfaction, development, etc. The results of these surveys are also published in the Annual Report and - like the customer survey - are used as internal management tools.

Dialogue with shareholders is ensured in accordance with the Bank's shareholder delegates scheme: Four meetings are held annually between the Executive Board, the Supervisory Board and the chairmen of the regional bank committees. The Executive Board also takes part in the regional shareholder meetings every year and meets the members of the regional bank committees.

Spar Nord finds that various types of non-financial reporting are crucial issues when shareholders and other stakeholders are to assess the Company. Therefore, the Bank's relations with its most important stakeholders are described in both the Annual Report and in dialogue with analysts and investors.

In 2009, Spar Nord will implement more structured initiatives in the area of "The company's social responsibility". The efforts will include mapping out and documenting the many initiatives already ongoing in the chain and clarifying any new initiatives that might have to be taken.

FOCUS ON INVESTOR RELATIONS

The Management of Spar Nord holds regular meetings with investors and analysts in addition to the regional shareholder meetings, to which all registered shareholders are invited. The Bank's website, www.sparnord.dk/international/, also includes all information impacting on both shareholders' and the financial markets' assessment of the Company and its operations as well as its business goals, strategies and performance.

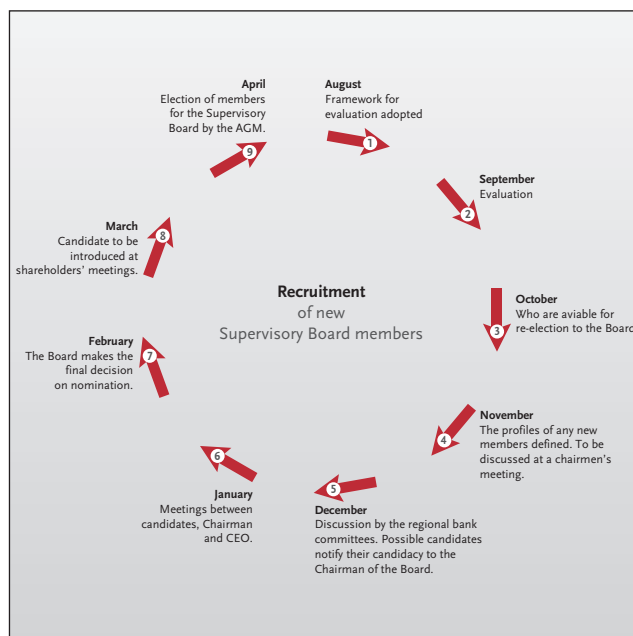
The website also features the presentations given by the Bank's Management to analysts and investors. In addition, the AGM and the presentation of the interim financial statements are webcast.

COMPOSITION OF THE SUPERVISORY BOARD AND ACTIVITIES

Spar Nord's Supervisory Board is composed of nine members, six of whom are elected by the shareholders and the remainder by the employees. The Bank's Executive Board is not part of the Supervisory Board but takes part in all of its meetings.

In assessing the composition of the Supervisory Board, great emphasis is placed on members' ability to supplement each other as much as possible in terms of expertise. A principal goal is for Supervisory Board members to represent diverse educational and occupational backgrounds and reflect the Bank's business focus to the widest extent possible.

Another factor taken into account is the Supervisory Board's composition in terms of age, gender and geographic location. However, members' expertise takes



fundamental precedence above all other considerations. The section "Other disclosures" in the Annual Report contains an overview of the age, seniority, educational and occupational backgrounds, etc., of the members of the Supervisory Board.

The Supervisory Board feels convinced that the size and composition selected will effectively contribute to ensuring constructive debate and efficient decision processes.

New Supervisory Board members are recruited through a formal, thorough and transparent process, based on a dialogue between the Supervisory Board and the chairmen of the regional bank committees. The candidates are introduced at shareholders' meetings prior to the Annual General Meeting. Spar Nord's Supervisory Board finds that this procedure provides adequate information about the nominees.

The members of the Supervisory Board are elected for a term of two years at a time, and the age limit for members is 70 years. The members of the Supervisory Board serve staggered terms, meaning that three members are up for election every year. Spar Nord's choice of this practice over an election term of one year as recommended by the Nørby Committee should be viewed as an effort to secure greater continuity in the work of the Supervisory Board.

The Spar Nord Supervisory Board convenes 10 ordinary meetings a year plus a strategy seminar and four meetings with the chairmen of the regional bank committees. The Board finds it important that all members have the time resources needed to put in the commitment required for Supervisory Board work. All existing members of the Board holding senior management positions

in other companies serve on a number of supervisory boards that the Supervisory Board finds compatible with the offices held at Spar Nord. The Supervisory Board has decided to set up an audit committee in 2009.

REMUNERATION OF THE SUPERVISORY AND EXECUTIVE BOARD MEMBERS

The remuneration of the Supervisory Board and the salaries paid to the Executive Board are shown in the notes to the Annual Report. Supervisory Board members are paid a fixed annual amount and do not participate in any bonus or option programmes. Against this background, the Supervisory Board sees no reason to treat remuneration as a separate item on the AGM agenda.

The conditions of service on the Executive Board, including severance terms, are assessed to follow general practice in the area and are evaluated on a regular basis. The Supervisory Board assesses the total remuneration to be at a competitive and reasonable level that reflects the Executive Board's performance and value generation.

As a consequence of the new government-backed guarantee scheme, and the new guidelines introduced by it, Spar Nord's Supervisory Board made the decision in October 2008 to cancel all current share-option-based incentive schemes with immediate effect.

Spar Nord's Supervisory Board does not wish to disclose the remuneration paid to individuals. The Supervisory Board finds this would violate their privacy and also considers the disclosures in the Annual Report regarding the total remuneration of the Supervisory and Executive Board members to be adequate.

SPAR NORD'S GOALS

BY GIVING OUR LOCAL BANKS A SIGNIFICANT AMOUNT OF LOCAL AUTONOMY, WE INTEND TO CREATE DENMARK'S MOST ATTRACTIVE BANKING CHAIN. FOR THE BENEFIT OF OUR CUSTOMERS, EMPLOYEES AND SHAREHOLDERS.

Spar Nord's corporate vision - as cited above - sets out the general and long-term goal for the Bank's operations. Spar Nord wants nationwide coverage while being the most attractive bank for customers, employees and shareholders alike, on the basis of a unique business platform of decentralized decision-making.

TOGETHER WITH YOU WE CREATE ECONOMIC FREEDOM

While the corporate vision conveys the overriding goal for the Bank's future growth, the mission statement is Spar Nord's commitment to our customers: "Together we create financial freedom."

What Spar Nord offers is in fact very simple: The Bank helps create greater financial elbowroom for the individual customer and the individual family. Concretely, the Bank's employees enter into a dialogue with customers about the options available within their financial means and situation. The keywords for the counselling that Spar Nord wants to offer its customers are local knowledge and expertise.

ACTIVELY INVOLVED, AMBITIOUS AND DOWN-TO-EARTH

Spar Nord is united throughout the chain around the common core values: active involvement, ambition and a down-to-earth approach. The values are visualized as a set of guiding principles for our daily involvement with customers and other stakeholders.

As a core value, active involvement expresses Spar Nord's wish to be close to our customers in two ways, physically and mentally. Physical involvement means the local bank is always within easy reach, we conduct business in close cooperation with each customer, and the Bank and our employees are actively involved in the local community. We are mentally involved in the sense that our employees listen actively to our customers when discussing business with them.

The second value, ambition, expresses the necessity and willingness to create constant top-level results and optimal solutions for our customers. Spar Nord has made significant strides in recent years, and highlighting ambition as a value indicates that the positive developments will continue and be reinforced, so that Spar Nord can move to the front of the lead group in the years ahead.

The third value, a down-to-earth approach, is synonymous with Spar Nord's customer service. Straightforward, informal, and lively are some of the characteristics that Spar Nord wants to emphasize as being integral to dialogue with customers and other stakeholders. Naturally, employees must have the skills and professionalism to make this possible.

LOCAL STRATEGY AND GROWTH

Since 2001, Spar Nord's activities have been based on our "Local Strategy". The name signals the intention to create growth by opening new local banks outside the Bank's traditional core operating area, North Jutland. Spar Nord's goal is to gain nationwide coverage in time by setting up local banks in every Danish town with more than 25,000 residents. Since this strategy was adopted, Spar Nord has added another 24 local banks outside of North Jutland to its local banking chain.

Thus, Spar Nord has grown from 20 bank regions with 65 local banks, to 32 bank regions with 75 local banks today. Spar Nord has established 15 new local banks. Nine local banks - in Skive and Jeberg and the seven branches bought from Roskilde Bank in 2008 - have become part of the Spar Nord chain in connection with acquisitions. Finally, as figures indicate, there has been an ongoing adaptation of the existing branch network, for instance by small branches merging.

Some of the goals underlying the growth strategy are to reduce the business and risk concentration and to exploit the potential of Spar Nord's special approach to retail banking in a wider geographic area. Throughout the entire period of expansion, Management has pursued the policy of providing maximum security for a cost-effective expansion process. The policy includes central credit monitoring (see "Credit risks"), and requiring all newly opened local banks to break even within three years. However, experience shows that this happens much faster in practice.

When the Local Strategy was adopted, the decision was also made to reduce Spar Nord's dependency on major individual commitments. Specifically, in future no customer commitment is to exceed 10% of the Bank's shareholders' equity, which means DKK 402 million at end-2008.

FROM OUTSIDE AND WITHIN

Spar Nord's choice of geographic expansion and focus on retail banking activities as the road to future results is based on the conviction that even in a very well-supplied market, the Bank has found a unique approach with wide appeal. The underlying philosophy - Spar Nord's business model - can be summarized as the concept of "from outside and within".

The concept "from outside and within" and use of the term "local banks" rather than "branches" underlines Spar Nord's emphasis on local units with a great degree of local autonomy. The local banks function as a chain of individual operating units with decentralized decision-making authority in the areas of customer service and in relation to market cultivation, branch office placement and human resource matters. It is left to local management to decide who and how many people to employ, whether the main focus should be retail, investment or business customers and how to create optimal results.

The "from outside and within" business model is specific and means that customers' demands on the customer-targeted units govern the units' business strategies. It is up to the customer-targeted units to formulate relevant wishes and demands to the central support functions on the basis of customers' requirements.

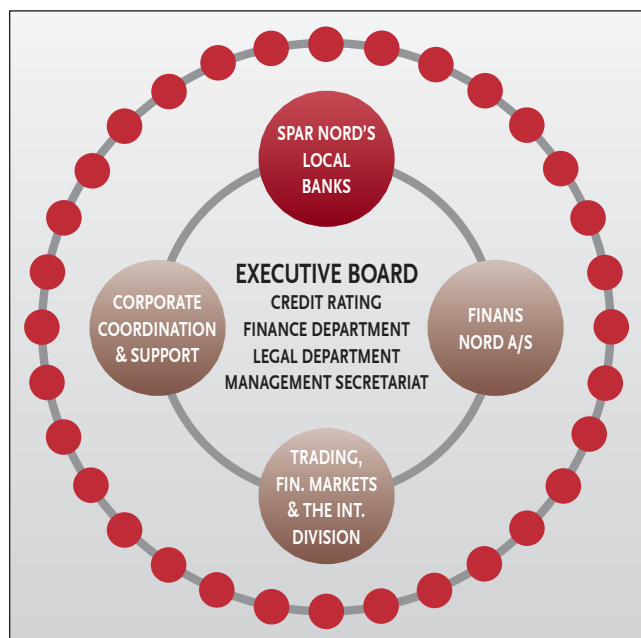
In popular terms, the local banks own headquarters - not the other way round.

With inspiration from the franchise and chain ideology of retail business, Spar Nord has created a unique model in the Danish banking sector. Together with our Local Strategy, we have implemented a new incentive structure that will also further the development towards decentralization and bring the vision of being Denmark's most attractive banking chain within reach.

ORGANIZATION

Apart from Spar Nord's local banks, which make up the largest business unit, the banking chain has two other profit centres: Trading, Financial Markets & the International Division and the leasing company Finans Nord, which carries on business from Aalborg, Kolding and Roskilde in Denmark, and from Malmö and Stockholm in Sweden.

Spar Nord's headquarters in Aalborg consists of Corporate Coordination & Support and four staff functions, which provide services to the decentralized units, with special competencies in customer and market concepts, credit monitoring and employee development. Spar Nord has a total of 1,554 employees, who serve 271,000 customers and 112,500 shareholders. Measured in terms of business volume (loans and advances, deposits and guarantees), Spar Nord Bank is the fifth-largest full-service retail bank in Denmark.



HISTORY

The foundation stone of what has grown to become the modern Spar Nord Bank was laid in 1824. Aalborg Byes og Omegns Sparekasse, as the new savings bank was called, was founded by grocer Jacob Kjellerup on the basis of the slogan, "A means to prosperity". In 1967, Aalborg Byes og Omegns Sparekasse merged with Landbosparekassen to become Sparekassen Nordjylland. In the following years, several local banks joined the new savings bank, and in 1990 Sparekassen Nordjylland became a listed public limited company. In 1998, the name was changed to Spar Nord Bank.

Although much has happened since the Bank was established, the goal remains fundamentally the same - as expressed in Spar Nord's customer mission from 2005: "Together we create financial freedom."

CUSTOMERS

Retail customers and companies in the local community are Spar Nord's primary customer group. However, a major caveat of this strategy is that decisions regarding a given bank region's specific market focus and the business niches to be targeted are made locally. In practice, this means that some bank regions target the corporate segment, while others focus more closely on investment and asset management, and others in turn concentrate on housing finance. However, the trend shows that all bank regions are continually developing into balanced full-service units with products and customers in all segments.

At end-2008, Spar Nord had a total of 271,000 customers - 36,000 more than the previous year. The total number of customers broke down into 242,000 retail customers and 29,000 business customers. In connection with the Bank's IRB project, the definitions of retail and business customers were changed, and about 2,000 customers were therefore moved from the retail to the business category.

FOUR YEARS WITH NET CUSTOMER GROWTH

Spar Nord has been able to generate net customer growth for a period of 48 consecutive months due to the Bank's geographical expansion with new local banks nationwide, and because the Bank enjoyed a high level of loyalty among existing customers.

Of last year's total net customer growth of 36,000, 27,000 are ascribable to the branches acquired from Roskilde Bank, 8,000 to the other new local banks outside North Jutland and 1,000 to Finans Nord.

The expansion rate is accelerating primarily because the new local banks established outside North Jutland have been acquiring new customers, and recent years' experience has shown that the well-established local banks in North Jutland frequently display greater potential developing business with existing customers than focusing on net growth in numbers.

STAR ACCOUNT CONCEPT CONTINUES TO GROW IN POPULARITY

In 2008, the number of Star Account customers (customers who have signed up with the Bank's loyalty programme) grew by 10,000, which meant that Spar Nord had more than 86,000 Star Account retail customers at the close of the year. The age group 13-17 years showed the sharpest rise, with Spar Nord gaining more than 2,000 new Star Account customers in 2008.

The Star Account concept is based on the business idea that when good customers combine all their banking in Spar Nord, thus taking a wide array of the Bank's products, they will be eligible for the best terms and prices. The resulting decline in margins is more than offset by the increased demand for products and services.

SPAR NORD GAINS MARKET SHARES

The positive customer increase is reflected in Spar Nord's market share, with a highly satisfactory growth being recorded at national level. The market share for retail customers increased nationally from 3.9% to 4.2%. For business customers, the market share grew to 4.9%.

BETTER ACCESSIBILITY

One of the gratifying results from the customer surveys in this year's Quality Accounting Statement is that a growing number of customers find their banking adviser easy to reach whenever they need assistance.

HIGHER SATISFACTION WITH THE INTERNET BANK

During the past few years, determined efforts have been made to improve Spar Nord's Internet bank and to develop new functions on an ongoing basis. A wide range of new initiatives have been launched, especially in the investment area.

These efforts are filtering through to the Bank's Quality Accounting Statement for the second year in a row by way of increased satisfaction with the Internet bank. The customers' scoring of the Internet bank, as reflected in the 2008 Quality Accounting Statement, is higher than both the 2007 score and the budget for 2008. The fact that the Internet bank has about 15,000 visitors a day underlines the importance of this and makes the unit the most frequent point of contact with customers.

Efforts to develop the Internet bank will continue in 2009, with focus on user-friendliness and user experience. In addition, work is ongoing to develop the Internet bank's investment functions further.

CUSTOMER MEETINGS GENERATE LOYALTY

As seen in previous measurements, this year's Quality Accounting Statement shows a clear connection between customer meetings and customers' satisfaction and loyalty. The more often a customer consults his or her bank, the more loyal he or she will be. Thus, the target is for all Star Account customers to participate in at least one customer meeting a year.

In this light, the year's Quality Accounting Statement shows an unsatisfactory decline in the number of customers who have attended a customer meeting within the past year. Focus will be on improving this situation in 2009.

MORE CUSTOMERS WILL RECOMMEND SPAR NORD

Compared with last year's measurements, there was progress nationwide in the number of Spar Nord customers who will recommend the Bank to friends and acquaintances. This progress is particularly gratifying because Spar Nord puts a great deal of effort into local commitment and local networks. As an integral part of their tasks, employees and bank committee members must promote local ambassadorship.

EMPLOYEES

Running a successful bank requires a fundamental ability to attract and retain the right employees. Spar Nord did both in 2008, having 1,554 staffs (in terms of full-time employees) at the end of the year, 138 persons or 10% more than the previous year. In total, the Bank welcomed 252 new employees - 20 of whom were trainees - while 114 left the Bank.

Spar Nord's expansion outside North Jutland accounts for this sharp growth in staff numbers. Thus, of the 138 new employees, 130 work at customer-targeted business units outside North Jutland, with 108 of these at the seven local banks Spar Nord bought from Roskilde Bank in autumn 2008. In all, 411 employees work outside North Jutland.

If the branches acquired from Roskilde Bank and the ensuing growth in employee numbers are not taken into account, growth slowed down in the second half of the year.

EMPLOYEE BREAKDOWN - CHANGES			
Number of employees (end of year, full-time)	2007	2008	Changes from 2007 to 2008
Spar Nord's Local Banks	933	1,046	113
Trading, Financial Markets & the International Div.	66	66	0
Finans Nord A/S	88	96	8
Corporate Coordination & Support	230	249	19
Other	99	97	-2
The Group	1,416	1,554	138
Spar Nord's Local Banks in North Jutland	699	683	-16
Spar Nord's Local Banks outside North Jutland	234	363	129
Customer-targeted	1,087	1,208	121
Non-customer-targeted	329	346	17

KEY FIGURES FOR EMPLOYEES

	2004	2005	2006	2007	2008
Recruitments/resignations	74/75	131/47	181/66	213/110	252/114
Average seniority	14,9	14,3	13,3	12,5	12,5
Average age	43,7	43,5	43,3	43,5	43,8
Female executives - no./%	-	32/19	34/19	38/21	40/21
Gender breakdown - F/M, %	55/45	54/46	54/46	55/45	54/46
Absenteeism: SNB/Sector, %	2,0/2,5	2,3/2,7	2,2/2,8	2,5/3,4	2,6/-

CONTINUED FOCUS ON EMPLOYEE BRANDING

In 2008, efforts to develop Spar Nord's "employer brand" continued. Even though the staff no longer needs to increase at the same rate as in recent years, demographic developments have kept the focus on efforts to attract and retain qualified employees strong. During the year, a number of in-house initiatives were taken under the heading "attractive workplace", and at the beginning of the new year a new external platform for communicating with potential employees will be launched.

DEVELOPMENT AND CAREER PATHS

A chief action area in the efforts to attract and retain employees is the personal and professional development of the Bank's employees. Overall, at Group level about DKK 10 million and more than 5,000 workdays were invested in training and development initiatives in 2008.

PAY PACKAGES, INCENTIVE SCHEMES AND EMPLOYEE SHARES

In constant pursuit of being an attractive place to work, Spar Nord launched a new series of pay packages for its employees in 2008. Offers included personal computers, broadband packages, employee bonds, health plans, etc. A total of 1,239 employees chose to accept one or more of the packages.

At the same time, free shares were once more distributed to all employees in 2008. Spar Nord launched this programme in 2004 in order to link the Bank's overall goals directly with incentive schemes for employees. In light of the excellent 2007 profits, free shares worth DKK 8,000 were distributed to each employee in 2008.

The profit performance in 2008 means that no free employee shares will be distributed in 2009.

FEWER EMPLOYEES CAN BE TERMED 'AVID EMPLOYEES'

After several years of uninterrupted growth in the number of employees who score high both in terms of satisfaction and loyalty in the Quality Accounting Statement, popularly termed 'avid employees', there was a decline in the share of avid employees during the last few months of 2008. However, the total share of avid employees is still above 75%.

The five percentage points' decline is probably chiefly due to the changed business trends, and thus the more difficult conditions for the customers that Spar Nord employees serve - a fact that has natural ramifications for work. In addition, the year's organizational trimming - for instance the merger of branches - might impact the share of avid employees.

THE QUALITY ACCOUNTING STATEMENT

Each year since 1990, Spar Nord has examined and published data regarding developments in employee and customer satisfaction - the so-called Quality Accounting Statement.

The Quality Accounting Statement is intended to be the platform for providing reporting beyond strictly financial figures and to operate as an internal management and feedback tool.

Since 1998, the Quality Accounting Statement has played an integral part in the setting of objectives and their follow-up in all the Bank's business areas. Thus, all organizational units have prepared budgeting based on fundamental opinion statements from the Quality Accounting Statement, for instance, customer satisfaction, loyalty, share of 'avid employees', etc.

Data in the Quality Accounting Statement is based on interviews with about 3,000 customers and 800 non-customers. The qualitative interviews focus on what customers find important in their relationship with the bank, and how satisfied they are with the current situation.

SHAREHOLDERS

The Spar Nord share is listed on the Nordic exchange, NAS-DAQ OMX, and ranges in the category MidCap+. At end-2008, the share capital was unchanged at DKK 570,688,100, divided into shares in the denomination of DKK 10.

SHAREHOLDERS

In 2008, Spar Nord once more saw a major intake of new shareholders. Thus, the number of registered shareholders grew from 105,887 at end-2007 to 112,546 at end-2008. Shareholders holding less than 10,000 shares own more than half the share capital.

DISTRIBUTION OF SHARES - BEGINNING OF 2009			
Distribution of shares	Number of registered shareholders	Shareholders' total shareholdings (units)	%
1 - 99 shares	50,264	1,922,744	3.4
100 - 999 shares	57,022	19,065,200	33.4
1.000 - 9.999 shares	5,158	8,016,920	14.1
10.000 - 19.999 shares	59	669,087	1.2
20.000 or more shares	43	24,865,896	43.6
Treasury shares		1,597,495	2.8
Shares not reg. in name of sh.		931,468	1.5
Total	112,546	57,068,810	100.0

MAJOR SHAREHOLDERS

The Bank has two shareholders who have announced that they hold more than 5% of the share capital. The Spar Nord Foundation, Aalborg, remains by far the largest shareholder with an interest of 30.1%. Nykredit Realkredit A/S, Copenhagen, ranks second with an interest of 7.5%.

SHAREHOLDER DEMOCRACY

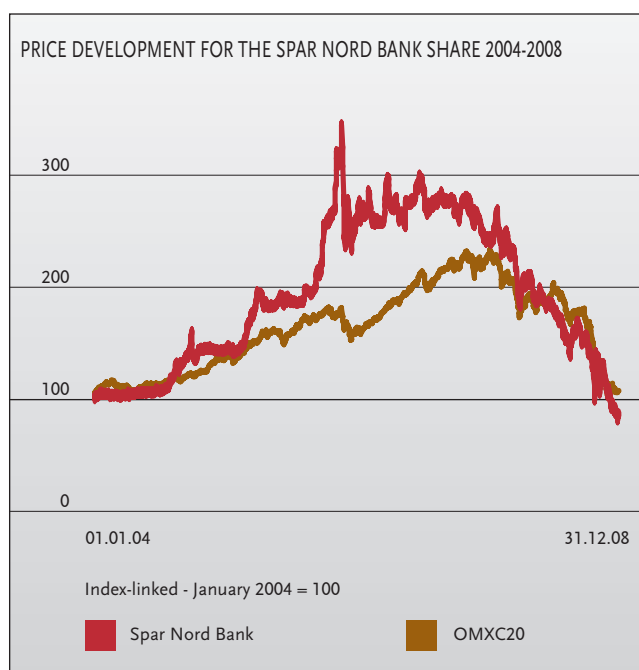
Spar Nord Bank lifted the limitation on voting rights and ownership in 2003, while also introducing a scheme for appointing delegates. The essence of the scheme is that shareholders with less than 20,000 shares elect delegates at the local shareholders' meetings to represent them at Spar Nord Bank A/S' Annual General Meeting. Here, the delegates represent the total share capital held by all shareholders in the shareholder region, except for the part relating to shareholders with 20,000 or more shares (major shareholders). In addition, the delegates together with an employee-appointed representative make up the local bank committee. Spar Nord Bank A/S is divided into 32 shareholder regions, equivalent to the number of bank regions (incl. Corporate Banking). Shareholders holding 20,000 shares or more are entitled to attend the Annual General Meeting as delegates.

SHAREHOLDERS' MEETINGS

Shareholders' meetings are held every year in March and April in the local shareholder regions. In 2008, 40 meetings were held, with the participation of more than 20,000 shareholders in all. Eight bank committee members are elected at the meetings (half of them are up for election every year). They function as delegates at the Annual General Meeting and as a sort of "board" at the local bank. In addition, the manager of the relevant bank region gives a briefing about local developments, and a member of the Executive Board presents a report on the Bank's activities in general.

RETURN

The Spar Nord share dropped from 116 at end-2007 to 43 at end-2008 - an unsatisfactory drop of 63% in 2008. Thus, the market value of Spar Nord Bank A/S shrank from DKK 6.6 billion to DKK 2.5 billion.



In a comparison of the price trends for major and medium-sized Danish banks, only Nordea realized a better price development than Spar Nord.

GENERAL MEETING AND DIVIDEND

The Annual General Meeting will be held on 29 April at 'Aalborg Kongres og Kulturcenter', 9000 Aalborg.

As a result of Spar Nord's participation in the new government-backed scheme, no dividend will be distributed for 2008.

Three members are to be elected to the Supervisory Board at the Annual General Meeting. Erling Kjær, Per Nikolaj Bukh and Per Søndergaard Pedersen are up for election. Per Nikolaj Bukh and Per Søndergaard Pedersen are prepared to accept re-election, while Erling Kjær has announced that he does not wish to stand for re-election.

THE SPAR NORD FOUNDATION

The Spar Nord Foundation was established in 1990 when Spar Nord was converted into a public limited company. The Foundation's objective is to carry on the activities of Spar Nord and distribute funds for charitable purposes.

The Foundation's Board of Trustees is composed of nine members. Pursuant to legislation, members from the Bank's Supervisory Board must make up the majority - in this case five members. The remaining four members are elected by and from among the chairmen of the local bank committees.

The Foundation bases its Bank ownership policy on the following principle:

"As long as the Bank presents its shareholders with a competitive return, it is the Foundation's policy to defend the Bank's independence - towards the Bank's customers, employees and the community at large."

The political decision to suspend the distribution of dividend for two years means that the Spar Nord Foundation will lose substantial income, everything else being equal. However, as a result of the Foundation's excellent liquidity situation, the Foundation's Board of Trustees has decided to continue to distribute funds in 2009 in accordance with its statutes.

FINANCIAL CALENDAR 2009

4 February	Annual Report 2008
29 April	Annual General Meeting
29 April	Quarterly Report for the first three months
12 August	Interim Report for the first six months
28 October	Quarterly Report for the first nine months

SPAR NORD'S LOCAL BANKS

Spar Nord's Local Banks (the retail bank unit) constitute the largest organizational unit in Spar Nord. This business area comprises 75 local banks in 31 bank regions throughout the country, as well as Corporate Banking. Lars Møller, Managing Director, and John Lundsgaard, Managing Director, share the general responsibility for this business area, which has 1,046 employees.

For Spar Nord's Local Banks, 2008 was a year reflecting continued growth, with the area showing excellent earnings robustness although also affected by the financial crisis.

After a number of years during which the Spar Nord chain expanded geographically by establishing new local banks outside North Jutland, acquisitions drove growth in 2008. Hence, Spar Nord bought seven branches from Roskilde Bank in Q4 and proceeded to establish three new bank regions: Spar Nord Roskilde, Spar Nord Holbæk and Spar Nord Helsingør. As a result, Spar Nord is now represented in 11 towns and cities in the Zealand region of Denmark.

In all, Spar Nord has now established 24 new local banks since 2002 - 15 by organic growth, and nine by acquisitions.

The recent years' newly established local banks and acquired activities helped sustain the high level of growth in customer numbers and business volume. Thus, total deposits with the local banks rose 29% on 2007, while total loans and advances rose 10%.

ORGANIZATIONAL ADAPTATIONS

During 2008, a number of changes were made in the North Jutland part of the branch network. In total, 14 mergers occurred during the year, with either two small branches choosing to merge, or a small unit merging with a larger one. These mergers have typically been intended to create larger competence units, thus making it easier to attract, develop and retain employees. The experience so far has been very positive - both among customers and employees.

As Spar Nord employs a business model with a high degree of decentralized decision-making, mergers of this type always take place in response to local initiative. In this light, Spar Nord's Management finds that the significant number of mergers testifies to the drive and readiness for change in the local organization.

MARKET SHARE CONTINUED TO GROW

Spar Nord's local banks continued to win market shares also in 2008, primarily due to recent years' geographical expansion and the net customer growth that this expansion boosts. Thus, during the year Spar Nord welcomed 35,000 new retail and business customers (net). Measured in terms of business volume, the growth for the year was DKK 11.2 billion, corresponding to 18%.

Of the year's total net growth of 35,000 customers, 8,000 are ascribable to the new local banks outside North Jutland established since 2002, and 27,000 to the branches acquired from Roskilde Bank.

A TURBULENT YEAR FOR CUSTOMERS

In the investment area, 2008 was of course characterized by the increasingly unfavourable market conditions, with declining share prices, volatile markets and widespread recession fears. At Spar Nord's Local Banks this was manifested in lower sales of unit trust certificates from business partners (BankInvest, ValueInvest and Sparinvest).

In 2008, total new contributions to retail and business customers' pension savings amounted to DKK 840 million - 6% down on the previous year. There was a certain reticence among business customers, in particular, which may be due to the poor profits recorded by many businesses in 2008.

On the upside, there was respectable growth during the year in the sale of the leasing services from Finans Nord, arranged by the local banks.

In the housing area, where Spar Nord cooperates with Totalkredit (retail), Nykredit (business) and DLR (retail and business), total net lending stood at DKK 27.3 billion at end-2008, of which DKK 2.1 billion was arranged in 2008.

FINANCIAL PERFORMANCE

In financial terms, 2008 was an acceptable year for Spar Nord's local banks, with core earnings before impairment of loans and advances amounting to DKK 561 million, versus DKK 513 million in 2007.

On the upside, the performance in this business area shows excellent activity and earnings robustness despite the distinctly worse macroeconomic conditions. One reason for this is that the recent years' expansion promotes continued growth in terms of customers and volume.

SPAR NORD'S LOCAL BANKS - FACTS			
Income statement	DKK m	2007	2008
Interest income		1,515.8	2,067.2
Interest expenses		579.1	903.4
Net interest income		936.7	1,163.8
Net income from fees, charges and commissions		466.0	388.3
Dividends on shares, etc.		0.0	9.0
Market-value adjustments		91.8	113.2
Other operating income		26.5	13.0
Profit/loss on equity inv. in ass. and group enterp.		0.0	3.3
Core income		1,521.0	1,690.6
Operating costs		1,007.6	1,129.2
Core earnings before imp. of loans and adv., etc.		513.4	561.4
Impairment of loans and advances, etc.		-112.6	206.2
Core earnings		626.0	355.2
The Danish Banking Sector Emergency Fund		0.0	-28.3
Profit/loss on ordinary operations		626.0	326.9
Balance-sheet figures, end of year	DKK m		
Loans and advances		31,321.2	34,382.9
Deposits		23,937.6	30,899.6
Risk-weighted items		31,345.5	29,645.0
Allocated capital, 8%		2,507.6	2,371.6
Financial ratios			
Return on equity, %		27.1	14.2
Cost share in % of core income		0.66	0.67
Number of employees (end of year, full-time)		933	1,046

As a consequence of the financial crisis and the economic decline, work has been ongoing during the year to price risk more accurately. After several years of extremely low lending margins, 2008 instead offered a margin expansion, particularly for business customers. In aggregate, Spar Nord Local Banks realized net interest income of DKK 1,164 million in 2008 compared to DKK 937 million in 2007.

Among other things, this should be viewed in light of the fact that in 2008 impairment of customers' loans and advances once more became an expense item in the financial statements. The profit impact from impairment of loans and advances, etc., totalled DKK 206 million.

EMPLOYEES

Due to the geographical and business growth in recent years, the staff at Spar Nord Local Banks also grew in 2008. Thus, at the end of the year the business area had 113 employees more than at the beginning of the year. 108 of the new employees work at the seven Zealand local banks bought from Roskilde Bank. A total of 363 of the business area's 1,046 employees now work at units outside the old North Jutland core area.

OUTLOOK FOR 2009

In 2009, the Spar Nord Local Banks business area expects continued growth in business volume and core earnings before impairment of loans and advances. The units outside North Jutland will primarily drive the growth, while more moderate growth in business volume and earnings is expected in the North Jutland region as a result of efficiency measures targeted at operations.

The local banks' credit quality is expected to remain good. However, losses and impairment are expected to be higher than in 2008 as a result of the economic decline. Impairment is expected to be higher, especially on the business customer side.

While no new local banks are expected to be established in 2009, Spar Nord will continue to focus on the potential for acquisitions, whenever an opportunity arises.

FINANS NORD

Finans Nord is a financing company in the Spar Nord Bank Group. Finans Nord specializes in corporate financing via leasing of fixed assets, loan and asset purchase financing in return for charges on/rights in financial assets and operational leasing of company trucks and other equipment. Finans Nord is headquartered in Aalborg and has regional offices in Kolding and Roskilde. To this should be added the subsidiary SN Finans Nord AB in Sweden. Finans Nord is headed by Gert Tougård, Managing Director, and has a total of 96 employees.

2008 proved to be yet another highly satisfactory year for Finans Nord. A year with excellent potential for the leasing industry despite a slowdown in business activities, and a year in which Finans Nord once again succeeded in increasing its market share. Growth was reported for all core areas, which are transport, contracting, farming, industry and operational leasing of passenger cars and vans.

2008 was also a highly satisfactory year for Finans Nord's Swedish subsidiary, SN Finans Nord AB. The company, which operates on the Swedish market from Malmö and Stockholm, realized higher-than-expected growth, and already two years after its establishment makes a positive contribution to Finans Nord's overall profits.

In 2008, Finans Nord launched the new business area Easyfleet in Denmark. Easyfleet focuses on private leasing of passenger cars. To begin with, it targeted the employees of the Spar Nord Group, and during the year also focused on the external marketplace. The Easyfleet concept has met with a good reception, and agreements worth DKK 228 million have already been established.

FINANCIAL PERFORMANCE

During 2008, Finans Nord established new lease agreements aggregating DKK 3.9 billion versus DKK 3.8 billion in 2007. At end-2008, Finans Nord's total lending amounted to DKK 7.4 billion, which breaks down into 93% lease agreements and 7% purchase agreements and loans.

Core earnings amounted to DKK 107 million versus DKK 116 million in 2007. Finans Nord's pre-tax profits amounted to DKK 101 million, corresponding to a return on the allocated capital of 21%.

FINANS NORD - FACTS			
Income statement	DKK m	2007	2008
Interest income		343.4	464.1
Interest expenses		182.5	270.5
Net interest income		160.9	193.6
Net income from fees, charges and commissions		3.1	5.2
Dividend on shares, etc.		0.0	0.0
Market-value adjustments		-0.5	-4.2
Other operating income		53.5	60.2
Profit/loss on equity inv. in ass. and group enterp.		0.0	0.0
Core income		217.0	254.8
Operating costs		99.7	118.6
Core earnings before imp. of loans and adv., etc.		117.3	136.2
Impairment of loans and advances, etc.		1.2	29.1
Core earnings		116.1	107.1
The Danish Banking Sector Emergency Fund		0.0	-6.6
Profit/loss on ordinary operations		116.1	100.5
Balance sheet figures, end of year	DKK m		
Loans and advances		6,143.9	7,354.9
Risk-weighted items		5,530.8	6,057.7
Allocated capital, 8%		442.5	484.6
Financial ratios			
Return on equity, %		28.4	21.1
Cost share in % of core income		0.46	0.47
Number of employees (end of year, full-time)		88	96

Losses and impairment amounted to DKK 29 million - a sharp rise on last year's profit impact in the amount of DKK 1 million. The mounting losses and impairment were incurred against the backdrop of heavily worsened business trends, which affect the Company's customers.

Following the establishment of new branches and the general growth in activities, the need rose to appoint more employees in the organization in 2008. At the end of the year, Finans Nord thus had 96 employees versus 88 at the beginning of the year, 12 of whom work in Sweden.

OUTLOOK FOR 2009

Management expects the weakened business trends to make their mark in 2009, for instance by way of more difficult market conditions for Finans Nord's customers, particularly in the transport and contracting sectors. Thus, the two sectors are expected to record an increase in losses and impairment. In addition, there will be greater focus on channelling repossessed assets to other customers.

On the positive side, it is expected that new lending to the core areas, industry, farming, transport and contracting, will be at almost the same level in 2009 as the year before. Easyfleet expects growth in its activities, and general growth in the Swedish activities. Finally, Finans Nord's collaborative arrangements with other banks are expected to continue to develop on a positive note.

As a consequence of the general recession, Finans Nord's profit performance is expected to be somewhat lower in 2009 than in 2008, although still at a satisfactory level.

TRADING, FINANCIAL MARKETS & THE INTERNATIONAL DIVISION

Trading, Financial Markets & The International Division consists of five divisions: Markets, the Share Investment Division, Interest Products & Forex, Asset Management and the International Division. Jan Gerhardt, heads up this business area, which has 66 employees.

2008 was a highly challenging year for Trading, Financial Markets & The International Division, having been marked by dipping share prices, major volatility and heavy turbulence on the bond market. These factors collectively contributed to customers' greater reluctance to assume risks, thus prompting growth in activity levels to decline.

TRADING, FINANCIAL MARKETS & THE INTERNATIONAL DIVISION - FACTS			
Income statement	DKK m	2007	2008
Interest income		837.1	984.9
Interest expenses		715.8	783.8
Net interest income		121.3	201.1
Net income from fees, charges and commissions		9.8	-0.1
Dividend on shares, etc.		1.2	0.7
Market-value adjustments		51.1	-164.0
Other operating income		7.2	4.5
Profit/loss on equity inv. in ass. and group enterp.		0.0	0.0
Core income		190.6	42.2
Operating costs		49.2	43.1
Core earnings before imp. of loans and adv., etc.		141.4	-0.9
Impairment of loans and advances, etc.		0.0	0.5
Core earnings		141.4	-1.4
The Danish Banking Sector Emergency Fund		0.0	-3.7
Profit/loss on ordinary operations		141.4	-5.1
Balance sheet figures, end of year	DKK m		
Risk-weighted items		4,599.2	2,556.4
Allocated capital, 8%		367.9	204.5
Financial ratios			
Return on equity, %		38.0	-1.4
Cost share in % of core income		0.26	1.02
Number of employees (end of year, full-time)		66	66

The core earnings of the Trading, Financial Markets & The International Division ended at a loss of DKK 1 million versus plus DKK 141 million in 2007. To this should be added the earnings generated by this area in the Group's other business areas, particularly Spar Nord's Local Banks. As a result of major price losses recorded primarily by the Markets Division on the portfolio of mortgage-credit bonds, the combined profits reported by the Trading, Financial Markets & The International Division were unsatisfactory.

As an element in the ongoing adaptation of this business area's market development resources, several employees were appointed to take up duties at the Interest Products & Forex Division, while staff was cut at the Share Investment Division and Asset Management.

Because Spar Nord wants to carry on a well-balanced retail bank in terms of risk exposure, the Bank decided in the first half of the year to reduce trading portfolio activities sharply, meaning that the Bank will principally assume risk in the market risk area by conducting proprietary trading in the Markets Division.

MARKETS DIVISION

2008 was a year of extreme challenges for the Markets Division, whose tasks include managing the Bank's cash resources. As a consequence of the international financial crisis, major uncertainty reigned in the Interbank market in September and October - a situation which became somewhat calmer, however, after various government-backed guarantee schemes were introduced.

Spar Nord retains a major portfolio of Danish mortgage-credit bonds as part of its cash resource buffer, hedging the interest-rate risk with swaps and futures on government bonds. For the year as a whole, major negative market-value adjustments were recognized in respect of this portfolio, attributable to the widening of the yield spread between mortgage-credit and government bonds. The portfolio of mortgage-credit bonds was retained despite market developments, and price losses thus remained largely unrealized, as Spar Nord considers market developments over the year to be a transient imperfection.

Overall, the Markets Division ended 2008 with a loss, which is unsatisfactory.

INTEREST & FOREX PRODUCTS

The Interest & Forex Products Division recorded satisfactory profits after a year with excellent customer activities. In the Interest & Forex Products area, demand for risk control products was particularly high.

During 2008, seven structured products expired. Four of these products, with customers' return being linked to movements in two or three currencies, gave customers a positive return ranging between 4.75% and 14.75%. In addition, five new own-developed products were launched together with an array of new products from Plusinvest.

Finally, the Interest & Forex Products Division played an active role as the adviser to and sparring partner for Spar Nord Local Banks - an activity that contributed positively to earnings at the local banks.

SHARE INVESTMENT DIVISION

The Danish stock market, which is the main focus of the Share Investment Division, saw a decline of as much as 50% in the leading index in 2008, a downturn that affected both customers' inclination to assume risk and the activity level.

The dramatic market development means that the Division realized a loss on own positions, and also recorded a downturn in income from customers' trading activities.

ASSET MANAGEMENT

The general market turbulence so naturally marking 2008 also characterized Asset Management, which manages the Bank's pension pools and asset management instructions issued by external customers. The Division delivered a performance which was satisfactory compared with relevant peers and indices - but at a level that must generally be termed unsatisfactory.

As a consequence of declining prices, among other factors, the Division's total managed capital was reduced. This was partly because the Division's received fewer asset management orders at wholesale level - including from small banks, which place surplus liquidity externally - both in terms of number and size.

INTERNATIONAL DIVISION

For the International Division, 2008 was better than 2007 and better than expected. In terms of activities, the wholesale area stood out in terms of growth, with the Division managing foreign payments for customers at other banks.

Other major focus areas in 2008 included the handling of the Bank's lines to foreign financial institutions, and the work involving the SEPA project (Single European Payment Area).

OUTLOOK FOR 2009

In 2009, the weaker business trends are expected to pose challenges, especially to Trading, Financial Markets & The International Division and the Interest & Forex Products Division. At the former, the lower activity level in certain export businesses is expected to rub off by way of a downturn in demand for trade finance services. At the Interest & Forex Products Division, activities will continue to grow in the area of risk hedging, while activities and earnings on customers' speculative transactions are expected to decline.

At the Markets Division, market developments in the bond area, in particular, are expected to develop favourably, for which reason the Bank will realize positive market-value adjustments, including with respect to the portfolio of mortgage-credit bonds. The same is expected to apply in the equity area - however, not until later in the year.

Overall, earnings in the Trading, Financial Markets & The International Division are forecast to grow favourably, although major uncertainty in the market must continue to be expected.

CREDIT RISK

Credit risk is the risk of losses because counterparties fail to meet all or part of their payment obligations towards the Group. Spar Nord's overall credit risks are managed on the basis of the Bank's credit policy, which is geared to ensure, among other things, that earnings and risks are balanced, and that the risk assumption is always quantified.

It is Spar Nord's policy that all credit must be granted on the basis of insight into the customers' financial position and that creditworthiness - the customer's ability and will to meet current and future obligations - is a key parameter in all customer relations. Spar Nord finds it important to develop long-term relationships with customers and does not want to use risk acceptance as a competitive parameter. Spar Nord is exclusively interested in transactions that conform to good banking practice and do not jeopardize the Group's reputation and professional profile.

As a basic rule, the Bank does not grant loans and credits based on security alone. The customer must both have the will and ability to repay loans without the Bank having to realize the security provided.

In its endeavours to ensure sound risk diversification, Spar Nord has introduced an internal cap on customer commitments, which may not exceed 10% of the Bank's shareholders' equity. In determining the amount of a commitment, due provision is made for the specially secured claims that are referred to in the Financial Supervisory Authority's Order on Major Commitments. Commitments with trading partners in the financial sector are not included for the purpose of calculating the Group's upper limit of 10%.

Loan-financed investments must be established on a hedged basis. This means that customers must contribute with their own funds in order to provide the desired margin, and the commitments will be included in the daily stop-loss monitoring. The loan values are determined conservatively, and a margin will also have to be provided to collateralize the loan.

CREDIT MANAGEMENT AND MONITORING

Customer advisers, in consultation with the individual managers, handle day-to-day management of the Bank's credit risks. Decentralized powers are allocated based on an assessment of need and expertise. If a commitment exceeds the local loan approval limits, it will be dealt with by the Credit Rating Department, the Executive Board (the Credit Committee) or the Supervisory Board.

Overall monitoring of the Group's total credit risk exposure is handled by the Credit Quality Department. This Department monitors developments in the credit quality of all commitments and undertakes an ongoing, systematic credit quality control of the Bank's entire commitment portfolio.

Over the past few years, Spar Nord has developed IT tools for controlling and monitoring credit risks. One tool used for monitoring purposes is the Bank's credit analysis system, in which key data regarding credit commitments and customers' financial affairs are recorded. The objective of using the credit analysis system is to detect danger signals from commitments at an early stage, while also monitoring portfolios and organizational units.

As part of its credit-granting procedure, the Bank applies credit scoring to retail customers and ratings to business customers on the basis of risk analyses. The rating and

credit scoring systems have been introduced in all the Bank's departments and are used for credit granting at the local level, in the sense that customers in the groups accorded the lowest risk exposure are likelier to be given higher credit limits or extensions than those accorded the highest risk exposure. In addition, the systems are used for managing overdrafts and serve as a guide for pricing purposes.

DEVELOPMENT IN THE GROUP'S CREDIT QUALITY

An examination of credit risks shows that, considering the economic decline, lending activities reflected a satisfactory credit quality trend in 2008.

Management is satisfied with the credit quality trend, which can be seen as a product of a determined strategy pursued by Spar Nord. Thus, the Bank is monitoring the portfolio on an ongoing basis, for instance by conducting central-level reviews of all new retail customer commitments above DKK 100,000 and all new business customer commitments above DKK 300,000.

To maintain credit quality, the Bank is also regularly flagging any commitments showing any signs of default risk. Steps will be taken to normalize or wind up such commitments. In recent years, this action has been highly successful, as for several years in a row Spar Nord has recorded a markedly higher number of impaired commitments ceded than impaired commitments accepted, as shown in the Financial Supervisory Authority's transfer statistics.

IMPAIRMENT

All significant loans and advances and those slated for credit quality review are re-evaluated individually, and other loans are reviewed on a group basis. All loans and

advances not impaired on an individual basis are assigned to groups having uniform credit risk exposure. If the review discloses objective indications of impairment due to recent events, an impairment loss is recognized if such events impact future loan repayments. Impairment is calculated as the difference between the carrying amount of loans and advances and the present value of expected future repayments on the loan. A commitment need not be in default before impairment is recognized, and approval procedures of any new extension of credit are then automatically tightened.

Groups of impairment losses are recognized when objective indications show that expected future losses exceed the loss expected upon loan establishment. This means that, in addition to objective indications for a group, impairment on a group basis is basically triggered when customers are transferred to groups with a higher credit risk exposure. Historical loss experience forms the basis for calculating the groups of impairment losses.

Individual impairment can be made when a commitment is in serious financial trouble, in case of breach of contract, the Bank has to give the customer more lenient credit terms, or when it is likely that a borrower will go bankrupt.

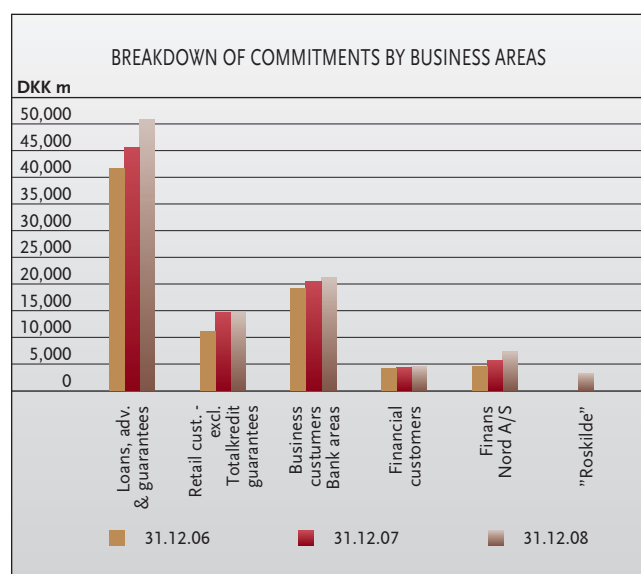
The rating and scoring constitute the primary sources of group allocation, but customers slated for credit review without individual impairment provisions also make up a group.

Doubtful loans - loans for which interest accruals have been suspended because full collection of the principal is unlikely or because no interest has been paid for an extensive period of time - are subject to special scrutiny,

and if repayment is considered doubtful and loss unavoidable, the loan is categorized as partially or fully impaired and uncollectible. Interest on the parts of commitments that have been written down for impairment is not recognized as income.

THE GROUP'S LOANS, ADVANCES AND GUARANTEES

The Group's total loans, advances and guarantees before offsetting of impairment amounted to DKK 50.5 billion at end-2008. Of this amount, retail customers account for 34%, and business customers for 66%.



The customer portfolio is divided into the above customer groups as part of the ongoing risk monitoring. In this diagram, customers taken over from Roskilde Bank are temporarily listed as an independent group. These customers will be integrated into the existing groups and the existing risk monitoring as soon as their data have been transferred to us.

Retail customers are categorized on the basis of behaviour data in seven risk groups (with 1 being the best) as well as a watchlist category. The model used for scoring retail customers, which is based on the customers' behaviour history, calculates the probability of a customer's default on his payment obligations within the year ahead (Probability of Default, PD). This model is based on 10-20 variables that are selected among 150 as the ones that best describe previously defaulted commitments.

Based on financial ratios, business customers are categorized into eight rating categories. The model used to rate business customers is based primarily on accounting data, earnings, solvency, hedging, etc.

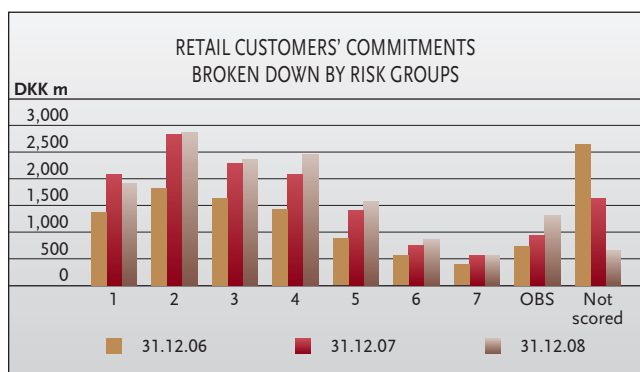
The above models are not yet exhaustive, however, and not all retail and business customers are currently covered by the scoring and rating system. Efforts are ongoing at Spar Nord to become an IRB bank according to the Basel II rules, but it has not yet applied to the Danish Financial Supervisory Authority for permission to use its own credit models

RETAIL CUSTOMERS AT SPAR NORD'S LOCAL BANKS

The Bank's credit exposure to retail customers at Spar Nord's Local Banks amounts to DKK 14.5 billion, equivalent to 28.7% of the Group's total loans, advances and guarantees. The table below shows a breakdown of retail customers into risk groups.

The positive trend seen in the retail customers segment continues, with growth in the commitments in the groups accorded the lowest risk exposure. In three years, the share of the commitments with the most creditworthy borrower groups was thus increased from 56% to 66%. Despite the unfavourable business trends in 2008,

the credit quality of retail customers developed satisfactorily. However, there was an increase in the number of customers slated for credit review - primarily customers who, for the past few years, have been categorized in the groups accorded the highest risk exposure.

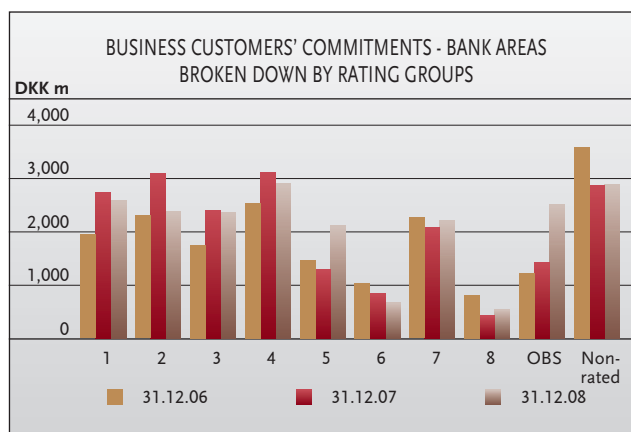


As the table illustrates, a rising number of the Bank's retail customers are covered by the scoring model.

BUSINESS CUSTOMERS AT SPAR NORD'S LOCAL BANKS

The credit exposure to business customers at Spar Nord's Local Banks amounts to DKK 21.3 billion, equivalent to 42.2% of the Group's total loans, advances and guarantees. The table below shows a breakdown of business customers by rating groups.

In 2008, there was a small decline on the business customer side in the share of commitments with customers in the most creditworthy borrower groups - down from 56% to 48%. A major share of the drop in 2008 is attributable to an approx. DKK 2 billion reduction in the scope of investment commitments with business customers. These commitments have been predominantly established with the most creditworthy customers.



Viewed over a three-year period, there was a growth in the share of commitments with customers in the most creditworthy groups, up from 37% to 48%.

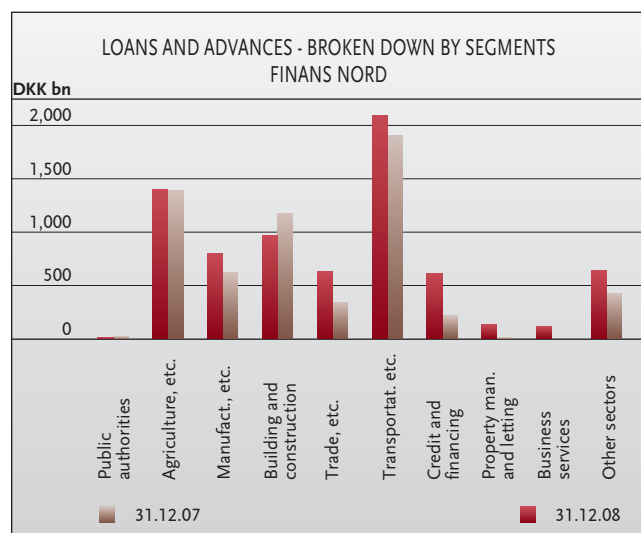
In parallel with the development in the retail customer area, there are also several business customers who are slated for credit review. As opposed to retail customers, some of the new credit-quality flagging on the business customer side is attributable to customers who have previously been allocated to the better rating groups. This development should be viewed in light of the fact that certain business customers are experiencing a sharp change in their situation due to current business trends.

FINANS NORD

The total credit exposure of Finans Nord is approx. DKK 7.4 billion, equivalent to approx. 14.7% of the Group's total loans and advances.

In line with Spar Nord Bank's policy, the processing of credit applications by Finans Nord is based on an assessment of the customers' financial situation and ability and will to meet his/her current and future obligations.

The special situation of the leasing company Finans Nord, in comparison to Spar Nord Bank, is that Finans Nord always has security in the assets either through ownership or charges. Thus, the credit portfolio held by Finans Nord is composed of 93% leasing contracts and 7% asset purchase financing and loans.



Management is convinced that Finans Nord has a well-diversified credit portfolio in terms of industry and geographically.

FINANCIAL CUSTOMERS

The Bank's credit exposure to financial customers is DKK 4.4 billion, equivalent to 8.8% of the Group's total loans, advances and guarantees.

Exposure covers primarily reverse transactions and foreign loans to customers at other banks that request the provision of a guarantee.

ROSKILDE BANK

Loans, advances and guarantees taken over from Roskilde Bank amounted to DKK 2.8 billion at end-2008, equivalent to 5.6% of the Group's total loans, advances and guarantees.

The reason why customers taken over from Roskilde Bank are temporarily listed as an independent group is because customer data has not yet been finally transferred. When such data is available, the customers taken over will be included in the existing groups and the existing risk monitoring.

It is expected that the credit quality of the commitments taken over will at least be at the same level as the credit quality in the other areas.

COLLATERAL

Spar Nord wants to reduce the risk attaching to individual transactions by accepting collateral, such as mortgages and charges over physical assets, securities and guarantees, etc. whenever possible. Mortgages and charges on real property, securities and vehicles make up the most common type of collateral.

Spar Nord monitors the value of the collateral furnished on an ongoing basis. If the risk attaching to a counter-

DKK m	Share in % in 2006	Share in % in 2007	Share in % in 2008
Unsecured share < 10 pct.	38.6	30.3	29.3
Unsecured share from 10 - 50 pct.	19.0	19.8	19.3
Unsecured share from 50 - 75 pct.	9.6	11.5	11.2
Unsecured share > 75 pct.	32.8	38.4	40.2
Average share	43.0	50.0	52.5

party increases, the collateral is subjected to a particularly critical scrutiny. The value is assessed based on the expected price to be fetched in a compulsory sale of the collateral less any expenses arising from its realization.

The development in the unsecured share of credit exposure in 2008 shows an increase from 50% to 52.5% for the overall credit exposure. This development should be viewed in connection with the DKK 3 billion reduction in the Group's investment commitments and declining securities prices.

LENDING PORTFOLIO

At end-2008, the Group's loans, advances and guarantees amounted to DKK 50.5 billion before offsetting of impairment, broken down into 83,162 commitments (loans and advances, credits and guarantees, etc.). Management considers the portfolio spread to be satisfactory.

In addition, Management considers the portfolio to be satisfactorily diversified in terms of industries. Spar Nord's relatively larger share of lending to borrowers in

THE GROUP'S LOANS, ADVANCES AND GUARANTEES BY SIZE OF FACILITY					
DKK m	No. 2007	No. 2008	In % 2007	In % 2008	Sectoral br. down in % 2007*
0 - 0.1	34,027	37,631	1.6	1.2	1.9
0.1 - 0.5	23,524	28,015	10.8	10.4	9.8
0.5 - 1.0	5,555	8,419	7.7	9.0	9.2
1.0 - 5.0	6,050	7,349	23.6	25.2	19.3
5.0 - 10.0	800	995	10.8	11.6	4.0
10.0 - 20.0	340	423	10.6	9.7	4.5
20.0 - 50.0	211	229	11.6	11.6	6.5
50.0 - 100.0	59	55	7.4	6.2	5.8
100.0 -	46	46	15.9	15.2	39.0
Total	70,612	83,162	100.0	100.0	100.0

*) Danish FSA statistics 2007 + own computations

THE GROUP'S COMMITMENTS AND IMPAIRMENTS BY INDUSTRY				
Branches	Commitments			Impairm. * The Group 2008
	The sector 2007	The Group 2007	The Group 2008	
Public authorities	2.5	2.0	1.6	0.0
Agriculture, etc.	3.4	12.3	11.0	9.4
Fisheries, etc.	0.2	0.3	0.2	0.0
Manufacturing, etc.	8.4	4.2	6.2	11.8
Building & construct.	2.4	4.9	4.2	4.4
Trade, etc.	6.0	9.0	8.5	22.1
Transportation, etc.	2.9	6.1	5.7	3.9
Credit & financing	26.7	4.7	11.4	8.0
Property man., etc.	15.9	13.9	12.0	6.2
Other sectors	3.6	10.2	5.2	6.1
Buss. cust., total	72.0	67.6	66.0	71.9
Retail cust., total	28.0	32.4	34.0	28.1
Total	100.0	100.0	100.0	100.0

*) Only individual impairments, etc.
**) In connection with the transition to Basel II, there was a re-segmentation between the groups, "Other sectors" and "Credit and financing".

the agricultural sector and the transport industry as compared with the banking sector in general is attributable to North Jutland's business and industrial structure and the fact that Finans Nord A/S has specialized in leasing transport and agricultural equipment.

On the agricultural side, the Spar Nord Group has an overall exposure of about DKK 5.5 billion, distributed on 3,100 customers. Of these, 1,100 are customers of Spar Nord Bank, accounting for DKK 4 billion, and 2,000 of Finans Nord, accounting for DKK 1.5 billion. Agricultural commitments are typically hedged by security in customers' assets, especially land. After a period of major increases in land prices, the sector is particularly sensitive in this area. For the individual customer, this sensitivity is reflected in creditworthiness - a credit risk ratio that is therefore crucial to Spar Nord's credit assessment of agricultural commitments.

Overall, the Group's portfolio of agricultural commitments is considered to be sound and characterized by satisfactory diversification in terms of production lines. The year's proportional profit impact from impairment in the agricultural sector is less than the average for the industry, and historically agriculture is a line that has caused the Group to suffer very moderate losses.

However, the current price developments for agricultural products seem to indicate that impairment from this sector will increase during the next year.

In the real property area, the Spar Nord Group had an overall exposure of about DKK 6 billion, corresponding to 12.0% of the Group's total loans, advances and guarantees. This is in fact much lower than the average for Danish banks. For a number of years, Spar Nord has been reluctant to take on commitments in the property sector. Thus, the Group's exposure to the sector extensively covers customers with long-term relations with the Bank and wide experience in the sector.

At end-2008, there are only very few objective indications of impairment of the Group's commitments in the property sector. The total impairment ratio for the line, "Property man., etc." thus amounts to 0.5%.

IMPAIRMENT OF LOANS AND ADVANCES

The impact from impairment on the operating profit represented an expense of DKK 275 million in 2008. The losses for the year amounted to DKK 142 million, of which DKK 118 million was covered by writedowns for impairment relating to previous years. Impairment aggregated DKK 606 million at the close of 2008, equal to 1.2% of the total portfolio of loans, advances and guarantees.

THE GROUP'S LOSSES AND IMPAIRMENT			
DKK m	2006	2007	2008
Losses, incl. losses covered by impairments, etc.	94.7	51.4	142.1
Losses on sector-targeted solutions	0.0	0.0	16.0
Loss guarantee, the Bank's pension pool 4	0.0	0.0	28.3
Covered by impairments, etc.	-43.0	-32.7	-117.6
Losses not covered by impairments, etc.	51.7	18.7	68.8
New impairments, etc., gross	261.1	225.1	352.4
New impairments, etc., sector solutions	0.0	0.0	23.1
Reversal of impairments, etc.	-386.0	-275.4	-96.0
Interest on written-down loans carried to income	-39.2	-35.3	-43.0
New impairments, etc., net	-164.1	-85.6	236.5
Recoveries on loans written off as uncollectible	-57.3	-52.1	-29.9
Impact on income statement	-169.7	-119.0	275.4
Losses and imp., etc. for credit inst. & other	0.6	5.6	-0.8
Impact on income statement, total	-169.1	-113.4	274.6

THE GROUP'S MOVEMENTS IN LOSSES AND IMPAIRMENT AND NON-PERFORMING LOANS			
DKK m	2006	2007	2008
Loans, adv. & guarantees, gross, year-end	41,860	45,431	50,543
Losses and impairment for the year	-169	-113	275
- in % of loans, adv. & guarantees	-0.4	-0.3	0.5
Impairment balance	525	444	606
- in proportion to loans, adv. & guarantees	1.3	1.0	1.2
Non-performing loans, year-end	48	27	48
- in % of loans, adv. & guarantees	0.1	0.1	0.1
Impairment balance in % of non-performing loans	1,105	1,648	1,269

The 0.3% impact from impairment per annum for retail customers and 0.5% p.a. for business customers is considered to be satisfactory in light of the icy economic climate.

CREDIT EXPOSURE TO FINANCIAL COUNTERPARTIES

As part of its trading in and holding of securities, foreign currency and derivative financial instruments and its payment services, etc., the Bank will experience exposure to

financial counterparties, either by way of settlement risk or credit risk exposure.

Settlement risk is the risk that the Bank does not receive payment or securities in connection with the settlement of securities or foreign-exchange transactions that match the securities or payments the Bank has delivered.

Spar Nord's Management allocates lines for settlement risk and credit risk exposure to financial counterparties, based primarily on the particular counterparty's risk

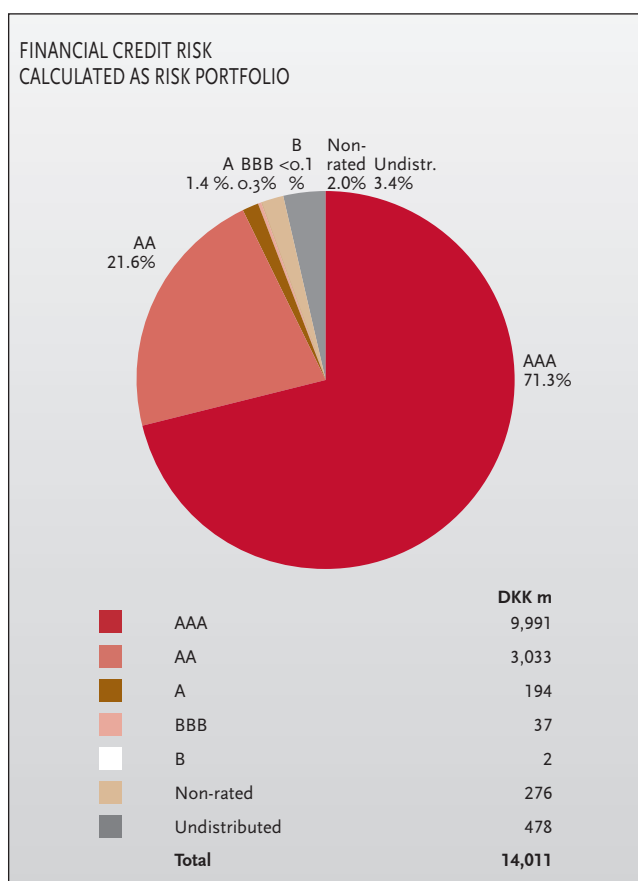
profile, rating, size and credit standing. The risks and lines of financial instruments are monitored constantly. Spar Nord also participates in the CLS settlement system (Continuous Linked Settlement), which aims to eliminate settlement risks.

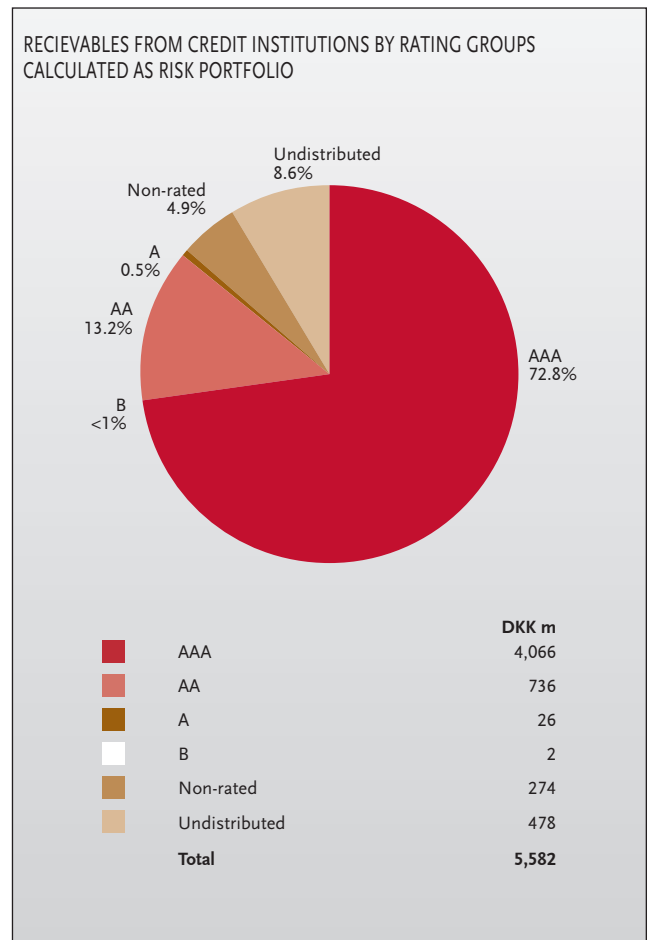
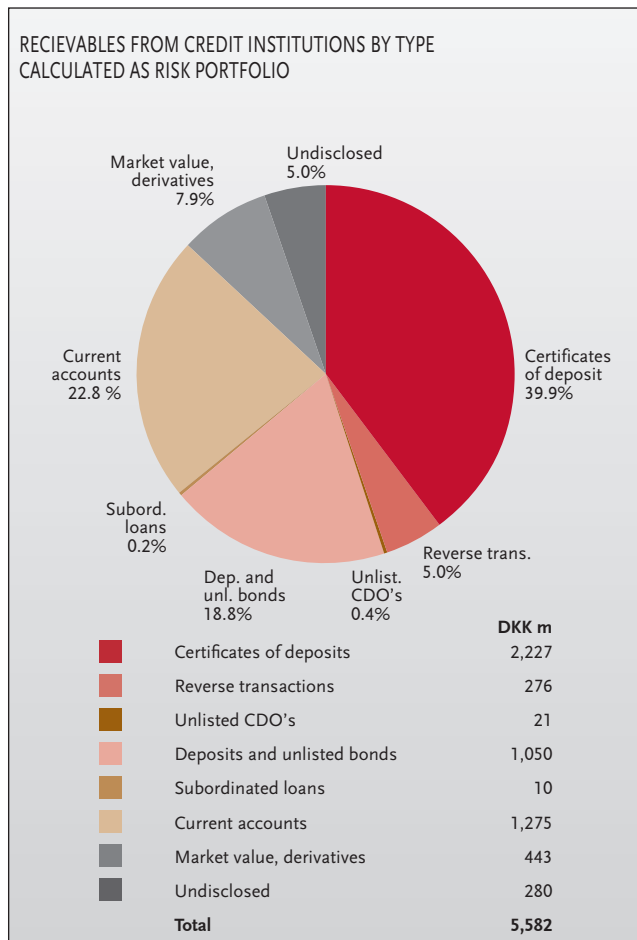
Overall, Management's assessment is that Spar Nord's credit exposure to financial counterparties remains at a moderate level.

BALANCES WITH CREDIT INSTITUTIONS AND CENTRAL BANKS

The other major source of financial credit risk is the Bank's accounts with credit institutions and central banks. Spar Nord's exposure here is typically to central banks with a triple A rating or Danish banks with which the Bank's Trading, Financial Markets & the International Division has a customer relationship.

86.5% of Spar Nord's balances with credit institutions concerns banks with a rating of an A or higher. Of the total balance with credit institutions of DKK 5.6 billion, 73% is attributable to institutions with an AAA-rating, 13% to institutions with an AA-rating, and 0.5% to institutions with an A-rating. The positive development is due to the Danish credit institutions now being comprised by a government-backed guarantee, and that conscious efforts are being made in light of the international financial crisis to ensure that as large a share as possible of the financial credit risk must concern credit institutions with a good credit quality and a high rating. For instance, this is done via Spar Nord's connection to the CLS settlement program - an initiative that aims to eliminate the settlement risk attaching to foreign-currency trading.





BOND PORTFOLIO

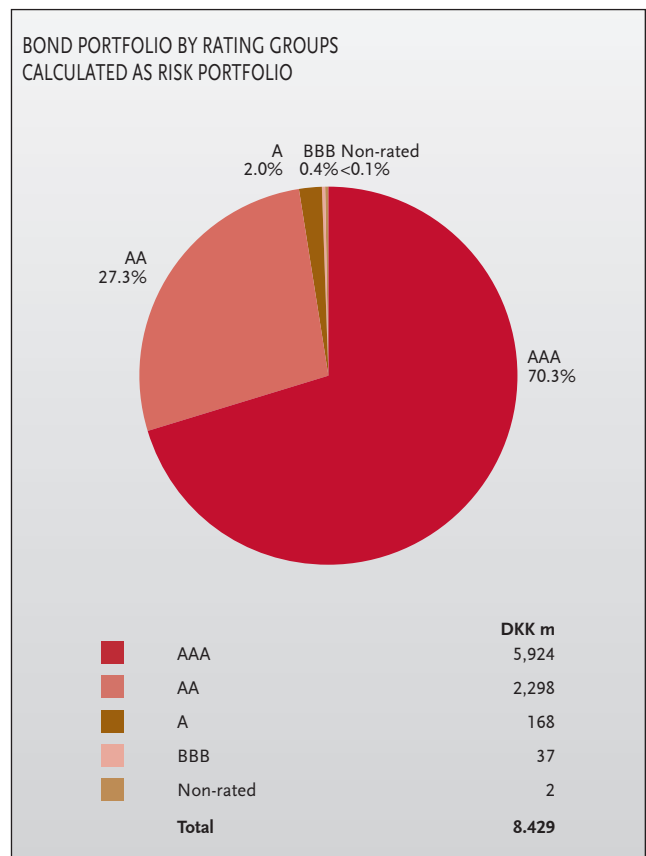
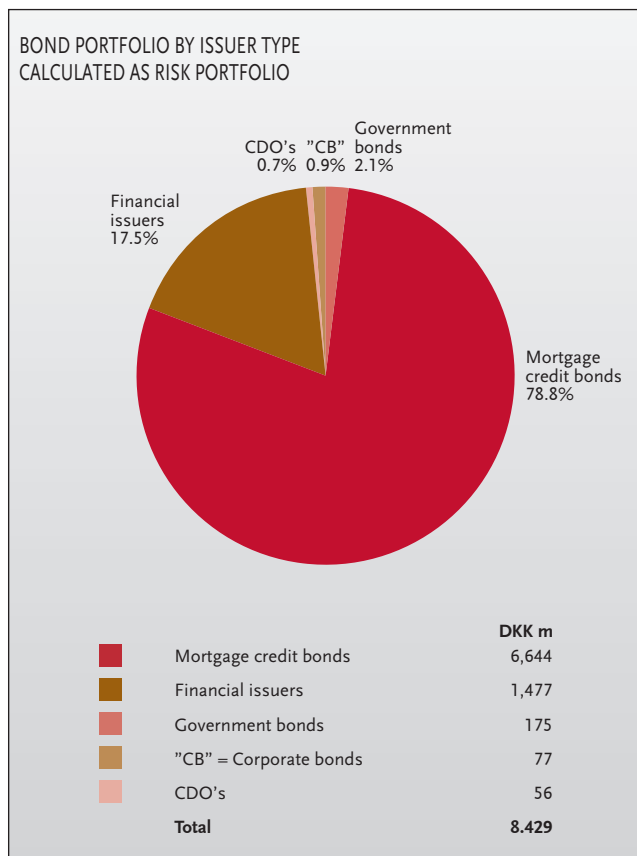
Spar Nord's bond portfolio is the most significant source of financial credit risk. During 2008, Spar Nord changed the composition of the bond portfolio, and thus additionally improved the average credit quality and rating of the bonds in the portfolio.

Almost 79% of the bond portfolio is composed of mortgage-credit bonds and 2% of government bonds. Bonds from financial issuers amount to 18%, the largest share of which is now backed by a government guarantee.

Corporate bonds amount to DKK 77 million, the bulk of which are Scandinotes. As concerns Scandinotes, the Bank expects that the tranche of senior loans will be repaid, and that the current, very low price of securities will pick up.

Finally, the Bank has a portfolio of listed CDOs of DKK 56 million.

98% of the Bank's bond portfolio consists of bonds rated as AAA and AA and 2% of A-rated bonds. Thus, the Bank finds that there is a high quality in the bond portfolio, also in terms of rating.



MARKET RISK

Market risk is the risk that the market value of the Bank's assets and liabilities varies with changes in market conditions. Market risks are a consequence of the Bank's open positions in the financial markets and may be categorized as interest-rate risk, equity risk, foreign-exchange risk, commodity risk and liquidity risk. Market risks are managed and hedged by Spar Nord's Trading, Financial Markets & the International Division.

Spar Nord's Supervisory Board determines the overarching policies, frameworks and principles for risk management. The policies are concerned with identifying and estimating various types of market risk. The frameworks indicate specific limits on the extent of risk the Bank is ready to assume. The principles establish the methods to be used in calculating the various risk targets. The Supervisory Board receives continuous reporting on risk developments and the utilization of allocated risk limits.

For its management of market risks, the Bank has put a three-tier instruction hierarchy in place. At the first tier-level, the Supervisory Board issues the definition of the limits for the Spar Nord Group to the Executive Board. At the second tier-level, the Executive Board delegates limits to the other entities of the Group, with the Trading, Financial Markets & the International Division being the distinctly largest entity. At the third and last tier-level, the executives of the Trading, Financial Markets & the International Division are granted the limits within which they may operate.

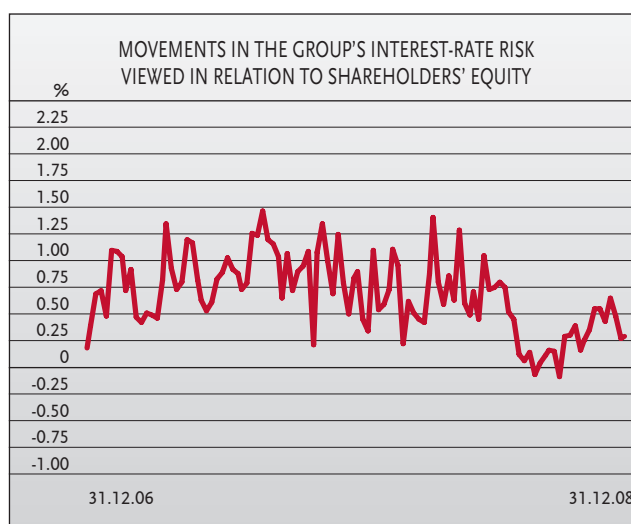
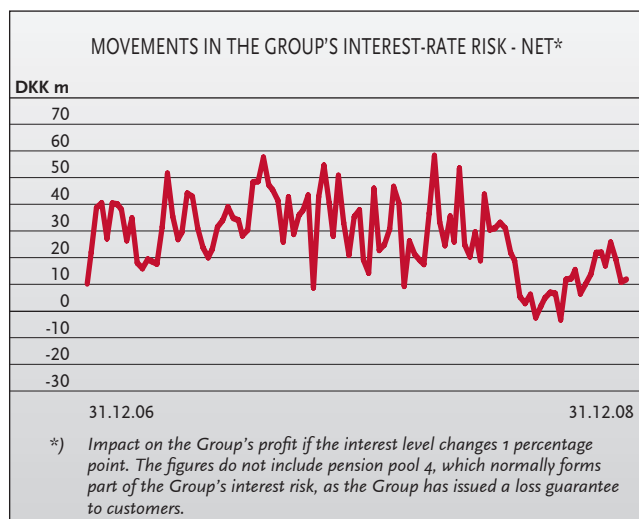
The Middle Office Function of the Finance and Accounts Department is responsible for estimating, monitoring, checking and reporting market risks to the Supervisory Board and the Executive Board. Market risks are monitored through an integrated risk management system. Procedures for ongoing follow-up on all types of market risk are in place for all entities that are subject to the instructions and any failure to adhere to these instructions is reported further up in the hierarchy. To ensure independence, the Middle Office Function has no position-taking authority. All trades are settled by Spar Nord's Back Office Department according to the guidelines issued by the Danish Financial Supervisory Authority regarding functional separation.

In tune with Spar Nord's goal to run a retail bank based on a well-balanced risk exposure, the Bank decided in spring 2008 to reduce the level of its trading portfolio activity significantly. Consequently, future risk exposure to the market primarily takes place by way of proprietary trading at the Markets Division. What remains in the trading portfolio is a small portfolio of listed shares and the investment in unlisted shares through Erhvervsinvest Nord A/S, Erhvervsinvest K/S and Vækst-Invest Nordjylland A/S. In addition, there is a portfolio of bonds having a market value of about DKK 1.2 billion, which have a rating of at least a single A or have been issued by financial institutions. Most portfolios meet both criteria.

INTEREST-RATE RISK

Interest-rate risks arise both in interest-bearing claims (primarily bonds) as well as in financial derivatives. The Bank calculates the net interest risk by converting all positions in different currencies into Danish currency and setting off negative positions against positive ones. The Bank's interest-rate risk is assessed on an ongoing basis and determined in the light of expectations for the macroeconomic situation and market developments.

In the second half of 2008, the Group's interest-rate risk was reduced significantly. This should be viewed in light of the major uncertainty surrounding the economic climate. The primary source of the decline in the interest-rate risk is the reduction of the Bank's trading portfolio. The impact on the Group's profit of a one-percentage-point change in interest rates would be DKK 11.9 million as at 31 December 2008. (DKK 34.9 million, including pension pool 4) compared with DKK 51.8 million at end-2007.



Relative to the shareholders' equity, the Group's interest-rate risk ranges between -0.1 and 1.4%, which is considered moderate.

It also appears from the Group's interest-rate risk, broken down by duration and currency, that the risks are lower, and the exposure is very moderate.

INTEREST-RATE RISK SHOWN BY DURATION AND CURRENCY - YEAR-END

DKK '000	Less than 3mths	3 mths - 1 year	1 - 3 years	3 - 7 years	Over 7 years	Total
DKK	3,094	11,093	-3,881	-29,255	15,170	-3,779
EUR	-8,024	10,493	4,214	11,812	-8,230	10,265
USD	3,318	704	561	0	0	4,583
GBP	82	162	-471	0	0	-227
NOK	-181	-567	-92	-240	0	-1,080
CHF	940	764	-1,847	25	374	256
JPY	216	144	66	107	0	533
SEK	1,134	36	-142	-60	0	968
Other	-113	64	147	242	1	341
Total	466	22,893	-1,445	-17,369	7,315	11,860

The gross interest-rate risk, which is an expression of the combined interest-rate risk to which Spar Nord is exposed if all yield curves move in a direction unfavourable for Spar Nord, has also been reduced considerably and has been more than halved in the second half of 2008 compared with the first six months of the year.

SHARE PRICE EXPOSURE

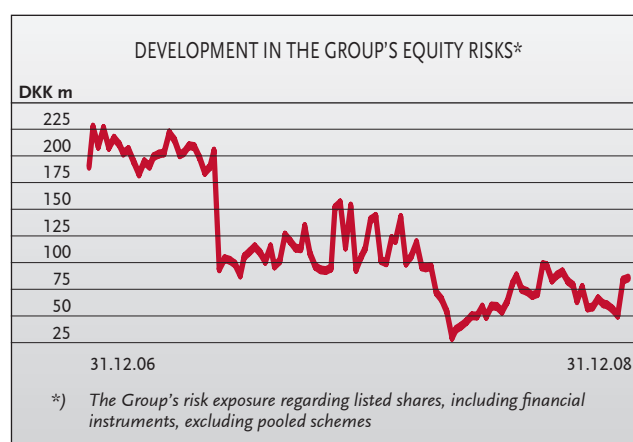
Spar Nord invests some of its assets in shares, which are generally subject to greater risks and volatility than bonds.

The Bank's total equity portfolio at the close of 2008 aggregated DKK 1,443.4 million. Of this amount, shares in associates, e.g. Nørresundby Bank, in which Spar Nord Bank holds a 50.2% interest, totalled DKK 861.7 million. Shares in strategic partners in the financial sector amount to DKK 468.9 million.

The Bank's actual equity portfolio of listed shares, unit trust certificates and unlisted venture shares acquired through the wholly-owned subsidiary Erhvervsinvest Nord A/S amounted to DKK 112.8 million at the close of 2008.

THE GROUP'S EQUITY PORTFOLIO - EXCLUDING POOLS	End of year 2008
DKK m	
The Group's book equity portfolio	1,443.4
Less shares in associates and group enterprises	861.7
Less shares in strategic partners in the financial sector, etc.	465.4
The Group's actual equity portfolio	116.3
<i>Of which:</i>	
Trading portfolios	89.2
Private Equity investments	27.1

The increased focus on operating a well-balanced retail bank in terms of risks has also led to a reduction of the trading portfolio of equities. At end-2008, the trading portfolio amounted to DKK 85.7 million.



Overall, Spar Nord Private Equity has investments worth DKK 27.1 million. The largest of them is Erhvervsinvest Nord A/S, at the close of 2008 holding a portfolio of unlisted shares totalling DKK 13.0 million spread over six companies. The current portfolio of investments in Erhvervsinvest Nord A/S is actively managed with a view to making ongoing divestments. Future Private Equity investments are being made in Vækst-Invest Nordjylland A/S and Erhvervsinvest II K/S, which the Bank owns jointly with Nykredit and Vækstfonden (the Danish Fund for Industrial Growth) and others.

When the curve kinked in mid-2007, it was not a reflection of a reduction in the Bank's trading portfolio of shares but rather a changed calculation principle that made it possible to set off sold positions against bought positions.

FOREIGN-EXCHANGE RISK

Spar Nord does not assume major risks in the forex market for its own account, but the Bank's trading volume on the forex market continues to rise, which entails a higher foreign-exchange risk exposure.

The Bank calculates its foreign-exchange risk exposure by means of a foreign-exchange indicator, which is computed based on the sums of all the currencies in which the Bank is short (borrowed) and all the currencies in which the Bank is long (placed). The foreign-exchange indicator is calculated by correlating the larger of the two sums to the Bank's core capital after deductions.

FOREIGN-EXCHANGE RISKS - INCL. CURRENCY OPTION CONTRACTS	
Foreign-exchange indicator*	
End-2006	6.7
End-2007	5.7
End-2008	9.1
*) The foreign-exchange indicator has been calculated pursuant to the guidelines issued by the Danish Financial Supervisory Authority and is stated as a percentage of the core capital after deductions	

Note 51 includes additional specifications of interest-rate and foreign-exchange risks and equity risks.

COMMODITY RISK

Spar Nord only accepts commodity risks on its own books to a very limited extent, primarily in connection with hedging transactions carried out for the customers of the Bank.

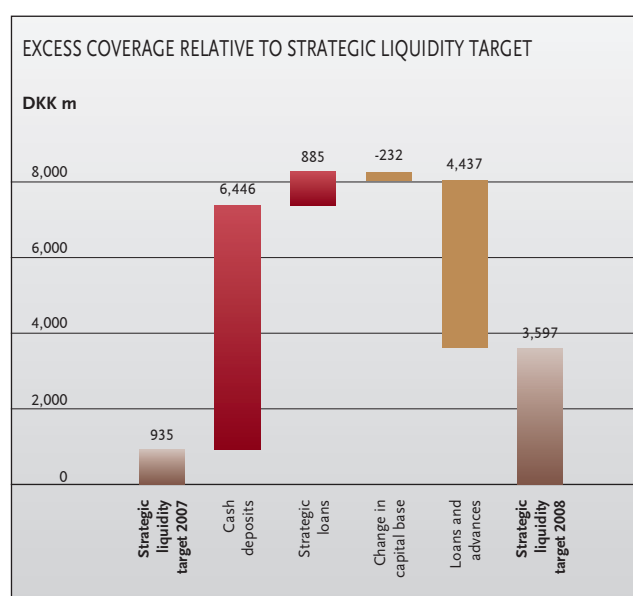
LIQUIDITY RISK

Liquidity risk is the risk that the Group's financings costs rise disproportionately, that the Group is prevented from

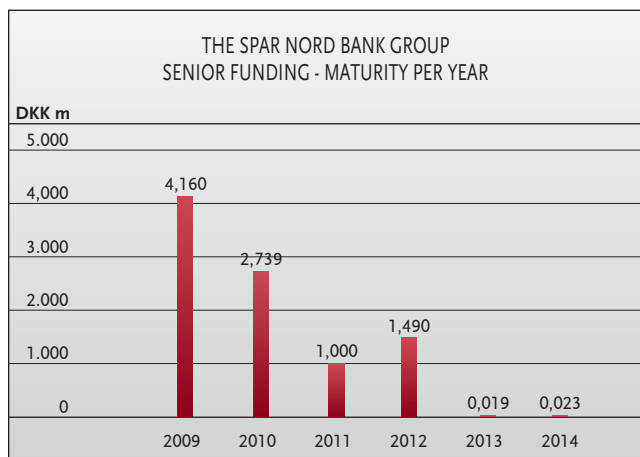
entering into new transactions because it lacks adequate cash funds, and - ultimately - that the Group cannot honour its payment obligations on account of insufficient cash resources.

The objective of Spar Nord's cash management is thus to ensure suitable cash funds to allow the Bank to honour its payment obligations as and when they fall due, and to ensure reasonable funding costs. This work is carried out at three levels.

The first level is the long-term internal liquidity target, viz. Spar Nord's target that cash deposits, senior loans, subordinated loan capital and shareholders' equity should exceed loans and advances to customers. This target is intended to ensure that customer lending is financed with long-term liabilities. In addition, Spar Nord strives to ensure an even maturity structure in respect of the Bank's senior debt.



The financial crisis and the two-year Danish government-backed guarantee scheme have made the market for strategic funding a relatively short-term market. Thus, in the second half of 2008 it was practically impossible to attract new funding with a term to maturity longer than to 30 September 2010.

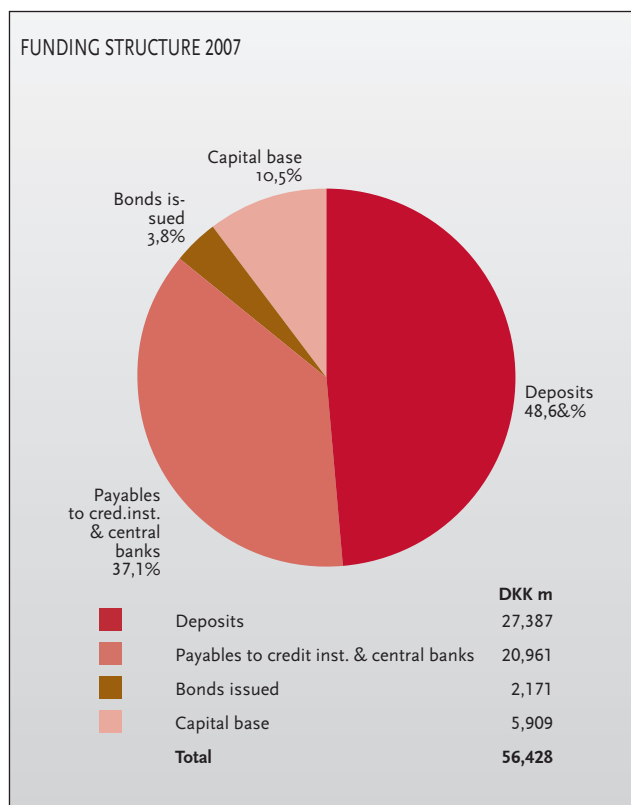


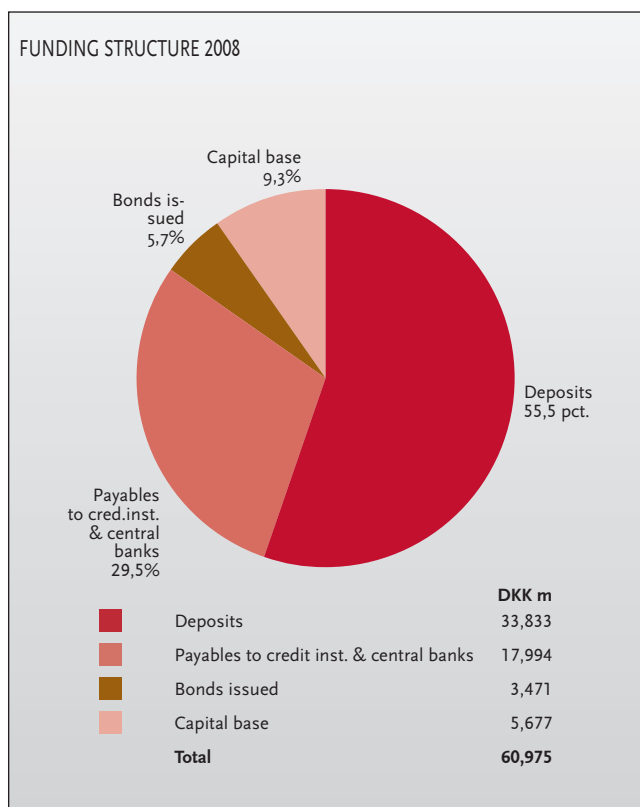
Given the recently introduced bills regarding the so-called “Credit package”, permitting an extension of the guarantee period for non-subordinated debt until 2013, the problematic funding situation is expected to improve. Against this background, Spar Nord expects to be able to continue its efforts to obtain a more even maturity structure for the strategic debt.

During 2008, strategic funding aggregating DKK 1 billion matured. Despite the credit crisis, it was possible during the same period to raise new strategic funding for a total of DKK 2 billion. Together with a DKK 6.4 billion growth in bank deposits, this makes Spar Nord capable of fund-

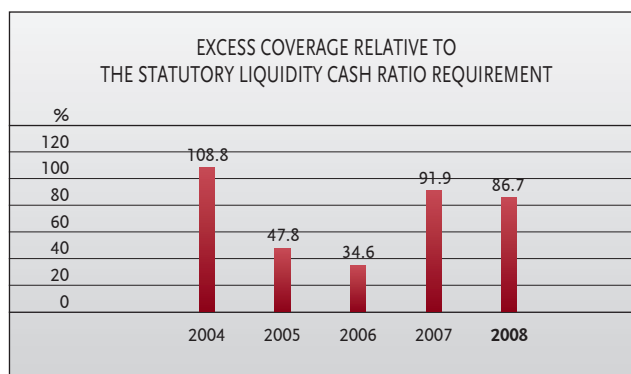
ing the mounting lending volume and improving the Bank’s internal strategic target whereby cash deposits, senior funding, subordinated loan capital and shareholders’ equity should exceed total loans and advances.

The second level in the Group’s cash management is the target that Spar Nord should have free liquidity by way of unencumbered exchange-listed securities, demand deposits held with credit institutions, certificates of deposit or cash balances that will ensure Spar Nord’s compliance with section 152 of the Danish Financial Business Act, and that Spar Nord maintains an appropriate liquidity reserve.





Finally, at the third level, Spar Nord has for many years employed a fixed model to manage the Bank's short-term liquidity. The model is based on that developed by the Danish Financial Supervisory Authority. The model shows movements in the Bank's liquidity if all funding on the money market falls due and is not renewed. Spar Nord's Supervisory Board will determine the time window in which Spar Nord's liquidity is to remain positive according to the model.



Despite the crisis on the international liquidity markets in autumn, Spar Nord succeeded in maintaining a respectable liquidity situation. Thus, at end-2008, Spar Nord had a very satisfactory cash-flow situation and an excess coverage of 87% compared with the statutory requirement.

Finally, Spar Nord has prepared a liquidity emergency plan pursuant to section 71 of the Danish Financial Business Act. This plan describes the action to be taken, should an emergency arise.

OPERATIONAL RISK

Operational risk is the risk of direct or indirect losses caused by deficient or erroneous internal procedures and processes, human errors, system errors or loss due to external events or incidents. Operational risks include business and reputation risks. As indicated by the definition, operational risk is frequently associated with certain, one-off events or incidents.

Operational risk is managed across the Group through a system of comprehensive business procedures and control measures developed to ensure an optimum process environment. The effort to minimize operational risks includes separating the execution of activities from the control of the same activities.

INTERNAL AUDIT

Internal Audit carries out checks to obtain reasonable assurance that principles and procedures are adhered to at all times. Internal Audit was established by the Bank's Supervisory Board as an independent staff function in conformity with the Danish Financial Supervisory Authority's Executive Order on the Conduct of Auditing in Financial Institutions.

Together with the elected external auditors, the Internal Audit Department is responsible for auditing the financial statements of Spar Nord Bank and the companies forming part of the Group, in accordance with applicable statutes, executive orders and the Articles of Association.

COMPLIANCE

Since 2007, Spar Nord has had an independent Compliance Function charged with overseeing the Bank's compliance with financial legislation, industry standards and the Bank's internal guidelines in all areas. The objective of the Function is to assist Management in its efforts to

identify and minimize risks by developing and conducting risk analyses, providing counselling to Management and employees and checking and assessing the adequacy and prudence of the Bank's procedures. The Compliance Function, managed by a Head of Compliance (a law graduate), reports to the Supervisory Board and is manned by representatives from a broad cross-section of the Bank's business areas. An annual programme for the Function's activity has been approved by the Supervisory Board.

FRAUD

In view of the regular reporting provided to the Bank's Supervisory and Executive Boards, it is Management's opinion that the Bank has a satisfactory level of measures to counter the risk of being exposed to fraud.

IT SECURITY

Information and information systems are vital to Spar Nord, and IT security is therefore decisive for the Bank's credibility and continued existence. An IT security function has been established, and Spar Nord's Executive Board and Supervisory Board are regularly checking up on IT security.

Spar Nord's activity in the area of IT security is based on regulatory requirements as well as consideration for day-to-day operations. All IT installations running at Spar Nord and its service providers must operate according to documented running schedules and guidelines. The operation must be safe and stable, which will be ensured through the highest possible degree of automation and ongoing capacity adjustments. For service providers, this must be ensured by means of written agreements. The Bank's IT security work includes the preparation of emergency plans and recovery procedures aimed to ensure continued operation at a satisfactory level, in the case of extraordinary events.

MANAGEMENT'S STATEMENT AND AUDITORS' REPORTS

PAGE

60	MANAGEMENT'S STATEMENT AND AUDITORS' REPORTS
61	STATEMENT BY THE SUPERVISORY AND EXECUTIVE BOARDS ON THE ANNUAL REPORT
62	REPORT BY THE INTERNAL AUDIT DEPARTMENT
62	INDEPENDENT AUDITORS' REPORT



ENDORSEMENT BY THE SUPERVISORY AND EXECUTIVE BOARDS

The Supervisory and Executive Boards have today reviewed and adopted the 2008 Annual Report of Spar Nord Bank A/S.

The Consolidated Financial Statements have been presented in accordance with International Financial Reporting Standards as approved by the EU, and the Financial Statements for the Parent Company in accordance with the Danish Financial Business Act. Moreover, the Annual Report is presented in accordance with additional Danish disclosure requirements regarding annual reports for listed financial companies.

We consider the accounting policies applied to be appropriate, and in our opinion the Annual Report gives a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 31 December 2008 and of the results of the Group's and the Parent Company's operations and the Group's cash flows for the 2008 financial year.

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

We recommend the Annual Report for adoption by the shareholders at the Annual General Meeting.

Aalborg, 4 February 2009

EXECUTIVE BOARD



Lasse Nyby
Chief Executive Officer

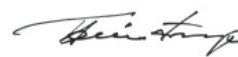


John Lundsgaard
Managing Director



Lars Møller
Managing Director

SUPERVISORY BOARD



Torben Frstrup
Chairman of the Supervisory Board



Erling Kjær
Deputy Chairman



Per Nikolaj Bukh



Niels Kristian Kirketerp



Carsten Normann



Per Søndergaard Pedersen



Jan Høholt Jensen
Elected by the employees



Ole Skov
Elected by the employees



Jannie Skovsen
Elected by the employees

REPORT BY THE INTERNAL AUDIT DEPARTMENT

We have audited the Annual Report of Spar Nord Bank A/S for the financial year 2008, comprising the Statement by the Supervisory Board and Executive Board on the Annual Report, Management's review, a summary of significant accounting policies, the income statement, balance sheet, statement of changes in equity, cash flow statement and notes for the Group and the Parent Company. The Consolidated Financial Statements have been presented according to the International Financial Reporting Standards as approved by the EU, and the Financial Statements of the Parent Company have been presented according to the Danish Financial Business Act. Moreover, the Annual Report is presented in accordance with additional Danish disclosure requirements regarding annual reports for listed financial companies. Our audit did not include the section in the Management's review on Stakeholders including the information from the Quality Accounting Statement.

BASIS OF OPINION

We conducted our audit in compliance with the Executive Order issued by the Danish Financial Supervisory Authority on the planning and performance of audits in financial institutions and financial groups and in accordance with Danish Auditing Standards. Pursuant to these standards we must plan and perform our audit to obtain reasonable assurance that the Annual Report is free of material misstatement.

The audit was performed in accordance with the division of work agreed with the independent auditors and included an assessment of established procedures and internal controls, including the risk management system established by Management that is targeted at reporting procedures and significant business risks. We have examined, on a test basis, the evidence supporting the amounts and other disclosures in the Annual Report, based on an evaluation of materiality and risk. Our examination included a test of data supporting the amounts and disclosures in the Annual Report. The audit also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the Annual Report.

We have participated in the audit of material and risk-prone areas, and we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

OPINION

In our opinion, the established procedures and internal controls function satisfactorily, including the risk management system established by Management that is targeted at the Group's and Parent Company's reporting procedures and significant business risks.

Further, in our opinion, the Annual Report gives a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 31 December 2008 and of the results of the Group's and the Parent Company's operations and of the Group's cash flows for the 2008 financial year in accordance with the International Financial Reporting Standards, as approved by the EU, as concerns the Consolidated Financial Statements, in accordance with the Danish Financial Business Act as concerns the Financial Statements of the Parent Company and moreover in accordance with additional Danish disclosure requirements for annual reports prepared by listed financial companies.

Aalborg, 4 February 2009

THE SPAR NORD BANK A/S - INTERNAL AUDIT DEPARTMENT

Margit Nicolajsen

Margit Nicolajsen

Head of Internal Audit Department

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF SPAR NORD BANK A/S

We have audited the Annual Report of Spar Nord Bank A/S for the financial year 1 January - 31 December 2008, comprising the Statement by the Supervisory Board and Executive Board on the Annual Report, Management's review, a summary of significant accounting policies, the income statement, balance sheet, statement of changes in equity, cash flow statement and notes for the Group and the Parent Company. The Consolidated Financial Statements have been presented according to the International Financial Reporting Standards as approved by the EU, and the Financial Statements of the Parent Company have been presented according to the Danish Financial Business Act. Moreover, the Annual Report is presented in accordance with additional Danish disclosure requirements regarding annual reports for listed financial companies. Our audit did not include the section in the Management's review on Stakeholders including the information from the Quality Accounting Statement.

THE MANAGEMENTS' RESPONSIBILITY FOR THE ANNUAL REPORT

The Supervisory and Executive Boards are responsible for the preparation and fair presentation of this Annual Report in accordance with International Financial Reporting Standards as approved by the EU (the Consolidated Financial Statements), the Danish Financial Business Act (the Financial Statements of the Parent Company) and additional Danish disclosure requirements regarding annual reports for listed financial companies. This responsibility includes: designing, implementing and maintaining internal control systems that are relevant to the preparation and fair presentation of an annual report that is free of material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITORS' RESPONSIBILITY AND BASIS OF OPINION

Our responsibility is to express an opinion on this Annual Report based on our audit. We have conducted our audit in accordance with Danish Auditing Standards. These standards require us to comply with ethical requirements and to plan and perform the audit to obtain reasonable assurance that an annual report is free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Annual Report.

The procedures selected depend on the auditors' judgement, including the assessment of the risk of material misstatement in the Annual Report, whether due to fraud or error. In making these risk assessments, the auditors consider internal controls relevant to the company's preparation and fair presentation of its annual report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the Annual Report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

OPINION

In our opinion, the Annual Report gives a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 31 December 2008 and of the results of the Group's and the Parent Company's operations and of the Group's cash flows for the financial year 1 January - 31 December 2008 in accordance with the International Financial Reporting Standards, as approved by the EU, as concerns the Consolidated Financial Statements, in accordance with the Danish Financial Business Act as concerns the Financial Statements of the Parent Company and moreover in accordance with Danish disclosure requirements for annual reports prepared by listed financial companies.

Aalborg, 4 February 2009

KPMG

Statsautoriseret Revisionspartnerselskab

Torben Bender

State-authorized Public Accountant

PARENT COMPANY'S FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

PAGE

	PARENT COMPANY'S FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS
64	INCOME STATEMENT
65	BALANCE SHEET
66	STATEMENT OF CHANGES IN EQUITY
68	CASH FLOW STATEMENT



INCOME STATEMENT

Annual Report 2008

NOTE

	Spar Nord Bank A/S The Group 2008 DKK '000	Spar Nord Bank A/S The Group 2007 DKK '000	Spar Nord Bank A/S Parent Comp. 2008 DKK '000	Spar Nord Bank A/S Parent Comp. 2007 DKK '000
3 Interest income	3,729,921	2,835,379	3,536,554	2,677,338
4 Interest expenses	2,231,855	1,687,008	2,222,846	1,688,821
Net interest income	1,498,066	1,148,371	1,313,708	988,517
5 Dividends on shares, etc.	16,847	16,111	16,847	16,111
6+8 Fees, charges and commissions received	477,970	558,548	472,795	555,463
7+8 Fees, charges and commissions paid	76,172	75,692	76,172	75,692
Net income from interest, fees, charges and commissions	1,916,711	1,647,338	1,727,178	1,484,399
9 Market-value adjustments	-225,275	164,686	-216,132	150,232
11 Other operating income	89,459	77,384	38,946	30,321
12+13+14 Staff costs and administrative expenses	1,284,964	1,216,622	1,205,332	1,148,140
15 Depreciation, amortization and impairment of intangible assets and property, plant and equipment	95,953	73,522	64,068	46,743
16 Other operating expenses	44,823	1,369	47,011	3,708
34+50 Impairment of loans, advances and receivables, etc.	274,688	-113,398	245,772	-112,414
17 Profit/loss on equity investments in associates and group enterprises	43,257	121,753	113,319	246,109
Profit/loss before tax	123,724	833,046	101,128	824,884
18 Tax	28,428	152,776	5,832	144,614
Profit/loss for the year	95,296	680,270	95,296	680,270
PROPOSAL FOR DISTRIBUTION OF NET PROFIT				
Profit/loss for the year			95,296	680,270
Total available for distribution			95,296	680,270
Dividend distribution – DKK 0 per share (2007: DKK 3 per share)			0	171,206
Reserve for net revaluation according to the equity method			113,319	246,109
Retained earnings			-18,023	262,955
Total distribution			95,296	680,270
45 EARNINGS PER SHARE				
Earnings per share	1.7	12.3		
Diluted earnings per share	1.7	12.0		

BALANCE SHEET

Annual Report 2008

NOTE

	Spar Nord Bank A/S The Group 2008 DKK '000	Spar Nord Bank A/S The Group 2007 DKK '000	Spar Nord Bank A/S Parent Comp. 2008 DKK '000	Spar Nord Bank A/S Parent Comp. 2007 DKK '000
ASSETS				
Cash balances and demand deposits with central banks	484,789	398,379	484,789	398,379
19 Receivables from credit institutions and central banks	5,139,462	5,378,973	5,157,330	5,356,309
20 Loans, advances and other receivables at amortized cost	45,375,955	40,938,787	44,153,113	39,789,086
21 Bonds at fair value	8,753,657	8,259,406	8,753,657	8,259,406
22 Shares, etc.	581,710	675,745	568,708	636,426
23 Equity investments in associates	861,726	887,612	849,683	859,857
24 Equity investments in group enterprises	0	0	495,424	482,297
Assets linked to pooled schemes	4,186,284	4,029,172	4,186,284	4,029,172
25 Intangible assets	173,045	57,571	147,545	32,071
Investment properties	34,154	16,328	34,154	16,328
Corporate properties	470,908	429,563	441,302	429,563
26 Land and buildings, total	505,062	445,891	475,456	445,891
27 Other property, plant and equipment	294,517	271,995	139,272	134,980
Current tax assets	2,883	28,880	2,852	37,393
35 Deferred tax assets	0	0	53,769	55,615
28 Temporary assets	57,472	15,350	11,543	8,013
29 Other assets	2,781,987	1,946,131	2,737,865	1,913,356
Prepayments	69,101	59,740	68,625	59,038
Total assets	69,267,650	63,393,632	68,285,915	62,497,289
SHAREHOLDERS' EQUITY AND LIABILITIES				
LIABILITIES OTHER THAN PROVISIONS				
30 Payables to credit institutions and central banks	17,994,165	20,960,984	17,780,461	20,830,452
31 Deposits and other payables	33,833,115	27,386,887	33,863,910	27,440,082
Deposits in pooled schemes	4,186,284	4,029,172	4,186,284	4,029,172
32 Issued bonds at amortized cost	3,420,684	2,170,969	3,420,684	2,170,969
Other non-derivative financial liabilities at fair value	116,067	87,814	116,067	87,814
Temporary liabilities	6,308	5,104	6,308	5,104
33 Other liabilities	3,592,161	2,478,782	3,184,178	1,996,473
Deferred income	154,122	130,872	10,165	8,182
Total payables	63,302,906	57,250,584	62,568,057	56,568,248
34 PROVISIONS FOR LIABILITIES				
Provisions for pensions and related liabilities	3,890	3,733	3,890	3,733
35 Provisions for deferred tax	246,752	213,882	0	0
Provisions for losses on guarantees	26,476	5,003	26,476	5,003
Other provisions	10,822	11,687	10,688	11,562
Total provisions	287,940	234,305	41,054	20,298
36 SUBORDINATED DEBT				
Subordinated debt	1,652,333	1,770,370	1,652,333	1,770,370
TOTAL LIABILITIES	65,243,179	59,255,259	64,261,444	58,358,916
SHAREHOLDERS' EQUITY				
Share capital	570,688	570,688	570,688	570,688
Revaluation reserves	35,632	45,662	35,632	45,662
Accumulated changes in value, total	35,632	45,662	35,632	45,662
Statutory reserves	433,463	441,481	767,268	765,224
Statutory reserves, total	433,463	441,481	767,268	765,224
Retained earnings	2,984,688	3,080,542	2,650,883	2,756,799
Total shareholders' equity	4,024,471	4,138,373	4,024,471	4,138,373
Total shareholders' equity and liabilities	69,267,650	63,393,632	68,285,915	62,497,289
OFF-BALANCE-SHEET ITEMS				
41 Contingent liabilities	4,561,385	4,048,242	5,190,524	4,530,309
42 Other obligating agreements	551,166	463,374	550,164	462,200
Total off-balance-sheet items	5,111,549	4,510,442	5,740,688	4,992,209

STATEMENT OF CHANGES IN EQUITY

Annual Report 2008

NOTE

	Share capital DKK '000	Revaluation reserve DKK '000	Foreign-currency translation reserve DKK '000	Statutory reserves DKK '000	Proposed dividend DKK '000	Retained earnings DKK '000	31.12.08 Total DKK '000	31.12.07 Total DKK '000
SHAREHOLDERS' EQUITY								
THE GROUP								
Shareholders' equity, beginning of year	570,688	46,994	-1,332	441,481	171,206	2,909,336	4,138,373	3,648,615
Translation of foreign entity	0	0	-9,253	0	0	0	-9,253	-1,332
Net revaluations of properties	0	-1,535	0	0	0	0	-1,535	10,346
Deferred tax, revaluation of properties	0	758	0	0	0	0	758	-745
Other capital movements in associates and group enterprises	0	0	0	-11,522	0	0	-11,522	13,323
Share-based payment	0	0	0	0	0	-1,963	-1,963	31,549
Net gains/losses recognized directly in shareholders' equity	0	-777	-9,253	-11,522	0	-1,963	-23,515	53,141
Profit/loss for the year	0	0	0	43,257	0	52,039	95,296	680,270
Total income for the year	0	-777	-9,253	31,735	0	50,076	71,781	733,411
Dividend to shareholders	0	0	0	0	-171,206	0	-171,206	-171,206
Dividend received from associates, recognized based on net asset value	0	0	0	-18,730	0	18,730	0	0
Dividend received, treasury shares	0	0	0	0	0	5,648	5,648	3,998
Disposal upon acquisition of treasury shares	0	0	0	0	0	-430,006	-430,006	-573,065
Addition upon sale of treasury shares	0	0	0	0	0	406,806	406,806	481,421
Tax, treasury shares	0	0	0	0	0	3,075	3,075	15,199
Dissolution of revaluation reserves, associates, recognized based on net asset value	0	0	0	-21,023	0	21,023	0	0
Other movements, total	0	0	0	-39,753	-171,206	25,276	-185,683	-243,653
Shareholders' equity, the Group, end of year	570,688	46,217	-10,585	433,463	0	2,984,688	4,024,471	4,138,373

SHAREHOLDERS' EQUITY

PARENT COMPANY

Shareholders' equity, beginning of year	570,688	46,994	-1,332	765,224	171,206	2,585,593	4,138,373	3,648,615
Translation of foreign entity	0	0	-9,253	0	0	0	-9,253	-1,332
Net revaluations of properties	0	-1,535	0	0	0	0	-1,535	10,346
Deferred tax, revaluation of properties	0	758	0	0	0	0	758	-745
Other capital movements in associates and group enterprises	0	0	0	-11,522	0	0	-11,522	13,323
Share-based payment	0	0	0	0	0	-1,963	-1,963	31,549
Net gains/losses recognized directly in shareholders' equity	0	-777	-9,253	-11,522	0	-1,963	-23,515	53,141
Profit/loss for the year	0	0	0	113,319	0	-18,023	95,296	680,270
Total income for the year	0	-777	-9,253	101,797	0	-19,986	71,781	733,411
Dividend to shareholders	0	0	0	0	-171,206	0	-171,206	-171,206
Dividend received from associates, recognized based on net asset value	0	0	0	-78,730	0	78,730	0	0
Dividend received, treasury shares	0	0	0	0	0	5,648	5,648	3,998
Disposal upon acquisition of treasury shares	0	0	0	0	0	-430,006	-430,006	-573,065
Addition upon sale of treasury shares	0	0	0	0	0	406,806	406,806	481,421
Tax, treasury shares	0	0	0	0	0	3,075	3,075	15,199
Dissolution of revaluation reserves, associates, recognized based on net asset value	0	0	0	-21,023	0	21,023	0	0
Other movements, total	0	0	0	-99,753	-171,206	85,276	-185,683	-243,653
Shareholders' equity, the Parent Company, end of year	570,688	46,217	-10,585	767,268	0	2,650,883	4,024,471	4,138,373

The share capital consists of 57,068,810 shares in the denomination of DKK 10.
No shares have been allocated special rights. There are no restrictions in terms of transferability and no restrictions on voting rights.

STATEMENT OF CHANGES IN EQUITY

Annual Report 2008

NOTE

	Spar Nord Bank A/S The Group 2008 DKK '000	Spar Nord Bank A/S The Group 2007 DKK '000	Spar Nord Bank A/S Parent Comp. 2008 DKK '000	Spar Nord Bank A/S Parent Comp. 2007 DKK '000
TREASURY SHARE PORTFOLIO				
Number of shares	2,123,247	1,924,313	2,123,247	1,924,313
Nominal value	21,232	19,243	21,232	19,243
Fair value	90,238	223,220	90,238	223,220
Percentage of share capital	3.7	3.4	3.7	3.4
TREASURY SHARES PORTFOLIO, FAIR VALUE				
Portfolio, beginning of year	223,220	171,942	223,220	171,942
Acquisition of treasury shares	430,006	573,065	430,006	573,065
Sale of treasury shares	406,806	481,421	406,806	481,421
Disposals related to share-based payment	10,899	10,216	10,899	10,216
Market-value adjustment	-145,283	-30,150	-145,283	-30,150
Portfolio, end of year	90,238	223,220	90,238	223,220
TREASURY SHARES FURNISHED AS SECURITY				
Number of shares	1,423,848	1,504,100	1,423,848	1,504,100
Nominal value	14,238	15,041	14,238	15,041
Fair value	61,225	174,476	61,225	174,476
Percentage of share capital	2.5	2.6	2.5	2.6
<i>The Bank uses treasury shares for trading with customers and shareholders and to hedge its share-based payment arrangements.</i>				
CAPITAL BASE AND SOLVENCY RATIO				
Shareholders' equity	4,024,471	4,138,373	4,024,471	4,138,373
Proposed dividend	0	171,206	0	171,206
Intangible assets in the Spar Nord Bank Group	173,045	57,571	147,545	32,071
Miscellaneous	49,863	141,852	103,633	198,973
Core capital after deductions	3,801,563	3,767,744	3,773,293	3,736,123
Hybrid core capital	352,210	330,617	352,210	330,617
Core capital (incl. hybrid core capital) after deductions	4,153,773	4,098,361	4,125,503	4,066,740
Subordinated debt (excl. hybrid core capital)	1,300,123	1,439,753	1,300,123	1,439,753
Revaluation reserves, etc.	35,632	45,662	35,632	45,662
Other deductions	659,752	727,928	659,752	729,434
Capital base after deductions	4,829,776	4,855,848	4,801,506	4,822,721
Risk-weighted items	42,812,746	43,655,511	43,705,444	43,477,387
Core capital ratio (excl. hybrid core capital), %	8.9	8.6	8.6	8.6
Core capital ratio (incl. hybrid core capital) after deduction in per cent of risk-weighted items, total, %	9.7	9.4	9.4	9.4
Solvency ratio, %	11.3	11.1	11.0	11.1

CASH FLOW STATEMENT

Annual Report 2008

NOTE

	Spar Nord Bank A/S The Group 2008 DKK '000	Spar Nord Bank A/S The Group 2007 DKK '000	Spar Nord Bank A/S Parent Comp. 2008 DKK '000	Spar Nord Bank A/S Parent Comp. 2007 DKK '000
CASH GENERATED FROM OPERATIONS				
Profit/loss before tax	123,724	833,046	101,128	824,884
24 Foreign-currency translation, subsidiaries	-9,253	0	0	0
15 Depreciation, amortization and impairment of intangible assets and property, plant and equipment	95,953	73,522	64,068	46,743
Gains and losses on the sale of property, plant and equipment and intangible assets	-2,501	-465	-2,501	-465
34+50 Adjustment of impairment of loans and advances, etc.	161,945	-81,390	134,570	-77,925
34 Provisions for liabilities	20,765	-31,065	20,756	-31,190
17 Profit/loss on equity investments in associates and group enterprises	-43,257	-121,753	-113,319	-246,109
Expensed for share-based payment	-1,963	31,549	-1,963	31,549
Corporate income tax paid	33,516	-170,405	33,629	-218,427
Cash generated from operations, total	378,929	533,039	236,368	329,060
WORKING CAPITAL				
19+30 Movement in credit institutions and central banks, net	-2,785,993	-574,866	-2,868,689	-705,460
20 Movement in loans and advances	-4,599,113	-6,538,345	-4,498,597	-6,159,573
21 Movement in bond portfolio	-494,251	161,421	-494,251	161,421
22 Movement in equity portfolio	95,406	-44,953	67,718	-39,202
32 Movement in issued bonds	1,249,715	594,339	1,249,715	594,339
Movement in other assets and other liabilities, net	320,870	-1,029,026	385,049	-1,174,035
31 Movement in deposits	6,446,228	4,684,098	6,423,828	4,684,016
Total working capital	232,862	-2,747,332	264,773	-2,638,494
Cash generated from operations, total	611,791	-2,214,293	501,141	-2,309,434
INVESTMENTS				
23+24 Net investment in associates and group enterprises	36,261	-38,686	10,862	-20,824
25 Net investment in intangible assets	-120,895	-7,877	-120,895	-7,877
26+27+28 Net investment in property, plant and equipment	-212,626	-149,907	-94,311	-93,118
Net investment in treasury shares	-23,200	-91,644	-23,200	-91,644
23+24 Dividends from associates and group enterprises	19,990	26,413	78,730	35,293
Investments, total	-300,470	-261,701	-148,814	-178,170
FINANCING				
36 Subordinated debt	-118,037	312,223	-118,037	312,223
Dividend to shareholders, excluding dividend on treasury shares	-165,558	-167,208	-165,558	-167,208
Total financing	-283,595	145,015	-283,595	145,015
Movement in cash and cash equivalents for the year	27,726	-2,330,979	68,732	-2,342,589
Cash and cash equivalents, beginning of year	4,925,240	7,256,219	4,903,396	7,245,985
Movement in cash and cash equivalents for the year	27,726	-2,330,979	68,732	-2,342,589
Cash and cash equivalents, end of year	4,952,966	4,925,240	4,972,128	4,903,396
Cash and cash equivalents, end of year				
Cash, cash equivalents and demand deposits with central banks	1,588,183	1,162,500	1,607,345	1,140,656
19 Total receivables from credit institutions and central banks with less than 3 mths to maturity	3,364,783	3,762,740	3,364,783	3,762,740
Total	4,952,966	4,925,240	4,972,128	4,903,396

LIST OF NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

PAGE

LIST OF NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

70 NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

NOTE

1	ACCOUNTING POLICIES
2	SEGMENT DISCLOSURES
3	INTEREST INCOME
4	INTEREST EXPENSES
5	DIVIDENDS ON SHARES, ETC.
6	FEES, CHARGES AND COMMISSIONS RECEIVED
7	FEES, CHARGES AND COMMISSIONS PAID
8	NET FEES, CHARGES AND COMMISSIONS RECEIVED
9	MARKET-VALUE ADJUSTMENTS
10	NET FINANCIALS, THE SPAR NORD GROUP
11	OTHER OPERATING INCOME
12	STAFF COSTS AND ADMINISTRATIVE EXPENSES
13	SHARE-BASED PAYMENT
14	AUDIT FEES
15	DEPRECIATION, AMORTIZATION AND IMPAIRMENT OF INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT
16	OTHER OPERATING EXPENSES
17	PROFIT/LOSS ON EQUITY INVESTMENTS IN ASSOCIATES AND GROUP ENTERPRISES
18	TAX
19	RECEIVABLES FROM CREDIT INSTITUTIONS AND CENTRAL BANKS
20	LOANS, ADVANCES AND OTHER RECEIVABLES AT AMORTIZED COST
21	BONDS AT FAIR VALUE
22	SHARES, ETC.
23	EQUITY INVESTMENTS IN ASSOCIATES
24	EQUITY INVESTMENTS IN GROUP ENTERPRISES
25	INTANGIBLE ASSETS
26	LAND AND BUILDINGS
27	OTHER PROPERTY, PLANT AND EQUIPMENT
28	TEMPORARY ASSETS
29	OTHER ASSETS
30	PAYABLES TO CREDIT INSTITUTIONS AND CENTRAL BANKS
31	DEPOSITS AND OTHER PAYABLES
32	ISSUED BONDS AT AMORTIZED COST
33	OTHER LIABILITIES
34	PROVISIONS FOR LIABILITIES
35	DEFERRED TAX
36	SUBORDINATED DEBT
37	ASSETS FURNISHED AS SECURITY
38	SECURITY RECEIVED
39	HEDGE ACCOUNTING
40	CONSOLIDATED DEBT
41	CONTINGENT LIABILITIES
42	OTHER OBLIGATING AGREEMENTS
43	LEGAL PROCEEDINGS, ETC.
44	CONTINGENT ASSETS
45	EARNINGS PER SHARE
46	GROUP ENTERPRISE/BRANCHES ACQUIRED
47	RELATED PARTIES
48	FAIR VALUE OF FINANCIAL INSTRUMENTS
49	RISK MANAGEMENT
50	CREDIT RISK
51	MARKET RISK
52	LIQUIDITY RISK
53	CAPITAL MANAGEMENT
54	POOLED SCHEMES
55	PERFORMANCE INDICATORS AND FINANCIAL RATIOS
56	RATIO DEFINITIONS

NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

NOTE

1 ACCOUNTING POLICIES

1.1 BASIS FOR PREPARING THE ANNUAL REPORT

The Consolidated Financial Statements are presented in accordance with the International Financial Reporting Standards (IFRS) as approved by the EU. The Financial Statements of the Parent Company are presented in accordance with the Danish Financial Business Act, including the Danish Executive Order on the Presentation of Financial Statements by Credit Institutions and Stockbrokers, etc.

Moreover, the Annual Report is presented in accordance with additional Danish disclosure requirements for annual reports prepared by listed financial companies, cf. NASDAQ OMX's disclosure requirements for annual reports prepared by listed companies, the Danish Financial Business Act, and the Executive Order regarding the application of IFRS standards in financial companies issued pursuant to the Danish Financial Business Act.

The Annual Report is presented in Danish kroner (DKK) and rounded to the nearest thousand DKK.

The accounting policies, which are set out below, have been applied consistently for the financial year, also with regard to comparative figures, and are thus unchanged compared with last year.

The financial reporting standards that entered into force on 31 December 2008 have been applied.

IMPLEMENTING NEW FINANCIAL REPORTING STANDARDS

In the 2008 Consolidated Financial Statements, Spar Nord Bank A/S has not implemented new IFRS or IFRIC standards.

According to the amendments to IFRS and following EU approval, enterprises have been given the option to reclassify part of the trading portfolio, which means that current changes in the fair value are not recognized in the income statement. Spar Nord Bank A/S has chosen not to use this option.

1.2 ACCOUNTING ESTIMATES AND ASSESSMENTS

In determining the carrying amounts of certain assets and liabilities, Management estimates how future events will impact on the value of such assets and liabilities on the reporting date. Estimates of significance to the financial reporting include the determination of:

- impairment of loans and advances and provisions for guarantees;
- fair value of investment and corporate properties;
- fair value of financial instruments;
- classification of equity investments.
- business combinations
- impairment test for goodwill

Management's estimates and assessments are based on assumptions that Management considers appropriate but which

are uncertain and unpredictable by their nature. The assumptions may be incomplete or inaccurate, and unexpected future events or circumstances may arise. Consequently, making estimates and assessments is difficult by nature, and when they also involve customer relationships and other counterparties, they will be subject to uncertainty.

IMPAIRMENT OF LOANS AND ADVANCES AND PROVISIONS FOR GUARANTEES

Testing the impairment of individual loans and advances requires estimates of factors subject to great uncertainty. The test involves estimates of the most probable future cash flows that the customer can generate.

Loans for which there is no objective indication of impairment are included in a group that is subjected to an impairment test at portfolio level.

In connection with testing the impairment of a combined group of loans and advances, it is essential to identify the events that give an objective indication of losses on the group of loans and advances. The valuation of the present value of cash flows generated by customers in the group is subject to uncertainty when historical data and empirical assessments are used to adjust the assumptions based on historical data for the purpose of reflecting the current situation.

Loans are assigned to groups having uniform credit risk properties. Customers are subjected to ongoing rating and scoring, and if calculations show that customers have different credit risk properties, they will be transferred to new risk classes on an ongoing basis. Thus, the downgrading of a customer to a weaker group serves as an indicator of the deterioration.

If the Bank is aware at the reporting date that circumstances have occurred that have either worsened or improved the future payment pattern as used in the models, the appropriate corrective action will be taken.

As concerns 2008, there is no doubt that the existing financial crisis is a factor that does not form part of the Bank's historical experience base. Consequently, there may be effects for the individual risk groups that the models do not make sufficient provision for.

Spar Nord operates with a credit system using rating models for business customers and behavioural scoring for personal customers.

In addition to its scoring and rating systems, the Bank uses an additional assessment method in its impairment model, where customers showing danger signals are credit-quality flagged. Credit-quality flagging may be performed both decentrally and centrally. Credit-quality flagging corresponds to a downgrading to the weakest credit risk class.

Credit-quality flagging contains important management estimates. In light of the situation of the financial sector and developments in the national economy in particular, these estimates have entailed an increase in the number of credit-quality flagged customers from the beginning to end of 2008.

NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

NOTE

Factors that have had particular impact on management estimates throughout 2008 are declining property prices, increasing unemployment rates and a decline in the demand for many products and services, and at the same time the worsening situation for many customers in terms of obtaining cash resources has impacted customers' ability to comply with their agreements with the Bank.

Reference is made to note 20, loans, advances and other receivables at amortized cost.

FAIR VALUE OF INVESTMENT AND CORPORATE PROPERTIES

The asset return model is used to measure real property at fair value.

The future cash flows are based on Spar Nord Banks A/S' best estimate of the future profit on ordinary operations and the required rate of return for each individual property when taking into account such factors as location and maintenance. External valuations are obtained to support such estimates. A number of these assumptions and estimates have a major impact on the calculations and include such parameters as inflation, developments in rent, costs and required rate of return. Any changes to these parameters as a result of changed market conditions will affect the expected return, and thus the fair value of the investment and corporate properties.

Reference is made to note 26, investment properties and corporate properties.

FAIR VALUE OF FINANCIAL INSTRUMENTS

Spar Nord Bank A/S measures a number of financial instruments at fair value, including all derivative instruments as well as shares and bonds.

Assessments are made in connection with determining the fair value of financial instruments in the following areas:

- choosing valuation method;
- determining when available listed prices do not reflect the fair value;
- calculating fair-value adjustments to provide for relevant risk factors, such as credit, model and liquidity risks;
- assessing which market parameters are to be taken into account;
- making estimates of future cash flows and return requirements for unlisted shares.

In these situations, the decisions are based on an opinion in accordance with the Group's accounting and valuation policies. All such decisions are approved by the relevant group functions.

As part of its day-to-day operations, Spar Nord Bank A/S has acquired strategic equity investments. Strategic equity investments are measured at fair value based on the information available about trading in the relevant company's equity investments or, in the alternative, by using a valuation model based on generally accepted methods and current market data, including an assessment of expected future earnings and cash flows.

The valuation will also be affected by co-ownership, trading with the relevant company and shareholders' agreements, etc. If a reliable fair value cannot be identified, the investment will be valued at cost less any writedowns for impairment.

CLASSIFICATION OF EQUITY INVESTMENTS

Equity investments are recognized and measured differently, depending on their classification. Estimates are required to determine whether the assumptions for making the relevant classification have been observed. Particularly the distinction between associates (significant influence) and other investments as well as determining whether the criteria for using the fair-value option have been met are of major importance.

ACQUISITIONS

When taking over parts of another company, the acquisition method must be applied for recognizing the assets, liabilities and contingent liabilities of the acquired company. There are no effective markets that can be used to determine the fair value of some of the acquired assets and liabilities. Consequently, Management makes estimates in connection with determining the market value of the acquired assets, liabilities and contingent liabilities. The determination may be subject to uncertainty, depending on the nature of the item.

The unallocated purchase price (positive amounts) is recognized in the balance sheet as goodwill, which is allocated to the cash-flow generating units. In this connection, Management makes an estimate of the cash-flow generating units acquired and the consequent goodwill allocation. Management believes that the allocation is based on documented estimates, taking into consideration the uncertainty attaching to the calculation of the acquired cash-flow generating units.

The difference between the carrying amounts stated in the pre-acquisition balance sheet and the fair value of the identifiable assets and liabilities appears from note 46.

An assessment of the value of the acquired customer relations is made in connection with the acquisition. The assessment is made based on anticipated and historical customer loyalty. The valuation is based on the anticipated future cash flow for customer relations, with significant prerequisites being customer loyalty and business volume. A post-tax discount rate is used and reflects the risk-free interest with the addition of specific and future risks associated with customer relations.

IMPAIRMENT TEST FOR GOODWILL

In connection with the annual impairment test of goodwill, Management estimates how the sections of the company to which goodwill relates will be able to generate sufficient positive net cash flows in future to support the value of goodwill and other net assets in the company. Estimates of expected future cash flows must be made many years ahead, which naturally involves some uncertainty. The uncertainty is reflected by the discount rate chosen.

Reference is also made to note 25, intangible assets.

NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

Annual Report 2008

NOTE

1.3 DESCRIPTION OF ACCOUNTING POLICIES

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements cover the Parent Company, Spar Nord Bank A/S, and group enterprises in which Spar Nord Bank A/S controls financial and operational decisions. Spar Nord Bank A/S is considered to exercise control when it holds more than half the voting rights in a company, whether directly or indirectly, or otherwise controls financial and operational decisions.

Associates are companies that are not group enterprises but in which the Group holds equity investments and has significant influence, but not a controlling interest. Significant influence is typically obtained when a company, directly or indirectly, owns or holds more than 20% of the voting rights, but less than 50%. In assessing whether the Group has a controlling interest or significant influence, the voting rights that can be exercised on the reporting date are taken into account.

The following companies are included by means of full consolidation:

- Erhvervsinvest Nord A/S
- Finans Nord A/S
- SN Finans Nord AB
- Finans Nord Cross Border A/S
- Spar Nord Ejendomsselskab A/S (formerly, Sparekassen Nordjylland af 10.10.91 A/S)

Non-consolidated companies:

- Beluni Inc. (The company is in liquidation).

The Consolidated Financial Statements are prepared by adding together items of a uniform nature. Intercompany income and expenses, gains and losses as well as intercompany balances are eliminated in consolidation. The financial statements used in preparing the Consolidated Financial Statements are drawn up in accordance with the Group's accounting policies.

Newly acquired companies are recognized in the Consolidated Financial Statements as from the time of acquisition. Companies sold or wound up are recognized in the consolidated income statement until the time of divestment.

Comparative figures are not adjusted for newly acquired, sold or wound-up companies. However, discontinued activities are presented separately.

The purchase method is used for company acquisitions, with identified assets and liabilities of the acquired companies being measured at their fair value as of the date of acquisition. Allowance is made for the tax impact of the revaluations.

Positive differences between the acquisition cost and the fair value of acquired, identified assets and liabilities (goodwill) are recognized under intangible assets. Goodwill is not systematically amortized. Instead periodic impairment tests are carried out.

Gains or losses upon the divestment or winding-up of group enterprises and associates are recognized as the difference between the selling price or the winding-up proceeds and the carrying amount of net assets at the time of divestment plus the defrayed and expected costs of or winding-up.

FOREIGN-CURRENCY TRANSLATION

The Consolidated Financial Statements are presented in DKK, which is Spar Nord Bank A/S' functional currency. Transactions denominated in a foreign currency are translated at the rate of exchange ruling at the date of the transaction. Exchange differences that arise between the exchange rate at the date of the transaction and the exchange rate at the payment date are recognized in the income statement under market-value adjustments.

Monetary items in foreign currencies are translated at the exchange rate prevailing at the reporting date. The difference between the exchange rate at the reporting date and the exchange rate at the time the balance arose is recognized in the income statement under market-value adjustments. Rates of exchange assessed at a conservative estimate are used for illiquid currencies.

For the purpose of recognizing companies in currencies other than DKK in the Consolidated Financial Statements, income-statement items are translated at the exchange rate prevailing at the date of the transaction, and balance-sheet items are translated at the exchange rate prevailing at the reporting date. The exchange rate at the transaction date is calculated on the basis of the average rate for the individual months, to the extent this does not present a significantly different picture. Translation differences arising on the translation of these companies' beginning-of-year equity at the exchange rate on the reporting date, and on the translation of income statements from the exchange rate at the transaction date to the exchange rate at the reporting date, are recognized directly in shareholders' equity under a special reserve for translation adjustments.

OFFSETTING

The Group sets off receivables and liabilities when the Group has a legal right to set off the recognized amounts, while at the same time intending to make a net settlement or realize the asset and redeem the liability at the same time.

FINANCIAL INSTRUMENTS GENERALLY

Financial assets are classified in the following categories at the date of recognition:

- trading portfolio, which is valued at fair value;
- loans, advances and receivables, which are valued at amortized cost;
- held-to-maturity investments, which are valued at amortized cost;
- financial assets designated at fair value, with value adjustments being recognized in the income statement.

NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

NOTE

Financial liabilities are classified in the following categories at the date of recognition:

- trading portfolio, which is valued at fair value;
- other financial liabilities, which are valued at amortized cost.

Spar Nord Bank A/S does not have held-to-maturity investments.

DERIVATIVE INSTRUMENTS

Derivative instruments and unsettled spot transactions are recognized and measured at fair value at the trade date, and value adjustments are recognized in the income statement.

Positive market values are recognized under other assets and negative market values under other liabilities. In calculating the fair value, the listed bid/offer price is used to value listed instruments, while a valuation model based on recognized methods and current market data is used for unlisted instruments. Gains or losses upon inception ("day 1-profit") are not recognized for unlisted derivative instruments.

Interest from forward securities transactions, forward exchange contracts and interest and currency swaps is recognized net under interest income. Positive fair values are recognized under "Other assets". Negative market values are recognized under "Other liabilities".

The fair value of derivative instruments for which there is no active market is fixed, for simple products such as interest and currency swaps, according to generally accepted valuation principles. The parameters of valuation are all market-based, such as interest curves with illiquidity and credit risk premiums. To the greatest extent possible, such premiums are identified on the basis of external sources.

For more complex financial instruments that contain an option element and which are unlisted, i.e. OTC products, internally developed models are used, typically based on valuation techniques and methods that are generally accepted within the sector. At the reporting date, Spar Nord Bank A/S had swaptions, interest caps and floors and currency options that had been valued on the basis of more complex models. As far as possible, the parameters of valuation are market-based.

The values generated by valuation models are frequently estimates of values that cannot be determined unequivocally on the basis of market observations. Thus, in some cases, the valuation is made by including risk factors (liquidity and counterparty risks) as additional parameters.

Certain contracts include conditions that correspond to those for derivative instruments. Such embedded derivatives are recognized separately and measured currently at fair value if they differ significantly from the relevant contract, unless the full contract is recognized and measured at fair value on an ongoing basis.

BONDS AND SHARES, ETC.

Bonds and shares, etc. are valued according to the following methods:

The portfolio of listed shares is measured at the listed prices quoted at the reporting date. Shares included in the Group's trading portfolio are recognized on the settlement day at their fair value. Shares that are not included in the Group's trading portfolio are measured at fair value with the ensuing changes in value in the income statement using the 'fair-value option' provided for in IAS 39.

The fair-value option makes it possible to account for securities outside the trading portfolio at fair value, as if they were part of the trading portfolio. It is a condition that such assets are managed on a fair value basis, thus involving recognition of value adjustments in the income statement.

Likewise, the sale of securities is recognized on the settlement day. Unlisted unit trust certificates are recognized at the price calculated by the unit trust.

The portfolio of listed bonds is generally measured at the listed price quoted at the reporting date. Estimated prices are used for illiquid and unlisted bonds for which there is no current listed price. In connection with calculating prices, quoted yield curves are used, with premiums to reflect illiquidity and credit risk, for which purpose valuation models based on current market practice are used. To the greatest extent possible, such premiums are identified on the basis of external sources. Thus, the fair value is calculated using a valuation model based on the discounting of cash flows according to generally accepted methods and current market data.

In determining the fair value, the reference point is available information about trades, etc., or, alternatively, a valuation model based on recognized methods and up-to-date market data. If a reliable fair value cannot be identified, the investment will be measured at cost less any writedowns for impairment.

REPO/REVERSE TRANSACTIONS

Securities sold are recognized in the balance sheet on the settlement day as if the securities were still part of the Group's portfolio where the sale is made subject to a right of repurchase. The amount received is recognized as debt, and the difference between the offered price and the bid price is recognized as interest in the income statement over the term of the relevant instrument. The yield on the securities is recognized in the income statement.

Bought securities are not recognized in the balance sheet and the yield on such securities is not recognized in the income statement if a resale agreement is made simultaneously with the purchase. The purchase sum paid is recognized as a receivable, and the difference between the bid and offered price is recognized as interest in the income statement over the term of the relevant instrument.

NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

Annual Report 2008

NOTE

HEDGE ACCOUNTING

The Group uses derivative instruments to hedge interest risks attaching to fixed-interest assets and liabilities, which are measured at amortized cost. Such hedging instruments are measured at fair value and any changes in value are recognized in the income statement. When the criteria in IAS 39 for the application of hedge accounting have been met, the carrying amount of the hedged assets and liabilities is adjusted for changes in fair value regarding the hedged risks (fair-value hedging). If the criteria for hedging are no longer met, the accumulated value adjustment of the hedged item is amortized over the remaining term to maturity.

In hedge situations where the criteria for applying fair-value hedge accounting have not been met, the value of the hedged item is not adjusted, for which reason the impact of hedging is not reflected for accounting purposes in the income statement.

INCOME STATEMENT

INTEREST INCOME AND EXPENSES

Interest income and expenses relating to interest-bearing financial instruments at amortized cost are recognized in the income statement according to the effective interest method, based on the cost of the financial instrument.

Interest includes amortization of fees, which is an integral part of the effective yield on a financial instrument, including upfront fees and the amortization of any further difference between the cost and redemption price.

Interest income and expenses include interest on financial instruments valued at fair value, with the exception of interest relating to assets and deposits in pools, which are recognized under market-value adjustments. Interest on loans and advances individually written down for impairment is recognized on the basis of the written-down value.

NET FEES, CHARGES AND COMMISSIONS RECEIVED

Fees, charges and commissions relating to loans, advances and receivables are recognized as part of the carrying amount of loans, advances and receivables and are recognized in the income statement over the term of the loans and advances as part of the effective interest rate. Commissions relating to guarantees are carried to income over the term of the guarantees. Income generated upon performing a given transaction, including securities and custodianship fees plus payment services fees, are recognized as income when the transaction has been performed.

Consideration for arranging mortgage loans for Totalkredit is recognized on the basis of the offset model. According to the offset model, consideration is recognized at the date of loan origination, and consideration for continuous services to the borrower are recognized in step with our rendering such services and thus earning an entitlement to the consideration. Totalkredit can only offset losses ascertained during the first eight-year term of the mortgage loan against future current commission income. Setoffs are recognized at the date of the loss-making event.

MARKET-VALUE ADJUSTMENTS

Market-value adjustments include realized and unrealized market-value adjustments of items in the trading portfolio as well as other shares at fair value (the fair-value option). In addition, the impact on profits from fair-value hedge accounting is also recognized under market-value adjustments.

OTHER OPERATING INCOME

Other operating income includes items that are secondary to the Group's activities, including gains and losses on the sale of acquired investment and corporate properties, the sale of leased assets, etc.

Other operating income also includes rental income from operating leases and from properties after deducting operating expenses.

Gains and losses on sales are calculated at the selling price after deducting the selling cost and the carrying amount at the date of the sale.

STAFF COSTS AND ADMINISTRATIVE EXPENSES

Staff costs and administrative expenses comprise salaries, bonuses, the cost of employee bonds and equity-settled share options granted (management incentive schemes), holiday pay, anniversary lump sums, pension costs, etc.

Share option scheme and employee shares

The fair value of equity-settled share options granted (management incentive schemes) at the time of allocation is recognized in the income statement as a staff cost during the period when the employee provides the services that correspond to the options granted. A setoff is recognized directly in equity. In connection with recognition over the service period, an estimate is made of the number of share options granted, and the fair value is calculated based on an option model. In connection with a final statement of allocation, previously expensed amounts are adjusted based on the actual allocation of options. The share options may be exercised no sooner than three years after allocation. Options granted will not be affected by the employee's resignation. For a more detailed description of the option model, reference is made to note 13, share-based payment.

The value of employee shares allocated as an element in a bonus scheme is measured at the value at the time of allocation and is recognized in the income statement as a staff cost during the period when the employee provides the services that correspond to the allocated shares. A setoff is recognized directly in equity.

Other operating expenses

Other operating expenses contain items of a secondary nature relative to the Group's activities, including the ongoing guarantee commissions regarding the government-backed guarantee scheme.

NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

Annual Report 2008

NOTE

PROFIT/LOSS ON EQUITY INVESTMENTS IN ASSOCIATES AND GROUP ENTERPRISES

Profits or losses on equity investments in associates and group enterprises comprise the proportionate share of the individual companies' results after tax.

TAX

Spar Nord Bank A/S is taxed jointly with its Danish subsidiaries. The current Danish corporation tax is allocated to the jointly taxed Danish companies in proportion to their respective taxable incomes. Companies that utilize tax losses in other companies pay joint taxation contributions to the Parent Company equivalent to the tax value of the utilized losses, while companies whose tax losses are utilized by other companies receive joint taxation contributions from the Parent Company equivalent to the tax value of the utilized losses (full allocation). The jointly taxed companies are included in the Danish tax prepayment scheme.

Tax for the year, which comprises current tax for the year and any change in deferred tax, is recognized in the income statement with the portion attributable to the profit for the year, and directly in equity with the portion attributable to amounts recognized directly in equity.

To the extent that deductions are allowed in the determination of taxable income in Denmark as a consequence of share-based payment schemes, the tax effect of the schemes is recognized under tax on profit for the year.

BALANCE SHEET

Receivables from credit institutions and central banks

Receivables from credit institutions and central banks comprise receivables from other credit institutions and time deposits with central banks. The valuation of Receivables from credit institutions and central banks is carried out as stated under Loans, advances and receivables.

LOANS, ADVANCES AND OTHER RECEIVABLES AT AMORTIZED COST

Loans, advances and receivables, including mortgage deeds, are recognized at inception at the fair value plus transaction costs and less fees, charges and commissions received in connection with loan origination. Loans, advances and receivables are periodically remeasured at amortized cost using the effective interest method, less impairment provisions for bad and doubtful debts.

Impairment

Loans, advances and receivables are monitored continuously to assess whether there is any objective indication of impairment and whether an impairment test shows any losses.

Individual impairment

Impairment is based on an individual assessment of commitments when there is an objective indication of impairment of an individual commitment.

There is an objective indication of impairment of loans and advances if one or more of the following events have occurred:

- the borrower is in considerable financial difficulty;
- the borrower is in breach of his contract, e.g. in the form of non-payment of loan repayments and interest;
- the Group grants the borrower special terms that would not have been granted in the absence of the borrower's financial difficulty;
- the borrower is likely to become insolvent or subject to any other voluntary or involuntary receivership.

Impairment is calculated as the difference between amortized cost and the discounted value of the expected cash flows, including the realizable value of any security. Any subsequent increase of the discounted value of the expected cash flows results in full or partial reversal of impairment. For fixed-interest loans and advances, the original effective interest rate is used to calculate the discounted value, while the current effective interest rate is used for floating-rate loans and advances.

Groups of impairment losses

Individually assessed loans and advances that are not subject to impairment and other loans and advances are classified into categories to assess the need for impairment. A portfolio assessment is made on the basis of groups of loans with uniform characteristics with respect to credit risk. Among other things, the portfolio impairment is intended to cover a deterioration in the payment behaviour for the relevant portfolio and changes in other conditions that, based on experience, are related to the extent of non-payment in the relevant group of loans, advances and receivables.

In the personal customer area, portfolio assessment is based on a behaviour score for seven risk categories. In the business customer area, the portfolio assessment is based on nine rating groups, categorized according to financial performance indicators, etc.

The calculation of groups of impairment losses is based on gross migration. Thus, following a gross addition, the total groups of impairment losses are composed of the sum total of the individual borrowers' deterioration in rating, without taking into account that other borrowers improved their rating during the period.

The groups of impairment losses in Spar Nord Bank A/S are calculated as the difference between the carrying amount of the loans and advances and the present value of expected future payments. Expected future payments are calculated by setting up series of expected future payments and discounting them. The discount rate used is the weighted average of the agreed-upon effective interest rates on the individual loans and advances.

Finans Nord uses a segmentation model to calculate groups of impairment losses. The loans and advances are divided into seven segments/industries. The need for impairment is assessed on the basis of the following factors: economic trends, historical loss rates, payment default, used equipment prices and the development in the unsecured portion of loans and advances, with all factors being assessed for each individual segment.

NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

Annual Report 2008

NOTE

Finans Nord uses a segment model because Finans Nord's risk exposure is related more to the residual value of the assets rather than to the credit quality of the individual customer.

Impairment losses, etc.

Impairment losses on loans and advances are charged to an impairment account, which is offset against loans and advances. Any movement in the impairment account is recognized in the income statement under Impairment of loans, advances and receivables, etc. In case of any subsequent events that show that the impairment was not permanent, the impairment is reversed via the item, Impairment of loans, advances and receivables, etc.

Loans and advances considered to be uncollectible are written off via the impairment account. Loans and advances are written off when established collection procedures have been observed as follows:

- the debtor has filed an insolvency petition and the trustee has indicated the probable financial result of the insolvency proceedings;
- Spar Nord Bank A/S cancels debts either following a compulsory or private arrangement with creditors;
- Spar Nord Bank A/S considers collection of the debt completely unlikely for other reasons.

Interest on the written-down portion of the individual loans and advances is not carried to income.

LEASING

Lease contracts are classified as finance leases when all significant risks and returns associated with the title to an asset are transferred to the lessee. All other lease contracts are classified as operating leases.

Leased assets in connection with finance leases, where the Group is the lessor, are recognized under loans and advances at the net investment in the leases less depreciation (repayments), calculated according to the annuity method over the term of the lease.

Income from leased assets are recognized based on the agreed effective interest rate in the lease, and is booked in the income statement under interest income. Profit and loss on the sale of leased assets are booked as "Other operating income".

EQUITY INVESTMENTS IN GROUP ENTERPRISES AND ASSOCIATES

Equity investments in group enterprises and associates are recognized at the proportionate share of the net asset value (NAV) on the reporting date plus the carrying amount of goodwill acquired. Goodwill is calculated and measured as described above under the Consolidated Financial Statements.

The share of profit for the year after tax is recognized in the income statement of the Parent Company under "Profit/loss on equity investments in associates and group enterprises". In connection with the purchase or sale of group enterprises or associates, the results of such group enterprises or associates are included in the income statement from or until the takeover date, as the case may be.

Any profit or loss upon sale is calculated as the difference between the net selling price and the carrying amount at the transfer date, including the carrying amount of goodwill, and is recognized under "Other operating income/expenses".

PENSION POOLS

Assets forming part of pension pools and customers' contributions to pension pools are presented in separate balance-sheet items. The return on pooled assets and contributions are presented together under market-value adjustments and are specified in "Notes to income statement disclosures".

INTANGIBLE ASSETS

Goodwill

Goodwill acquired is recognized at cost less accumulated writedowns for impairment. The carrying amount is not systematically amortized. The accounting treatment of business combinations before 1 January 2004 has not been revised in connection with the transition to IFRS.

Customer relations

Customer relations taken over in connection with company acquisitions are recognized at cost and are amortized over the expected useful life, which does not exceed 10 years. The expected useful life depends on customer loyalty. The useful life is reassessed annually. Any changes in amortization as a result of changes in useful life are recognized in future reporting periods as a change in accounting estimates.

Impairment test

The carrying amount of goodwill and customer relations is tested for impairment together with the other property, plant and equipment and intangible assets in the cash-generating unit to which goodwill and customer relations have been allocated. If the carrying amount exceeds the recoverable amount, it is written down to the recoverable amount via the income statement.

The recoverable amount is calculated as the present value of expected future net cash flows from the unit to which goodwill and customer relations relates.

Software

Software acquired is recognized at cost plus installation expenses and amortized according to the straight-line method over the expected useful life of a maximum of five years.

Self-developed software is recognized if the cost can be reliably calculated and if analyses show that the Group's future earnings from implementing such software are equal to the associated development costs.

Development

Development costs recognized as an asset are amortized on a straight-line basis over the expected useful life of a maximum of five years. Expenses during the planning stage are not included but expensed as and when defrayed. The carrying amount of intangible assets is periodically remeasured and written down against the income statement if the carrying amount exceeds the expected future net income from the business or the asset.

NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

Annual Report 2008

NOTE

LAND AND BUILDINGS

Properties are recognized at cost upon acquisition and subsequently measured at fair value. The fair value is calculated on the basis of current market data according to an asset return model that includes the property's rental income, operating expenses, as well as management and maintenance. Operating expenses and maintenance costs are calculated on the basis of the condition of the individual property, construction year, materials used, etc. The fair value of the property is determined based on the calculated return on operations and the individually determined rate of return. The return rate is fixed on the basis on the location of the individual property, potential use, the state of maintenance, quality, etc. The fair value of the individual property is reassessed annually based on the current letting market and the interest level.

Corporate properties are properties used by the Group for administrative purposes, as a branch or for other service activities. The carrying amount of corporate properties is systematically depreciated over the expected useful life of 50 years for buildings. Special installations in buildings are depreciated according to the straight-line method over a useful life of 20 years. Allowance is made for the expected residual value when calculating depreciation. Revaluation of corporate properties is allocated to a special reserve under shareholders' equity, "Revaluation reserves", while depreciation and impairment are recognized in the income statement under "Depreciation, amortization and impairment of intangible assets and property, plant and equipment".

Land is not depreciated.

Expenses for leasehold improvements are recognized under corporate properties at cost and depreciated over the lease term, however maximum ten years.

Investment properties are properties held to obtain rental income and/or capital gains, including properties let under operating leases and properties taken over. Investment properties are not depreciated. Changes in fair values and rental income are recognized in the income statement under "Other operating income".

OTHER PROPERTY, PLANT AND EQUIPMENT

Operating equipment and IT equipment are recognized at cost less accumulated depreciation and impairment. Operating equipment and IT equipment are depreciated according to the straight-line method over the useful life, however not more than five years. The basis of depreciation for property, plant and equipment is the difference between cost and residual value at the end of its useful life, and the residual value is assessed regularly.

Leased assets under operating leases, with the Group as lessor, are recognized under other property, plant and equipment. Lease payments under operating leases are recognized in the income statement under "Other operating income".

TEMPORARY ASSETS

Temporary assets comprise assets taken over as a result of the liquidation of customer commitments, the intention being to sell off the assets as soon as possible. Assets taken over are recognized at fair value upon taking them over and subsequently measured at this value or an estimated realizable value, if lower, except from acquired properties, which are treated as investment properties.

TAX

Current tax liabilities and current tax receivable are recognized in the balance sheet as tax calculated on the taxable income for the year, adjusted for tax on taxable incomes relating to prior years, and tax paid on account.

Deferred tax is measured on the basis of all timing differences between the carrying amounts and tax values of assets and liabilities.

Deferred tax is measured on the basis of the tax rules and tax rates applicable in the respective countries at the time when the deferred tax is expected to crystallize in the form of current tax, based on the legislation in force at the reporting date. Any changes in deferred tax resulting from changed tax rates are recognized in the income statement.

OTHER ASSETS

Other assets include interest and commissions receivable as well as the positive market value of derivative instruments.

FINANCIAL LIABILITIES

Deposits, bonds issued and payables to credit institutions, etc. are recognized initially at the proceeds received net of transactions costs incurred. Periodic remeasurements are made to amortized cost using the "the effective interest method". Thus, the difference between net proceeds and nominal value is recognized in the income statement under interest expenses over the loan term. Other commitments are measured at net realizable value.

OTHER LIABILITIES

Other liabilities include interest payable, the negative market value of financial instruments and employee benefits payable.

PROVISIONS FOR LIABILITIES

Provisions for liabilities include mainly guarantee commitments and provisions for losses on irrevocable credit commitments and legal actions, etc. A provision is recognized in respect of a guarantee or an irrevocable credit commitment if it is likely that the guarantee or the credit commitment will be exercised and the amount of the commitment can be reliably determined. Provisions are based on Management's best estimate of the amount of the commitments. In measuring provisions for liabilities, discounting to net present value is made where deemed material.

SHAREHOLDERS' EQUITY

Foreign-currency translation reserve

The foreign-currency translation reserve includes translation differences arising on the translation of results and net investments in foreign entities from their functional currencies into

NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

Annual Report 2008

NOTE

Danish kroner. In addition, the reserve includes exchange adjustments of financial liabilities that hedge the net investment in foreign entities.

Upon full or partial realization of the net investment in a foreign entity, the translation difference relating to the relevant entity is recognized in the income statement.

Revaluation reserves

Revaluation reserves comprise revaluations of the Group's corporate properties after the recognition of deferred tax. The reserve is dissolved when properties are impaired, sold or otherwise disposed of.

Statutory reserves

Statutory reserves comprise value adjustments of equity investments in associates and group enterprises according to the equity method. The reserves are reduced by the dividends distributed to the Parent Company and other movements in the shareholders' equity of group enterprises and associates, or if the equity investments are realized in whole or in part.

Proposed dividend

Proposed dividend is recognized as a liability at the time of adoption at the Annual General Meeting (time of declaration). Dividend proposed to be distributed for the year is included under shareholders' equity until adoption of the dividend proposal.

Treasury shares and own bonds

Treasury shares and own bonds are not recognized as assets. The acquisition cost and selling price for treasury shares as well as dividends on such shares are recognized directly in retained earnings under shareholders' equity. The proceeds on the sale of treasury shares on the exercising of share options or employee shares are posted directly to shareholders' equity.

The portfolio of own bonds is recognized directly in bonds issued. Upon the acquisition of own bonds, any loss or gain is recognized as the difference between the acquisition cost and the carrying amount of the liability.

CASH FLOW STATEMENT

The cash flow statement shows cash flows for the year, broken down by operating, investing and financing activities, the year's movements in cash and cash equivalents and the cash and cash equivalents at the beginning and end of the year. Cash generated from operations is calculated according to the indirect method as the profit before tax, adjusted for non-cash operating items and any changes in working capital.

Cash generated from investments comprises payments associated with the purchase and sale of non-current assets, companies and securities. Cash generated from financing comprises dividends paid, movements in the shareholders' equity and subordinated debt.

Cash and cash equivalents comprise cash balances, demand deposits with central banks and receivables from credit institutions and central banks with less than three months to maturity.

SEGMENT SPECIFICATIONS

The financial statements for the business areas that constitute the Group's only significant segmentation are based on the Consolidated Financial Statements and the affiliation of individual customers.

Transactions between segments are settled on an arm's length basis. Centrally incurred expenses, such as salaries, rent, depreciation, etc. are allocated to the individual segments based on an assessment of the proportionate share of the overall activity level (Activity-Based Costing, ABC). Segment assets and liabilities are the operating assets and operating liabilities that are used or have arisen in connection with the operation of a segment and which are directly associated with or can be reasonably allocated to the segment. The individual segment includes a calculated share of equity. "Earnings from investment portfolios, etc.", which is regarded as an intra-organizational activity, comprise income from the Bank's trading portfolio, gains on the sale of shares in Totalkredit and earnings from Erhvervsinvest Nord A/S and Erhvervsinvest K/S, etc. Other income and expenses are charged to "Staff functions and unallocated" together with the Bank's management support functions.

DISCLOSURES REGARDING STANDARDS THAT HAVE NOT YET ENTERED INTO FORCE

The International Accounting Standards Board (IASB) has published a number of new financial reporting standards (IAS and IFRS) and interpretations (IFRIC), which Spar Nord Bank A/S is not required to observe in preparing the 2008 Annual Report.

Spar Nord Bank A/S expects to implement the new financial reporting standards and interpretations when they become compulsory in 2009 and 2010, respectively. The new financial reporting standards and interpretations that are expected to have an impact on the presentation of the financial statements of Spar Nord Bank A/S are as follows:

- IFRS 3 (updated 2007) Business Combinations (and the simultaneous updating of IAS 27 Consolidated and Separate Financial Statements) applies to financial years commencing on 1 July 2009 and later. The Spar Nord Bank Group does not expect to use the option of recognizing goodwill regarding any minority shareholders' shares in acquired companies, and expects that a number of the technical adjustments of the acquisition method in IFRS 3 will only have insignificant importance for the financial reporting.
- IFRS 8 Operating Segments, which deals with disclosures about segments, applies to financial years beginning on 1 January 2009 or later. This standard is of no relevance to recognition and measurement in the Annual Report. (IFRS 8 was approved by the EU in November 2007).
- IAS 23 (updated 2007) Capitalisation of Borrowing Costs applies to financial years commencing on 1 January 2009 or later. This standard calls for recognition of borrowing costs in the cost of the qualifying asset (intangible assets and property, plant and equipment). As concerns major qualifying assets that take a substantial period of time to get ready for use or sale, IAS 23 (updated 2007) is expected to have an impact on the presentation of the financial statements.

NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

Annual Report 2008

NOTE

2 BUSINESS AREAS - SEGMENT SPECIFICATIONS

	Spar Nord's Local Banks DKK million	Trading, Financial Markets & the International Division DKK million	Finans Nord A/S DKK million	Corporate Coordination & Support DKK million	Staff functions and unallocated DKK million	Earnings from investment portfolios, etc. *) DKK million	Elimi- nations DKK million	Total DKK million
BUSINESS SEGMENTS 2008								
INCOME STATEMENT								
Interest income	2,067.2	984.9	464.1	4.5	482.1	-4.2	-268.6	3,730.0
Interest expenses	903.4	783.8	270.5	4.1	538.7	0.0	-268.6	2,231.9
Net interest income	1,163.8	201.1	193.6	0.4	-56.6	-4.2	0.0	1,498.1
Net income from fees, charges and commissions	388.3	-0.1	5.2	8.2	0.5	-0.3	0.0	401.8
Dividends on shares, etc.	9.0	0.7	0.0	0.0	5.2	1.9	0.0	16.8
Market-value adjustments	113.2	-164.0	-4.2	4.2	-32.3	-142.2	0.0	-225.3
Other operating income	13.0	4.5	60.2	-9.6	31.2	-0.2	-9.7	89.4
Profit/loss on equity investments in associates and group enterprises	3.3	0.0	0.0	0.0	28.2	11.8	0.0	43.3
Total income	1,690.6	42.2	254.8	3.2	-23.8	-133.2	-9.7	1,824.1
Operating costs	1,157.5	46.8	125.2	0.8	101.7	3.4	-9.7	1,425.7
Profit/loss before impairment of loans and advances, etc.	533.1	-4.6	129.6	2.4	-125.5	-136.6	0.0	398.4
Impairment of loans and advances, etc.	206.2	0.5	29.1	0.0	39.1	-0.2	0.0	274.7
Profit/loss before tax	326.9	-5.1	100.5	2.4	-164.6	-136.4	0.0	123.7
BALANCE SHEET								
Assets								
Loans, advances and other receivables at amortized cost	34,382.9	9,769.1	7,354.9	1.2	0.0	0.0	-6,132.1	45,376.0
Other assets	5,750.4	12,454.8	297.8	273.0	3,930.6	1,318.0	-132.9	23,891.7
Total assets								69,267.7
Liabilities								
Deposits and other payables	30,899.6	2,807.3	0.0	157.0	0.0	0.0	-30.8	33,833.1
Shareholders' equity (allocated capital)	2,371.6	204.5	484.6	2.4	959.6	1.8	0.0	4,024.5
Miscellaneous liabilities	4,330.2	8,918.7	7,227.3	227.6	16,940.4	0.1	-6,234.2	31,410.1
Total liabilities								69,267.7
Interest income, internal	12.4	-280.4	3.4	4.3	380.8	-120.5	0.0	0.0
Capital expenditure	-145.1	-0.1	-88.7	-15.1	-87.0	0.0	0.0	-336.0
Other - non-cash operating items	0.0	0.0	-8.2	0.0	9.3	-1.3	0.0	-0.2
Depreciation, amortization and impairment of intangible assets and property, plant and equipment	18.6	0.6	31.9	24.0	20.9	0.0	0.0	96.0
Impairment losses and reversal of impairment losses	134.6	0.0	27.6	0.0	0.0	-0.3	0.0	161.9
FINANCIAL RATIOS								
Return on equity, full-year, % **)	14.2	-1.4	21.1	-	-	-	-	
Costs as a percentage of income	0.68	1.11	0.49	-	-	-	-	
Risk-weighted items, end of year	29,645.0	2,556.4	6,057.7	29.6	4,501.7	22.3	0.0	42,812.7
Number of employees (end of year, full-time)	1,046	66	96	249	97	0	0	1,554

*) Earnings from investment portfolios, etc. consist of earnings from the Bank's trading portfolio of securities, the sale of shares in Totalkredit, Erhvervsinvest Nord A/S and companies from which investment in unlisted shares is carried on.

**) The rate of return on equity for the full year has been calculated on allocated capital (8%) based on average risk-weighted items.

In addition to earnings from investment portfolios, composed as shown above, the costs of the Danish Banking Sector Emergency Fund have been segregated from core earnings, see the "Performance indicators and financial ratios for the Group, Core earnings - year", which are included in the Management's review.

The costs of the Danish Banking Sector Emergency Fund comprise impairment of loans and advances, etc. of DKK 39.1 million and operating expenses of DKK 42.2 million. A further specification of the operating expenses appears from note 16, Other operating expenses.

Secondary segment - geographical segments

In accordance with applicable rules, the secondary segment reporting shows Spar Nord's activities by the geographical areas in which the Group operates. Spar Nord only carries on activities outside Denmark to a limited extent. Consequently, in accordance with IAS 14 no disclosure is provided regarding the secondary segment.

NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

Annual Report 2008

NOTE

2 BUSINESS AREAS - SEGMENT SPECIFICATIONS

	Spar Nord's Local Banks DKK million	Trading, Financial Markets & the International Division DKK million	Finans Nord A/S DKK million	Corporate Coordination & Support DKK million	Staff functions and unallocated DKK million	Earnings from investment portfolios, etc. *) DKK million	Elimi- nations DKK million	Total DKK million
BUSINESS SEGMENTS 2007								
INCOME STATEMENT								
Interest income	1,515.8	837.1	343.4	0.9	313.0	9.5	-184.3	2,835.4
Interest expenses	579.1	715.8	182.5	2.6	380.5	10.8	-184.3	1,687.0
Net interest income	936.7	121.3	160.9	-1.7	-67.5	-1.3	0.0	1,148.4
Net income from fees, charges and commissions	466.0	9.8	3.1	17.0	-13.0	-0.1	0.0	482.8
Dividends on shares, etc.	0.0	1.2	0.0	0.0	12.5	2.4	0.0	16.1
Market-value adjustments	91.8	51.1	-0.5	4.4	21.4	-3.5	0.0	164.7
Other operating income	26.5	7.2	53.5	-22.3	18.9	1.8	-8.2	77.4
Profit/loss on equity investments in associates and group enterprises	0.0	0.0	0.0	0.0	99.1	22.7	0.0	121.8
Total income	1,521.0	190.6	217.0	-2.6	71.4	22.0	-8.2	2,011.2
Operating costs	1,007.6	49.2	99.7	-5.3	143.3	5.3	-8.2	1,291.6
Profit/loss before impairment of loans and advances, etc.	513.4	141.4	117.3	2.7	-71.9	16.7	0.0	719.6
Impairment of loans and advances, etc.	-112.6	0.0	1.2	0.0	0.1	-2.1	0.0	-113.4
Profit/loss before tax	626.0	141.4	116.1	2.7	-72.0	18.8	0.0	833.0
BALANCE SHEET								
Assets								
Loans, advances and other receivables at amortized cost	31,321.2	8,446.8	6,143.9	0.1	0.0	30.3	-5,003.5	40,938.8
Other assets	4,492.2	11,396.7	238.8	279.5	3,582.9	2,596.2	-131.5	22,454.8
Total assets								63,393.6
Liabilities								
Deposits and other payables	23,937.6	3,402.5	0.0	99.3	0.0	0.7	-53.2	27,386.9
Shareholders' equity (allocated capital)	2,507.6	367.9	442.5	14.8	682.4	123.2	0.0	4,138.4
Miscellaneous liabilities	4,048.9	12,836.0	6,020.9	102.2	13,942.1	0.0	-5,081.8	31,868.3
Total liabilities								63,393.6
Interest income, internal	36.4	-241.9	4.1	1.0	293.9	-93.5	0.0	0.0
Capital expenditure	-38.0	-0.9	-56.8	-33.6	-28.5	0.0	0.0	-157.8
Other - non-cash operating items	0.0	0.0	47.4	0.0	-339.8	0.3	0.0	-292.1
Depreciation, amortization and impairment of intangible assets and property, plant and equipment	12.4	0.3	26.8	21.2	12.8	0.0	0.0	73.5
Impairment losses and reversal of impairment losses	-78.0	0.0	-1.3	0.0	0.0	-2.1	0.0	-81.4
FINANCIAL RATIOS								
Return on equity, full-year, % **)	27.1	38.0	28.4	-	-	-	-	
Costs as a percentage of income	0.66	0.26	0.46	-	-	-	-	
Risk-weighted items, end of year	31,345.5	4,599.2	5,530.8	184.9	455.3	1,539.8	0.0	43,655.5
Number of employees (end of year, full-time)	933	66	88	230	99	0	0	1,416

*) Earnings from investment portfolios, etc. consist of earnings from the Bank's trading portfolio of securities, Erhvervsinvest Nord A/S and companies from which investment in unlisted shares is carried on.

**) The rate of return on equity for the full year has been calculated on allocated capital (8%) based on average risk-weighted items.

Minor reclassifications between the individual business areas have been made in the balance sheet figures.

Secondary segment - geographical segments

In accordance with applicable rules, the secondary segment reporting shows Spar Nord's activities by the geographical areas in which the Group operates. Spar Nord only carries on activities outside Denmark to a limited extent. Consequently, in accordance with IAS 14 no disclosure is provided regarding the secondary segment.

NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

Annual Report 2008

NOTE

	Spar Nord Bank A/S The Group 2008 DKK '000	Spar Nord Bank A/S The Group 2007 DKK '000	Spar Nord Bank A/S Parent Comp. 2008 DKK '000	Spar Nord Bank A/S Parent Comp. 2007 DKK '000
3 INTEREST INCOME				
Receivables from credit institutions and central banks	229,641	207,047	229,279	206,701
Loans, advances and other receivables	2,805,979	2,166,218	2,613,325	2,009,372
Bonds	478,598	330,707	478,598	330,706
Foreign-exchange contracts	152,553	113,400	152,553	113,400
Interest-rate contracts	62,603	16,588	62,603	16,588
Share contracts	13	127	13	127
Derivative instruments, total	215,169	130,115	215,169	130,115
Other interest income	534	1,292	183	444
Total interest income	3,729,921	2,835,379	3,536,554	2,677,338
<i>Of which, income from genuine purchase and resale transactions booked under</i>				
Receivables from credit institutions and central banks	46,251	21,431	46,251	21,431
Loans and advances	38,573	3,324	38,573	3,324
4 INTEREST EXPENSES				
Credit institutions and central banks	825,203	775,349	825,009	775,349
Deposits and other payables	1,168,869	720,628	1,160,231	722,797
Bonds issued	131,612	101,139	131,612	101,139
Subordinated debt	105,786	89,313	105,786	89,313
Other interest expenses	385	579	208	223
Total interest expenses	2,231,855	1,687,008	2,222,846	1,688,821
<i>Of which, interest expenses from genuine sale and repo transactions booked under</i>				
Payables to credit institutions and central banks	36,127	47,871	36,127	47,871
Deposits and other payables	26	336	26	336
5 DIVIDENDS ON SHARES, ETC.				
Shares, etc. in the Bank's trading portfolio	2,549	3,639	2,549	3,639
Other shares at fair value (the fair-value option)	14,298	12,472	14,298	12,472
Dividends on shares, etc., total	16,847	16,111	16,847	16,111
6 FEES, CHARGES AND COMMISSIONS RECEIVED				
Securities trading and custody accounts	130,442	161,844	130,442	161,844
Asset management	111,773	188,311	111,773	188,311
Payment services	47,208	46,286	47,208	46,286
Loan transaction fees	110,603	91,788	110,603	91,788
Of which, mortgage credit institutions	71,662	56,330	71,662	56,330
Guarantee commissions	32,501	31,327	32,501	31,327
Other fees, charges and commissions	45,443	38,992	40,268	35,907
Total fees, charges and commissions received	477,970	558,548	472,795	555,463
7 FEES, CHARGES AND COMMISSIONS PAID				
Securities trading and custody accounts	54,251	42,682	54,251	42,682
Asset management	13,523	25,528	13,523	25,528
Guarantee commissions	66	910	66	910
Other fees, charges and commissions	8,332	6,572	8,332	6,572
Total fees, charges and commissions paid	76,172	75,692	76,172	75,692
8 NET FEES, CHARGES AND COMMISSIONS RECEIVED				
Securities trading and custody accounts	76,191	119,162	76,191	119,162
Asset management	98,250	162,783	98,250	162,783
Payment services	47,208	46,286	47,208	46,286
Loan transaction fees	110,603	91,788	110,603	91,788
Of which, mortgage credit institutions	71,662	56,330	71,662	56,330
Guarantee commissions	32,435	30,417	32,435	30,417
Other fees, charges and commissions	37,111	32,420	31,936	29,335
Net fees, charges and commissions received, total	401,798	482,856	396,623	479,771

NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

Annual Report 2008

NOTE

	Spar Nord Bank A/S The Group 2008 DKK '000	Spar Nord Bank A/S The Group 2007 DKK '000	Spar Nord Bank A/S Parent Comp. 2008 DKK '000	Spar Nord Bank A/S Parent Comp. 2007 DKK '000
9 MARKET-VALUE ADJUSTMENTS				
Other loans, advances and receivables at fair value	-10,503	-4,905	-12,947	-4,905
Bonds	-140,753	-73,225	-140,753	-73,225
Shares, etc.	42,375	30,625	48,525	15,651
Foreign exchange	997,249	207,358	1,002,687	207,878
Foreign-exchange, interest, share, commodity and other contracts and derivative instruments	-1,092,465	-3,529	-1,092,465	-3,529
Assets linked to pooled schemes	-728,606	17,646	-728,606	17,646
Deposits in pooled schemes	728,606	-17,646	728,606	-17,646
Other assets	0	2	0	2
Miscellaneous commitments	-21,178	8,360	-21,179	8,360
Total market-value adjustments	-225,275	164,686	-216,132	150,232
Trading portfolio	-231,206	125,763	-222,063	111,309
Other shares at fair value (the fair-value option)	5,931	38,923	5,931	38,923
Total market-value adjustments	-225,275	164,686	-216,132	150,232

10 NET FINANCIALS, THE SPAR NORD GROUP

2008

Net financials at amortized cost

	Interest income DKK '000	Interest expenses DKK '000	Net interest DKK '000	Market- value adjustment DKK '000	Dividend DKK '000	Other operating income DKK '000	Total DKK '000
Receivables from and payables to credit institutions and central banks	183,389	789,076	-605,687	0	0	0	-605,687
Bank lending and deposits	2,767,406	1,168,843	1,598,563	0	0	0	1,598,563
Repo and reverse transactions	84,824	36,152	48,672	0	0	0	48,672
Other issued bonds	0	131,612	-131,612	0	0	0	-131,612
Subordinated debt	0	105,786	-105,786	-21,178	0	0	-126,964
Other financial instruments	534	386	148	0	0	0	148
Total	3,036,153	2,231,855	804,298	-21,178	0	0	783,120

Net financials at fair value

Trading portfolio	693,768	0	693,768	-210,028	2,549	0	485,517
Other financial investment assets	0	0	0	5,931	14,298	0	21,001
Total	693,768	0	693,768	-204,097	16,847	0	506,518

Total net income from financials

Total net income from financials	3,729,921	2,231,855	1,498,066	-225,275	16,847	0	1,289,638
---	------------------	------------------	------------------	-----------------	---------------	----------	------------------

2007

Net financials at amortized cost

	Interest income DKK '000	Interest expenses DKK '000	Net interest DKK '000	Market- value adjustment DKK '000	Dividend DKK '000	Other operating income DKK '000	Total DKK '000
Receivables from and payables to credit institutions and central banks	185,617	727,478	-541,861	0	0	0	-541,861
Bank lending and deposits	2,162,894	720,291	1,442,603	0	0	0	1,442,603
Repo and reverse transactions	24,755	48,208	-23,453	0	0	0	-23,453
Other issued bonds	0	101,139	-101,139	0	0	0	-101,139
Subordinated debt	0	89,313	-89,313	8,359	0	0	-80,954
Other financial instruments	1,292	579	713	2	0	0	715
Total	2,374,558	1,687,008	687,550	8,361	0	0	695,911

Net financials at fair value

Trading portfolio	460,821	0	460,821	117,402	3,639	3,400	585,262
Other financial investment assets	0	0	0	38,923	12,472	0	51,395
Total	460,821	0	460,821	156,325	16,111	3,400	636,657

Total net income from financials

Total net income from financials	2,835,379	1,687,008	1,148,371	164,686	16,111	3,400	1,332,568
---	------------------	------------------	------------------	----------------	---------------	--------------	------------------

Spar Nord Bank does not have held-to-maturity investments.

NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

Annual Report 2008

NOTE

	Spar Nord Bank A/S The Group 2008 DKK '000	Spar Nord Bank A/S The Group 2007 DKK '000	Spar Nord Bank A/S Parent Comp. 2008 DKK '000	Spar Nord Bank A/S Parent Comp. 2007 DKK '000
11 OTHER OPERATING INCOME				
Gain on sale of shares and equity investments in associates and group enterprises	0	3,400	0	1,586
Gain on sale of investment and corporate properties and temporary properties	2,313	446	2,313	446
Gain on sale of operating equipment	539	305	539	305
Gain on sale of leased assets, etc.	16,518	17,326	0	0
Rental income from operating leases	39,660	32,843	0	0
Other income	24,374	17,824	28,927	21,771
<i>Operation of properties</i>				
Rental income	8,075	7,395	9,187	8,368
Operating expenses	1,360	1,352	1,360	1,352
Maintenance	194	329	194	329
Net interest expenses	466	474	466	474
Other operating income, total	89,459	77,384	38,946	30,321
12 STAFF COSTS AND ADMINISTRATIVE EXPENSES				
Staff costs	822,337	772,469	762,018	720,468
Administrative expenses	462,627	444,153	443,314	427,672
Total	1,284,964	1,216,622	1,205,332	1,148,140
<i>Staff costs</i>				
Salaries	695,770	627,172	645,582	584,650
Share-based payment*	-1,650	32,114	-1,823	30,810
Pensions	78,157	70,536	72,909	66,192
Social security costs	50,060	42,647	45,350	38,816
Total	822,337	772,469	762,018	720,468
* Share-based payment in 2008 is attributable to post-adjustments of the share-option scheme allocations for 2007. Payments in 2007 comprise employee shares, in addition to the share-option scheme.				
<i>Of which, salaries and remuneration of the Executive and Supervisory Boards account for</i>				
Salaries				
Executive Board **/***	6,445	11,008	6,445	11,008
Supervisory Board	2,090	1,980	2,090	1,980
Pensions	931	860	931	860
Total salaries and remuneration of Executive Board and Supervisory Board	9,466	13,848	9,466	13,848
<i>The Executive Board's remuneration is composed of four elements</i>				
Base salary	6,869	6,248	6,869	6,248
Pension	931	860	931	860
Bonus	0	1,650	0	1,650
Share-option scheme	-424	3,110	-424	3,110
** Termination rules: The members of the Executive Board have a term of notice of 12 months and will receive compensation corresponding to two years' pay.				
*** Pension obligation: Like the other employees, members of the Executive Board are comprised by defined-contribution pension plans.				
<i>Administrative expenses</i>				
IT expenses	209,198	177,911	206,138	176,060
Marketing costs	78,097	74,143	76,025	72,566
Cost of premises	61,227	52,079	57,968	50,786
Telephone and postage	29,429	27,720	27,832	26,462
Other office expenses	16,683	14,256	15,139	13,075
Other administrative expenses	67,993	98,044	60,212	88,723
Total	462,627	444,153	443,314	427,672
<i>The amount of loans, mortgages, pledges, sureties or guarantees and the associated security furnished on behalf of the below-mentioned board members</i>				
Loans, advances and loan commitments etc.	Interest rates 2008	Interest rates 2007		
Executive Board	4.00 - 6.16	4.50 - 5.70	2,814	1,681
Supervisory Board	4.00 - 11.10*)	3.51 - 8.75 *	128,672	173,090
Of which loan, surety and guarantee commitments, Executive Board			2,615	1,337
Of which loan, surety and guarantee commitments, Supervisory Board			93,844	100,225
*) The interest rates pertain to loans in different currencies.				
<i>Security furnished</i>				
Executive Board	0	0	0	0
Supervisory Board	41,688	93,116	41,688	93,116
<i>Number of employees</i>				
The average number of employees during the financial year in terms of full-time employees	1,452.8	1,351.6	1,361.5	1,272.5

NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

Annual Report 2008

NOTE

13 SHARE-BASED PAYMENT

Share-option scheme

At the beginning of 2008, Spar Nord Bank A/S established a new share-option scheme for members of the Executive Board and executive staff members in continuation of the previous share-option scheme established in 2005. This share-option scheme was subsequently cancelled as an element in the agreement concluded between the Danish Government and Danish financial institutions regarding a two year government-backed guarantee scheme.

The previously established share-option scheme for the period 2005-2007 comprises the Executive Board (three persons) and executive staff members (49 persons). The share-option scheme comprised a total of 2,082,171 share options at 31 December 2008. Each share option entitles the option holder to buy one issued share of nom. DKK 10 in Spar Nord Bank A/S. The outstanding options correspond to 3.6% (2007: 3.7%) of the share capital if all share options are exercised.

The share-option scheme ran until 2007 with an annual allocation of max. 930,000 options. The Supervisory Board determined the number of share options to be allocated to each of the above-mentioned persons on an annual basis.

The options were issued at an exercise price corresponding to a simple average of "price (all trades)" five days before and five days after the publishing of the annual report for the relevant allocation period. In case of the employee's resignation during the incentive scheme period, options will be granted on a pro-rata basis. Options granted will not be affected by the employee's resignation. As a main rule, the options granted are not transferable. Special provisions apply in case of the option holder's death.

The options may be exercised after at least three years and a max. of five years as from the respective dates of allocation. The options may only be exercised during a period of six weeks after the publishing of annual reports or interim financial reports.

The options can only be settled by way of shares. Part of Spar Nord's treasury share portfolio is reserved for settling allocated options.

Specification of outstanding share options

Share options	Number Executive Board, the Group	Number Other executive staff members	Number Total	Average exercise price DKK	Fair value per option 1) DKK	Total fair value 1) DKK million
<i>Outstanding at the beginning of the year (2007)</i>	226,977	1,190,823	1,417,800	92.5-93.3		
Allocated	108,000	600,000	708,000	139.1	27.2	18.1
Adjustment in 2008 relating to final allocation for 2007	-15,606	-28,023	-43,629			
Lapsed	0	0	0			
Exercised	0	0	0			
Expired	0	0	0			
Outstanding at the end of the year (2007)	319,371	1,762,800	2,082,171			
Allocated	0	0	0			
Lapsed	0	0	0			
Exercised	0	0	0			
Expired	0	0	0			
Outstanding at the end of the year (2008)	319,371	1,762,800	2,082,171			
Number of options that may be exercised at the end of 2005	0	0	0			
Number of options that may be exercised at the end of 2006	0	0	0			
Number of options that may be exercised at the end of 2007	0	0	0			
Number of options that may be exercised at the end of 2008	0	0	0			

1) At the time of allocation

The average share price for exercised options at the time of exercise is of no relevance.

For **outstanding options** at 31 December 2008, the average duration was 2.0 years (2007: 3.0 years), and the exercise price for each option is in the DKK 92.5 –139.1 range (2007: DKK 92.5 –139.1 per option).

As a result of the suspension of the share-option scheme for the period 2008-2010, the associated costs are not included in the 2008 income statement, which only contains an adjustment regarding final allocation for 2007 of DKK 2.0 million (2007: DKK 19.2 million).

The fair value of the share options at the time of allocation is calculated based on a dividend-adjusted Black & Scholes formula subject to the following assumptions:

	2007
Share price (DKK)	139.1
Exercise price (DKK)	139.1
Expected volatility, %	22.3
Expected duration, years	4
Expected dividend per share, DKK	3
Risk-free interest	4.19

The volatility is estimated based on the historical volatility (2007: 4.0 years).

No other special circumstances were taken into account in calculating the fair value at the time of allocation, e.g. requirements as to employment or non-transferability of the options, even though this would reduce the fair value.

NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

Annual Report 2008

NOTE

Employee shares

In 2000, the Spar Nord Group launched a bonus scheme for all employees by way of allocation of shares qualifying for special tax privileges, based on certain performance-contingent assumptions.

In case of full allocation, employees may obtain a bonus by way of shares totalling DKK 8,000, frozen for seven years. Thus, the shares cannot be made subject to transfer, enforcement proceedings, pledge or other charge or disposed of in any other manner during the vesting period. However, the shares will be released in the event of the death of the employee shareholder.

At end-2008, Management has decided not to make provision for bonus on employee shares for 2008 (2007: DKK 10.8 million). The bonus scheme comprises no shares at 31 December 2008 (2007: 97,655).

	Spar Nord Bank A/S The Group 2008 DKK '000	Spar Nord Bank A/S The Group 2007 DKK '000	Spar Nord Bank A/S Parent Comp. 2008 DKK '000	Spar Nord Bank A/S Parent Comp. 2007 DKK '000
14 AUDIT FEES				
Fees to audit firms elected at the general meeting	2,994	2,473	1,730	1,853
Fees to other audit firms for services other than audit	22	50	17	50
Total audit fees	3,016	2,523	1,747	1,903
<i>Total fees to the audit firms elected at the general meeting break down as follows:</i>				
Statutory audit	1,146	1,361	864	936
Other assurance engagements	238	263	238	263
Tax and VAT advice	1,141	295	159	295
Other services	469	554	469	359
Total fees to auditors elected at the general meeting	2,994	2,473	1,730	1,853
15 DEPRECIATION, AMORTIZATION AND IMPAIRMENT OF INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT				
Intangible assets				
Customer relations, amortization	468	0	468	0
Other intangible assets, amortization	4,953	2,458	4,953	2,458
Property, plant and equipment				
Corporate properties, depreciation	10,748	9,989	10,748	9,989
Corporate properties, impairment	8,650	960	8,650	960
Corporate properties, reversal of depreciation and impairment	3,187	1,123	3,187	1,123
Investment properties, depreciation	0	96	0	96
Temporary property portfolio, depreciation	0	0	0	0
Other property, plant and equipment, depreciation	74,321	61,142	42,436	34,363
Total depreciation, amortization and impairment of intangible assets and property, plant and equipment	95,953	73,522	64,068	46,743
16 OTHER OPERATING EXPENSES				
The Danish Banking Sector Emergency Fund	42,180	0	42,180	0
Other operating expenses	2,643	1,369	4,831	3,708
Other operating expenses, total	44,823	1,369	47,011	3,708
Other operating expenses to the Danish Banking Sector Emergency Fund comprise payment of guarantee commission to the Winding-Up Company pursuant to the Danish Act on Financial Stability. The guarantee commission is calculated based on the necessary capital base of the individual member of the Danish Banking Sector Emergency Fund.				
17 PROFIT/LOSS ON EQUITY INVESTMENTS IN ASSOCIATES AND GROUP ENTERPRISES				
Profit/loss on equity investments in associates	43,257	121,753	43,257	121,753
Profit/loss on equity investments in group enterprises	0	0	70,062	124,356
Total profit/loss on equity investments in associates and group enterprises	43,257	121,753	113,319	246,109

NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

Annual Report 2008

NOTE

	Spar Nord Bank A/S The Group 2008 DKK '000	Spar Nord Bank A/S The Group 2007 DKK '000	Spar Nord Bank A/S Parent Comp. 2008 DKK '000	Spar Nord Bank A/S Parent Comp. 2007 DKK '000
18 TAX				
<i>Tax for the year can be broken down as follows</i>				
Tax on the profit/loss for the year	28,428	152,776	5,832	144,614
Tax on changes in shareholders' equity	-3,833	14,454	-3,833	14,454
Total tax	24,595	167,230	1,999	159,068
Current tax	0	102,665	0	144,474
Deferred tax	36,703	76,469	5,679	1,936
Post-adjustment of tax calculated for prior years	-8,275	-5,157	153	-3,991
Reduction of Danish corporate tax rate from 28% to 25%	0	-21,201	0	2,195
Tax on profit/loss for the year	28,428	152,776	5,832	144,614
Current Danish tax rate	%	25.0	25.0	25.0
Profit/loss on equity investments in associates and group enterprises	%	-11.4	-4.0	-7.8
Non-deductible costs and non-taxable income	%	9.0	0.4	0.5
Adjustment of taxes relating to prior years	%	0.4	-0.6	-0.5
Change in deferred tax as a result of the reduction of the Danish corporate tax rate from 28% to 25%	%	0.0	-2.5	0.3
Total effective tax rate	%	23.0	18.3	17.5
<i>In 2007, the Danish corporate tax rate was reduced from 28% to 25%.</i>				
19 RECEIVABLES FROM CREDIT INSTITUTIONS AND CENTRAL BANKS				
Receivables from central banks, subject to notice	2,229,306	2,398,867	2,229,306	2,398,867
Receivables from credit institutions	2,910,156	2,980,106	2,928,024	2,957,442
Total receivables from credit institutions and central banks	5,139,462	5,378,973	5,157,330	5,356,309
Of which, subordinated receivables	10,000	110,000	10,000	110,000
<i>Shown by term to maturity</i>				
Demand deposits	1,103,394	764,121	1,122,556	742,277
Up to 3 months	3,364,783	3,762,740	3,364,783	3,762,740
Over 3 months and up to 1 year	366,111	251,374	365,942	251,279
Over 1 year and up to 5 years	253,583	504,213	252,906	503,836
Over 5 years	51,591	96,525	51,143	96,177
Total	5,139,462	5,378,973	5,157,330	5,356,309
<i>Of which, genuine purchase and resale transactions</i>				
Reverse transactions	977,958	156,836	977,958	156,836
20 LOANS, ADVANCES AND OTHER RECEIVABLES AT AMORTIZED COST				
Overdraft facilities	24,703,086	22,625,583	28,890,434	26,620,829
Lease contracts	6,885,244	5,668,418	0	0
Mortgage deeds	36,744	28,704	36,744	28,704
Other loans and advances	13,750,881	12,616,082	15,225,935	13,139,553
Total	45,375,955	40,938,787	44,153,113	39,789,086
Of which, subordinated receivables	6,432	10,274	6,432	10,274
<i>Shown by term to maturity</i>				
Demand deposits	9,982,612	7,847,221	9,982,611	7,847,221
Up to 3 months	5,304,526	5,731,569	5,088,154	5,586,691
Over 3 months and up to 1 year	9,816,502	9,836,496	9,926,224	9,929,506
Over 1 year and up to 5 years	11,526,072	10,780,637	11,796,981	10,181,882
Over 5 years	8,746,243	6,742,864	7,359,143	6,243,786
Total	45,375,955	40,938,787	44,153,113	39,789,086
<i>Of which, genuine purchase and resale transactions</i>				
Reverse transactions	2,219,867	433,303	2,219,867	433,303

NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

Annual Report 2008

NOTE

	Spar Nord Bank A/S The Group 2008 DKK '000	Spar Nord Bank A/S The Group 2007 DKK '000	Spar Nord Bank A/S Parent Comp. 2008 DKK '000	Spar Nord Bank A/S Parent Comp. 2007 DKK '000
--	--	--	---	---

Leased assets under finance leases, with the Group as lessor, comprise agricultural equipment, passenger cars and lorries, industrial machinery, contractor's equipment, IT equipment, etc.

The lease contracts are entered into for a term of zero to eight years, with individually agreed lease payments.

The lease contracts can be terminated or renewed during the lease term.

*Lease payments broken down according to term to maturity *)*

Gross investments in finance leases

Up to 1 year	604,237	385,768	0	0
1 - 5 years	4,967,895	4,241,995	0	0
Over 5 years	1,313,112	1,040,655	0	0
Total	6,885,244	5,668,418	0	0
Of which, unearned, future financial income	0	0	0	0
Net investment in finance leases	6,885,244	5,668,418	0	0

Net investment in finance leases

Up to 1 year	604,237	385,768	0	0
1 - 5 years	4,967,895	4,241,995	0	0
Over 5 years	1,313,112	1,040,655	0	0
Total	6,885,244	5,668,418	0	0

*) *The Group's lease agreements consist of finance leases and are recognized in the balance sheet under loans and advances.*

Accumulated impairment of uncollectible minimum lease payments receivable	11,527	7,799	0	0
Lease payments recognized in the income statement under the item "Interest income"	412,315	314,834	0	0
Average remaining term of the lease contracts	2.9 years	2.4 years		

Gross loans, advances and guarantees broken down by sectors and industries (%)

Public authorities	2	2	2	2
<i>Business customers</i>				
Farming, hunting and forestry	11	12	9	9
Fisheries	0	0	0	0
Manufacturing businesses, raw materials extraction, public utilities (power, gas, water and heating)	6	4	5	3
Building and construction	4	5	2	2
Trade, restaurants and hotels	9	9	7	8
Transportation, postal services and telecommunications	6	6	2	1
Credit and financing activities and insurance	11	4	24	18
Property management and trade, business service	12	14	11	14
Other sectors	5	11	4	10
Business customers, total	64	65	64	65
Retail customers	34	33	34	33
Total credit risks	100	100	100	100

NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

Annual Report 2008

NOTE

	Spar Nord Bank A/S The Group 2008 DKK '000	Spar Nord Bank A/S The Group 2007 DKK '000	Spar Nord Bank A/S Parent Comp. 2008 DKK '000	Spar Nord Bank A/S Parent Comp. 2007 DKK '000
21 BONDS AT FAIR VALUE				
Mortgage credit bonds	6,971,303	5,400,279	6,971,303	5,400,279
Government bonds	178,262	220,328	178,262	220,328
Other bonds	1,604,092	2,638,799	1,604,092	2,638,799
Bonds at fair value	8,753,657	8,259,406	8,753,657	8,259,406
Other	0	0	0	0
Bonds at fair value, total	8,753,657	8,259,406	8,753,657	8,259,406
Of which, subordinated receivables	113	13,827	113	13,827
<i>All bonds form part of the Bank's trading portfolio.</i>				
22 SHARES, ETC.				
Shares/unit trust certificates listed on the Copenhagen Stock Exchange	48,029	184,662	48,029	184,662
Shares/unit trust certificates listed on other stock exchanges	5,532	17,912	5,532	17,912
Unlisted shares at fair value	528,149	473,171	515,147	433,852
Total shares, etc.	581,710	675,745	568,708	636,426
<i>Other shares at fair value using the fair-value option</i>				
Total purchase price, beginning of year	222,984	190,861	222,984	190,861
Additions	57,999	33,155	57,999	33,155
Disposals	7,251	1,032	7,251	1,032
Total purchase price, end of year	273,732	222,984	273,732	222,984
Revaluations and impairment, beginning of year	203,630	167,909	203,630	167,909
Revaluations and impairment for the year	5,931	38,880	5,931	38,880
Reversal of revaluations and impairment losses	14,434	3,159	14,434	3,159
Revaluations and impairment, end of year	195,127	203,630	195,127	203,630
Book portfolio, end of year	468,859	426,614	468,859	426,614
Of which, credit institutions	191,248	175,240	191,248	175,240
Trading portfolio	112,851	249,131	99,849	209,812
Other shares at fair value based on the fair-value option	468,859	426,614	468,859	426,614
Total shares	581,710	675,745	568,708	636,426

Securities that are not included in the Group's trading portfolio are measured at fair value with the ensuing changes in value in the income statement, using the 'fair-value option' provided for in IAS 39.

The securities form part of a portfolio that is managed - and on which the returns are measured - based on the fair-value option, in accordance with a documented risk management and investment strategy. In addition, the reports to Management contain information about the portfolio determined at fair value.

NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

Annual Report 2008

NOTE

	Spar Nord Bank A/S The Group 2008 DKK '000	Spar Nord Bank A/S The Group 2007 DKK '000	Spar Nord Bank A/S Parent Comp. 2008 DKK '000	Spar Nord Bank A/S Parent Comp. 2007 DKK '000
23 EQUITY INVESTMENTS IN ASSOCIATES				
Total purchase price, beginning of year	456,230	438,761	414,716	393,892
Reclassification, goodwill	128	0	0	0
Additions	8,397	25,027	337	20,824
Disposals	7,676	7,558	2,495	0
Total purchase price, end of year	457,079	456,230	412,558	414,716
Revaluations and impairment, beginning of year	431,382	299,826	445,141	325,359
Reclassification, goodwill	-128	0	0	0
Profit/loss	43,257	121,753	43,257	121,753
Other adjustments to the income statement (market-value adjustments)	-12,852	15,600	0	0
Dividends	19,990	26,413	18,730	15,293
Other capital movements recognized in shareholders' equity	-11,522	13,322	-11,520	13,322
Reversal of revaluations and impairment losses	25,500	-7,294	21,023	0
Revaluations and impairment, end of year	404,647	431,382	437,125	445,141
Book portfolio, end of year	861,726	887,612	849,683	859,857
Of which, credit institutions	600,913	585,252	600,913	585,252
Value of the portfolio of listed shares at the official year-end prices	311,962	855,007	311,962	855,007

Equity investments in associates, etc. are recognized at the proportionate share of the net asset value on the reporting date adjusted for the goodwill on acquisition. Where the net asset value is estimated to be higher than the market value, the investment is written down.

ASSOCIATES 2008	Registered office	Revenue DKK '000	Profit/loss for the year DKK '000	Assets DKK '000	Liabilities DKK '000	Ownership interest					
						Spar Nord Bank A/S The Group Ownership interest %	Spar Nord Bank A/S Parent Company Ownership interest %	Spar Nord Bank A/S The Group Sharehol- ders' equity DKK '000	Spar Nord Bank A/S The Group Profit/loss for the year DKK '000	Spar Nord Bank A/S Parent Company Sharehol- ders' equity DKK '000	Spar Nord Bank A/S Parent Company Profit/loss for the year DKK '000
Brynje A/S (1)	Sæby	-	180	48,728	28,098	29.00	0.00	5,983	52	0	0
Core Property Management	Copenhagen	-	13,396	36,550	10,609	20.00	20.00	5,188	2,679	5,188	2,679
Erhvervsinvest Management A/S	Aalborg	10,813	2,990	18,053	8,709	25.00	25.00	2,336	748	2,336	748
Fjerritslev Gruppen ApS (1)	Fjerritslev	-	474	6,834	7	33.33	0.00	2,275	158	0	0
Inwido-akademi	Farsø	-	-6	2,835	2,341	33.20	33.20	164	-2	164	-2
JSNFA Holding A/S	Aalborg	-	-613	5,759	1,792	25.00	25.00	992	-153	992	-153
KM Holding A/S, (1)	Skive	-	-4,791	77,502	65,424	23.37	0.00	2,823	-1,120	0	0
ValueInvest Asset Management S.A. (2)	Luxembourg	-	32,512	78,997	25,279	25.00	25.00	13,430	8,128	13,430	8,128
NOVI Management A/S	Aalborg	16,112	716	10,631	3,665	32.00	32.00	2,229	229	2,229	229
Nørresundby Bank A/S (3)	Nørresundby	366,024	144,419	9,612,798	8,437,862	50.24	50.24	590,288	72,556	590,288	72,556
SDC af 1993 Holding A/S	Ballerup	1,029,602	16,798	1,006,500	342,043	21.76	21.76	144,586	3,655	144,586	3,655
Weiss A/S (1)	Hadsund	-	-1,592	49,644	42,061	32.31	0.00	2,450	-514	0	0
<i>Other major equity investments</i>											
Erhvervsinvest K/S		-	113,093	362,913	89	21.98	21.98	79,749	24,858	79,749	24,858
Nørager Industrihuse I/S		87	91	1,027	58	33.33	33.33	323	30	323	30

- 1 Owned by Erhvervsinvest Nord A/S, Aalborg.
- 2 In 2008, the company changed its name from Linde Partners Asset Management S.A.
- 3 The voting rights in Nørresundby Bank A/S are restricted. Significant influence is considered to exist due to other factors.

NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

Annual Report 2008

NOTE

ASSOCIATES

2007

	Registered office	Revenue DKK '000	Profit/loss for the year DKK '000	Assets DKK '000	Liabilities DKK '000	Ownership interest					
						Spar Nord Bank A/S The Group Ownership interest %	Spar Nord Bank A/S Parent Company Ownership interest %	Spar Nord Bank A/S The Group Shareholders' equity DKK '000	Spar Nord Bank A/S The Group Profit/loss for the year DKK '000	Spar Nord Bank A/S Parent Company Shareholders' equity DKK '000	Spar Nord Bank A/S Parent Company Profit/loss for the year DKK '000
Active Sportswear Int. Holding ApS (1)	Brønderslev	-	2,411	62,040	45,702	28.67	0.00	4,684	691	0	0
Brynje A/S (1)	Sæby	-	1,848	47,424	26,882	29.00	0.00	5,957	536	0	0
Core Property Management	Copenhagen	-	2,545	15,354	3,809	22.22	22.22	2,565	565	2,565	565
Erhvervsinvest Management A/S	Aalborg	5,882	1,057	8,722	2,368	25.00	25.00	1,589	264	1,589	264
Fjerritslev Gruppen ApS (1)	Fjerritslev	-	25,782	36,721	7	33.33	0.00	12,237	8,593	0	0
Inwido-akademi	Farsø	-	-	500	-	33.20	33.20	166	-	166	-
JSNFA Holding A/S	Aalborg	-	91	6,556	1,975	25.00	25.00	1,145	23	1,145	23
KM Holding A/S, (1)	Skive	-	-11,105	81,777	85,476	20.44	0.00	-756	-2,270	0	0
ValueInvest Asset Management S.A. (2)	Luxembourg	-	35,452	63,630	18,320	25.00	25.00	11,328	8,863	11,328	8,863
NOVI Management A/S	Aalborg	-	-	-	-	32.00	32.00	-	-	-	-
Nørresundby Bank A/S (3)	Nørresundby	331,581	187,612	8,493,605	7,445,290	50.24	50.24	526,673	94,256	526,673	94,256
SDC af 1993 Holding A/S	Ballerup	1,080,819	25,338	1,107,241	455,195	21.76	21.76	141,885	5,514	141,885	5,514
Weiss A/S (1)	Hadsund	-	694	46,666	37,392	25.10	0.00	2,328	174	0	0
<i>Other major equity investments</i>											
Erhvervsinvest K/S, Aalborg		-	38,545	164,171	89	21.98	21.98	36,065	8,472	36,065	8,472
Nørgær Industrihuse I/S, Nørgær		86	79	1,036	58	33.33	33.33	326	26	326	26

- 1 Owned by Erhvervsinvest Nord A/S, Aalborg.
- 2 In 2008, the company changed its name from Linde Partners Asset Management S.A.
- 3 The voting rights in Nørresundby Bank A/S are restricted. Significant influence is considered to exist due to other factors.

24 EQUITY INVESTMENTS IN GROUP ENTERPRISES

	Spar Nord Bank A/S The Group 2008 DKK '000	Spar Nord Bank A/S The Group 2007 DKK '000	Spar Nord Bank A/S Parent Comp. 2008 DKK '000	Spar Nord Bank A/S Parent Comp. 2007 DKK '000
Total purchase price, beginning of year	3,662	3,662	163,548	163,548
Additions	0	0	12,318	0
Disposals	0	0	0	0
Total purchase price, end of year	3,662	3,662	175,866	163,548
Revaluations and impairment, beginning of year	-3,662	-3,662	318,749	215,725
Profit/loss	0	0	70,062	124,356
Dividends	0	0	60,000	20,000
Other capital movements	0	0	-9,253	-1,332
Reversal of revaluations and impairment losses	0	0	0	0
Revaluations and impairment, end of year	-3,662	-3,662	319,558	318,749
Book portfolio, end of year	0	0	495,424	482,297

NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

Annual Report 2008

NOTE

	Share capital End of year DKK '000	Shareholders' equity End of year DKK '000	Profit/loss for the year DKK '000	Spar Nord Bank A/S The Group 2008 %	Spar Nord Bank A/S The Group 2007 %	Spar Nord Bank A/S Parent Comp. 2008 %	Spar Nord Bank A/S Parent Comp. 2007 %
GROUP ENTERPRISES							
<i>Consolidated companies</i>							
Erhvervsinvest Nord A/S, Aalborg	30,000	57,927	-2,580	-	-	100.00	100.00
Finans Nord A/S, Aalborg	10,000	437,152	71,464	-	-	100.00	100.00
SN Finans Nord AB, Sverige	74,504	61,442	1,152	-	-	0.00	0.00
Finans Nord Cross Border A/S, Aalborg	500	1,236	384	-	-	0.00	0.00
Spar Nord Ejendomsselskab A/S, Aalborg (1)	12,000	11,959	1,014	-	-	100.00	0.00
<i>Non-consolidated companies</i>							
Beluni Inc., USA (2)	0	0	0	100.00	100.00	100.00	100.00

1 Previously Sparekassen Nordjylland af 10.10.91 A/S,

2 The company is in liquidation

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

25 INTANGIBLE ASSETS

	Spar Nord Bank A/S The Group 2008 DKK '000	Spar Nord Bank A/S The Group 2007 DKK '000	Spar Nord Bank A/S Parent Comp. 2008 DKK '000	Spar Nord Bank A/S Parent Comp. 2007 DKK '000
<i>Goodwill</i>				
Total purchase price, beginning of year	48,624	48,624	19,623	19,623
Additions	88,400	0	88,400	0
Disposals	0	0	0	0
Total purchase price, end of year	137,024	48,624	108,023	19,623
Amortization and impairment, beginning of year	5,247	5,247	1,746	1,746
Impairment for the year	0	0	0	0
Reversal of impairment on disposals	0	0	0	0
Amortization and impairment, end of year	5,247	5,247	1,746	1,746
Book portfolio, end of year	131,777	43,377	106,277	17,877
<i>Customer relations</i>				
Total purchase price, beginning of year	0	0	0	0
Additions	28,100	0	28,100	0
Disposals	0	0	0	0
Total purchase price, end of year	28,100	0	28,100	0
Amortization and impairment, beginning of year	0	0	0	0
Amortization for the year	468	0	468	0
Reversal of amortization on disposals	0	0	0	0
Amortization and impairment, end of year	468	0	468	0
Book portfolio, end of year	27,632	0	27,632	0
<i>Other intangible assets</i>				
Total purchase price, beginning of year	21,968	14,091	21,968	14,091
Additions	4,395	7,877	4,395	7,877
Disposals	0	0	0	0
Total purchase price, end of year	26,363	21,968	26,363	21,968
Amortization and impairment, beginning of year	7,774	5,316	7,774	5,316
Amortization for the year	4,953	2,458	4,953	2,458
Reversal of amortization on disposals	0	0	0	0
Amortization and impairment, end of year	12,727	7,774	12,727	7,774
Book portfolio, end of year	13,636	14,194	13,636	14,194

The Spar Nord Group's goodwill with indefinite useful life is tested annually for impairment. The activities are tested on the identified cash-flow-generating unit to which the assets have been allocated. The impairment test made in 2008 did not give rise to impairment losses on goodwill. No impairment was required in 2007, either.

Goodwill is allocated to the cash-flow-generating business areas: Spar Nord's Local Banks (Roskilde Bank Region, Holbæk Bank Region and Spar Nord's Local Banks, total), Finans Nord (DanFinans).

	2008	2007
<i>Goodwill</i>		
Spar Nord's Local Banks	106,277	17,877
Finans Nord	25,500	25,500
Total	131,777	43,377

NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

Annual Report 2008

NOTE

The impairment test compares the carrying amount with the estimated present value of the anticipated future cash flows. The special debt structure in financial groups means that the calculation basis for the present value of future cash flows is based on a simplified equity model. The equity model is based on approved strategies and earnings estimates for the cash-flow-generating business areas for the next five years. The most significant parameter for projection of future cash flows is growth in balance-sheet items.

The estimated cash flows are discounted by a pre-tax required rate of return.

<i>Assumptions for impairment test</i>	Assumed aver. annual growth 1-5 yrs	2008 Assumed aver. annual growth > 5 yrs	Pre-tax required rate of return	Assumed aver. annual growth 1-5 yrs	2007 Assumed aver. annual growth > 5 yrs	Pre-tax required rate of return
%						
Spar Nord's Local Banks	4	2	13.3	5-10	5-10	14.3
Finans Nord	4	2	13.3	5-10	5-10	14.3

Spar Nord's Local Banks

In 2008, Spar Nord acquired seven branches from Roskilde Bank and established three new bank regions: Spar Nord Roskilde with four local banks (Himmelev, Svogerslev, Køgevej, Jyllinge), Spar Nord Holbæk with two local banks (Holbæk and Hvalsø) and Spar Nord Elsinore with one local bank. The acquisition is in accordance with the Bank's strategy to strengthen its position outside North Jutland.

The identified goodwill has been allocated to Roskilde Bank Region, Holbæk Bank Region and the Local Banks business area for goodwill attributable to synergies. The Elsinore Bank Region was established only recently, for which reason no goodwill has been allocated to it.

NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

Annual Report 2008

NOTE

26 LAND AND BUILDINGS

	Spar Nord Bank A/S The Group 2008 DKK '000	Spar Nord Bank A/S The Group 2007 DKK '000	Spar Nord Bank A/S Parent Comp. 2008 DKK '000	Spar Nord Bank A/S Parent Comp. 2007 DKK '000
<i>Investment properties</i>				
Total purchase price, beginning of year	18,161	15,910	18,161	15,910
Additions	19,065	2,251	19,065	2,251
Disposals	1,239	0	1,239	0
Total purchase price, end of year	35,987	18,161	35,987	18,161
Adjustments, beginning of year	1,833	1,737	1,833	1,737
Depreciation for the year	0	96	0	96
Positive changes in value recognized in the income statement				
Reversal of depreciation on disposals during the year	0	0	0	0
Reversal of impairment on disposals during the year	0	0	0	0
Negative changes in value recognized in the income statement				
Reversal of revaluations on disposals during the year	0	0	0	0
Other changes	0	0	0	0
Adjustments, end of year	1,833	1,833	1,833	1,833
Fair value, end of year	34,154	16,328	34,154	16,328
Most recent official property valuation	20,719	21,109	20,719	21,109
Required rate of return used in calculating the fair value, %	5.0 - 8.0	5.0 - 8.0	5.0 - 8.0	5.0 - 8.0
<i>Corporate properties</i>				
Total purchase price, beginning of year	481,557	458,884	481,557	458,884
Additions	63,661	24,829	34,055	24,829
Disposals	8,472	2,156	8,472	2,156
Total purchase price, end of year	536,746	481,557	507,140	481,557
Depreciation and impairment, beginning of year	51,994	53,046	51,994	53,046
Depreciation for the year	10,748	9,989	10,748	9,989
Positive changes in value recognized directly in shareholders' equity				
Revaluations for the year	0	10,346	0	10,346
Negative changes in value recognized directly in shareholders' equity				
Reversal of revaluations on disposals during the year	135	34	135	34
Reversal of revaluations on new valuations during the year	1,400	0	1,400	0
Positive changes in value recognized in the income statement				
Reversal of depreciation on disposals during the year	1,670	391	1,670	391
Reversal of impairment on disposals during the year	2,232	175	2,232	175
Revaluations for the year/reversal of previous impairment	3,187	1,123	3,187	1,123
Negative changes in value recognized in the income statement				
Impairment for the year	8,650	960	8,650	960
Depreciation and impairment, end of year	65,838	51,994	65,838	51,994
Fair value, end of year	470,908	429,563	441,302	429,563
Most recent official property valuation	400,866	415,576	400,866	415,576
Required rate of return used in calculating the fair value, %	5.0 - 8.0	5.0 - 8.0	5.0 - 8.0	5.0 - 8.0

DKK 29.6 million is recognized in the Spar Nord Group under additions, corporate properties, regarding a property under construction in the subsidiary Spar Nord Ejendomsselskab A/S. Occupancy of the property is scheduled to commence at the beginning of 2009.

Due to developments in the real property market, the required rates of return used for some of the properties were higher in 2008 than in 2007, but overall they remain within the 5 – 8% range.

An external valuation has been obtained from a real estate agent to support the calculation of fair value, including the rental rates and rates of return used.

NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

Annual Report 2008

NOTE

	Spar Nord Bank A/S The Group 2008 DKK '000	Spar Nord Bank A/S The Group 2007 DKK '000	Spar Nord Bank A/S Parent Comp. 2008 DKK '000	Spar Nord Bank A/S Parent Comp. 2007 DKK '000
27 OTHER PROPERTY, PLANT AND EQUIPMENT				
Total purchase price, beginning of year	562,113	460,569	375,621	307,802
Additions	116,266	141,269	47,384	69,619
Disposals	41,789	39,725	2,246	1,800
Total purchase price, end of year	636,590	562,113	420,759	375,621
Depreciation and impairment, beginning of year	290,118	249,445	240,641	207,188
Depreciation and impairment for the year	74,321	61,142	42,436	34,362
Reversal of depreciation and impairment for the year	22,366	20,469	1,590	909
Revaluations for the year	0	0	0	0
Reversal of revaluations for the year	0	0	0	0
Depreciation and impairment, end of year	342,073	290,118	281,487	240,641
Carrying amount, end of year	294,517	271,995	139,272	134,980

At end-2008, various fully written-off assets were used for the Bank's and the Group's operations. The initial cost of these assets was DKK 77.2 million (2007: DKK 77.4 million) in the Parent Company and DKK 80.2 million (2007: DKK 80.0 million) in the Group.

Leasing

Leasing activities from operating leases recognized at	149,032	132,682	0	0
--	---------	---------	---	---

The lease contracts are entered into for a term of zero to eight years, with individually agreed lease payments. The lease contracts can be terminated and/or renewed during the lease term.

Assets held under operating leases

Up to 1 year	17,876	23,250	0	0
1 – 5 years	129,026	107,628	0	0
Over 5 years	2,130	1,804	0	0
Total	149,032	132,682	0	0

Lease payments under operating leases are recognized in the income statement under "Other operating income"

	39,600	32,843	0	0
--	--------	--------	---	---

Average remaining term of the lease contracts

2.0 years 1.3 years

28 TEMPORARY ASSETS

Total purchase price, beginning of year	30,216	27,312	22,879	23,480
Additions	49,459	7,337	3,530	0
Disposals	7,337	4,433	0	601
Total purchase price, end of year	72,338	30,216	26,409	22,879
Depreciation and impairment, beginning of year	14,866	14,866	14,866	14,866
Impairment for the year	0	0	0	0
Negative changes in value recognized in the income statement				
Reversal of impairment on revaluations during the year	0	0	0	0
Reversal of impairment on disposals during the year	0	0	0	0
Depreciation and impairment, end of year	14,866	14,866	14,866	14,866
Fair value, end of year	57,472	15,350	11,543	8,013
Most recent official property valuation			28,444	18,494

Temporary assets comprise properties taken over in connection with the Bank's non-performing loans. In the Group, this item also includes assets repossessed under finance leases.

29 OTHER ASSETS

Positive market value of derivative instruments, etc.	2,284,909	1,568,302	2,284,909	1,568,302
Miscellaneous receivables	29,319	4,724	29,798	6,325
Interest and commissions receivable	362,834	301,488	389,542	313,319
Other assets	104,925	71,617	33,616	25,410
Other assets, total	2,781,987	1,946,131	2,737,865	1,913,356

NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

Annual Report 2008

NOTE

	Spar Nord Bank A/S The Group 2008 DKK '000	Spar Nord Bank A/S The Group 2007 DKK '000	Spar Nord Bank A/S Parent Comp. 2008 DKK '000	Spar Nord Bank A/S Parent Comp. 2007 DKK '000
30 PAYABLES TO CREDIT INSTITUTIONS AND CENTRAL BANKS				
Payables to central banks	2,866,055	2,104,204	2,866,055	2,104,204
Payables to credit institutions	15,128,110	18,856,780	14,914,406	18,726,248
Total payables to credit institutions and central banks	17,994,165	20,960,984	17,780,461	20,830,452
<i>Shown by term to maturity</i>				
Debt payable on demand	5,615,254	3,766,717	5,605,670	3,755,855
Up to 3 months	6,437,623	11,039,271	6,437,623	10,999,811
Over 3 months and up to 1 year	2,045,888	1,225,701	2,011,868	1,185,576
Over 1 year and up to 5 years	3,895,400	4,929,295	3,725,300	4,889,210
Over 5 years	0	0	0	0
Total	17,994,165	20,960,984	17,780,461	20,830,452
Of which, genuine sale and repo transactions				
Repo transactions	1,041,468	1,130,582	1,041,468	1,130,582
Mortgage debt on real property	6,308	5,104	6,308	5,104
The carrying amount of the mortgaged properties amounts to	11,480	7,950	11,480	7,950
31 DEPOSITS AND OTHER PAYABLES				
Demand deposits	21,638,364	17,452,916	21,669,146	17,506,111
Subject to notice	967,068	221,552	967,081	221,552
Time deposits	8,146,203	7,581,970	8,146,203	7,581,970
Special types of deposit	3,081,480	2,130,449	3,081,480	2,130,449
Deposits and other payables, total	33,833,115	27,386,887	33,863,910	27,440,082
<i>Shown by term to maturity</i>				
Demand deposits	21,638,364	17,452,916	21,669,146	17,506,111
Subject to notice				
Up to 3 months	5,677,466	5,297,066	5,677,479	5,297,066
Over 3 months and up to 1 year	2,902,019	1,310,941	2,902,019	1,310,941
Over 1 year and up to 5 years	1,275,446	1,333,385	1,275,446	1,333,385
Over 5 years	2,339,820	1,992,579	2,339,820	1,992,579
Total	33,833,115	27,386,887	33,863,910	27,440,082
<i>Of which, genuine sale and repo transactions</i>				
Repo transactions	0	0	0	0
32 ISSUED BONDS AT AMORTIZED COST				
<i>Shown by term to maturity</i>				
Demand notes	0	0	0	0
Subject to notice				
Up to 3 months	796,003	467,550	796,003	467,550
Over 3 months and up to 1 year	1,215,760	0	1,215,760	0
Over 1 year and up to 5 years	1,387,023	1,684,140	1,387,023	1,684,140
Over 5 years	21,898	19,279	21,898	19,279
Total	3,420,684	2,170,969	3,420,684	2,170,969
33 OTHER LIABILITIES				
Miscellaneous payables	433,248	451,291	298,973	206,138
Negative market value of derivative instruments, etc.	2,300,190	1,227,456	2,300,190	1,227,456
Interest and commissions payable	292,047	251,311	291,884	250,925
Miscellaneous liabilities	566,676	548,724	293,131	311,954
Other liabilities, total	3,592,161	2,478,782	3,184,178	1,996,473

In 2007 and 2008, all employees in the Group were offered to convert up to 10% of the downsized annual pay to employee bonds during the period from 1 December 2007 to 30 November 2008. The same offer applies for 2008, during the period from 1 December 2008 to 30 November 2009. The employee bonds will be issued in December 2008 and 2009 with a vesting period until the beginning of 2014 and 2015.

The employees' savings via a pay cut earmarked for the issuance of employee bonds in 2008 are included in Miscellaneous liabilities at DKK 2.1 million (2007: DKK 2.5 million).

NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

Annual Report 2008

NOTE

	Spar Nord Bank A/S The Group 2008 DKK '000	Spar Nord Bank A/S The Group 2007 DKK '000	Spar Nord Bank A/S Parent Comp. 2008 DKK '000	Spar Nord Bank A/S Parent Comp. 2007 DKK '000
34 PROVISIONS FOR LIABILITIES				
Provisions for pensions and related liabilities	3,890	3,733	3,890	3,733
Provisions for deferred tax (see separate note 35)	246,752	213,882	0	0
Provisions for losses on guarantees	26,476	5,003	26,476	5,003
Provisions for losses in connection with legal proceedings	761	360	761	360
Other provisions for liabilities	6,146	6,204	6,012	6,079
Provisions for unutilized credit lines	3,915	5,123	3,915	5,123
Total provisions for liabilities	287,940	234,305	41,054	20,298
<i>Provisions for pensions and related liabilities</i>				
Beginning of year	3,733	3,516	3,733	3,516
Additional provision for pensions	588	636	588	636
Pension amounts paid	431	419	431	419
End of year	3,890	3,733	3,890	3,733
<i>Provisions for losses on guarantees</i>				
Beginning of year	5,003	26,811	5,003	26,811
Reclassification to provisions for unutilized credit lines	0	-18,495	0	-18,495
New provisions during the year	53,822	0	53,822	0
Reversal	4,064	3,313	4,064	3,313
Definitively lost	-28,285	0	-28,285	0
Provisions for losses on guarantees, end of year	26,476	5,003	26,476	5,003
<i>Provisions for losses on guarantees recognized in the income statement</i>				
New provisions during the year	53,822	0	53,822	0
Reversal	4,064	3,313	4,064	3,313
Recognized in the income statement	49,758	-3,313	49,758	-3,313
<i>Provisions for losses in connection with legal proceedings</i>				
Beginning of year	360	1,360	360	1,360
Change in provisions	401	0	401	0
Applied to cover liabilities	0	-1,000	0	-1,000
End of year	761	360	761	360
<i>Other provisions for liabilities</i>				
Beginning of year	6,204	19,801	6,079	19,801
Change in provisions	176	4,070	167	3,945
Applied to cover liabilities	234	17,667	234	17,667
End of year	6,146	6,204	6,012	6,079
<i>Provisions for unutilized credit lines</i>				
Beginning of year	5,123	0	5,123	0
Reclassification from provisions for losses on guarantees	0	18,495	0	18,495
New provisions during the year	3,915	5,123	3,915	5,123
Reversal	5,123	18,495	5,123	18,495
End of year	3,915	5,123	3,915	5,123
<i>Provisions for unutilized credit lines recognized in the income statement</i>				
New provisions during the year	3,915	5,123	3,915	5,123
Reversal of provisions	5,123	0	5,123	0
Recognized in the income statement	-1,208	5,123	-1,208	5,123
<i>Shown by term to maturity</i>				
Up to 3 months	30,640	10,287	30,640	10,287
Over 3 months and up to 1 year	1,036	993	1,036	993
Over 1 year and up to 5 years	4,742	4,259	4,661	4,202
Over 5 years	251,522	218,766	4,717	4,816
Total	287,940	234,305	41,054	20,298

NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

Annual Report 2008

NOTE

Broken down by term to maturity, shown by category
for the Spar Nord Bank Group

2008	Up to 3 months	3 months to 1 year	Over 1 year to 5 years	Over 5 years	Total
Provisions for pensions and related liabilities	111	335	1,780	1,664	3,890
Provisions for deferred tax	0	0	0	246,752	246,752
Provisions for losses on guarantees	26,476	0	0	0	26,476
Provisions for losses in connection with legal proceedings	0	101	300	360	761
Other provisions for liabilities	138	600	2,662	2,746	6,146
Provisions for unutilized credit lines	3,915	0	0	0	3,915
Total provisions for liabilities	30,640	1,036	4,742	251,522	287,940

2007	Up to 3 months	3 months to 1 year	Over 1 year to 5 years	Over 5 years	Total
Provisions for pensions and related liabilities	106	318	1,691	1,618	3,733
Provisions for deferred tax	0	0	0	213,882	213,882
Provisions for losses on guarantees	5,003	0	0	0	5,003
Provisions for losses in connection with legal proceedings	0	0	0	360	360
Other provisions for liabilities	55	675	2,568	2,906	6,204
Provisions for unutilized credit lines	5,123	0	0	0	5,123
Total provisions for liabilities	10,287	993	4,259	218,766	234,305

Provisions for pensions and related liabilities have been calculated and recognized based on actuarial calculations.

Provisions for losses on guarantees consist primarily of provisions for covering losses in connection with the government-backed deposit guarantee scheme, with the Danish Banking Sector Emergency Fund guaranteeing payments towards the government-backed Winding-Up Company.

Provisions for deferred tax are specified in note 35.

Provisions for legal proceedings have been based on an individual assessment. Essentially, these provisions relate to a waiver of the right to rely on the statute of limitations.

Provisions for unutilized credit lines relate to provisions for losses on unutilized credit lines.

For 2008, other provisions for liabilities consist primarily of provisions for employee benefits in the form of anniversary bonus, etc. Anniversary bonus is paid when an employee has been employed by the Group for 25 and 40 years, respectively.

NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

Annual Report 2008

NOTE

	Spar Nord Bank A/S The Group 2008 DKK '000	Spar Nord Bank A/S The Group 2007 DKK '000	Spar Nord Bank A/S Parent Comp. 2008 DKK '000	Spar Nord Bank A/S Parent Comp. 2007 DKK '000
35 DEFERRED TAX				
<i>Provisions for deferred tax</i>				
Beginning of year	213,882	165,530	-55,615	-52,830
Change in provisions for deferred tax	32,870	48,352	1,846	-2,785
End of year	246,752	213,882	-53,769	-55,615
Deferred tax assets	0	0	-53,769	-55,615
Provisions for deferred tax	246,752	213,882	0	0
Deferred tax, net (liability)	246,752	213,882	-53,769	-55,615

THE SPAR NORD BANK GROUP

Changes in deferred tax in 2008	Beginning of year	Recognized in profit/loss for the year	Recognized in shareholders equity	End of year
Intangible assets	6,137	4,605	0	10,742
Property, plant and equipment	59,383	-10,033	-758	48,592
Loans, advances and other receivables at amortized cost	224,545	85,996	0	310,541
Receivables from credit institutions and central banks	237	23,226	0	23,463
Provisions for liabilities	-1,564	-1,119	0	-2,683
Tax loss	0	-90,952	-36,321	-127,273
Miscellaneous	-74,856	24,980	33,246	-16,630
Total	213,882	36,703	-3,833	246,752

Changes in deferred tax in 2007	Beginning of year	Recognized in profit/loss for the year	Recognized in shareholders equity	End of year
Intangible assets	4,408	1,729	0	6,137
Property, plant and equipment	48,907	9,731	745	59,383
Loans, advances and other receivables at amortized cost	176,520	48,025	0	224,545
Receivables from credit institutions and central banks	-2,382	2,619	0	237
Provisions for liabilities	-1,986	422	0	-1,564
Miscellaneous	-59,937	-7,258	-7,661	-74,856
Total	165,530	55,268	-6,916	213,882

SPAR NORD BANK, THE PARENT COMPANY

Changes in deferred tax in 2008	Beginning of year	Recognized in profit/loss for the year	Recognized in shareholders equity	End of year
Intangible assets	6,137	4,605	0	10,742
Property, plant and equipment	24,364	-12,419	-758	11,187
Loans, advances and other receivables at amortized cost	-10,763	2,755	0	-8,008
Receivables from credit institutions and central banks	237	23,079	0	23,316
Provisions for liabilities	-1,564	-1,102	0	-2,666
Tax loss	0	-35,423	-36,321	-71,744
Miscellaneous	-74,026	24,184	33,246	-16,596
Total	-55,615	5,679	-3,833	-53,769

Changes in deferred tax in 2007	Beginning of year	Recognized in profit/loss for the year	Recognized in shareholders equity	End of year
Intangible assets	4,571	1,566	0	6,137
Property, plant and equipment	17,953	5,666	745	24,364
Loans, advances and other receivables at amortized cost	-11,049	286	0	-10,763
Receivables from credit institutions and central banks	-2,382	2,619	0	237
Provisions for liabilities	-1,986	422	0	-1,564
Miscellaneous	-59,937	-6,428	-7,661	-74,026
Total	-52,830	4,131	-6,916	-55,615

NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

Annual Report 2008

NOTE

36 SUBORDINATED DEBT

Subordinated debt consists of liabilities in the form of subordinated loan capital and hybrid core capital which, in case of the Bank's voluntary or compulsory liquidation, whether solvent or insolvent, will not be repaid until the claims of the ordinary creditors have been met. Hybrid core capital ranks junior to subordinated loan capital. Premature redemption of subordinated debt is subject to the approval of the Danish Financial Supervisory Authority. Subordinated debt is included in the capital base, etc. pursuant to the Danish Financial Business Act.

Spar Nord Bank A/S is the borrower with respect to all loans.					Spar Nord Bank A/S The Group 2008 DKK '000	Spar Nord Bank A/S The Group 2007 DKK '000	Spar Nord Bank A/S Parent Comp. 2008 DKK '000	Spar Nord Bank A/S Parent Comp. 2007 DKK '000
Foreign exchange	Principal Note (DKK million)	Interest rate	Received	Maturity				
DKK	100.0	6.587 pct.	2003	06.06.2011	0	100,000	0	100,000
EUR	a 10.0	7.080 pct.	2001	17.05.2012	75,082	75,197	75,082	75,197
EUR	b 2.5	7.080 pct.	2001	17.05.2012	18,771	18,800	18,771	18,800
EUR	c 5.0	7.080 pct.	2001	17.05.2012	37,542	37,599	37,542	37,599
DKK	d 155.0	7.677 pct.	2004	29.10.2012	155,000	155,000	155,000	155,000
DKK	e 200.0	6.915 pct.	2006	16.11.2014	200,000	200,000	200,000	200,000
NOK	f 220.0	6.910 pct.	2006	20.02.2015	166,487	205,594	166,487	205,594
EUR	g 40.0	6.215 pct.	2007	28.03.2015	297,647	297,767	297,647	297,767
EUR	h 33.5	5.794 pct.	2005	29.10.2015	249,595	249,796	249,595	249,796
DKK	i 100.0	6.850 pct.	2007	03.12.2015	100,000	100,000	100,000	100,000
Supplementary capital contributions, total					1,300,124	1,439,753	1,300,124	1,439,753
Hybrid core capital								
Foreign exchange	Principal Note (DKK million)	Interest rate	Received	Maturity				
DKK	j 350.0	5.250 pct.	2005	16.03.2015	352,209	330,617	352,209	330,617
Subordinated debt, total					1,652,333	1,770,370	1,652,333	1,770,370
Interest on subordinated debt					105,276	88,733	105,276	88,733
Costs of raising subordinated debt					510	580	510	580
Subordinated debt that can be included for the purpose of calculating the capital base					1,652,333	1,770,370	1,652,333	1,770,370

- a Redeemable as from 17.05.2009, after which date interest is fixed at EUR16M + a 4.00% margin.
- b Redeemable as from 17.05.2009, after which date interest is fixed at EUR16M + a 4.00% margin.
- c Redeemable as from 17.05.2009, after which date interest is fixed at EUR16M + a 4.00% margin.
- d Redeemable as from 29.10.2009, after which date interest is fixed at DKK6M + a 2.75% margin.
- e Redeemable as from 16.11.2009, after which date interest is fixed at DKK6M + a 2.4% margin.
- f Redeemable as from 20.02.2012, after which date interest is fixed at NOK13M + a 2.1% margin.
- g Redeemable as from 28.03.2012, after which date interest is fixed at EUR16M + a 1.81% margin.
- h Redeemable as from 29.10.2010, after which date interest is fixed at EUR16M + a 2.4% margin.
- i Redeemable as from 03.12.2012, after which date interest is fixed at DKK6M + a 2.35% margin.
- j Redeemable as from 16.03.2015, after which date interest is fixed at DKK3M + a 2.33% margin.

37 ASSETS FURNISHED AS SECURITY

At the end of the year, the following securities were deposited with Danmarks Nationalbank (the central bank), The Royal Bank of Scotland and foreign clearing centres

- Bonds included in the trading portfolio	9,173,679	6,406,387	9,173,679	6,406,387
- Shares not included in the trading portfolio	216,007	0	216,007	0
with credit institutions				
- deposits via CSA agreements for derivatives trades	547,805	0	547,805	0
Bonds sold as an element in genuine sale and repo transactions	999,225	1,102,088	999,225	1,102,088
Shares sold as an element in genuine sale and repo transactions	132	57	132	57

Bonds and shares sold, for which a repurchase agreement (repo transaction) has been concluded in connection with the sale, remain recognized in the balance sheet, and the amount received is recognized as a liability. The counterparty is entitled to sell or refinance the securities received against providing them as collateral.

NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

Annual Report 2008

NOTE

38 SECURITY RECEIVED

In connection with reverse transactions and agreements regarding securities-based loans, collateral that can be sold or repledged pursuant to the terms of the appropriate agreement is accepted.

Reverse transactions

Collateral accepted that can be repledged or sold

Of which repledged or sold

Agreements regarding securities-based loans

Collateral accepted that can be repledged or sold

Of which repledged or sold

	Spar Nord Bank A/S The Group 2008 DKK '000	Spar Nord Bank A/S The Group 2007 DKK '000	Spar Nord Bank A/S Parent Comp. 2008 DKK '000	Spar Nord Bank A/S Parent Comp. 2007 DKK '000
Collateral accepted that can be repledged or sold	2,997,077	588,874	2,997,077	588,874
Of which repledged or sold	159,597	85,258	159,597	85,258
Collateral accepted that can be repledged or sold	3,798	4,235	3,798	4,235
Of which repledged or sold	550	3,607	550	3,607

39 HEDGE ACCOUNTING

2008

Assets

Loans and advances

Interest-risk-hedged financial instruments

Derivatives (swap contracts)

Liabilities

Subordinated debt

Interest-risk-hedged financial instruments

Derivatives (swap contracts)

2007

Assets

Loans and advances

Interest-risk-hedged financial instruments

Derivatives (swap contracts)

Liabilities

Subordinated debt

Interest-risk-hedged financial instruments

Derivatives (swap contracts)

	Carrying amount DKK '000	Purchase price DKK '000	Fair value DKK '000	Nominal value DKK '000
Loans and advances	79,115	75,000	79,115	75,000
Interest-risk-hedged financial instruments				
Derivatives (swap contracts)	-4,107	-	-4,107	75,000
Subordinated debt	485,088	480,386	485,088	480,386
Interest-risk-hedged financial instruments				
Derivatives (swap contracts)	3,304	-	3,304	480,386
Loans and advances	73,612	75,000	73,612	75,000
Interest-risk-hedged financial instruments				
Derivatives (swap contracts)	1,364	-	1,364	75,000
Subordinated debt	464,015	480,491	464,015	480,491
Interest-risk-hedged financial instruments				
Derivatives (swap contracts)	-17,269	-	-17,269	480,491

Spar Nord Bank hedges the interest-rate risk attaching to selected fixed-interest assets and liabilities.

The effectiveness of such hedging is measured on a continuing basis.

The table below shows the value adjustment of hedged assets and liabilities as well as hedging derivatives recognized under market-value adjustments.

Hedging of fixed-interest assets

Hedged loans and advances

Hedging derivatives

Impact on profits

Hedging of fixed-interest liabilities

Hedged deposits

Hedging derivatives

Impact on profits

	Spar Nord Bank A/S The Group 2008 DKK '000	Spar Nord Bank A/S The Group 2007 DKK '000	Spar Nord Bank A/S Parent Comp. 2008 DKK '000	Spar Nord Bank A/S Parent Comp. 2007 DKK '000
Hedged loans and advances	5,503	-3,266	5,503	-3,266
Hedging derivatives	-5,471	3,291	-5,471	3,291
Impact on profits	32	25	32	25
Hedged deposits	-21,030	11,002	-21,030	11,002
Hedging derivatives	20,442	-11,414	20,442	-11,414
Impact on profits	-588	-412	-588	-412

NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

Annual Report 2008

NOTE

	Spar Nord Bank A/S The Group 2008 DKK '000	Spar Nord Bank A/S The Group 2007 DKK '000	Spar Nord Bank A/S Parent Comp. 2008 DKK '000	Spar Nord Bank A/S Parent Comp. 2007 DKK '000
40 CONSOLIDATED DEBT				
Total debt in the Consolidated Balance Sheet that falls due beyond five years	3,353,549	3,376,353		
41 CONTINGENT LIABILITIES				
Financial guarantees	2,167,914	2,341,196	2,797,053	2,823,263
Loss guarantees for mortgage loans	519,789	419,649	519,789	419,649
Registration and refinancing guarantees	926,200	855,840	926,200	855,840
Other contingent liabilities	947,482	431,557	947,482	431,557
Total contingent liabilities	4,561,385	4,048,242	5,190,524	4,530,309

Other contingent liabilities are attributable primarily to the Danish Banking Sector Emergency Fund, under which Spar Nord Bank has also furnished a guarantee to cover any loss in connection with the government-backed deposit guarantee scheme under the auspices of the Danish Winding-Up Company as an element in the Danish Act on Financial Stability, in addition to the agreement to pay guarantee commission to the Winding-Up Company (see the note to Other operating expenses).

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 450 million, of which a provision of DKK 23 million in total was made at end-2008. The guarantee share is calculated based on the necessary capital base of each member of the Danish Banking Sector Emergency Fund, which will be reported quarterly.

The total guarantee has been divided into guarantees for payment of losses as a result of the government-backed deposit guarantee scheme and to cover losses after the expiry of the guarantee.

42 OTHER OBLIGATING AGREEMENTS

Irrevocable credit commitments	3,902	0	3,902	0
Other	547,264	463,374	546,262	462,200
Other obligating agreements, total	551,166	463,374	550,164	462,200

Other obligating agreements consist of:

Rent obligations

The Bank has concluded rent 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 136.3 million (2007: DKK 107.2 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.

If the Bank retires from this agreement before it expires, the penalty payable amounts to max. DKK 410 million (2007: DKK 355 million) corresponding to the average payments per month for 36 months.

The Spar Nord Bank Group has no other obligating agreements.

43 LEGAL PROCEEDINGS, ETC.

The Spar Nord Bank Group is not a party to any legal proceedings that are estimated to result in major losses.

44 CONTINGENT ASSETS

The Spar Nord Bank Group has no contingent assets

45 EARNINGS PER SHARE

Profit/loss for the year	95,296	680,270		
Average number of shares	57,068,810	57,068,810		
Average number of treasury shares	2,023,780	1,591,981		
Average number of shares in circulation	55,045,030	55,476,829		
Number of diluted shares regarding share-based payment	0	1,515,455		
Average number of outstanding shares (diluted)	55,045,030	56,992,284		
Earnings per share	1.7	12.3		
Diluted earnings per share	1.7	12.0		

The issued share capital is divided into shares in the denomination of DKK 10. The Bank has one share class only.

In calculating the diluted earnings per share, 2,050,044 share options have not been taken into account (2007: 708,000). These share options are out-of-the-money, but potentially they may dilute earnings per share in future.

NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

Annual Report 2008

NOTE

46 GROUP ENTERPRISE/BRANCHES ACQUIRED

On 29 September 2008, Spar Nord Bank A/S concluded an agreement regarding the acquisition of the net assets of seven branches of Bankaktieselskabet af 24/08 (Roskilde Bank), from which retail banking is carried on in Northern Zealand.

The acquisition date was 1 November 2008.

	DKK '000
Fair value of net assets	533,506
Goodwill acquired	88,400
Total purchase price	621,906

Acquisition costs in the amount of DKK 9.1 million were defrayed during the 2008 financial year.

In 2008, a loss was recognized for the period 1 November 2008 to 31 December 2008, amounting to DKK 5.1 million after recognized acquisition costs of DKK 9.1 million.

Due to insufficient information about earnings prior to the acquisition, it is not possible to calculate the total income and results with any degree of reliability in the event that the net assets had been acquired as from 1 January in the 2008 financial year.

Goodwill represents the value of the expected earning capacity of the acquired net assets that cannot be reliably attributed to the individual assets, including the value of staffs, the branches' know-how and location and expected synergies from merging with the Spar Nord Group.

	Fair value at the acquisition date DKK '000	Carrying amount prior to acquisition DKK '000
<i>Net assets acquired</i>		
Cash balances and demand deposits with central banks	14,095	14,095
Loans, advances and other receivables at amortized cost	1,967,550	1,967,550
Intangible assets (customer relations)	28,100	0
Other property, plant and equipment	7,700	0
Total assets	2,017,445	1,981,645
Deposits and other payables	1,481,471	1,481,471
Miscellaneous liabilities	2,468	1,368
Total commitments	1,483,939	1,482,839
Net assets acquired	533,506	498,806
Goodwill	88,400	
Purchase price	621,906	

In Management's opinion, the fair value of the loans and advances transferred corresponds to the value calculated based on the amortized cost in Bankaktieselskabet af 24/8 immediately before the transfer, because the Bank has returned loans and advances with a lower value.

*) The fair value and carrying amount of loans, advances and other receivables at amortized cost, as well as deposits and other payables have been calculated after returning customers to Bankaktieselskabet af 24/08 in 2008. The reduction made as a consequence of returning customers to source corresponds to the customers' balances at the time of return.

The cost price allocation is preliminary as at 31 December 2008.

In January 2009, the goodwill was renegotiated based on the transfer agreement, and was reduced by DKK 60.4 million as a consequence of returning customers in 2008 and 2009. This reduction was deducted from the goodwill amount of DKK 88.4 million.

NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

Annual Report 2008

NOTE

47 RELATED PARTIES

THE GROUP	Parties with significant influence		Associates		Group enterprises *)		Supervisory Board		Executive Board	
	2008 DKK '000	2007 DKK '000	2008 DKK '000	2007 DKK '000	2008 DKK '000	2007 DKK '000	2008 DKK '000	2007 DKK '000	2008 DKK '000	2007 DKK '000
<i>Assets</i>										
Loans, advances and loan commitments	0	0	51,096	12,397	0	0	128,672	173,090	2,814	1,681
Total	0	0	51,096	12,397	0	0	128,672	173,090	2,814	1,681
<i>Liabilities</i>										
Deposits	74,676	50,344	62,532	66,687	268	258	38,651	14,328	2,329	1,380
Total	74,676	50,344	62,532	66,687	268	258	38,651	14,328	2,329	1,380
<i>Off-balance-sheet items</i>										
Guarantees issued	0	0	1,609	3,394	0	0	0	0	0	0
Security received	0	0	0	0	0	0	41,688	93,116	0	0
Total	0	0	1,609	3,394	0	0	41,688	93,116	0	0
<i>Income statement</i>										
Interest income	0	0	1,216	368	0	0	2,270	1,215	24	15
Interest expenses	3,048	1,644	2,827	4,113	0	0	1,024	399	69	48
Fees, charges and commissions received	0	0	0	0	0	0	5	0	14	0
Fees, charges and commissions paid	0	708	0	0	0	0	0	0	0	0
Dividends received	0	0	9,487	6,050	0	0	0	0	0	0
Total	-3,048	-2,352	7,876	2,305	0	0	1,251	816	-31	-33

PARENT COMPANY	Parties with significant influence		Associates		Group enterprises *)		Supervisory Board		Executive Board	
	2008 DKK '000	2007 DKK '000	2008 DKK '000	2007 DKK '000	2008 DKK '000	2007 DKK '000	2008 DKK '000	2007 DKK '000	2008 DKK '000	2007 DKK '000
<i>Assets</i>										
Loans, advances and loan commitments	0	0	57,222	4,897	6,151,269	5,356,027	128,672	173,090	2,814	1,681
Total	0	0	57,222	4,897	6,151,269	5,356,027	128,672	173,090	2,814	1,681
<i>Liabilities</i>										
Deposits	74,676	50,344	55,953	62,180	31,064	53,175	38,651	14,328	2,329	1,380
Total	74,676	50,344	55,953	62,180	31,064	53,175	38,651	14,328	2,329	1,380
<i>Off-balance-sheet items</i>										
Guarantees issued	0	0	260	250	629,139	490,147	0	0	0	0
Security received	0	0	0	0	0	0	41,688	93,116	0	0
Total	0	0	260	250	629,139	490,147	41,688	93,116	0	0
<i>Income statement</i>										
Interest income	0	0	1,527	77	267,147	173,289	2,184	1,215	24	15
Interest expenses	3,048	1,644	2,587	3,923	1,295	2,150	1,024	399	69	48
Fees, charges and commissions received	0	0	0	0	518	298	5	0	14	0
Fees, charges and commissions paid	0	708	0	0	0	0	0	0	0	0
Dividends received	0	0	9,487	6,050	60,000	20,000	0	0	0	0
Other income	0	0	0	0	5,677	3,310	0	0	0	0
Other expenses	0	0	0	0	3,947	4,920	0	0	0	0
Total	-3,048	-2,352	8,427	2,204	328,100	189,827	1,165	816	-31	-33

*) Non-consolidated group enterprises (Beluni Inc.)

**) The breakdown of loans, advances and loan commitments on the Supervisory Board and Executive Board appears from note 12.

Parties with significant influence include parties having an interest of more than 20% in Spar Nord Bank A/S; see the description in the sections on stakeholders and shareholders in the Management's review. Notes 23 and 24 contain a list of group enterprises and associates.

Commitments and transactions with members of the Supervisory and Executive Boards comprise personal commitments of such parties and of their related parties.

No transactions were concluded during the year with members of the Supervisory Board, the Executive Board or executive staff members, other than transactions involving salary, emoluments, etc., securities trading and loans and furnishing of security. More details regarding the remuneration of the Supervisory Board, the Executive Board and executive staff members appear from notes 12 and 13. The respective shareholdings of the Executive Board and the Supervisory Board appear from p. 129.

Transactions between related parties, including credit facilities, are concluded on an arm's length basis or on a non-profit basis.

NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

Annual Report 2008

NOTE

48 FAIR VALUE OF FINANCIAL INSTRUMENTS

The Group	2008	2008	2007	2007
	Carrying amount DKK '000	Fair value DKK '000	Carrying amount DKK '000	Fair value DKK '000
<i>Financial assets</i>				
Cash balances and demand deposits with central banks	484,789	484,789	398,379	398,379
Receivables from credit institutions and central banks	5,139,462	5,139,462	5,139,462	5,378,973
Loans, advances and other receivables	45,375,955	44,958,577	40,938,787	40,982,302
Bonds	8,753,657	8,753,657	8,259,406	8,259,406
Shares, etc.	581,710	581,710	675,745	675,745
Assets linked to pooled schemes	4,186,284	4,186,284	4,029,172	4,029,172
Derivative instruments	2,284,909	2,284,909	1,568,302	1,568,302
Total	66,806,766	66,389,388	61,248,764	61,292,279
<i>Financial liabilities</i>				
Payables to credit institutions and central banks	17,994,165	17,994,165	20,960,984	20,960,984
Deposits	33,833,115	33,833,115	27,386,887	27,386,887
Deposits in pooled schemes	4,186,284	4,186,284	4,029,172	4,029,172
Issued bonds at amortized cost	3,420,684	3,420,684	2,170,969	2,170,969
Subordinated debt	1,652,333	1,479,087	1,770,370	1,770,370
Derivative instruments	2,300,190	2,300,190	1,227,456	1,227,456
Total	63,386,771	63,213,525	57,545,838	57,545,838

The table shows the fair value of financial assets and liabilities compared with the recognized values.

Bonds, shares, etc., assets linked to pooled schemes and financial instruments are measured at fair value in the Annual Report.

Loans and advances are recognized at amortized cost. The fair value is calculated on the basis of a qualified estimate, taking into account that the Bank continuously adapts its loan terms to existing market conditions.

Subordinated debt are measured at amortized cost. The fair value is determined on the basis of a qualified estimate, with due allowance paid to the widened credit spread.

Unrealized gains and losses on changes in the fair values of shares in sector-owned companies are recognized in the income statement using the fair-value option.

The recognized value of these shares in the balance sheet for 2008 represents DKK 469 million (2007: DKK 427 million), and the recognized value in the income statement represents DKK 6 million (2007: DKK 39 million).

49 RISK MANAGEMENT

The Spar Nord Bank Group is exposed to various types of risk.

The most important types of risk to which the Group is exposed are:

- Credit risk: The risk of loss due to the fact that counterparties are in full or partial breach of their payment obligations.
- Market risk: The risk of loss due to the fact that the fair value of the Group's assets and liabilities changes on account of changes in market conditions.
- Liquidity risk: The risk of loss due to the fact that the Group cannot honour its payment commitments via the ordinary liquidity reserves.
- Operational risk: The risk of financial loss as a result of errors in internal processes, human error, system errors or losses as a result of external events.
- Business risk: The risk of loss arising in connection with changes in external circumstances or events that damage the Group's image or earnings.

The following notes to the Annual Report contain the quantitative information regarding the Group's credit, market and liquidity risks. Other information about the Spar Nord Bank Group's risk management is given in the sections on risks in the Management's review in the Annual Report. Reference is also made to the Bank's website www.sparnord.dk/international.

50 CREDIT RISKS

Credit risks are managed based on Spar Nord's credit policy, which is geared to ensure that earnings and risks are balanced, and that the risk assumption is always quantified.

Customer advisers, in consultation with the individual managers, handle day-to-day management of the Bank's credit risks. If a commitment exceeds the loan authorization line at local level, the power to issue such authorization will pass to either the Credit Rating Department, the Executive Board or the Supervisory Board.

Overall monitoring of the Bank's total credit risk exposure is handled by the Credit Quality Department. This department monitors developments in the credit quality of all commitments.

Ongoing and systematic credit quality tests are made of the Bank's entire commitment portfolio.

Reference is also made to the section on credit risks in the Management's review.

NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

Annual Report 2008

NOTE

Credit exposure

The Group's credit exposure is composed of the following balance-sheet items and off-balance-sheet items

	Spar Nord Bank A/S The Group 2008 DKK '000	Spar Nord Bank A/S The Group 2007 DKK '000
<i>Balance-sheet items</i>		
Loans, advances and other receivables at amortized cost	45,375,955	40,938,787
<i>Off-balance-sheet items</i>		
Contingent liabilities	4,561,385	4,048,242
Irrevocable credit commitments	3,902	0
Credit exposure, loans, advances and guarantees, total	49,941,242	44,987,029
<i>Trading activities</i>		
Shares in trading portfolio	112,851	249,131
Other shares at fair value (the fair-value option)	468,859	426,614
Bonds at fair value	8,753,657	8,259,406
Receivables from credit institutions and central banks	5,139,462	5,378,973
Positive market value of derivative instruments	2,284,909	1,568,302
Credit exposure, trading activities, total	16,759,738	15,882,426

The Group's loans, advances and guarantees broken down by industry

Business customers

Public sector	793,244	920,918
Agriculture, fisheries, etc.	5,634,559	5,677,744
Manufacturing businesses	3,061,638	1,828,130
Building and construction	2,114,474	2,178,287
Wholesale and retailing, etc.	4,185,288	3,972,305
Transportation	2,845,280	2,741,495
Financing, services, etc.	5,725,508	1,975,503
Property management, services, etc.	6,012,696	6,241,304
Other sectors	2,640,572	4,878,189
Business customers, total	33,013,259	30,413,875

Retail customers, total

17,011,225

14,635,537

Loans, advances and guarantees less individual impairment

50,024,484

45,049,412

Groups of impairment losses

- Retail customers	46,248	37,172
- Business customers	36,994	25,211

Net loans, advances and guarantees, total

49,941,242

44,987,029

Classification of customers

Spar Nord Bank has developed methods and IT tools for controlling and monitoring credit risks. One tool used for monitoring purposes is the Bank's credit analysis system, in which key data regarding credit commitments and customers' financial affairs are recorded. The objective of using the credit analysis system is to detect danger signals from commitments at an early stage, while also monitoring portfolios and organizational units.

The rating and credit scoring systems have been introduced in all the Bank's departments and are also used for credit granting at the local level, in the sense that customers in the groups accorded the lowest risk exposure can be given higher credit limits than those accorded the highest risk exposure. In addition, the systems are used for managing overdrafts and serve as a guide for pricing purposes.

Retail customers are divided into seven groups by means of a behaviour score, and business customers are categorized into nine rating groups based on financial performance indicators, etc.

Finans Nord, which accounts for 14.7% (2007: 13.6%) of the total credit exposure, rates the customers when the loan authorization is granted, based on the company's official annual reports and financial ratios. Customer rating is a significant element in Finans Nord's loan authorization system, thus contributing to ensuring uniform credit rating of customers. Customer ratings are not subject to regular review, as Finans Nord focuses primarily on an asset-based risk assessment of individual commitments.

NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

Annual Report 2008

NOTE

Concentration risk

The Spar Nord Bank Group's identification of risk concentrations in the credit portfolio is a parameter used in credit risk management.

The Group has introduced an internal limit on commitments with one customer or a group of related customers, fixed at 10% of the Group's shareholders' equity. In determining the amount of a commitment, due provision is made for the specially secured claims that are referred to in section 145 of the Danish Financial Business Act on major commitments. Commitments with trading partners in the financial sector are not included for the purpose of calculating the Group's upper limit of 10%. The Bank submits quarterly reports to the Danish Financial Supervisory Authority on the utilization of these rules. The Spar Nord Group has had no commitments with non-financial companies or groups that exceed these limits.

The following table shows credit exposures to financial groups that constitute 10% or more of the capital base.

Credit exposure The Group	2008	2008	2008	2007	2007	2007
	Number of groups Units	Total commitment DKK m	Commitment excluding specially secured claims DKK m	Number of groups Units	Total commitment DKK m	Commitment excluding specially secured claims DKK m
Commitments > 10% of the capital base	12	19,368	1,479	17	24,227	5,351

Only 1 (2007: 5) of these commitments exceeded net 10% of the capital base in 2008. In all cases these credit exposures involve trading partners in the financial sector.

Security received

The Group wants to reduce the risk attaching to individual transactions by accepting collateral, such as mortgages and charges on physical assets, securities and guarantees, etc. whenever possible. Mortgages on real property and securities make up the most common type of collateral.

The Group monitors the value of the collateral furnished on an ongoing basis. If the risk attaching to a counterparty increases, the collateral is subjected to a particularly critical scrutiny. The value is assessed based on the expected price to be fetched in a compulsory sale of the collateral less any expenses arising from its realization.

	Spar Nord Bank A/S Parent Comp. 2008 DKK '000	Spar Nord Bank A/S Parent Comp. 2007 DKK '000
Credit exposure	49,941,242	44,987,029
Value of collateral	16,495,934	17,278,246
Unsecured credit exposure, total	33,445,308	27,708,783

Type of collateral

	Spar Nord Bank A/S Parent Comp. 2008 DKK '000	Spar Nord Bank A/S Parent Comp. 2007 DKK '000
Properties	7,307,812	6,815,845
Custody account / securities	4,444,035	6,091,400
Guarantees / sureties	1,943,747	1,801,838
Vehicles	818,450	490,495
Cash	988,258	1,273,592
Other collateral	993,632	805,076
Total	16,495,934	17,278,246

Finans Nord, which accounts for 14.7% (2007: 13.67%) of total credit exposure, has its core competence in the financing of transport equipment, contractor's equipment, agricultural machinery, industrial machinery, etc.

Finans Nord's security consists mainly of ownership of or retention of title to this type of assets. Typically, such security is supplemented by a down payment or an advance payment, and it is also common for the company's owner(s) to provide suretyship.

Finally, through cooperation agreements with a number of banks, Finans Nord has provided financing against partial or full guarantees from the relevant banks.

Bank guarantees amount to DKK 922 million (2007: DKK 651 million).

The Group's credit exposure broken down by unsecured share of credit exposure	Spar Nord Bank A/S The Group 2008 DKK '000	Spar Nord Bank A/S The Group 2007 DKK '000
<i>Unsecured share of credit exposure</i>		
< 10%	29.3	30.3
10 – 50%	19.3	19.8
50 – 75%	11.2	11.5
> 75%	40.2	38.4
Average unsecured share of credit exposure	52.5	50.0

NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

Annual Report 2008

NOTE

Impairment account	Spar Nord Bank A/S The Group 2008 DKK '000	Spar Nord Bank A/S The Group 2007 DKK '000	Spar Nord Bank A/S Parent Comp. 2008 DKK '000	Spar Nord Bank A/S Parent Comp. 2007 DKK '000
<i>Individual impairment of loans and advances</i>				
Individual impairment, beginning of year	376,592	443,486	341,693	405,124
New provisions for individual impairment	329,155	184,068	291,203	168,326
Reversal of individual impairment losses	134,935	272,111	118,507	257,211
Previously written down, now definitively lost	117,602	32,669	115,477	26,770
Other additions and disposals	0	18,495	0	18,495
Interest on impaired loans and advances taken to income	42,995	35,323	41,934	33,729
Individual impairment, end of year	496,205	376,592	440,846	341,693
<i>Groups of impairment losses, loans and advances</i>				
Groups of impairment losses, beginning of year	62,383	55,071	62,383	55,071
New provisions for groups of impairment losses	20,859	7,312	13,945	7,312
Reversal of groups of impairment losses	0	0	0	0
Previously written down, now definitively lost	0	0	0	0
Other additions and disposals	0	0	0	0
Groups of impairment losses, end of year	83,242	62,383	76,328	62,383
<i>Total impairment of loans and advances</i>				
Impairment of loans and advances, beginning of year	438,975	498,557	404,076	460,195
New provisions for impairment	350,014	191,380	305,148	175,638
Reversal of impairment losses	134,935	272,111	118,507	257,211
Previously written down, now definitively lost	117,602	32,669	115,477	26,770
Other additions	0	18,495	0	18,495
Interest on impaired loans and advances taken to income	42,995	35,323	41,934	33,729
Impairment, end of year	579,447	438,975	517,174	404,076
<i>Impairment recognized in the income statement</i>				
New provisions during the year	350,014	191,380	305,148	175,638
Reversal of impairment losses	134,935	272,111	118,507	257,211
Losses without prior impairment	40,942	19,245	39,586	17,250
Carried to income, previously written off	31,091	48,599	30,213	44,778
Recognized in the income statement	224,930	-110,085	196,014	-109,101
Impairment, other credit risks	0	0	0	0
Non-performing loans	47,713	26,936	44,257	19,925
<i>Interest on written-down receivables is calculated on the written-down balance only</i>				
Interest on impaired loans and advances taken to income	42,995	35,323	41,934	33,729
The impairment account for guarantees is shown in note 34.				
<i>Impairment of loans, advances and receivables, etc.</i>				
<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., see note 50 (above)	224,930	-110,085	196,014	-109,101
Provisions for losses on guarantees, see note 34	49,758	-3,313	49,758	-3,313
Total recognition in the income statement under impairment of loans, advances and receivables *)	274,688	-113,398	245,772	-112,414
*) Of which losses on sector-targeted solutions (the Danish Banking Sector Emergency Fund) amounted to DKK 39.1 million in 2008.				
<i>Loans, advances and receivables (incl. portfolios) and guarantees with an objective indication of impairment, partially written down for impairment</i>				
Sum total of loans, advances, receivables and guarantees with an objective indication of impairment on which writedowns for impairment have been made	1,335,759	730,432	1,029,458	609,931
Impairment of loans, advances, receivables and guarantees with an objective indication of impairment	605,923	443,978	543,650	409,079
Carrying amount of loans, advances, receivables and guarantees with an objective indication of impairment after writedowns for impairment	729,836	286,454	485,808	200,854

NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

Annual Report 2008

NOTE

Impairment account for loans, advances, receivables and guarantees,
broken down on impaired credit exposures

	Credit exposure before impairment 2008 DKK '000	Impairment 2008 DKK '000	Credit exposure before impairment 2007 DKK '000	Impairment 2007 DKK '000
The Group				
<i>Individual impairment of loans, advances, receivables and guarantees</i>				
Insolvent liquidation	64,050	22,922	12,899	7,264
Debt collection and suspension of payments	40,200	25,926	5,304	3,310
Other financial difficulties	1,231,509	473,833	712,229	371,021
Individual impairment of loans, advances, receivables and guarantees, total	1,335,759	522,681	730,432	381,595
Groups of impairment losses	7,847,056	83,242	2,191,200	62,383
Parent Company				
<i>Individual impairment of loans, advances, receivables and guarantees</i>				
Insolvent liquidation	31,520	12,774	8,400	4,364
Debt collection and suspension of payments	36,941	25,027	5,158	3,109
Other financial difficulties	960,997	429,521	596,373	339,223
Individual impairment of loans, advances, receivables and guarantees, total	1,029,458	467,322	609,931	346,696
Groups of impairment losses	4,608,820	76,328	2,191,200	62,383
Arrears on loans and advances, etc.				
The Group		2008 DKK '000	2007 DKK '000	
0 - 30 days		264,270	203,883	
31 - 60 days		46,552	48,466	
61 - 90 days		8,433	18,426	
> 90 days		94,861	68,484	
Total		414,116	339,259	

NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

Annual Report 2008

NOTE

51 MARKET RISKS

Market risks denote the risk of losses resulting from changes in market conditions that affect the market value of the Group's assets and liabilities.

Interest-rate risk

The interest-rate risk denotes the expected loss on interest-rate positions due to a change in the interest rate of 1 percentage point.

Due to its exposure to the early redemption risk attaching to Danish mortgage credit bonds, Spar Nord Bank uses sophisticated risk management models that take into account the issuer's right to premature redemption at par. The traditional duration concept is therefore adjusted to give a more fair presentation.

Spar Nord Bank engages in hedging or increasing risks, depending on the expected interest-rate developments in the time zones for the various currencies. For this purpose, it uses interest-based financial derivatives, such as swaps, caps and floors, futures, etc.

Interest-rate risk

Broken down by currency and duration

2008	< 3 mths	3 mths - 1 year	1 - 3 years	3 - 7 years	> 7 years	Total
DKK	3,094	11,093	-3,881	-29,255	15,170	-3,779
EUR	-8,024	10,493	4,214	11,812	-8,230	10,265
USD	3,318	704	561	0	0	4,583
GBP	82	162	-471	0	0	-227
NOK	-181	-567	-92	-240	0	-1,080
CHF	940	764	-1,847	25	374	256
JPY	216	144	66	107	0	533
SEK	1,134	36	-142	-60	0	968
Other	-113	64	147	242	1	341
Total	466	22,893	-1,445	-17,369	7,315	11,860

2007	< 3 mths	3 mths - 1 year	1 - 3 years	3 - 7 years	> 7 years	Total
DKK	7,335	23,528	8,335	24,592	58,362	122,152
EUR	-3,171	-13,074	6,922	-24,372	-26,451	-60,146
USD	-1,692	1,595	-2,685	-534	0	-3,316
GBP	-145	73	-491	0	0	-563
NOK	5,998	-10,525	-3,977	-6,793	3,001	-12,296
CHF	-846	293	231	-1,071	57	-1,336
JPY	-130	49	88	108	0	115
SEK	8,166	-5,623	3,913	-334	0	6,122
Other	342	362	377	-31	1	1,051
Total	15,857	-3,322	12,713	-8,435	34,970	51,783

The yield curve analysis denotes Spar Nord's interest-rate exposure in various currencies and over different terms. The figure includes the trading as well as the investment portfolio.

Foreign-exchange risk	Spar Nord Bank A/S The Group 2008 DKK '000	Spar Nord Bank A/S The Group 2007 DKK '000	Spar Nord Bank A/S Parent Comp. 2008 DKK '000	Spar Nord Bank A/S Parent Comp. 2007 DKK '000
Assets denominated in foreign currencies, total	19,709,722	15,031,983	19,116,395	14,719,371
Liabilities denominated in foreign currencies, total	16,945,912	16,351,405	16,382,844	16,071,201
Foreign-exchange indicator 1	376,339	235,461	347,435	235,461
Foreign-exchange indicator 1 in per cent of core capital after deductions	9.1	5.7	8.4	5.8

NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

Annual Report 2008

NOTE

	Spar Nord Bank A/S The Group 2008 DKK '000	Spar Nord Bank A/S The Group 2007 DKK '000	Spar Nord Bank A/S Parent Comp. 2008 DKK '000	Spar Nord Bank A/S Parent Comp. 2007 DKK '000
<i>Foreign-exchange risk broken down by currency</i>				
EUR	-1,323,448	-1,465,324	-1,323,361	-1,345,293
SEK	-428,098	-342,866	-427,534	-249,885
USD	-255,117	-157,076	-255,117	-157,076
GBP	-296,037	-233,551	-296,036	-233,070
CHF	-206,033	-924,607	-206,020	-489,726
NOK	-566,222	-155,477	-566,222	-155,477
JPY	-5,705	-12,271	-5,705	-12,271
Other currencies	-202,361	-552,037	-202,361	-552,037
Foreign-exchange risk attaching to instruments of indebtedness, etc., total	-3,283,021	-3,843,209	-3,282,356	-3,194,835

The foreign-exchange risk denotes the loss that Spar Nord incurs if the exchange rate develops negatively by 2% relative to the Bank's exposure.

Equity risk

Shares included in the trading portfolio

Net portfolio	99,262	234,054	86,260	194,735
Short positions	2,816	25,160	2,816	25,160
Gross portfolio	102,078	259,214	89,076	219,895

The composition of shares included in the trading portfolio is described in the section on market risks in the Management's review.

52 LIQUIDITY RISK

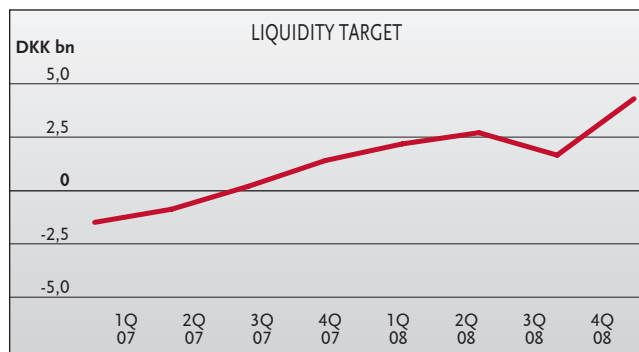
The liquidity risk is defined as the risk of losses because lack of funding will ultimately prevent the Group from meeting its obligations.

To currently monitor and control the Bank's short-term and long-term liquidity risks, the Group performs cash management at several levels:

- Strategic liquidity
- Cash resources
- 12 months' liquidity
- Liquidity plan

Strategic liquidity

The internal strategic target that the sum total of deposits, core capital, supplementary capital and senior loans must exceed the Bank's loans and advances is intended to ensure that customer lending is financed with long-term liabilities.



Subsequently, the strategic liquidity target has been specified for the individual constituent parts for end-2008 and 2007, respectively.

NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

Annual Report 2008

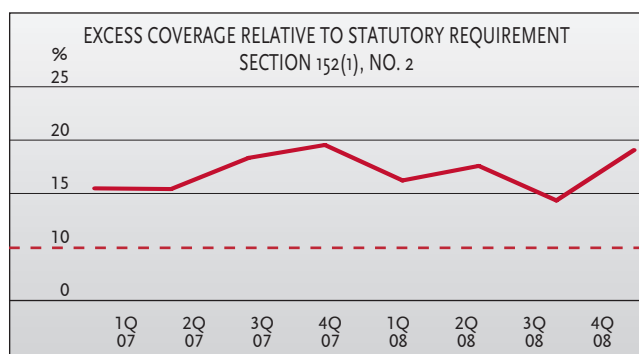
NOTE

	Spar Nord Bank A/S The Group 2008 DKK '000	Spar Nord Bank A/S The Group 2007 DKK '000
Strategic liquidity target		
Deposits and other payables, including pools	38,019,399	31,416,059
- Pools	4,186,284	4,029,172
Bank deposits	33,833,115	27,386,887
Senior loans	5,974,399	5,300,717
Bonds issued	3,420,684	2,170,969
Credit commitments	68,040	1,106,380
Subordinated debt	1,652,333	1,770,370
Shareholders' equity	4,024,471	4,138,373
Generation of cash	48,973,042	41,873,696
Bank loans and advances	45,375,955	40,938,787
Liquidity target (-> 0)	3,597,087	934,909

Cash resources

The cash resource requirement is defined as the target that Spar Nord should have free liquidity by way of unencumbered exchange-listed securities, demand deposits held with credit institutions, certificates of deposit or cash balances that will ensure Spar Nord's compliance with the liquidity requirements in section 152 of the Danish Financial Business Act, and that the Group maintains an appropriate liquidity reserve.

Pursuant to section 152 of the Danish Financial Business Act, a financial institution's free liquidity must amount to at least 15% of its demand debt and at least 10% of the reduced liabilities (other than provisions) and guarantee commitments. As concerns Spar Nord, the excess coverage relative to the requirement that the free liquidity must at least amount to 15% of the Bank's demand debt has always been somewhat larger than the excess coverage relative to the 10% requirement. The excess coverage relative to the requirement that the free liquidity must at least amount to 10% of the reduced liabilities (other than provisions) and guarantee commitments constituted 18.7% at end 2008.



Liquidity plan

The liquidity plan gives a detailed description of funding options and initiatives in general in various scenarios that can be used in a critical situation by the Group's management to bolster the liquidity.

Since the beginning of the money market crisis in early August 2007, the Bank has at no time experienced difficulties in meeting the internal liquidity targets. For the maturity profile of deposits and other payables, reference is made to notes 31, 32 and 36.

NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

Annual Report 2008

NOTE

53 CAPITAL MANAGEMENT

The Bank's objectives of capital management are:

- to comply with the capital requirements laid down in Part 10 of the Danish Financial Business Act;
- to ensure the Bank's ability to continue operations as an independent bank;
- to maintain a relatively high core capital ratio and thus keep the dependency on subordinated loan capital at a moderate level.

During the year under review, the Bank met all statutory capital adequacy ratios.

The solvency ratio, i.e. the Bank's capital base relative to risk-weighted items, must amount to 8% according to the Danish Financial Business Act. The Bank's internal goals are:
to have a minimum solvency ratio of 11%;
to have a minimum core capital ratio, excl. hybrid core capital, of 8.0%.

The 11% solvency target and the target to have a core capital of at least 8.0% - the Bank's internal targets for solvency - have been fixed to ensure that any cyclical recession, unexpectedly heavy credit losses or major interest rate increases will not cause the solvency ratio to drop below the statutory minimum requirement of 8%.

Capital management is based on the methods of accounting and financial ratios developed by the Basel Committee, which have been incorporated into Part 10 of the Danish Financial Business Act and the Capital Adequacy Order. Management currently monitors the Bank's capital adequacy. The figures calculated at the end of each quarter for the Bank's core capital, capital base, risk-weighted items and solvency ratios, including for the Bank's individual solvency requirements, are reported to the Danish Financial Supervisory Authority in accordance with existing rules.

In addition to the targets set out above, the Bank has determined an individual solvency requirement in accordance with section 124(4) of the Danish Financial Business Act. The Bank's individual solvency requirement is an expression of the Bank's own assessment as to how high the solvency ratio should be to safeguard depositors against losses. The Bank's calculation of the individual solvency requirements is a three-stage process. A number of stress tests are made in stage 1, focusing on the Bank's income statement in a situation where the Bank would suffer an extremely adverse development in its profit performance. In stage 2, any capital requirements are determined based on the estimate that the anticipated growth in weighted assets would exceed the expected consolidation. In stage 3, an assessment is made as to whether the Bank's business and risk areas warrant an additional supplement to the calculated solvency requirements in stages 1 and 2. The assessments of the business and risk areas comprise a large number of risks: The coverage of credit risks (major commitments, weak commitments, geographical concentration, business concentration and concentration of collateral), coverage of market risks, coverage of risks regarding real property, business profile, strategic risks, reputation risks, operational risks, potential for capital funding and liquidity risks.

The Bank's core capital consists of its shareholders' equity, proposed dividend and retained earnings. Supplementary capital in the form of subordinated debt is included in the calculation of the Bank's capital base. A number of deductions are made in connection with calculating the Bank's core capital, incl. and excl. hybrid core capital, and capital base. Such deductions consist primarily of proposed dividend, intangible assets and equity investments in other credit institutions as well as subordinated loan capital provided to other credit institutions.

Risk-weighted items are the calculated risks associated with the Bank's business areas. Risk-weighted items are calculated as follows: assets, items subject to a market risk, and exposures in the form of guarantees are weighted on the basis of standard weights that depend on the type and counterparty of the individual items, with due provision being made for any security furnished. To this should be added a supplement to cover the Bank's operational risks.

	Spar Nord Bank A/S The Group 2008 DKK '000	Spar Nord Bank A/S The Group 2007 DKK '000	Spar Nord Bank A/S Parent Comp. 2008 DKK '000	Spar Nord Bank A/S Parent Comp. 2007 DKK '000
SOLVENCY INFORMATION				
Core capital (incl. hybrid capital) after deductions	4,153,773	4,098,361	4,125,503	4,066,740
Supplementary capital included	1,335,755	1,485,415	1,335,755	1,485,415
Deductions from capital base	659,752	727,928	659,752	729,434
Capital base after deductions	4,829,776	4,855,848	4,801,506	4,822,721
Risk-weighted items not included in the trading portfolio	37,340,953	38,900,790	38,513,535	38,781,644
Risk-weighted items subject to a market risk, etc.	2,152,572	4,754,721	2,104,165	4,695,743
Risk-weighted items subject to operational risk	3,319,221	0	3,087,744	0
Risk-weighted items, total	42,812,746	43,655,511	43,705,444	43,477,387
Solvency ratio according to s. 124(1) of the Danish Financial Business Act	11.3	11.1	11.0	11.1
Core capital ratio (incl. hybrid core capital) after deduction in per cent of risk-weighted items, total	9.7	9.4	9.4	9.4
Core capital ratio (excl. hybrid core capital)	8.9	8.6	8.6	8.6

NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

Annual Report 2008

NOTE

54 POOLED SCHEMES

INCOME STATEMENT DISCLOSURES	Pension pools DKK '000	Other pools DKK '000	Spar Nord Bank A/S Parent Comp. 2008 DKK '000	Spar Nord Bank A/S Parent Comp. 2007 DKK '000
<i>Interest income/premium on forward transactions</i>				
Cash deposits	8,855	163	9,018	12,158
Index-linked bonds	1,353	45	1,398	1,259
Other bonds	98,611	1,853	100,464	100,917
Total interest income	108,819	2,061	110,880	114,334
Dividends on				
Shares, etc.	25,187	396	25,583	20,911
Total dividends	25,187	396	25,583	20,911
<i>Market-value adjustments of</i>				
Index-linked bonds	1,185	40	1,225	-3,200
Other bonds, etc.	-29,647	-177	-29,824	-27,551
Shares, etc.	-762,416	-11,982	-774,398	-2,556
Unit trust certificates	-15,858	-272	-16,130	-866
Foreign exchange	1,734	-18	1,716	-27,288
Derivative instruments	18,118	425	18,543	471
Total market-value adjustments	-786,884	-11,984	-798,868	-60,990
Fees, charges and commissions paid	65,043	1,158	66,201	56,608
Profit/loss for the pools	-717,921	-10,685	-728,606	17,647
BALANCE SHEET DISCLOSURES				
<i>Assets</i>				
Cash deposits	693,793	10,351	704,144	292,836
Index-linked bonds	26,584	891	27,475	27,011
Other bonds	1,758,171	35,572	1,793,743	2,167,655
Other shares, etc.	852,450	15,065	867,515	1,482,884
Unit trust certificates	13,906	240	14,146	22,837
Other assets	767,464	11,797	779,261	35,949
Total assets	4,112,368	73,916	4,186,284	4,029,172
<i>Liabilities</i>				
Total deposits 1)	4,056,970	72,920	4,129,890	3,989,129
Other liabilities	55,398	996	56,394	40,043
Total liabilities	4,112,368	73,916	4,186,284	4,029,172
NOTES				
1. Average deposits	3,959,709	71,777	4,031,486	3,684,146

NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

Annual Report 2008

NOTE

PERFORMANCE INDICATORS AND FINANCIAL RATIOS

The Danish Financial Supervisory Authority's layout and ratio system

	2004	2005	2006	2007	2008
THE SPAR NORD BANK GROUP					
PERFORMANCE INDICATORS					
DKK million					
INCOME STATEMENT					
Net income from interest, fees, charges and commissions	1,195.3	1,324.7	1,493.8	1,631.2	1,899.9
Market-value adjustments	180.8	221.6	331.2	164.7	-225.3
Staff costs and administrative expenses	862.4	964.3	1,101.5	1,216.6	1,285.0
Impairment of loans, advances and receivables, etc.	171.5	34.3	-169.1	-113.4	274.7
Profit/loss on equity investments in associates and group enterprises	48.6	62.0	107.0	121.8	43.3
Profit/loss for the year	323.7	479.3	828.6	680.3	95.3
BALANCE SHEET *)					
Loans and advances	19,611	27,134	34,318	40,939	45,376
Shareholders' equity	2,361	3,039	3,649	4,138	4,024
Total assets	36,677	45,962	58,565	63,394	69,268

*) The balance sheet figures for 2004 have been taken from the opening balance sheet at 1 January 2005

FINANCIAL RATIOS

Solvency

Solvency ratio	10.2	12.3	10.8	11.1	11.3
Core capital ratio	8.5	9.9	9.7	9.4	9.7

Earnings

Return on equity before tax	%	18.0	24.3	30.9	21.4	3.0
Return on equity after tax	%	14.2	19.0	24.8	17.5	2.3
Income/cost ratio		1.37	1.57	2.03	1.71	1.07

Market risks

Interest-rate risk	%	4.4	2.3	1.0	2.1	0.6
Foreign-exchange position	%	14.1	4.9	6.7	5.7	9.1
Foreign-exchange risk	%	0.2	0.3	0.1	0.1	0.1

Credit risks

Loans and advances rel. to deposits	%	94.9	121.7	130.7	130.3	119.3
Loans and advances plus impairment rel. to deposits	%	98.3	124.7	132.6	131.7	120.9
Loans and advances rel. to shareholders' equity		8.3	8.9	9.4	9.9	11.3
Increase in loans and advances for the year	%	10.0	38.4	26.5	19.3	10.8
Excess coverage relative to statutory cash ratio requirement	%	108.8	47.8	34.3	91.9	86.7
Sum total of major commitments	%	47.7	103.2	80.9	65.0	12.3
Impairment ratio for the year		0.7	0.1	-0.4	-0.2	0.5

THE SPAR NORD BANK SHARE

DKK per share of DKK 10

Earnings per share for the year	DKK	6.1	8.8	14.5	11.9	1.7
NAV per share	DKK	46	54	65	75	73
Dividend per share	DKK	3	3	3	3	0
Share price/earnings per share for the year		12.0	10.6	9.4	9.7	25.5
Share price/NAV per share		1.6	1.7	2.1	1.6	0.6

In 2005, the Group changed its accounting policies in connection with the transition to IFRS. The performance indicators and financial ratios have only been partially restated for 2004.

Ratio definitions appear from note 56.

NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

Annual Report 2008

NOTE

PERFORMANCE INDICATORS AND FINANCIAL RATIOS

The Danish Financial Supervisory Authority's layout and ratio system

	2004	2005	2006	2007	2008
SPAR NORD BANK, THE PARENT COMPANY					
PERFORMANCE INDICATORS					
DKK million					
INCOME STATEMENT					
Net income from interest, fees, charges and commissions	1,096.4	1,226.0	1,378.1	1,468.3	1,710.3
Market-value adjustments	186.7	226.2	338.8	150.2	-216.1
Staff costs and administrative expenses	821.3	914.9	1,044.6	1,148.1	1,205.3
Impairment of loans, advances and receivables, etc.	144.6	28.1	-173.6	-112.4	245.8
Profit/loss on equity investments in associates and group enterprises	68.9	98.4	166.9	246.1	113.3
Profit/loss for the year	323.7	479.3	828.6	680.3	95.3
BALANCE SHEET *)					
Loans and advances	19,114	26,499	33,552	39,789	44,153
Shareholders' equity	2,361	3,039	3,649	4,138	4,024
Total assets	36,289	45,516	57,999	62,497	68,286

*) The balance sheet figures for 2004 have been taken from the opening balance sheet at 1 January 2005

FINANCIAL RATIOS

Solvency

Solvency ratio	10.4	12.3	10.8	11.1	11.0
Core capital ratio	8.7	9.9	9.7	9.4	9.4

Earnings

Return on equity before tax	%	17.3	22.6	30.2	21.2	2.5
Return on equity after tax	%	14.2	19.0	24.8	17.5	2.3
Income/cost ratio		1.38	1.61	2.10	1.76	1.06

Market risks

Interest-rate risk	%	4.4	2.2	0.9	1.9	0.5
Foreign-exchange position	%	13.9	4.9	6.7	5.8	8.4
Foreign-exchange risk	%	0.2	0.3	0.1	0.1	0.1

Credit risks

Loans and advances rel. to deposits	%	92.3	118.4	127.5	126.4	116.0
Loans and advances plus impairment rel. to deposits	%	95.4	121.2	129.3	127.7	117.4
Loans and advances rel. to shareholders' equity		8.1	8.7	9.2	9.6	11.0
Increase in loans and advances for the year	%	10.2	38.6	26.6	18.6	11.0
Excess coverage relative to statutory cash ratio requirement	%	107.0	46.8	32.5	90.0	87.7
Sum total of major commitments	%	47.1	103.1	81.5	65.5	12.3
Impairment ratio for the year		0.6	0.2	-0.4	-0.3	0.5

THE SPAR NORD BANK SHARE

DKK per share of DKK 10

Earnings per share for the year	DKK	6.1	8.8	14.5	11.9	1.7
NAV per share	DKK	46	54	65	75	73
Dividend per share	DKK	3	3	3	3	0
Share price/earnings per share for the year		12.0	10.6	9.4	9.7	25.5
Share price/NAV per share		1.6	1.7	2.1	1.6	0.6

In 2005, the Group changed its accounting policies in connection with the transition to IFRS.

The performance indicators and financial ratios have only been partially restated for 2004.

Ratio definitions appear from note 56.

NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

Annual Report 2008

NOTE

RATIO DEFINITIONS

SOLVENCY RATIO

Capital base in per cent of risk-weighted assets.

CORE CAPITAL RATIO

Core capital after deduction in per cent of risk-weighted assets.

RETURN ON EQUITY BEFORE TAX

Profit/loss before tax in per cent of average shareholders' equity. The average shareholders' equity is calculated as a simple average of the shareholders' equity at the beginning of the year and at the end of the year.

RETURN ON EQUITY AFTER TAX

Profit/loss after tax in per cent of average shareholders' equity. The average shareholders' equity is calculated as a simple average of the shareholders' equity at the beginning of the year and at the end of the year.

INCOME/COST RATIO *(the Danish Financial Supervisory Authority's definition)*

Net income from interest, fees, charges and commissions, Market-value adjustments, Other operating income and Profit/loss on equity investments in associates and group enterprises in per cent of Staff costs and administrative expenses, Depreciation, amortization and impairment of intangible assets and property, plant and equipment, Other operating expenses and Impairment of loans, advances and receivables.

INCOME/COST RATIO

Core income/operating costs depreciation and amortization

INTEREST-RATE RISK

Interest-rate risk in per cent of core capital after deductions.

FOREIGN-EXCHANGE POSITION

Foreign-exchange indicator 1 in per cent of core capital after deductions.

FOREIGN-EXCHANGE RISK

Foreign-exchange indicator 2 in per cent of core capital after deductions.

LOANS AND ADVANCES PLUS IMPAIRMENT RELATIVE TO DEPOSITS

Loans and advances + impairment in per cent of deposits.

LOANS AND ADVANCES RELATIVE TO DEPOSITS

Loans and advances in per cent of deposits.

EXCESS COVERAGE RELATIVE TO STATUTORY CASH RATIO REQUIREMENT

Cash balances, Demand deposits with Danmarks Nationalbank (the central bank), Absolutely secure and liquid demand deposits with credit institutions and insurance companies, Uncollateralized certificates of deposit issued by Danmarks Nationalbank and Secure and liquid (listed) uncollateralized securities in per cent of 10% of Reduced liabilities (other than provisions) and guarantee commitments.

SUM TOTAL OF MAJOR COMMITMENTS

The sum total of major commitments in per cent of the capital base.

SHARE OF RECEIVABLES WITH REDUCED INTEREST RATE

Receivables at a reduced interest rate (before impairment) in per cent of loans and advances + guarantees + impairment.

IMPAIRMENT RATIO FOR THE YEAR

Impairment for the year in per cent of loans and advances + guarantees + impairment.

INCREASE IN LOANS AND ADVANCES FOR THE YEAR

Increase in loans and advances from the beginning of the year to the end of the year, in per cent.

LOANS AND ADVANCES RELATIVE TO SHAREHOLDERS' EQUITY

Loans and advances/shareholders' equity.

EARNINGS PER SHARE FOR THE YEAR

The profit/loss for the year after tax/average number of shares. The average number of shares is calculated as a simple average of the shares at the beginning of the year and at the end of the year.

NET ASSET VALUE (NAV) PER SHARE

Shareholders' equity/share capital, excl. treasury shares.

DIVIDEND PER SHARE

Proposed dividend/share capital.

SHARE PRICE RELATIVE TO EARNINGS PER SHARE FOR THE YEAR

Share price/earnings per share for the year.

SHARE PRICE RELATIVE TO NET ASSET VALUE (NAV)

Share price/NAV per share.

COST SHARE OF CORE INCOME

Operating costs, depreciation and amortization/Core income.

COST SHARE OF CORE INCOME, INCL. IMPAIRMENT

Operating costs, depreciation and amortization + Impairment of loans and advances, etc./Core income.

RATE OF RETURN

Year-end price - year-end price the year before + dividend the year before in per cent of the year-end price the year before.

PRICE-EARNINGS RATIO

Year-end price/Earnings after tax (see Return on equity after tax).

EARNINGS PER SHARE

The profit/loss for the year after tax/average number of shares in circulation, excl. treasury shares.

The average number of shares is calculated as a simple average of the shares at the beginning of the year and at the end of the year.

DILUTED EARNINGS PER SHARE

The profit/loss for the year after tax/average number of shares in circulation, incl. dilutive effect of share options and contingently issuable shares.

OTHER DISCLOSURES

PAGE

120	OTHER DISCLOSURES
122	THE BANK'S MANAGEMENT
125	DIRECTORSHIPS, ETC. AND MANAGEMENT'S SHAREHOLDINGS
129	ORGANIZATIONAL UNITS AND MANAGEMENT
	STOCK EXCHANGE ANNOUNCEMENTS 2008



SUPERVISORY BOARD

Chief Executive Officer

Torben Frstrup

Chairman

Estate Agent

Erling Kjær

Deputy Chairman

Professor

Per Nikolaj Bukh

Farmer

Nils Kristian Kirketerp

Chief Executive Officer

Carsten Normann

Managing Director

Per Søndergaard Pedersen

Senior Workplace Representative

Ole Skov

Elected by the employees

Workplace Representative

Jan Høholt Jensen

Elected by the employees

Workplace Representative

Jannie Skovsen

Elected by the employees

EXECUTIVE BOARD



Chief Executive Officer

Lasse Nyby



Managing Director

John Lundsgaard



Managing Director

Lars Møller

CHAIRMEN OF THE LOCAL BANK COMM.

BRØNDERSLEV

State-authorized Estate Agent

Jesper Hardahl

ESBJERG

Not yet elected

FREDERIKSHAVN

Managing Director

Kaj Christiansen

HELSINGØR

Not yet elected

HERNING

Head of Postal Communications Dep.

Torben Christensen

HJALLERUP

Mayor

Michael Klitgaard

HOLBÆK

Not yet elected

HORSENS

Department Store Head

Jan Hessellund

KOLDING

Managing Director

Otto Skak

COPENHAGEN

Managing Director

Carsten Hansen

KØGE

Chief Executive Officer

Lars Bloch

LILLEBÆLT

Attorney

Søren Frandsen

MARIAGERFJORD

Paint Dealer

Ivan Østergaard

NORDVESTVENDSYSSEL

Attorney

Troels Bidstrup Hansen

NÆSTVED

Regional Manager

Jens Kjær Nielsen

NØRRESUNDBY

Attorney

Bjarne Damm Johansen

ODENSE

State-authorized Estate Agent

Henrik Therkelsen

RANDERS

Not yet elected

REBILD

Farmer

Karl Kristian Andersen

ROSKILDE

Not yet elected

SILKEBORG

Managing Director

Hans Sejling Clausen

SKAGEN

Master Carpenter

Thomas Dyrnesli Nielsen

SKIVE

Local Authority Chief Executive

Hans Erik Nielsen

SLAGELSE

Principal

Steen Knuth

CORPORATE BANKING

State-authorized Public Accountant

Hans Østergaard

SÆBY

Attorney

Erling Mortensen

VEJGAARD

Project Manager

Lars Rasch Børglum

VEJLE

Attorney

Erik Svanvig

VESTHIMMERLAND

Managing Director

Torben Frederiksen

AABYBRO

Purchasing Manager

Christian Jensen

AALBORG

Managing Editor

Jørgen Pyndt

ÅRHUS

Attorney

Torben Korsager

SUPERVISORY BOARD MEMBERS

TORBEN FRISTRUP (born 1951)

Chairman of the Supervisory Board since 2004. Member of the Supervisory Board of Spar Nord Bank A/S since 2003.

Chief Executive Officer
CUBIC-Modulsystem A/S
Skjoldborgsgade 21
9700 Brønderslev

Other executive boards posts:

CUBIC-Holding Brønderslev A/S

Chairman of the Supervisory Board:
A/S Peder Niensens Beslagfabrik
CUBIK-Imek A/S
CUBIC Svenska AB

Member of the Supervisory Board:
CUBIC-Holding Brønderslev A/S
Cubic-Modulsystem A/S
Keflico A/S
Sjørring Maskinfabrik A/S

ERLING KJÆR (born 1954)

Deputy Chairman of the Supervisory Board since 1995. Member of the Supervisory Board of Spar Nord Bank A/S since 1989.

Estate Agent
Skagen Mægleren
Smøgen 5
9990 Skagen

PER NIKOLAJ BUKH (born 1965)

Member of the Supervisory Board of Spar Nord Bank A/S since 2007.

Professor
Department of Business Studies
Aalborg University
Fibigerstræde 4
9220 Aalborg Øst

Member of the Supervisory Board:

Jurist- & Økonomforbundets
Forlag A/S
Jurist- & Økonomforbundets
Forlagsfond

NIELS K. KIRKETERP (born 1947)

Member of the Supervisory Board of Spar Nord Bank A/S since 2005.

Farmer
Kirketerp
Aalborgvej 5
9500 Hobro

Chairman of the Supervisory Board:

Jordemødrenes Ejendoms-
aktieselskab
Jordemødrenes Personforsikrings-
selskab A/S
Kost- og Ernæringsfagliges Ejen-
domsaktieselskab
Kost- og Ernæringsfagliges Person-
forsikringsselskab A/S
Pensionskassen for Jordemødre

Member of the Supervisory Board:

Amtrådsforeningen
Ergoterapeuternes og
Fysioterapeuternes Person-
forsikringsselskab A/S
Hobro/Arden Fjordgolfbane A/S
Mariager Fjord Spildevand A/S
Mariager Fjord Vand A/S
NOVI Ejendoms- og Finansierings-
fond

DIRECTORSHIPS, ETC. AND MANAGEMENTS SHAREHOLDINGS

CARSTEN NORMANN (born 1962)

Member of the Supervisory Board of Spar Nord Bank A/S since 2004.

Chief Executive Officer
Biva Møbler A/S
Telehøjen 6
5200 Odense SØ

PER SØNDERGAARD PEDERSEN (born 1954)

Member of the Supervisory Board of Spar Nord Bank A/S since 2002.

Managing Director
PSP Holding ApS
Nordtoft 36
9000 Aalborg

Chairman of the Supervisory Board:

Aalborg Boldspilklub A/S
Business Institute Aalborg A/S
Celenia Software A/S
EIPE Holding A/S
J.A. Plastindustri A/S
JMI Gruppen A/S
Lindgaard A/S
NOWACO Group A/S
PL Holding Aalborg A/S
TBP Invest Aalborg A/S

Member of the Supervisory Board:

Kollegiefonden Bikuben
Marius A/S
Musikkens Hus
OKF Holding A/S
Rejser A/S
Scanmach A/S
Skandia Kalk International Trading A/S
Small Cap Danmark A/S
TK Development A/S
Toppenberg Maskinfabrik A/S
9000 Lux A/S

OLE SKOV (born 1959)

Employee-elected member of the Supervisory Board of Spar Nord Bank A/S since 2000.

Spar Nord Bank A/S,
Senior Workplace Representative

JAN HØHOLT JENSEN (born 1965)

Employee-elected member of the Supervisory Board of Spar Nord Bank A/S since 2004.

Spar Nord Bank A/S,
Workplace Representative

JANNIE SKOVSEN (born 1965)

Employee-elected member of the Supervisory Board of Spar Nord Bank A/S since 2008.

Spar Nord Bank A/S,
Workplace Representative

DIRECTORSHIPS, ETC. AND MANAGEMENTS SHAREHOLDINGS

EXECUTIVE BOARD MEMBERS

LASSE NYBY (born 1960)
Chief Executive Officer

CEO of Spar Nord Bank A/S
since 2000. Member of the Executive Board since 1995.

Chairman of the Supervisory Board:
Erhvervsinvest Nord A/S
Finans Nord A/S
JSNFA Holding A/S
Spar Nord Ejendomsselskab A/S

Member of the Supervisory Board:
Erhvervsinvest Management A/S
Nykredit Holding A/S
PRAS A/S
SN Finans Nord AB
Vækst-Invest Nordjylland A/S

JOHN LUNDSGAARD (born 1964)
Managing Director

Member of the Executive Board since 2000. Senior Executive Vice President of Spar Nord Bank A/S 1995-2000.

Chairman of the Supervisory Board:
Factor Insurance Brokers A/S
Factor Insurance Brokers Jylland A/S
Høgsberg Assurance Service A/S
Skandinavisk Data Center A/S

Member of the Supervisory Board:
Inwido Academy A/S
letpension Holding A/S
letpension IT A/S
letpension Livs- og pensions-
forsikringsselskab A/S
Spar Nord Ejendomsselskab A/S

LARS MØLLER (born 1957)
Managing Director

Member of the Executive Board since 2000. Senior Executive Vice President of Spar Nord Bank A/S 1997-2000.

Chairman of the Supervisory Board:
BI Asset Management Fondsbørs-
mæglerselskab A/S
BI Holding A/S
BI Management A/S

Member of the Supervisory Board:
BI Technology A/S
DLR Kredit A/S
Erhvervsinvest Nord A/S
Spar Nord Ejendomsselskab A/S

OTHER

KIM CHRISTENSEN (born 1961)
Head of Credit Rating,
Spar Nord Bank A/S, since 1997.

Member of the Supervisory Board:
Erhvervsinvest Nord A/S
Finans Nord A/S

JAN GERHARDT (born 1958)
Senior Executive Vice President
of Trading, Financial Markets &
The International Division,
Spar Nord Bank A/S, since 2000.

Chairman of the Supervisory Board:
Core Property Management A/S
ValueInvest Asset Management S.A.

Member of the Supervisory Board:
Kapitalpleje A/S
Spar Nord FormueInvest A/S

SHAREHOLDINGS

MANAGEMENT'S SHAREHOLDINGS *		
Spar Nord Bank shares held by members of the Supervisory Board and the Executive Board	No. of shares 31.12.07	No. of shares 31.12.08
Torben Fristrup	3,200	4,200
Erling Kjær	14,475	14,881
Per Nikolaj Bukh	100	100
Jan Høholt Jensen	3,130	3,208
Niels Kristian Kirketerp	7,090	7,090
Carsten Normann	2,300	1,380
Ole Skov	860	938
Jannie Skovsen	-	1,318
Per Søndergaard Pedersen	10,380	10,380
Lasse Nyby	22,380	22,381
John Lundsgaard	23,470	24,670
Lars Møller	25,000	26,000

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

HEADQUARTERS

EXECUTIVE BOARD

Lasse Nyby, CEO
John Lundsgaard, Man. Director
Lars Møller, Man. Director

INTERNAL AUDIT

Margit Nicolajsen,
Head of Internal Audit Department

STAFF FUNCTIONS

MANAGEMENT SECRETARIAT

Ole Madsen, Gen. Manager

LEGAL DEPARTMENT

Karin Duerlund, Attorney,
Head of Legal Department

CREDIT RATING

Kim Christensen, Gen. Manager

FINANCE & ACCOUNTS DEPARTMENT

Thorkild H. Mathiasen, Gen. Manager

BUSINESS AREAS

CORPORATE COORDINATION & SUPPORT

John Lundsgaard, Man. Director

Back Office

Jørgen Mårtens, Gen. Manager

Business Development

Ole Søholm Jensen, Gen. Manager

HR Department

Inge Møller, Gen. Manager

IT Department

Carsten Henriksen, Gen. Manager

Spar Nord Productions

Poul M. Pedersen, Gen. Manager

Spar Nord Direct

Lea Magnusson, Gen. Manager

TRADING, FINANCIAL MARKETS & THE INTERNATIONAL DIVISION

Jan Gerhardt, Gen. Manager

International Division

Hanne Balling, Gen. Manager

Equities

Peter H. Møller, Gen. Manager

Asset Management

Carsten Bay, Gen. Manager

Interest og Forex

Peter Kristensen, Gen. Manager

Markets Division

Peter Kristensen, Gen. Manager

SPAR NORD'S LOCAL BANKS

John Lundsgaard, Man. Director
Lars Møller, Man. Director

Brønderslev

Annette Drivsholm, Gen. Manager
Brønderslev

Esbjerg

Rene L. Madsen, Gen. Manager
Esbjerg

Frederikshavn

Ole Vejling, Gen. Manager
Frederikshavn
Hånbæk
Strandby
Aalbæk

Helsingør

Jens Haahr, Gen. Manager
Helsingør

Herning

Jesper Boje Skovhuus, Gen. Manager
Herning
Ikast

Hjallerup

Jan Gudiksen, Gen. Manager
Hjallerup
Dronninglund

Holbæk

Willy Lisby, Gen. Manager
Holbæk
Hvalsø

Horsens

Jan Rasmussen, Gen. Manager
Horsens

Kolding

Ole Hermansen, Gen. Manager
Kolding

Copenhagen

Kaj Sunddal, Gen. Manager
Copenhagen

Køge

Jesper Køster, Gen. Manager
Køge

Lillebælt

Christian Jungmark, Gen. Manager
Fredericia
Middelfart

Mariagerfjord

Frank Kristensen, Gen. Manager
Hobro
Hadsund
Arden

Nordvestvendsyssel

Ole Peter Christensen, Gen. Manager
Hjørring
Bispensgade
Hirtshals
Sindal
Tårn

Næstved

Bjarne E. Nielsen, Gen. Manager
Næstved

Nørresundby

Kurt Bennetsen, Gen. Manager
Nørresundby
Lindholm
Vadum
Vester Hassing
Vodskov

Odense

Ebbe Junker Møller, Gen. Manager
Odense

Randers

Torben Larsen, Gen. Manager
Randers

Rebild

Anders Jensen, Gen. Manager
Støvring
Nibe
Svenstrup
Terndrup
Kongerslev

Roskilde

Stig Nelkop, Gen. Manager
Himmelev
Svogerslev
Jyllinge
Køgevej

Silkeborg

Niels Jacob Jacobsen, Gen. Manager
Silkeborg

Skagen

Allan K. Andersen, Gen. Manager
Skagen

Skive

Lars Thomasen, Gen. Manager
Skive
Jebjerg

Slagelse

Christian B. Andersen, Gen. Manager
Slagelse

Corporate Banking

Gunnar Klug, Gen. Manager
Corporate Banking
Private Banking

Sæby

Steffen Nørgaard, Gen. Manager
Sæby
Dybvad
Østervrå

Vejgaard

Hans Peder Hansen, Gen. Manager
Gistrup
Gug
Klarup
Sauersvej
Storvorde
Vejgaard
Aalborg Øst

Vejle

Denny Joe Andersen, Gen. Manager
Vejle

Vesthimmerland

Leif Ø. Christensen, Gen. Manager
Løgstør
Aars
Farsø
Hornum

Aabybro

Jørn Rytter, Gen. Manager
Aabybro

Aalborg

Henrik Schou, Gen. Manager
Østeraa
Hasseris
Skipperen
Spar Nord Bolig
Vestre
Aalborg Storcenter

Århus

Peter Kirkegaard, Gen. Manager
Århus
Veri Centret

SUBSIDIARY

FINANS NORD A/S

Gert Tougård, CEO

Region North

Hans Jørgen Stenz, Gen. Manager

Region East

Anders Hansen, Gen. Manager

Region South

Tommy Svendsen, Gen. Manager

Easyfleet

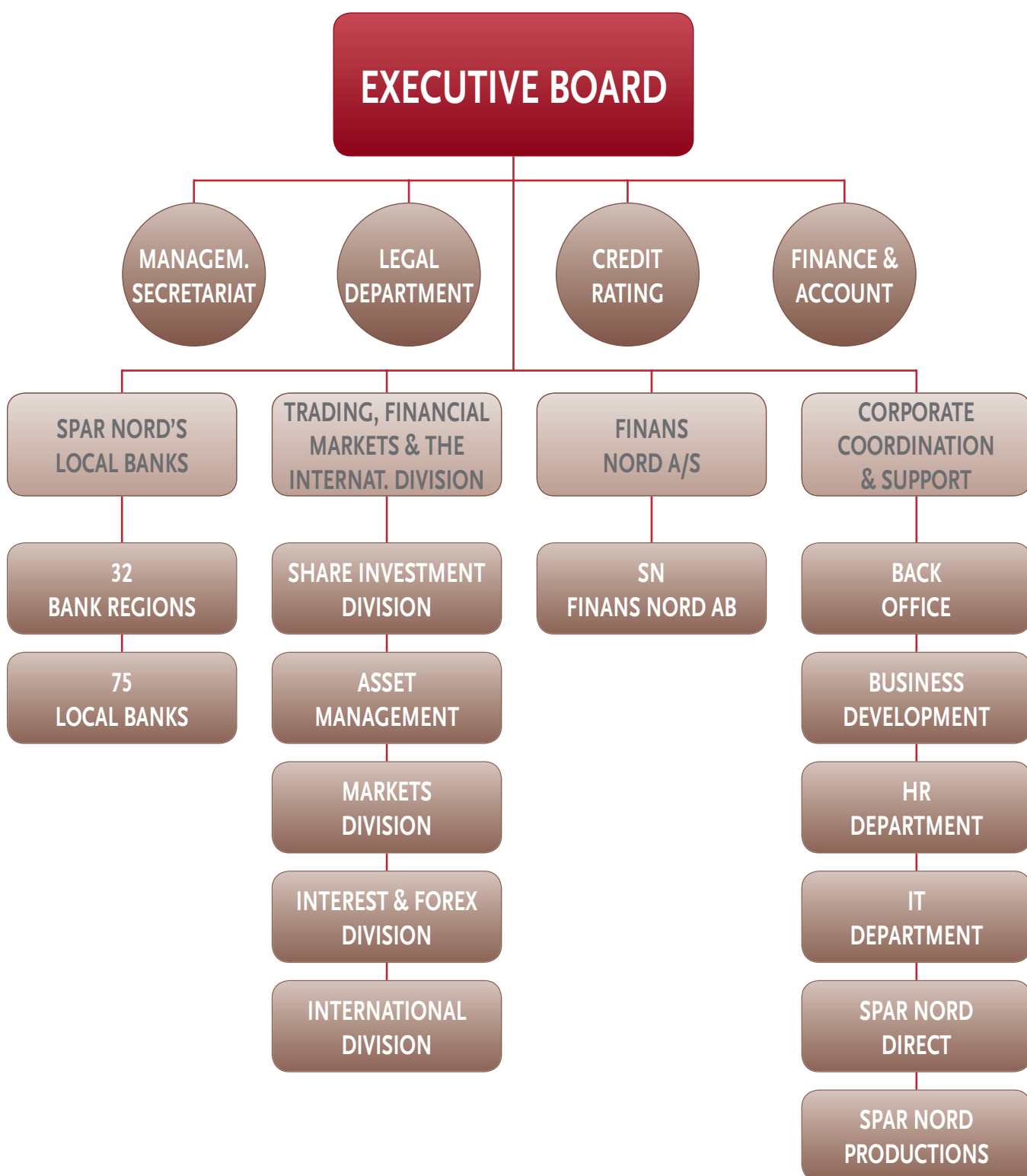
Peter Lorentzen, Gen. Manager

SN Finans Nord AB

Pierre Skoog, Gen. Manager

Finans Nord Cross Border A/S

Hans Jørgen Stenz, Gen. Manager



STOCK EXCHANGE ANNOUNCEMENTS 2008

- 1. 07 February 2008**
Spar Nord Bank's Annual Report 2007 -
Pre-tax profit of DKK 833 million.
- 2. 06 March 2008**
Spar Nord Bank A/S changes its cooperation
agreement with Totalkredit/Nykredit.
- 3. 13 March 2008**
Spar Nord Bank A/S has established an
EMTN programme.
- 4. 14 April 2008**
Notice convening the Annual General Meeting.
- 5. 30 April 2008**
Quarterly report for Q1 2008 for Spar Nord Bank.
- 6. 30 April 2008**
Annual General Meeting of Spar Nord Bank.
- 7. 07 August 2008**
Interim Financial Statements for the first
six months of 2008 for Spar Nord Bank.
- 8. 29 September 2008**
Spar Nord Bank establishes three new bank
areas on Zealand.
- 9. 06 October 2008**
Spar Nord Bank joins the new government
deposit guarantee scheme.
- 10. 29 October 2008**
Quarterly report for Q1-Q3 2008 for Spar Nord Bank.
- 11. 03 December 2008**
Financial Calendar for 2009.

SPAR NORD BANK A/S
SKELAGERVEJ 15
P.O. BOX 162
DK-9100 AALBORG

TELEPHONE
+45 96 34 40 00

TELEFAX
+45 96 34 45 60

WEB
WWW.SPARNORD.DK

E-MAIL
SPARNORD@SPARNORD.DK

CVR-NO.
13 73 75 84