Spar Nord Bank A/S

(a public limited company incorporated in Denmark, company reg. (CVR) no. 13737584)

Listing of DKK 700,000,000 Subordinated Floating Rate Tier 2 Notes due 18 December 2023

This prospectus (the "**Prospectus**") has been prepared by Spar Nord Bank A/S (the "**Bank**") for the admission to trading and official listing of the DKK 700,000,000 subordinated floating rate tier 2 notes due 18 December 2023 (the "**Listing**") issued by the Bank on 18 December 2013 under ISIN code DK0030330311 (the "**Notes**", as further defined in section 6 – Terms and Conditions of the Notes) on NASDAQ OMX Copenhagen A/S' regulated market.

This Prospectus has been prepared for the purpose of the Listing only. The Notes were issued on 18 December 2013 and will be admitted to trading and official listing on NASDAQ OMX Copenhagen A/S' regulated market with effect from 28 March 2014.

This Prospectus has been prepared in compliance with Danish laws and regulations, including Consolidated Act No. 982 of 8 June 2013 on Securities Trading, as amended (the "**Securities Trading Act**"), Commission Regulation (EC) No. 809/2004 of 29 April 2004 (the "**Prospectus Regulation**"), as amended and Executive Order No. 643 of 6 June 2012 (the "**Prospectus Order**") issued by the Danish Financial Supervisory Authority (the "**DFSA**") on prospectuses for securities admitted to trading on a regulated market and for public offerings of securities of at least EUR 5,000,000 and NASDAQ OMX' rules for issuers of bonds.

The Notes have not been assigned any credit rating of any credit agency.

This Prospectus has been prepared on the basis that any offer of Notes in any member state of the European Economic Area which has implemented Directive 2003/71/E, as amended (the "**Prospectus Directive**")(each such member state, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in the Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly, any person making or intending to make an offer in the Relevant Member State of the Notes may do so only in circumstances in which no obligation arises for the Bank or the Arranger to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, as implemented in the Relevant Member State, in each case, in relation to such offer. Neither the Bank nor the Arranger has authorised, and does not authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Bank or the Arranger to publish or supplement a prospectus for such offer.

This Prospectus is to be read in conjunction with all documents which are incorporated by reference (see section 16 - Documents).

No person has been authorised by the Bank, the Arranger or any other person to give any information or to make any representation other than those contained in this Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Bank, the Arranger or any other person.

The distribution of this Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Bank to inform themselves about and to observe any such restriction. The Arranger has not authorised the whole or any part of this Prospectus and makes no representation or warranty and accepts no responsibility as to the accuracy or completeness of the information contained in this Prospectus.

Certain statements in this Prospectus are based on the views of Management, as well as on assumptions made by and information currently available to the Bank's management, and such statements may constitute forward-looking statements. Such forward-looking statements regarding the Bank's future results of operations, financial position, cash flows, business strategy, plans and objectives of the Bank's management for future operations can generally be identified by terminology such as "targets," "believes," "estimates", "expects", "aims", "intends", "plans", "seeks", "will", "may", "anticipates", "would", "could", "continues" or similar expressions or the negatives thereof.

Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Bank, or industry results, to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements.

The Bank does not intend, and does not assume any obligation, to update any forward-looking statements contained herein, except as may be required by law. Any subsequent written and verbal forward-looking statements attributable to the Bank or to persons acting on its behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Prospectus. The forward-looking statements included in this Prospectus speak only as at the date of this Prospectus. Except for any prospectus supplements that the Bank may be required to publish under Danish law, the Bank does not intend to and does not assume any obligation to update the forward-looking statements in this Prospectus after the date of this Prospectus

The distribution of this Prospectus and the offering or sale of the Notes may, in certain jurisdictions, be restricted by law, and this Prospectus may not be used for the purpose of, or in connection with, any offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised, or to any person to whom it is unlawful to make such offer or solicitation. This Prospectus does not constitute an offer of or an invitation to acquire any Notes in any jurisdiction. Persons into whose possession this Prospectus may come shall inform themselves of and observe all such restrictions. Neither the Bank nor the Arranger accepts any legal responsibility for any violation of any such restrictions by any person.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S persons except in certain transactions exempt from the registration requirements of the Securities Act.

This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Bank or the Arranger to subscribe for or purchase any Notes.

Arranger and Lead-Manager

Danske Bank A/S

Co-Manager

Spar Nord Bank A/S

26 March 2014

Table of contents

1. Responsibility Statement

Spar Nord Bank A/S is responsible for this Prospectus pursuant to Danish law.

We hereby declare that we have taken all reasonable care to ensure that, to the best of our knowledge, the information contained in the Prospectus is in accordance with the facts and contains no omissions likely to affect the import thereof.

Aalborg, 26 March 2014

Spar Nord Bank A/S

Board of Directors

Torben Fristrup

(Chairman)

Per Nikolaj Bukh

Carsten Normann

Hans Østergaard

Fritz Dahl Pedersen

Kaj Christiansen

Laila Mortensen

Jannie Skovsen

Ole Skov

Gitte Holmgaard Sørensen

Torben Fristrup is the CEO of CUBIC-Modulsystem A/S .

Per Nikolaj Bukh is a professor at Aalborg Univeristy.

Carsten Normann is partner and managing director of Mayday Invest A/S and CEO of CN Holding ApS.

Hans Østergaard is a professional board member.

Fritz Dahl Pedersen is the CEO of Fritz Dahl Pedersen Holding ApS, Bolette og Fritz Dahl Pedersen Ejendomsselskab ApS and Fritz Dahl Pedersen Biler ApS.

Kaj Christiansen is the CEO of Frederikshavn Maritime Erhvervspark A/S.

Laila Mortensen is the CEO of Industripension Holding A/S, Industriens Pensionsforsikring A/S and chairman of the executive board of Industriens Pensionsservice A/S, Komplementarselskabet OPP Psyk. afdeling, Vejle - Industriens Pension ApS.

Jannie Skovsen is an employee and a work place representative of Spar Nord Bank A/S.

Ole Skov is an employee and senior workplace representative of Spar Nord Bank A/S.

Gitte Holmgaard Sørensen is an employee and a work place representative of Spar Nord Bank A/S.

Executive Management

Lasse Nyby

Chief Executive Officer

John Lundsgaard

Managing Director

Lars Møller

Managing Director

Bent Jensen

Managing Director

2. Auditors

The Bank's independent auditors are:

KPMG Statsautoriseret Revisionspartnerselskab
Company reg. (CVR) no. 30700228
Oswald Helmuths Vej 4
DK-2000 Frederiksberg
Denmark

KPMG Statsautoriseret Revisionspartnerselskab is represented by Per Gunslev and Lisbet Kragelund.

Per Gunslev and Lisbet Kragelund have audited and signed the Group's consolidated financial statements and financial statements for the financial years ended 2012 and 2013.

The state-authorised public accountants signing the consolidated financial statements are members of the Institute of State Authorised Public Accountants in Denmark (FSR – Danske Revisorer).

3. Risk Factors

The Bank believes that the following factors may affect its ability to fulfil its obligations under the Notes. Most of these factors are contingencies, which may or may not occur and the Bank is not in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors, which are material for the purpose of assessing the market risks associated with the Notes are also described below.

The Bank believes that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Bank to pay interest, principal or other amounts on or in connection with the Notes may occur for other reasons which may not be considered significant risks by the Bank based on information currently available to it or which it may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Prospectus, including any documents incorporated therein by reference, and reach their own views prior to making any investment decision.

Risks Related to Macro-economic Conditions

The Group's business, results of operation and financial position are impacted by macro-economic conditions and economic trends in Denmark

The Group's primary business activity is to offer financial products and services to retail customers and small and medium-sized businesses in Denmark. The Group was founded in northern Jutland, and 40 per cent of the Group's credit exposure still relates to this region. The great majority of the remaining credit exposure is distributed across other parts of Denmark. Only 5 per cent of the Group's exposure is attributable other countries than Denmark. Accordingly, the Group relies strongly on macro-economic trends in Denmark.

In the period 2011 to 2013, economic growth has remained at a low level in Denmark for reasons including general deleveraging of businesses and private households. General demand for the Group's products and services and, hence, profitability thus remains lower than in the years leading up to the onset of the financial crisis in 2008. If economic conditions take longer to improve than currently anticipated by Management, or circumstances deteriorate, this could have a material adverse effect on the Group's business, results of operation and financial position.

Credit Risks

The Group has significant customer and counterparty credit risk exposure

The Group engages in traditional banking transactions, including loans and advances to retail and business customers. These activities expose the Group to risk of loss from customers failing to meet all or part of their obligations. Furthermore, the Group is exposed to credit risk with respect to trading partners in the financial sector who owe the Group money, securities or other assets and who may not pay or may not perform their obligations. Such customers and counterparties include borrowers of loans provided to them by the Group, issuers of securities whose securities the Group holds, trading counterparties, counterparties in swap or currency arrangements and under other financial instruments, exchanges, clearing houses and other trading partners in the financial sector. These parties may default on their obligations to the Group due to bankruptcy, liquidity shortage, economic downturns or declines in asset values, operational failures or for other reasons.

In addition, the Group's customers may have exposures with other banks or other creditors, including exposures of which the Group is not aware. Such other banks and creditors may terminate their exposures or demand repayment of amounts owed to them, without the Group having any influence thereon. This may affect the customer's ability to repay and may cause the Group to incur a loss or cause an increase in the Group's indication of impairment, risk of actual losses on exposures already written down or an increase in capital adequacy needs.

If any of these events were to occur they could have a material adverse effect on the Group's business, results of operation and financial position.

The Group's impairment of loans and advances has increased significantly as a result of the difficult economic conditions

The Group's impairment of loans and advances (continuing activities) amounted to DKK 409 million and DKK 594 in 2013 and 2012, respectively. Although loan impairment charges were lower in 2013 relative to 2012, the impairment of loans and advances remained at a high level when compared with the Group's historical levels prior to the financial crisis.

The continuing difficult economic conditions in Denmark may have a material adverse effect on the credit quality of the Group's loan portfolio and may cause loan impairment charges and loan losses to remain at high or increasing levels, which could have a material adverse effect on the Group's business, results of operation and financial position.

The Group has risks relating to property-related loans and advances

The Group grants loans to business customers operating in the property sector, including in property development and rental activities, and to retail customers for home financing purposes. The Group also arranges mortgage credit loans for retail customers through Totalkredit.

As at 31 December 2013, the Group's credit exposure to the commercial property sector amounted to DKK 5.0 billion, corresponding to 11.1 per cent of total loans, advances and guarantees and at 31 December 2012, the credit exposure amounted to DKK 5.5 billion, corresponding to 11.9 per cent of total loans, advances and guarantees.

As at 31 December 2013, the Group's credit exposure to loans and advances to retail customers secured against real property amounted to DKK 4.7 billion, corresponding to 10.9 per cent of total loans, advances and guarantees. At 31 December 2012, the credit exposure amounted to DKK 4.9 billion, corresponding to 11.4 per cent of total loans, advances and guarantees.

At the Prospectus Date, the Group had no exposure to the property sector exceeding DKK 300 million.

Although it is the Group's policy that property-related loans and advances should generally be granted against collateral, loans are also granted on an unsecured basis. Further, the expected value of the collateral provided may prove unrealisable.

Impairment of loans and advances to the commercial property market amounted to DKK 106 million in 2013 and DKK 140 million in 2012. Accordingly, impairment of loans and advances to the commercial property market amounted to 26 per cent of total impairment charges in 2012-13.

General economic downturn, rising unemployment, falling house prices, increasing interest rates and/or a higher level of lending aversion among credit providers may result in a higher default rate on commitments with property exposure, reduced collateral values, increased illiquidity of collateral and increased set-off against fees from Totalkredit and may, therefore, have a material adverse effect on the Group's business, results of operation and financial position.

The Group is exposed to risks related to the agricultural sector

The Group is exposed to the agricultural sector because of its presence in areas with a high proportion of agricultural customers. In addition to providing loans and advances on its own books, the Group contributes to financing the agricultural sector by arranging mortgage credit loans through DLR Kredit.

As at 31 December 2013, the Group's total exposure to agriculture was 8.7 per cent of its total loans, advances and guarantee and as at 31 December 2012, the Group's exposure was 10.2 per cent of its total loans, advances and guarantees.

Although it is the Group's policy that agriculture-related loans and advances should generally be granted against collateral, loans are also granted on an unsecured basis. Further, the expected value of the collateral provided may prove unrealisable. The collateral provided for both bank and mortgage exposures mainly consists of agricultural properties.

The agricultural sector has been severely affected by the recent years' economic downturn, and the impairment of agriculture-related loans and advances thus amounted to DKK 119 million in 2013 and DKK 184 million in 2012. Accordingly, impairment of agriculture-related loans, and advances constituted 27-29 per cent of total impairment losses in 2012-13.

If the economic downturn in Denmark persists, if the prices of meat, milk or grain fall, or if the prices of animal feed increase, there is a risk of a higher default on agricultural exposures, increased set-off against the fees from DLR Kredit, reduced value of collateral and increased illiquidity of collateral, which could have material adverse consequences for the Group's business, results of operation and financial position.

The Group is exposed to risks related to other sectors

The Group has incurred impairment losses in sectors other than agriculture and property, including in the transport and the trade sectors.

Economic downturn may cause financial difficulties for the Group's customers and could therefore have material adverse consequences for the Group's business, results of operation and financial position. Rising raw material prices and economic downturn may lead to lower demand and settlement prices, especially for sub-suppliers, but also for retailers. Declining revenue and earnings among customers exposed to the trade sector may have material adverse consequences for the Group's business, results of operation and financial position.

The Group is exposed to risks related to trading partners in the financial sector

As a consequence of its business collaboration with a large number of other financial businesses, including its role as a wholesale bank to small and medium-sized banks in Denmark, the Group is exposed to counterparty risk. Counterparty risk is the risk of loss caused by a trading partner in the financial sector defaulting on its obligations under a contract. In addition, the Group is exposed to risk when financial contracts are concluded or settled, as, for example, principals denominated in different currencies are not necessarily exchanged at the same time or securities are not received simultaneously with the appropriate payment.

Within the financial sector, default of any one institution could also lead to defaults by other institutions. Concerns about, or the default by, one institution could thus lead to significant liquidity problems, losses or defaults by other institutions, because the commercial and financial soundness of financial businesses may be closely related as a result of credit granting, trading, clearing and other mutual relationships. Even perceived lack of creditworthiness or doubts about a counterparty's solvency may lead to market-wide liquidity problems and losses or defaults by the Group or by other institutions. This risk may have a material adverse effect on financial intermediaries, such as clearing houses, banks, securities broker firms and exchanges to which the Group is exposed.

All of the above factors may have a material adverse effect on the Group's business, results of operation and financial position.

Market Risks

Interest margin trends have a significant impact on the Group's profitability

The Group earns interest from loans and advances and other assets and pays interest to its depositors and other creditors. The Group's results of operation are therefore strongly dependent on the Group's net interest income. For 2013, net interest income accounted for 63 per cent of the Group's total core income, which was unchanged compared to 2012. The Group's net interest margin, which is the difference between the yield on the Group's interest-bearing assets and the costs of its interest-bearing liabilities, depends to some extent on prevailing interest rate levels and is a significant factor in determining the profitability of the Group. Interest rate fluctuations and the Group's ability to price its credit services and credit products to its customers have a material effect on the Group's business, results of operation and financial position, and reductions in the level of interest rates and narrowing interest rates spread could have a material adverse effect thereon.

The Group's future interest income could come under pressure due to continued moderate demand and, hence, moderate lending growth

Since 2002, the Bank has opened or acquired 40 branches outside its northern Jutland core area, and in its strategy plan for the years 2014-2015, the Bank has defined a goal for the next few years of generating a net inflow of retail and business customers and growth in its average business volume (deposits, loans, advances and guarantees) per customer. Thus, the Bank aims to grow its Danish market share, and thereby achieve above-sector-average lending growth.

If due to market conditions or other factors the Bank is no longer able to achieve its target growth and exploit the potential of the newly opened or acquired branches, it will have a material adverse effect on the Bank's potential for achieving satisfactory profitability in the business established as an investment in creating a presence in areas outside the northern Jutland region, and, by extension, on the Group's business, results of operation and financial position.

The Group's portfolio of shares, bonds and other securities increases the risks of the Group

The Group holds a large securities portfolio consisting of bonds, trading portfolio equities and equities outside the trading portfolio. This securities portfolio amounted to DKK 21.0 billion at 31 December 2013.

Bond Portfolio

The Group's portfolio of bonds amounted to DKK 18.8 million at 31 December 2013. The bond portfolio ensures ongoing liquidity for the Group, which is built up by investing excess liquidity in, primarily, Danish highly-rated liquid government and mortgage bonds. Because of their high liquidity, the liquidity portfolio is overweight in short-term bonds. The Group's portfolio of bonds exposes the Group to market risk in the form of interest rate fluctuations and credit risk. Failure by the Group to manage these risks could have a material adverse effect on the Group's business, results of operation and financial position.

Assets in the Trading Portfolio

The Group's trading portfolio, consisting predominantly of listed shares and bonds, but also other types of financial instruments, represented DKK 20.4 million at 31 December 2013. The assets of the trading portfolio were acquired with a view to trading and are primarily traded on behalf of customers. The fair value of the Group's securities may decline going forward and may cause material negative value adjustments. Moreover, market volatility and illiquidity may make it difficult to value certain of the Group's holdings. Any of these factors could require the Group to recognise impairment charges, which may have a material adverse effect on the Group's business, results of operation and financial position.

Assets outside the Trading Portfolio

The Group's holding of assets outside the trading portfolio mainly consists of shares in associates and shares in strategic partners in the financial sector and accounted for DKK 2.1 billion at 31 December 2013. The shares in strategic partners are intended to support the Group's business within mortgage credit, payment services, investment associations, etc., whereas shares in associates mainly consist of a 50.2 per cent stake in Nørresundby Bank A/S. In several of the sector companies, the shares are reallocated such that the ownership interest of the banks will reflect the business volume of the relevant institution with the sector company. Typically, such reallocation is made annually based on the net asset value of the sector company in question. On this basis, the Group adjusts the recognised value of these shares when new information is available that supports a change of valuation. The value of assets outside the trading portfolio is measured based on a recognised valuation method. The adjustments of the value of the assets are recognised in the income statement, and this could affect the Group's business, results of operation and financial position.

The Group's financial results and basis of existence may be affected if its solvency ratio is reduced or deemed inadequate

Pursuant to the Financial Business Act, Danish banks must comply with a solvency requirement which is 8 per cent of Risk-weighted Items or any higher solvency requirement fixed by the DFSA. Danish banks must also comply with an ICAAP ratio calculated individually by the banks. The ICAAP ratio is calculated on the basis of an assessment of a number of risks to which banks are or may be subject, including credit risks, market risks, operational risks, etc. An increase in some of these risks could affect the ICAAP ratio.

The Group's solvency ratio stood at 19.4 per cent at 31 December 2013, thus exceeding by 9.4 percentage points the Bank's ICAAP ratio of 10.0 per cent.

Despite the solvency buffer, authorities, lenders, equity investors, analysts and other relevant market participants may believe that the Group's solvency ratio is too low relative to the prevailing uncertainty in the financial sector. This may cause the Group to incur increased funding costs and limit its access to the capital markets.

If the Group's solvency ratio is reduced, and the Bank is unable to raise additional capital, the Group may need to reduce its lending or divest other assets in order to comply with any individual solvency requirement as may be fixed by the DFSA or the ICAAP ratio fixed by the Bank. Ultimately, this may lead to a transfer of the Group to Finansiel Stabilitet A/S and/or cause the banking activities to be discontinued.

An increase of risk-weighted assets may result in a reduction of the Group's solvency ratio

Risk-weighted Items consist of balance sheet items, off-balance sheet items and other market and operational risk positions, measured and risk-weighted according to standard methods, see executive order no. 1399/2011.

Any default on an exposure or reduction of the value of collateral provided could cause an increase in the Group's Risk-weighted Items. Moreover, increased funding costs and other factors could affect the Group's Capital Base, and significant market volatility or legislative changes, for example, could result in an increase in Risk-weighted Items and thus potentially reduce the Group's solvency ratio.

In the event that the Group's operations lead to losses of a magnitude that reduces the Group's solvency ratio, and the Bank is unable to raise additional capital, the Group may need to reduce its lending or divest other assets in order to comply with any individual solvency requirement as may be fixed by the DFSA or the ICAAP ratio fixed by the Bank. Ultimately, this may lead to a transfer of the Bank to Finansiel Stabilitet A/S and/or cause the banking activities to be discontinued.

Operational Risks

Operational risks, including outsourcing partners and suppliers, could result in financial loss and could harm the Group's reputation

The Group is exposed to operational risks in the form of possible losses resulting from inappropriate or inadequate internal procedures, human or system errors, or external events, including events relating to the Group's outsourcing partners, including in the IT area.

Operational risks are often associated with one-off events, such as failure to observe business or working procedures, defects or breakdowns of technical infrastructure, criminal acts, fire and storm damage, and litigation. These events could potentially result in financial loss and could harm the Group's reputation generally.

The Group's business inherently involves operational risk, as the Group is dependent on processing a large number of complex transactions across numerous and diverse products, and it is subject to a number of different legal and regulatory regimes. The recording and processing of these transactions are potentially exposed to the risk of human or technical error or a breakdown of internal controls relating to the due authorisation of transactions. Given the Group's high volume of transactions, errors may be repeated or compounded before they are discovered and rectified, and there can be no assurance that risk assessments made in advance will adequately predict the occurrence, or estimate the costs, of such errors.

If the Group is not able to manage these risks, it could have a material adverse effect on the Group's reputation, business, results of operation and financial position.

The risk management methods used by the Group may prove insufficient to cover unidentified, unanticipated, or incorrectly quantified risks, which could lead to material losses or a material increase in liabilities

The Group devotes significant resources to developing risk management policies, procedures and assessment methods for its banking and other businesses. Nonetheless, the risk management techniques and strategies applied by the Group may not be fully effective in hedging risk exposure in all economic market environments or against all types of risk, including risks that the Group fails to identify or anticipate. Some of the tools and metrics used by the Group for managing risk are based upon the use of observed historical market behaviour as well as predictions of future developments. The Group applies statistical and other tools for these observations and predictions in order to arrive at quantifications of risk exposures. These tools and metrics may fail to predict future risk exposures, or may predict incorrectly future risk exposures, and the Group's losses could therefore be significantly greater than such measures would indicate. In addition, the risk management methods used by the Group do not take all risks into account and could prove inadequate. If prices move in a way that the Group's risk models had not anticipated, the Group may experience significant losses. Assets that are not traded in a public market, such as derivative contracts between banks, may be assigned values that are calculated by the Group using mathematical models. Monitoring the deterioration of such assets may be difficult and may lead to losses that the Group had not anticipated. Unanticipated or incorrectly quantified risk exposures could result in material losses to the banking and asset management business of the Group.

Other risk management methods depend upon the evaluation of information regarding markets, customers or other matters that are publicly available or otherwise accessible. This information may not in all cases be accurate, up-to-date or properly evaluated. Management of operational, legal and regulatory risk requires, among other things, policies and procedures to properly record and verify a large number of transactions and events, and the Group's policies and procedures may not be fully effective.

The inability of the Group to successfully implement and adhere to effective risk management methods, including the inability to accurately assess the credit risk of its customers, could have a material adverse effect on the Group's business, results of operation and financial position.

The Group depends on its senior management and employees and it may have difficulty attracting and retaining qualified employees in future

The future operating results of the Group depend heavily on the continued contributions of senior management. Hence, the Group could be adversely affected to a material degree if any of its senior managers ceases to actively participate in the management of its business. In addition, the Group depends in large part on its ability to attract, train, retain and motivate highly skilled managers and employees. Due to significant competition for employees with the level of experience and qualifications in banking on which the Group depends, it may prove difficult for the Group to hire and retain qualified employees in future.

The Group may also lose some of its most talented personnel to competitors which could have a material adverse effect on the business of the Group and prevent it from retaining and attracting customers, managing existing and new legal and regulatory obligations, implementing and monitoring internal financial reporting policies and procedures and maintaining or improving operational performance.

In order to recruit qualified and experienced employees and to minimise the risk of their departure to other companies, the Group offers salary and employment conditions expected to be consistent with the standards of the labour markets in which the Group operates, and accordingly the Group may encounter higher operational costs. If the Group cannot attract, train, retain and motivate qualified personnel, it may be unable to compete effectively in the banking industry, which may limit the Group's growth strategies, which in each case could have a material adverse effect on the Group's business, results of operation and financial position.

Catastrophic events, terrorist attacks, acts of war, hostilities, pandemic diseases or other unpredictable events could have an adverse effect on the Group's business, results of operation and financial position

Catastrophic events, terrorist attacks, acts of war or hostilities, pandemic diseases or other similar unpredictable events, as well as responses to such events or acts, may create economic and political uncertainty and, more specifically, could disrupt the Group's business and result in substantial losses. Such events or acts and losses resulting therefrom are difficult to predict and may relate to property, financial assets, trading positions or key employees. If the Group's business continuity plans do not fully address such events or cannot be implemented under the circumstances, such losses may grow. Unforeseen events could also lead to additional operating costs, such as higher insurance premiums and the implementation of redundant back-up systems. Insurance coverage for certain unforeseeable risks may also be unavailable, and may thus increase the risk facing the Group. These factors may have a material adverse effect on the Group's business, results of operation and financial position.

Sector-Related Risks

As part of the financial services industry, the Group faces substantial competitive pressures

In Denmark, where most of the Group's activities are based, there is a vast number of large and small players and hence substantial competition for the products and services that the Group provides. The Group's competitors include small local and regional banks as well as large national and international groups. The individual banks compete on a wide range of parameters, including marketing, prices, products, personal advice and financial strength.

If the Group is unable to compete on these and possibly other significant competitive parameters, it may lose market share or incur losses on some or all of its activities. The Group's failure to compete effectively could have a material adverse effect on its business, results of operation and financial position.

As a result of the Group's participation in the bank packages, it continues to be subject to a number of limitations that may have a material adverse effect on its business

During 2008 and 2009, governments around the world, including the Danish government, took unprecedented steps to provide assistance to financial businesses, in certain cases requiring (indirect) influence on or requiring changes to a financial institution's governance and remuneration practices. The bank packages adopted in Denmark included the guarantee scheme adopted by the Danish State in October 2008, pursuant to which the Danish State guaranteed unsecured creditors' claims against losses in Danish banks to the extent such claims were not otherwise covered ("**Bank Package I**"), a transition scheme introduced in February 2009, whereby a Danish bank could apply individually for a state guarantee of its existing and new, unsubordinated, unsecured debt with a maturity of up to three years (the "**Transition Scheme**") and a scheme introduced in February 2009, whereby the Danish State offered to inject Hybrid Core Capital into Danish banks and mortgage credit institutions and to act as underwriter in connection with the issuance of Hybrid Core Capital by such banks and mortgage credit institutions. Bank Package I expired on 30 September 2010 and was in part funded by the Danish banks participating in Bank Package I, including the Bank.

Participation in the Danish bank packages by the Group resulted in the imposition of certain limitations on the Group's operations, some of which continue to apply. As a result of having received State Hybrid Capital and having issued notes under the Transition Scheme, the Bank is subject to, among other things, restrictions on the payment of dividends. The Bank may only distribute dividends to the extent that the dividends can be financed by the Bank's net profit after tax.

The above limitations may make it less favourable to invest in banks. If, due to increased regulation, it becomes more difficult for the Bank to attract investors, it could have a material adverse effect on the Group's business, results of operation and financial position.

The Group has incurred major costs relating to its participation in Bank Package I and its participation in the current state deposit guarantee schemes

From the beginning of the fourth quarter of 2008 to the end of the third quarter of 2010, the costs of the Group's participation in Bank Package I totalled DKK 608 million. Of this amount, DKK 354 million represented the Group's guarantee commission, whereas the remaining DKK 254 million was paid to cover negative balances of failed banks.

Bank Package III and Bank Package IV were introduced in June 2010 and November 2011, respectively, and will, in the event of future bank failures, be used to secure depositors' claims and financial stability. As a result, the costs to the Group of these schemes amounted to DKK 76 million at 31 December 2011.

As a consequence of Bank Package III, there is no longer an unlimited guarantee for deposits made with Danish banks; the Danish Guarantee Fund for Depositors and Investors (the "**Guarantee Fund**") will provide coverage in the future for depositors for their full deposits into certain types of accounts (including certain types of pension accounts) and coverage of up to EUR 100,000 of each customer's total net deposit. Bank Package IV will, among other things, allow the Danish State to grant, through Finansiel Stabilitet, a so-called dowry to a bank wishing to take over a distressed bank. The Guarantee Fund may also grant a dowry under the Danish Act on a guarantee scheme for depositors and investors.

The Guarantee Fund is financed by the banks to the effect that banks participating in the scheme contribute an amount corresponding to their share of the total covered deposits with Danish banks. The financial risks to the Danish banks consist first and foremost of the Guarantee Fund's protection of depositors and investors within the framework of the Guarantee Fund. In addition, there are costs involved in connection with guarantees for the funding of, liquidity lines for and any losses in banks transferred for winding up in the government-owned company Finansiel Stabilitet.

Thus, from an overall perspective, the Group has incurred substantial costs in this connection, and if the number of financial businesses encountering serious difficulties remains high and the Group's contributions to deposit guarantee schemes (the "**Deposit Guarantee Scheme**") thus remain at a high level or increase, this may have a continued material adverse effect on the Group's business, results of operation and financial position.

Legislation, regulation and actions of supervisory authorities may have a material effect on the Group's business, results of operation and financial position

The Group is subject to a large number of laws and regulations both at national and at EU level. Such laws and regulations govern, *inter alia*, the Group's business, organisation, management, accounting policies, capital adequacy and liquidity. Many of the Group's activities are contingent upon licences issued by financial authorities, and the Group's compliance with applicable laws and regulations is supervised by the DFSA and others.

Any amendments of the regulations to which the Group is subject, including, for example, the introduction of stricter rules for solvency and capital assessments, measurement of loans, new liquidity requirements and a higher level of supervision of banks in general that the Group's costs increase or that the Group's earnings otherwise fall.

Any future regulatory scrutiny and future changes in regulatory practice, in relation to, for example, the principles for impairment of loans and advances, calculation of ICAAP ratio, etc., may result in an increase in the Group's impairment or capital requirements.

Finally, any intentional or unintentional non-compliance with the rules to which the Group is subject may result in the Group's licences being withdrawn.

If one or more of the above risks materialise, it could have a material adverse effect on the Group's reputation, business, results of operation and financial position.

A change in assumptions and methods of valuation may have a material effect on the Group's business, results of operation and financial position

A large number of assets have been provided as collateral for the Group's loans to customers. Such assets include real property, including residential property and agricultural land, as well as securities and vehicles. In addition, the Group owns a number of shares, primarily in the form of unlisted shares, as well as properties which are not directly related to the Group's loans to customers. A common denominator of the valuation of the Bank's assets and collateral is that they are subject to a number of laws, regulations and recommendations laid down by the DFSA and others and in accordance with IFRS, and that they are based on a number of assumptions and estimates.

In the valuation of individual assets and collateral, legislation allows for a certain degree of flexibility with respect to the choice of method, and the Bank applies a number of different valuation methods across asset classes.

The DFSA or other authorities may from time to time amend the laws, regulations or recommendations relating to the valuation of individual assets. Furthermore, the assumptions and estimates that form the basis of the individual valuations may be subject to change or may no longer apply. Both factors may have a material adverse effect on the value of the Bank's assets or collateral and hence result in a need for further impairment.

If the laws, regulations or recommendations relating to valuation are subject to change by the DFSA or other authorities, or the assumptions or estimates forming the basis of the individual valuations have to be changed or no longer apply, resulting in an increase of the Group's impairment charges, it could have a material adverse effect on the Group's business, results of operation and financial position.

Risks related to the Notes

The Bank's obligations under the Notes are subordinated

The Notes will constitute direct, unsecured and subordinated debt obligations of the Bank as described in section 6 – Terms and Conditions of the Notes.

The Bank may issue other subordinated obligations or capital instruments that rank or are expressed to rank senior or junior to the Notes, in each case as regards the right to receive periodic payments on a liquidation or bankruptcy of the Bank and the right to receive repayment of capital on a liquidation or bankruptcy of the Bank. In the event of a liquidation or bankruptcy of the Bank, the Bank will be required to pay its depositors, its unsubordinated creditors and its other subordinated creditors other than the present or future claims of creditors that rank or are expressed to rank *pari passu* with or junior to the Notes in full before it can make any payments on the Notes. If this occurs, the Bank may not have enough assets remaining after these payments are made to pay amounts due under the Notes.

Danish resolution regimes

In Denmark, certain schemes were introduced in recent years to facilitate the orderly resolution of distressed banking institutions. The current Danish banking schemes do not contain any provisions that contemplate a statutory write down (or other similar impairment) of subordinated bank liabilities such as the Notes. The schemes, however, allow, inter alia, the Danish government to establish a new bank to take over all the assets and liabilities after the initial haircut, if applicable, from failing banks, excluding the failing bank's equity and subordinated capital (such as the Notes), before initiating bankruptcy proceedings against the failing bank. If the Bank were to become subject to a resolution regime pursuant to such schemes, the Noteholders may lose some or all of their investment in the Notes. It should also be noted that it is currently unclear whether one or more of these schemes will be replaced (in whole or in part) by the proposals outlined in the draft Resolution and Recovery Directive and the proposal for a regulation establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund published by the European Commission on 10 July 2013.

Loss absorption at the point of non-viability of the Bank and resolution

On 6 June 2012, the European Commission published a legislative proposal for a directive providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms (the "**Resolution and Recovery Directive**"). The stated aim of the draft Resolution and Recovery Directive is to provide relevant authorities with common tools and powers to address banking crises pre-emptively in order to safeguard financial stability and minimise taxpayers' exposure to losses.

The powers provided to *resolution authorities* in the draft Resolution and Recovery Directive include write down/conversion powers to ensure capital instruments (including Tier 2 capital instruments such as the Notes) fully absorb losses at the point of non-viability of the issuing institution. Accordingly, the draft Resolution and Recovery Directive contemplates that resolution authorities will be required to write down such capital instruments in full on a permanent basis, or convert them in full into common equity tier 1 instruments ("**RRD Non-Viability Loss Absorption**"), before any resolution action is taken (see below). The draft Resolution and Recovery Directive currently provides, inter alia, that resolution authorities shall exercise the write down power in a way that results in (i) common equity tier 1 instruments being written down first in proportion to the relevant losses and (ii) thereafter, the principal amount of other capital instruments (including Tier 2 capital instruments such as the Notes) being reduced on a permanent basis. Common equity tier 1 instruments may be issued to holders of other capital instruments that are written down.

The point of non-viability under the draft Resolution and Recovery Directive is the point at which the national resolution authority determines if the institution meets the condition for resolution, which is defined as:

a. the institution is failing or likely to fail, which means:
    i. the institution has incurred/is likely to incur in a near future losses depleting all or substantially all its own funds; and/or
    ii. the assets are/will be in a near future less than its liabilities; and/or
    iii. the institution is/will be in a near future unable to pay its obligations; and/or
    iv. the institution requires public financial support;

b. there is no reasonable prospect that a private action would prevent the failure; and

c. a resolution action is necessary in the public interest.

The draft Resolution and Recovery Directive contemplates that it will be implemented in Member States by 31 December 2014, with the RRD Non-Viability Loss Absorption provisions (inter alia) becoming effective as of 1 January 2015.

An additional bail-in tool, which comprises a more general power for resolution authorities to write down the claims of unsecured creditors of a failing institution and/or to convert unsecured debt claims into equity, is expected to be implemented under the Resolution and Recovery Directive as of 1 January 2018.

The draft Resolution and Recovery Directive currently provides that a write down/conversion resulting from the use of the bail-in tool would, in summary, follow the ordinary allocation of losses and ranking in an insolvency of the relevant institution.

The draft Resolution and Recovery Directive currently represents the only official proposal for the implementation in the European Economic Area of the non-viability requirements set out in the press release dated 13 January 2011 issued by the Basel Committee on Banking Supervision (the "**Basel Committee**") entitled "Minimum requirements to ensure loss absorbency at the point of non-viability" (the "**Basel III Non-Viability Requirements**"). The Basel III Non-Viability Requirements form part of the broader Basel III package of new capital and liquidity requirements intended to reinforce capital standards and to establish minimum liquidity standards for credit institutions.

The Basel Committee contemplated implementation of the Basel III reforms as of 1 January 2013. However, implementation of these reforms in the European Economic Area has been delayed but will be by way of the Directive of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms ("**CRD IV Directive**") and the Regulation of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms ("**CRR**"). These texts were published in the Official Journal of the European Union on 27 June 2013. They must be applied from 1 January 2014. CRR contemplates that the Basel III Non-Viability Requirements will be implemented in the European Economic Area by way of the Resolution and Recovery Directive and the RRD Non-Viability Loss Absorption. If such statutory loss absorption at the point of non-viability is not implemented by 31 December 2015 then CRR indicates that the European Commission shall review and report on whether a provision should be included in CRR and, in light of that review, come forward with appropriate legislative proposals.

It is currently unclear whether RRD Non-Viability Loss Absorption, when implemented, will apply to capital instruments (such as the Notes) that are already in issue at that time or whether certain grandfathering rules will apply. If and to the extent that such provisions, when implemented, apply to the Notes, and/or if the Basel III Non-Viability Requirements become applicable to the Notes at any time, the Notes may be subject to write down or conversion to common equity tier 1 instruments upon the occurrence of the relevant trigger event, which may result in Noteholders losing some or all of their investment in the Notes. The exercise of any such power or any suggestion or anticipation of such exercise could, therefore, materially adversely affect the value of the Notes.

In addition to RRD Non-Viability Loss Absorption, the draft Resolution and Recovery Directive provides resolution authorities with broader powers to implement other resolution measures with respect to distressed banks, which may include (without limitation) the replacement or substitution of the bank as obligor in respect of debt instruments, modifications to the terms of debt instruments (including altering the maturity and/or the amount of interest payable and/or imposing a temporary suspension on payments) and discontinuing the listing and admission to trading of financial instruments.

The draft Resolution and Recovery Directive is not in final form and changes may be made to it in the course of the legislative process. In addition, as noted above, it is unclear whether the Basel III Non-Viability Requirements could be applied in respect of the Notes ahead of implementation of the Resolution and Recovery Directive. Accordingly, it is not yet possible to assess the full impact of the relevant loss absorption provisions. There can be no assurance that, once implemented, the fact of applicable loss absorption provisions or the taking of any actions currently contemplated or as finally reflected in such provisions would not adversely affect the price or value of a Noteholder's investment in the Notes and/or the ability of the Bank to satisfy its obligations under the Notes.

Notes subject to optional redemption by the Bank or upon the occurrence of a Tax Event or Capital Event

Subject as provided herein, in particular to section 6 – Terms and Conditions of the Notes, the Bank may, at its option, redeem all (but not some only) of the Notes on the Call Date and on any Interest Payment Date after the Call Date at their outstanding principal amounts, together with accrued interest thereon. Subject as aforesaid, the Bank may also, at its option, at any time redeem all, but not some only, of the Notes at their outstanding principal amounts, together with accrued interest thereon, upon the occurrence of a Tax Event or a Capital Event.

An optional redemption feature is likely to limit the market value of the Notes. During any period when the Bank may elect to redeem the Notes, the market value of the Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Bank may be expected to redeem the Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Limited enforcement events

The Notes will contain limited enforcement events relating to:

a. non-payment by the Bank of any amounts due under the Notes. In such circumstances, as described in more detail in section 6 – Terms and Conditions of the Notes and subject as provided below, a Noteholder may institute proceedings in Denmark in order to recover the amounts due from the Bank to such Noteholder; and

b. the liquidation or bankruptcy of the Bank. In such circumstances, as described in more detail in section 6 – Terms and Conditions of the Notes, the Notes will become due and payable at their outstanding principal amounts, together with accrued interest thereon.

A Noteholder may not itself file for the liquidation or bankruptcy of the Bank.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories, including Switzerland, have adopted similar measures (a withholding system in the case of Switzerland).

The European Commission has proposed certain amendments to EC Council Directive 2003/48/EC which may, if implemented, amend or broaden the scope of the requirements described above.

If payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Bank nor any paying agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Bank is required to maintain a paying agent in a Member State that is not obliged to withhold or deduct tax pursuant to the EC Council Directive 2003/48/EC.

U.S. Foreign Account Tax Compliance Withholding

Payments on or with respect to the Notes may be subject to U.S. withholding tax under the U.S. Foreign Account Tax Compliance Act ("**FATCA**").

In certain circumstances payments made on or with respect to the Notes after 31 December 2016 may be subject to U.S. withholding tax under Sections 1471 through 1474 of the U.S. Internal Revenue Code (commonly referred to as FATCA). This withholding does not apply to payments on Notes that are issued prior to the date that is six months after the date on which the final regulations that define "foreign passthru payments" are published unless the Notes are "materially modified" after that date or are characterized as equity for U.S. federal income tax purposes.

The Notes are in dematerialised book-entry form and held within the clearing systems, and it is not expected that FATCA will affect the amount of any payment made under, or in respect of, the Notes by the Bank, the paying agent or any depositary. However, FATCA may affect payments made to other clearing organisations, custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding.

Noteholders should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA), and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding.

Noteholders should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them.

Change of law

The conditions of the Notes are based on Danish law. No assurance can be given as to the impact of any possible judicial decision or change to Danish law or administrative practice after the date of this Prospectus.

4. Overview of the Notes

Spar Nord Bank A/S – DKK 700,000,000 Subordinated Floating Rate Tier 2 Notes due 18 December 2023

The following description of the key features of the Notes does not purport to be complete and is qualified in its entirety by the remainder of this Prospectus. Words and expressions defined in section 6 - Terms and Conditions of the Notes below and elsewhere in this Prospectus shall have the same meaning in this description of the key features of the Notes. References to numbered "Condition" shall be to the relevant Condition in section 6 - Terms and Conditions of the Notes.

Issuer	Spar Nord Bank A/S.
Description	DKK 700,000,000 Subordinated Floating Rate Tier 2 Notes due 18 December 2023.
Arranger	Danske Bank A/S.
Issuing, Paying and Calculation Agent	Spar Nord Bank A/S.
Issue Date	18 December 2013.
Issue Price	The Notes are issued at an issue price of 100 per cent.
Denomination	DKK.
Maturity Date	18 December 2023.
Form of Notes	The Notes are issued in uncertificated and dematerialised book-entry form through VP Securities A/S in denominations of DKK 1,000,000.
Status of the Notes	The Notes constitute direct, unsecured and subordinated debt obligations of the Bank, and shall at all times rank: (i) *pari passu* without any preference among themselves, (ii) *pari passu* with (a) any obligations or capital instruments of the Bank which constitute Tier 2 Capital and (b) any other obligations or capital instruments that rank or are expressed to rank equally with the Notes, in each case as regards the right to receive periodic payments on a liquidation or bankruptcy of the Bank and the right to receive repayment of capital on a liquidation or bankruptcy of the Bank, (iii) senior to holders of the Bank's ordinary shares and any other obligations or capital instruments that rank or are expressed to rank junior to the Notes including any Tier 1 Capital, in each case as regards the right to receive periodic payments on a liquidation or bankruptcy of the Bank and the right to receive repayment of capital on a liquidation or bankruptcy of the Bank; and (iv) junior to present or future claims of (a) depositors of the Bank, (b) other unsubordinated creditors of the Bank and (c) subordinated creditors of the Bank other than the present or future claims of creditors that rank or are expressed to rank *pari passu* with or junior to the Notes.
Interest and Interest Payment	The Notes will bear interest from (and including) the Issue Date to (but excluding) 18 December 2023 at a floating rate determined as the sum of CIBOR (as defined in clause 4.1 of section 6 – Terms and Conditions of the Notes) plus 3.90 per cent p.a. Interest shall be payable quarterly in arrears on each 18 March, 18 June, 18 September and 18 December, commencing on 18 March 2014 and ending on the Maturity

	Date.
Redemption at Maturity	Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on the Maturity Date.
Early redemption for tax reasons	Upon the occurrence of any change in the laws, regulations or rulings of Denmark or of any political subdivision thereof or any authority or agency therein or thereof having power to tax or in the interpretation or administration of any such laws, regulations or rulings on or after the Issue Date, the Bank may, at its option, on an Interest Payment Date and having given no less than thirty nor more than sixty days' notice to the Noteholders, redeem all (but not some only) of the outstanding Notes at their outstanding principal amounts, together with accrued interest.
Early redemption due to regulatory reclassification of the Notes	Upon the occurrence of a Capital Event the Bank may, at its option, on an Interest Payment Date and having given no less than thirty nor more than sixty days' notice to the Noteholders, redeem all (but not some only) of the outstanding Notes at their outstanding principal amounts, together with accrued interest.
Redemption at the option of the Bank	The Bank may at its option and having given no less than thirty nor more than sixty days' notice to the Noteholders redeem all (but not some only) of the outstanding Notes on 18 December 2018 and on any Interest Payment Date after the Call Date at their outstanding principal amounts, together with accrued interest thereon.
Conditions to early redemptions	Any early redemption of the Notes upon the occurrence of a Tax Event, a Capital Event or at the option of the Bank (as set out above) may only be effected if the Bank has notified the Relevant Regulator of, or the Relevant Regulator has consented to, or as the case may be, not objected to, such redemption (if such notification, consent or non-objection is required by Relevant Rules).
Enforcement Events	Following non-payment by the Bank of any amounts due under the Notes, any Noteholder may commence proceedings in Denmark in order to recover the amounts due to such Noteholder. Following liquidation or bankruptcy of the Bank, the Notes will become due and payable. A Noteholder may not at any time file for liquidation or bankruptcy of the Bank.
Restrictions on transferability	There are no restrictions on the transferability of the Notes.
Meetings of the Holders and Modifications	The Bank may at any time convene a meeting of the Noteholders and shall convene such a meeting if required in writing by Noteholders holding at least ten percent in principal amount of the Notes for the time being outstanding. The Notes permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting, and Noteholders who voted in a manner contrary to the majority.
Taxation	All payments of principal and interest by or on behalf of the Bank in respect of the Notes shall be made free and clear of, and without

withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Denmark or any political subdivision therein or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the Bank shall, subject to customary exemptions, pay such additional amounts as will result in receipt by the Noteholders, after such withholding or deduction, of such amounts as would have been received by them had no such withholding or deduction been required.

Governing Law

These Conditions and the Notes shall be governed by, and construed in accordance with, Danish law.

Listing

Application has been made to NASDAQ OMX Copenhagen A/S for the Notes issued under the Prospectus to be listed on the official list of NASDAQ OMX Copenhagen A/S and to be admitted to trading on NASDAQ OMX Copenhagen A/S' regulated market.

5. Use of Proceeds

The proceeds from the Notes shall be applied to strengthen the Group's capital position, and should be viewed in connection with the upcoming implementation of new international regulation, e.g. CRD IV, and serves to secure the Group an adequate solvency level and breakdown on capital types within the context of the regulatory regime.

Furthermore, the issue of the Notes should be viewed in connection with the Group's expected upcoming repayment of DKK 1,265 million in State-funded hybrid core capital planned to take place in May 2014. The repayment in itself is expected to lower the Group's solvency ratio with approx. 3 percentage points.

6. Terms and Conditions of the Notes

This Prospectus has been prepared for the purpose of listing the Notes only. The Notes will be admitted to trading and official listing on the regulated market of NASDAQ OMX with effect from 28 March 2014.

The Bank estimates that the total expenses related to the admission to trading and official listing on NASDAQ OMX amounts to DKK 38,000.

Sections 6.1-6.20 below is the text from the Terms and Conditions of the Notes issued on 18 December 2013.

1 Introduction

1.1 The DKK 700,000,000 Subordinated Floating Rate Tier 2 Notes due 2023 (in Danish: *kapitalbeviser*) (the "**Notes**", which expression shall in these Terms and Conditions of the Notes (the "**Conditions**"), unless the context otherwise requires, include any further notes issued pursuant to Condition 14 *(Further issues)* and forming a single series with the Notes) are issued by Spar Nord Bank A/S, CVR no. 13737584 (the "**Bank**") by resolution of the Board of Directors.

1.2 The Notes are issued on 18 December 2013 (the "**Issue Date**"). The Notes are issued at an issue price of 100 per cent.

1.3 The Bank is a public limited liability company incorporated under Danish law. Its registered office is located at Skelagervej 15, DK-9000 Aalborg, Denmark and its telephone number is +45 96344000. The issue of the Notes was authorised and approved by the Bank's Board of Directors at a meeting held on 27 November 2013.

1.4 Danske Bank A/S has acted as arranger and lead manager in connection with the issue of the Notes (the "**Arranger**") and Spar Nord Bank A/S has acted as co-manager.

1.5 Spar Nord Bank A/S, Skelagervej 15, DK-9000 Aalborg, Denmark will perform the tasks of the issuing agent, paying agent and calculation agent, which, as applicable, shall be defined and construed as follows:

(a) **Issuing Agent**: The task of registering the Notes in the book entry system of VP Securities A/S, Weidekampsgade 14, P.O. Box 4040, DK-2300 Copenhagen S, Denmark ("**VP**") in accordance with an agreement between the Bank, the Issuing Agent and VP of 25 June 1998.

(b) **Paying Agent**: The task of arranging for payment of any amount due under the Notes through VP (subject to in each case having received the relevant amount from the Bank) in accordance with these Conditions.

(c) **Calculation Agent**: The task of calculating any rate of interest and any amount, including any interest amounts, due under the Notes in accordance with these Conditions.

2 Form, Denomination and Title

2.1 **Form of Notes and denomination**

2.1.1 The Notes are issued in uncertificated and dematerialised book-entry form through VP, in denominations of DKK 1,000,000.

2.1.2 The ISIN code of the Notes is DK0030330311.

2.1.3 There are no restrictions on the free transferability of the Notes.

2.2 **Title**

Legal title to the Notes will pass by electronic registration in the book entry system and register maintained by VP in accordance with the rules and procedures of VP from time to time. Each holder of Notes (a "**Noteholder**") shall (except as otherwise required by law) be treated as absolute owner for all purposes and no person shall be liable for so treating such Noteholder.

3 Status of the Notes

3.1 The Notes (in Danish: *kapitalbeviser*) on issue constitute Tier 2 Capital of the Bank.

3.2 The Notes constitute direct, unsecured and subordinated debt obligations of the Bank, and shall at all times rank:

(a) *pari passu* without any preference among themselves;

(b) *pari passu* with (a) any obligations or capital instruments of the Bank which constitute Tier 2 Capital and (b) any other obligations or capital instruments that rank or are expressed to rank equally with the Notes, in each case as regards the right to receive periodic payments on a liquidation or bankruptcy of the Bank and the right to receive repayment of capital on a liquidation or bankruptcy of the Bank;

(c) senior to holders of the Bank's ordinary shares and any other obligations or capital instruments that rank or are expressed to rank junior to the Notes including any Tier 1 Capital, in each case as regards the right to receive periodic payments on a liquidation or bankruptcy of the Bank and the right to receive repayment of capital on a liquidation or bankruptcy of the Bank; and

(d) junior to present or future claims of (a) depositors of the Bank, (b) other unsubordinated creditors of the Bank and (c) subordinated creditors of the Bank other than the present or future claims of creditors that rank or are expressed to rank *pari passu* with or junior to the Notes.

3.3 In these Conditions:

"**Base Capital Executive Order**" means Executive Order No. 915 of 12 September 2012 on calculation of base capital issued under the Financial Business Act.

"**CRD IV**" means, as the context requires, any or any combination of the CRD IV Directive, the CRR and any CRD IV Implementing Measures.

"**CRD IV Directive**" means a directive of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms dated 26 June 2013 and published in the Official Journal of the European Union on 27 June 2013, as amended or replaced from time to time.

"**CRD IV Implementing Measures**" means any regulatory capital rules or regulations or other requirements, which are applicable to the Bank and which prescribe (alone or in conjunction with any other rules or regulations) the requirements to be fulfilled by financial instruments for their inclusion in the regulatory capital of the Bank (on a non-consolidated or consolidated basis) to the extent required by the CRD IV Directive or the CRR, including for the avoidance of doubt any regulatory technical standards released by the European Banking Authority (or any successor or replacement thereof).

"**CRR**" means a regulation of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms dated 26 June 2013 and published in the Official Journal of the European Union on 27 June 2013, as amended or replaced from time to time.

"**Financial Business Act**" means the Danish Financial Business Act (Consolidated Act No. 948 of 2 July 2013, as amended).

"**Relevant Regulator**" means the Danish Financial Supervisory Authority and any successor or replacement thereto, or other authority having primary responsibility for the prudential oversight and supervision of the Bank, as determined by the Bank;

"**Relevant Rules**" means the regulatory capital rules from time to time as applied by the Relevant Regulator and as amended from time to time (including CRD IV and/or the Resolution and Recovery Directive, as applicable). For the avoidance of doubt, at the Issue Date such rules being those set out in the Financial Business Act and the Base Capital Executive Order.

"**Resolution and Recovery Directive**" means the Directive of the European Parliament and of the Council on resolution and recovery of credit institutions and investment firms, a first draft of which was published on 6 June 2012, as amended or replaced from time to time.

"**Tier 1 Capital**" means capital which is treated as a constituent of common equity tier 1 capital (in Danish: *egentlig kernekapital*) or additional tier 1 (in Danish: *hybrid kernekapital*) under the Relevant Rules by the Relevant Regulator for the purposes of the Bank and this shall include all hybrid core capital (in Danish: *hybrid kernekapital*) issued by the Bank within the meaning of the Base Capital Executive Order.

"**Tier 2 Capital**" means capital which is treated as a constituent of Tier 2 capital (in Danish: *supplerende kapital*) under the Relevant Rules by the Relevant Regulator for the purposes of the Bank and this shall include all subordinated loan capital (in Danish: *ansvarlig lånekapital*) issued by the Bank within the meaning of the Base Capital Executive Order.

4 Interest

4.1 Interest rate

4.1.1 The Notes bear interest at a floating rate from (and including) the Issue Date to (but excluding) 18 December 2023 (the "**Maturity Date**"). Interest shall be payable quarterly in arrears on each 18 March, 18 June, 18 September and 18 December, commencing on 18 March 2014 and ending on the Maturity Date adjusted in accordance with the Modified Following Business Day Convention (each an "**Interest Payment Date**") in accordance with this Condition 4 *(Interest)* and Condition 7 *(Payments)*.

4.1.2 The rate of interest payable from time to time in respect of the Notes will be determined as the sum of:

(a) the Copenhagen interbank offered rate (CIBOR) which appears on the website of NASDAQ OMX Nordic, www.nasdaqomxnordic.com/obligationer/danmark/cibor, every day at 11:00 am (Copenhagen time) with a maturity of three (3) months (the "**CIBOR Rate**"); and

(b) 3.90 per cent. (the "**Margin**").

4.1.3 The CIBOR Rate is fixed by the Calculation Agent two (2) Business Days before the start of an Interest Period.

4.1.4 If no CIBOR Rate with a maturity of three (3) months is published on the website of NASDAQ OMX Nordic at 11.00 a.m. (Copenhagen time), and a CIBOR Rate with a maturity of three (3) months is published elsewhere and such rate in all material respects is calculated similarly, this rate shall be applied instead. In the event that no CIBOR Rate with a maturity of three (3) months is published, the Calculation Agent shall fix an alternative reference interest rate based on the arithmetic mean (rounded if necessary to the fourth decimal place with 0.00005 being rounded upwards) of the lending rates for loans with a maturity of 3 months offered by the four major banks in the Danish inter-bank market plus the Margin, in each case selected by the Calculation Agent.

4.1.5 The Calculation Agent will cause the rate of interest and each interest amount for each Interest Period and the relevant Interest Payment Date to be notified to the Bank, the Paying Agent, VP and any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading (by no later than the first day of each Interest Period) and notice thereof to be published in accordance with Condition 15 *(Notices)* as soon as possible after their determination but in no event later than the fourth Business Day thereafter. Each interest amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the Notes are for the time being listed and to the Noteholders in accordance with Condition 15 *(Notices)*.

4.2 **Interest accrual**

The first interest period (such period an "**Interest Period**") will run from (and including) the Issue Date to (but excluding) the first Interest Payment Date. The next Interest Period will run from (and including) the first Interest Payment Date to (but excluding) the next following Interest Payment Date. Interest accrues from day to day and is calculated on the basis of the actual number of days in the interest period divided by 360 (Actual/360, Adjusted).

4.3 In these Conditions:

"**Business Day**" shall mean a day on which banks and VP are open for general business (including dealing in foreign exchange and foreign currency deposits) in Copenhagen.

"**Modified Following Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day.

5 Reduction of amounts of principal and accrued interest

5.1 This Condition 5 shall only apply until (but excluding) 1 January 2014. Accordingly, on 1 January 2014, this Condition 5 shall automatically cease to apply and have no effect.

5.2 The Bank, by a resolution passed at a general meeting of its shareholders duly convened in accordance with Danish law, may resolve to reduce and cancel all or a part of the outstanding principal amount in respect of the Notes and/or accrued but unpaid interest in respect of the Notes following the occurrence of all of the following circumstances:

(a) the equity capital of the Bank has been lost;

(b) the general meeting of the shareholders of the Bank effectively resolves in accordance with Danish law to reduce to zero the share capital of the Bank; and

(c) following the resolution referred to in (b) above, either:

(i) sufficient new share and/or other capital of the Bank is subscribed or contributed so as to enable the Bank, following any reduction of the outstanding principal amount in respect of the Notes and/or any accrued but unpaid interest in respect of the Notes pursuant to this Condition 5, to comply with the capital requirement of the Financial Business Act; or

(ii) the Bank discontinues its business without a loss to its non-subordinated creditors.

5.3 The amount of a reduction of the outstanding principal amount in respect of the Notes and/or any accrued but unpaid interest in respect of the Notes pursuant to this Condition 5 shall be subject to the prior approval of the Bank's elected external auditor and the Relevant Regulator. The Bank will give notice to the Noteholders of any such reduction and cancellation immediately following the passing of such resolution in accordance with Condition 15 *(Notices)*.

The Notes may be subject to statutory provisions as applicable from time to time that could lead to the write down and/or conversion to ordinary shares of the Bank of the outstanding principal amounts of the Notes and any accrued interest, as further described in section 3 – Risk Factors.

6 Redemption and purchase

6.1 Scheduled redemption

Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on the Maturity Date in accordance with Condition 7 *(Payments)*. The Notes may not be redeemed at the option of the Bank other than in accordance with this Condition 6.

6.2 Early redemption upon the occurrence of a Tax Event

6.2.1 If, in relation to the Notes:

(a) as a result of any change in the laws, regulations or rulings of Denmark or of any political subdivision thereof or any authority or agency therein or thereof having power to tax or in the interpretation or administration of any such laws, regulations or rulings on or after the Issue Date, the Bank receives an opinion of external counsel in Denmark that (A) it would be required to pay additional amounts as provided in Condition 8 *(Taxation)* or (B) it will no longer be able to obtain a tax deduction for the purposes of Danish tax for any payment of interest under the Notes, in each case provided, to the extent required by the Relevant Rules, that the Bank satisfies the Relevant Regulator that such change in tax treatment of the Notes is material and was not reasonably foreseeable at the time of their issuance; and

(b) (in the case of 6.2.1(a)(A) only) such obligation cannot be avoided by the Bank taking reasonable measures available to it,

any such event, a "**Tax Event**",

the Bank may, at its option (but subject to Condition 6.7 *(Conditions to redemption etc. prior to Maturity Date)* on an Interest Payment Date and having given no less than thirty nor more than sixty days' notice to the Noteholders in accordance with Condition 15 *(Notices)* (which notice shall be irrevocable), redeem all (but not some only) of the outstanding Notes at their outstanding principal amounts, together with accrued interest (if any) thereon, provided, however, that no such notice of redemption may be given earlier than a number of days which is equal to the aggregate of the number of days falling within the then current Interest Period applicable to the Notes plus sixty (60) days prior to the earliest date on which the Bank would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

6.3 Early redemption upon the occurrence of a Capital Event

6.3.1 Upon the occurrence of a Capital Event, the Bank may, at its option (but subject to Condition 6.7 *(Conditions to redemption etc. prior to Maturity Date)* at any time and having given no less than thirty nor more than sixty (60) days' notice ending on an Interest Payment Date to the Noteholders in accordance with Condition 15 *(Notices)* (which notice shall be irrevocable), redeem all (but not some only) of the outstanding Notes at their outstanding principal amounts, together with accrued interest (if any) thereon.

6.3.2 In these Conditions:

"**Capital Event**" means, at any time, on or after the Issue Date, there is a change in the regulatory classification of the Notes that results or will result in:

(a) their exclusion, in whole or, to the extent not prohibited by the Relevant Rules, in part, from the regulatory capital of the Bank; or

(b) reclassification, in whole or, to the extent not prohibited by the Relevant Rules, in part, as a lower quality form of regulatory capital of the Bank,

in each case provided, to the extent required by the Relevant Rules, that the Bank satisfies the Relevant Regulator that the regulatory reclassification of the Notes was not reasonably foreseeable at the time of their issuance.

6.4 Redemption at the option of the Bank

The Bank may, at its option (but subject to Condition 6.7 *(Conditions to redemption etc. prior to Maturity Date)* and having given no less than thirty nor more than sixty days' notice to the Holders in accordance with Condition 15 *(Notices)* (which notice shall be irrevocable), redeem all (but not some only) of the outstanding Notes on 18 December 2018 (the "**Call Date**") and on any Interest Payment Date after the Call Date at their outstanding principal amounts, together with accrued interest (if any) thereon.

6.5 Purchase

6.5.1 The Bank or any of its subsidiaries may at any time (but subject to Condition 6.7 *(Conditions to redemption etc. prior to Maturity Date)* purchase Notes in the open market or otherwise and at any price.

6.5.2 Notes purchased in accordance with Condition 6.5.1 may be held, resold or cancelled.

6.5.3 Notes purchased in accordance with Condition 6.5.1, while held by or on behalf of the Bank or any of its subsidiaries, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorum at meetings of the Noteholders or for the purposes of Condition 12 *(Meetings of Noteholders)*.

6.5.4 The restrictions set out in Conditions 6.5.2 and 6.5.3 shall not apply to A/S Nørresundby Bank, CVR no. 34790515, for so long as the Bank is not entitled to exercise the majority of the voting rights of such company.

6.6 Cancellation

All Notes which are redeemed will forthwith (but subject to Condition 6.7 *(Conditions to redemption etc. prior to Maturity Date)* be cancelled.

6.7 Conditions to redemption etc. prior to Maturity Date

The Notes may only be redeemed, purchased, cancelled or modified (as applicable) pursuant to Condition 6.2 *(Early redemption upon the occurrence of a Tax Event)*, Condition 6.3 *(Early redemption upon the occurrence of a Capital Event)*, Condition 6.4 *(Redemption at the option of the Bank)*, Condition 6.5 *(Purchase)*, Condition 12.1 *(Powers of meetings)* or Condition 13.1(b) *(Modification of Notes)*, as the case may be, if the Bank has notified the Relevant Regulator of, or the Relevant Regulator has consented to, or, as the case may be, not objected to, such redemption, purchase, cancellation or modification (as applicable) (in any case, only if and to the extent such a notification, consent or non-objection is required by the Relevant Rules).

7 Payments

7.1 Payments of principal and interest

Payments of principal, interest and any other amounts in respect of the Notes shall be made to the Noteholders shown in the relevant records of VP in accordance with and subject to the rules and regulations from time to time governing VP.

7.2 **Payments subject to fiscal laws**

All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 8 *(Taxation)*. No commissions or expenses shall be charged to the Noteholders in respect of such payments.

7.3 **Payments on Business Days**

If the due date for payment of any amount in respect of any Note is not a Business Day, the payment shall be postponed to the following Business Day, and the Noteholders shall not be entitled to any further interest or other payment in respect of such delay.

8 Taxation

8.1 **Gross up**

All payments of principal and interest by or on behalf of the Bank in respect of the Notes shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Denmark or any political subdivision therein or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the Bank shall pay such additional amounts as will result in receipt by the Noteholders, after such withholding or deduction, of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in relation to any payment in respect of any Note:

(a) to, or to a third party on behalf of, a Noteholder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of it having some connection with Denmark other than

(i) the mere holding of the Note; or

(ii) the receipt of principal, interest or other amount in respect of such Note; or

(b) where a claim for payment is made by the Noteholder more than thirty (30) days after the Relevant Date, except to the extent that the relevant Noteholder would have been entitled to such additional amounts on claiming payment on or before the expiry of such period of thirty (30) days.

In these Conditions:

"Relevant Date" means, in relation to any payment, whichever is the later of (i) the date on which the payment in question first becomes due and (ii) if the full amount payable has not been received by the Paying Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders in accordance with Condition 15 *(Notices)*.

8.2 **Taxing jurisdiction**

If the Bank becomes subject at any time to any taxing jurisdiction other than Denmark, references in these Conditions to Denmark shall be construed as references to Denmark and/or such other jurisdiction.

9 Default and remedies on default

9.1 If the Bank fails to meet its payment obligations under the Notes and such payment obligations are not met within seven (7) Business Days after the Bank has received notice thereof, any Noteholder may, at its own discretion and without further notice, institute proceedings in Denmark in order to recover the amounts due from the Bank to such Noteholder, provided that a Noteholder may not at any time file for liquidation or bankruptcy of the Bank. Any Noteholder may, at its discretion and without further notice, institute such proceedings against the Bank as it may think fit to enforce any obligation, condition or provision binding on the Bank under the Notes, provided that the Bank shall not by virtue of the institution of any proceedings be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

9.2 If an order is made or an effective resolution is passed for the liquidation or bankruptcy of the Bank, then the Notes shall become due and payable at their outstanding principal amounts together with interest (if any) accrued to such date.

10 Prescription

10.1 Claims against the Bank for payment in respect of the Notes shall be subject to limitation under the Danish Limitation Act (in Danish: "*lov om forældelse af fordringer*") and shall become void unless proceedings have been commenced or the limitation period has otherwise been suspended or interrupted pursuant to the rules of the Danish Limitation Act within 10 years (in the case of principal) or three years (in the case of interest) from the date when the creditor was entitled to claim payment within the meaning of section 2 of the Danish Limitation Act.

11 Replacement of Agents

11.1 The Bank reserves the right to appoint a successor paying agent or calculation agent in accordance with the rules and procedures of VP from time to time, provided, however, that the Bank shall at all times maintain a Paying Agent which is authorized to act as an account holding institution with VP and a Calculation Agent (which may be the Paying Agent).

12 Meetings of Noteholders

12.1 Powers of meetings

A meeting shall, subject to the Conditions (including Condition 6.7 *(Conditions to redemption etc. prior to Maturity Date)*, have power by Extraordinary Resolution:

(a) to sanction any proposal by the Bank for any modification, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Noteholders against the Bank, whether or not those rights arise under the Notes;

(b) to sanction the exchange or substitution for the Notes of, or the conversion of the Notes into, shares, notes or other obligations or securities of the Bank or any other entity;

(c) to assent to any modification of the Notes or the Conditions proposed by the Bank;

(d) to authorise anyone to concur in and do anything necessary to carry out and give effect to an Extraordinary Resolution;

(e) to give any authority, direction or sanction required to be given by Extraordinary Resolution;

(f) to appoint any persons (whether Noteholders or not) as a committee or committees to represent the Noteholders' interests and to confer on them any powers or discretions which the Noteholders could themselves exercise by Extraordinary Resolution; and

(g) to approve the substitution of any entity for the Bank (or any previous substitute) as principal debtor under the Notes or the Conditions.

12.2 **Convening a Noteholders' meeting**

12.2.1 The Bank may at any time convene a meeting of the Noteholders and shall convene such a meeting if required in writing by Noteholders holding at least ten (10) per cent. in principal amount of the Notes for the time being outstanding.

12.2.2 The meeting shall be called by the Bank in accordance with Condition 15 *(Notices)* giving at least eight (8) days' but not more than thirty (30) days' notice to the Noteholders.

12.2.3 The Bank shall call the meeting no later than fourteen (14) days after having received request to convene a meeting from the Noteholders containing the subject of such meeting. If the Bank does not call the meeting within the deadline, the Noteholders shall be entitled to call the meeting.

12.2.4 The notice of a Noteholders' meeting shall specify the day, time and place of meeting and the nature of the resolutions to be proposed and shall explain how Noteholders may appoint proxies.

12.2.5 All meetings shall be held in the Copenhagen area. The press shall not be admitted to attend a Noteholders' meeting.

12.3 **Attendance**

12.3.1 At the meeting, each Noteholder must document its holdings of Notes by presenting a custody account statement from VP or an authorised institution that is not more than three (3) Business Days old. The following may attend and speak at a meeting:

(a) Noteholders and proxies;

(b) the chairman; and

(c) the Bank, the Issuing Agent, the Paying Agent and the Arranger (through their respective representatives) and their respective financial and legal advisers.

12.3.2 No one else may attend or speak.

12.4 **Chairman**

The chairman of the meeting shall be such person as the Bank may nominate or, if no nomination is made, the person elected by the Noteholders present at such meeting.

12.5 **Quorum**

12.5.1 No business (except choosing a chairman) shall be transacted at a meeting unless a quorum is present at the commencement of business. If a quorum is not present within fifteen (15) minutes from the time initially fixed for the meeting, it shall, if convened on the requisition of Noteholders, be dissolved. In any other case it shall be adjourned until such date, not less than eight (8) nor more than thirty (30) days later, and time and place as the chairman may decide. If a quorum is not present within fifteen (15) minutes from the time fixed for a meeting so adjourned, the meeting shall be dissolved.

12.5.2 The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than fifty (50) per cent. in principal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the principal amount of the Notes so held or represented, unless the business of such meeting includes consideration of proposals (i) to modify the date of maturity of the Notes or any date of payment of interest thereon, (ii) to reduce or cancel the amount of principal of, or the rate of interest payable on, the Notes, (iii) to change the currency of payment of the Notes, (iv) to approve the exchange or substitution for the Notes of, or the conversion of the Notes into, shares, notes or other obligations or securities of the Bank or any other entity, or

(v) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution, in which case the quorum shall be one or more persons holding or representing not less than two-thirds, or at any adjourned such meeting not less than one-third of the principal amount of the Notes for the time being outstanding.

12.5.3 No resolution may be passed if it is clear that that resolution is likely to give certain Noteholders or others an undue advantage over other Noteholders.

12.6 In these Conditions:

"**Extraordinary Resolution**" means a resolution passed at a meeting of Noteholders (whether originally convened or resumed following an adjournment) duly convened and held in accordance with this Condition 12 by a majority of at least sixtysixpointsixtyseven (66.67) per cent. of the votes cast.

12.7 **Voting**

Each Noteholder holds one vote for each Note of DKK 1,000,000. The Bank has no voting rights in respect of Notes held by the Bank.

12.8 **Effect and publication of an Extraordinary Resolution**

An Extraordinary Resolution shall be binding on all the Noteholders, whether or not present at the meeting, and each of them shall be bound to give effect to it accordingly. The passing of such a resolution shall be conclusive evidence that the circumstances justify its being passed. The Bank shall give notice of the passing of an Extraordinary Resolution to the Noteholders in accordance with Condition 15 *(Notices)* within fourteen (14) days but failure to do so shall not invalidate the resolution. For the avoidance of doubt, an Extraordinary Resolution passed by the Noteholders shall only be binding on the Bank where the Bank has consented to the relevant resolution.

12.9 **Minutes**

Minutes shall be made of all resolutions and proceedings at every meeting and, if purporting to be signed by the chairman of that meeting or of the next succeeding meeting, shall be conclusive evidence of the matters in them. Until the contrary is proved, every meeting for which minutes have been so made and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted.

12.10 **Written resolutions**

In addition, a resolution in writing signed by or on behalf of ninety (90) per cent of the Noteholders, who for the time being are entitled to receive notice of a meeting of Noteholders will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

13 Modification of Notes

13.1 The Bank may, without the consent of the Noteholders, make any modification to the Notes or these Conditions

(a) to correct a manifest error; and

(b) subject to Condition 6.7 *(Conditions to redemption etc. prior to Maturity Date)*, any modification to the Notes, these Conditions which is not prejudicial to the interests of the Noteholders.

13.2 Subject as provided in these Conditions, no other modification may be made to the Notes or these Conditions except with the sanction of an Extraordinary Resolution.

13.3 Any such modification shall be binding on the Noteholders and any such modification shall be notified to the Noteholders in accordance with Condition 15 *(Notices)* as soon as practicable thereafter.

14 Further issues

14.1 The Bank may from time to time, without the consent of the Noteholders, create and issue further Notes having the same Conditions as the Notes in all respects (or in all respects except for the first payment of interest, if any, on them and/or the issue date or the issue price thereof) so as to form a single series with the Notes.

15 Notices

15.1 All notices regarding the Notes will be deemed to be validly given if published in accordance with the procedures of VP in force from time to time or in a manner which complies with the rules of any stock exchange or other relevant authority on which the Notes may later be listed or admitted to trading.

16 Waiver and remedies

16.1 No failure to exercise, and no delay in exercising, on the part of the Noteholder, any right in these Conditions shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or future exercise thereof or the exercise of any other right. Rights hereunder shall be in addition to all other rights provided by law. No notice or demand given in any case shall constitute a waiver of rights to take other action in the same, similar or other instances without such notice or demand.

17 Force majeure

1.1 Even in areas where a stricter statutory liability applies, neither the Bank nor the Mangers, the Issuing Agent, the Paying Agent or the Calculation Agent shall be liable for losses due to:

(a) the breakdown of or lack of access to IT systems or damage to the data of these systems which can be attributed to paragraphs (b) to (d) below regardless of whether the Bank, the Arranger, the Issuing Agent, the Paying Agent or the Calculation Agent (as relevant) itself or themselves or an external supplier is responsible for the operation of the systems;

(b) failures in the Bank's, the Arranger's, the Issuing Agent's, the Paying Agent's or the Calculation Agent's (as relevant) power supply or telecommunications, statutory intervention or administrative acts, natural disasters, war, insurrections, civil riots, sabotage, terror or vandalism (including computer viruses and backing);

(c) strike, lockout, boycott or blockade regardless of whether the conflict is directed at or initiated by the Bank, the Arranger, the Issuing Agent, the Paying Agent or the Calculation Agent (as relevant) itself or themselves or its or their organisation and regardless of the reason for the conflict and whether the conflict affects all or part of the Bank, the Arranger, the Issuing Agent, the Paying Agent or the Calculation Agent (as relevant); or

(d) other circumstances beyond the Bank's, the Arranger's, the Issuing Agent's, the Paying Agent's or the Calculation Agent's (as relevant) control.

1.2 If circumstances mentioned in Condition 1.1 occur, which make it impossible for the Bank, the Arranger, the Issuing Agent, the Paying Agent or the Calculation Agent to comply with their obligations under these Conditions (to the extent they have any obligations under the Conditions), including (but not limited to) the

Bank's obligations to make payments under the Notes, these obligations will be suspended until the circumstances in question cease.

1.3 The Bank's, the Arranger's, the Issuing Agent's, the Paying Agent's or the Calculation Agent's exemption from liability pursuant to Condition 1.1 will not apply if:

(a) the Bank, the Arranger, the Issuing Agent, the Paying Agent or the Calculation Agent (as relevant) should have anticipated the factor causing the loss when the agreement was entered into or should have avoided or overcome the reason for the loss; or

(b) the Bank, the Arranger, the Issuing Agent, the Paying Agent or the Calculation Agent (as relevant) is liable for the factor causing the loss pursuant to applicable legislation.

18 Credit rating

18.1 The Notes will not be assigned any credit rating of any credit rating agency.

19 Listing

19.1 The Bank shall use all reasonable endeavours to apply for admission of the Notes to trading at NASDAQ OMX Copenhagen A/S, prepare necessary documentation required in such connection, including a prospectus, and complete such admission before 1 April 2014.

20 Governing law and jurisdiction

20.1 **Governing law**

These Conditions and the Notes shall be governed by, and construed in accordance with, Danish law.

20.2 **Jurisdiction**

The City Court of Copenhagen (in Danish: "*Københavns Byret*") shall have exclusive jurisdiction to settle any dispute arising from or connected with these Conditions and the Notes.

7. Description of the Bank

Introduction

Spar Nord Bank A/S (the "**Bank**") is Denmark's seventh largest full-service retail banking group measured in terms of business volume. The Bank's total assets (including its consolidated subsidiaries and affiliates, together the "**Group**") amount to DKK 74.6 billion as at 31 December 2013 and the Group has a market capitalisation of DKK 6.0 billion as at 31 December 2013.

The Bank has its headquarters in Aalborg, the main city of northern Jutland. Traditionally, northern Jutland has been the Group's core business region, but since 2001 the Bank has expanded geographically by establishing retail-banking branches (Local Banks) throughout Denmark.

The Group provides a wide range of financial services, advisory services and products, either in-house or through business partners. The Group's main business focus is on retail customers as well as small and medium-sized businesses in local areas where the Group has representation.

The Group comprises the business segments Spar Nord's Local Banks; Trading, Financial Markets & the International Division; and Spar Nord Leasing A/S, of which the latter has been classified as discontinuing operations since 1 October 2011. In addition, it has a number of staff and support departments based at the Aalborg head office.

History

The Bank was officially incorporated as a public limited company under Danish law on 20 December 1989. In the period from 1824 until incorporation of the public limited company, Spar Nord (Sparekassen Nordjylland) carried on business as a guarantee savings bank.

The foundation of what has grown to become the modern financial business of the Bank was established in 1824. Aalborg Byes og Omegns Sparekasse, as the Bank was then 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 subsequent years, several Local Banks joined the then savings bank, and in 1990 Sparekassen Nordjylland became a listed public limited company. The name was changed to Spar Nord Bank in 1998.

Legal status and Group description

The Bank is a public limited company, registered in Denmark with company reg. (CVR) no. 13737584. There are no restrictions as to voting rights, nor are there any restrictions with respect to ownership. Spar Nord Bank A/S is subject to Danish law

The Bank's registered office and principal place of business is Skelagervej 15, DK – 9000 Aalborg. The main telephone number is +45 96 34 40 00 and its website is www.sparnord.dk.

According to Article 1(1) of the Articles of Association of the Bank, Spar Nord Bank A/S has the following registered secondary names:

SBN Bank A/S (Spar Nord Bank A/S), Sparbank Nord A/S (Spar Nord Bank A/S), Telefonbanken A/S (Spar Nord Bank A/S), Spar Nordjylland Bank A/S (Spar Nord Bank A/S), Spar Nordjylland Bankaktieselskab, (Spar Nord Bank A/S), Sparekassen Nordjylland A/S (Spar Nord Bank A/S), Spar Nord Bankaktieselskab (Spar Nord Bank A/S), Aars Bank A/S (Spar Nord Bank A/S). Lokalbank Aabybro A/S (Spar Nord Bank A/S), Lokalbank Aalborg A/S (Spar Nord Bank A/S), Lokalbank Aars A/S (Spar Nord Bank A/S), Lokalbank Brønderslev A/S (Spar Nord Bank A/S), Lokalbank Danmark A/S (Spar Nord Bank A/S), Lokalbank Esbjerg A/S (Spar Nord Bank A/S), Lokalbank Fredericia A/S (Spar Nord Bank A/S), Lokalbank Frederikshavn A/S (Spar Nord Bank A/S), Lokalbank Fåborg A/S (Spar Nord Bank A/S), Lokalbank Grenaa A/S (Spar Nord Bank A/S), Lokalbank Haderslev A/S (Spar Nord Bank A/S), Lokalbank Hadsund A/S (Spar Nord Bank A/S), Lokalbank Hasseris A/S (Spar Nord Bank A/S), Lokalbank Herning A/S (Spar Nord Bank A/S), Lokalbank Hirtshals

A/S (Spar Nord Bank A/S), Lokalbank Hjallerup A/S (Spar Nord Bank A/S), Lokalbank Hjørring A/S (Spar Nord Bank A/S), Lokalbank Hobro A/S (Spar Nord Bank A/S), Lokalbank Holbæk A/S (Spar Nord Bank A/S), Lokalbank Holstebro A/S (Spar Nord Bank A/S), Lokalbank Horsens A/S (Spar Nord Bank A/S), Lokalbank Kolding A/S (Spar Nord Bank A/S), Lokalbank København A/S (Spar Nord Bank A/S), Lokalbank Køge A/S (Spar Nord Bank A/S), Lokalbank Løgstør A/S (Spar Nord Bank A/S), Lokalbank Nakskov A/S (Spar Nord Bank A/S), Lokalbank Nyborg A/S (Spar Nord Bank A/S), Lokalbank Nykøbing Falster A/S (Spar Nord Bank A/S), Lokalbank Næstved A/S (Spar Nord Bank A/S), Lokalbank Nørresundby A/S (Spar Nord Bank A/S), Lokalbank Odense A/S (Spar Nord Bank A/S), Lokalbank Randers A/S (Spar Nord Bank A/S), Lokalbank Ringsted A/S (Spar Nord Bank A/S), Lokalbank Silkeborg A/S (Spar Nord Bank A/S), Lokalbank Skagen A/S (Spar Nord Bank A/S), Lokalbank Skanderborg A/S (Spar Nord Bank A/S), Lokalbank Skive A/S (Spar Nord Bank A/S), Lokalbank Skjern A/S (Spar Nord Bank A/S), Lokalbank Slagelse A/S (Spar Nord Bank A/S), Lokalbank Støvring A/S (Spar Nord Bank A/S), Lokalbank Svendborg A/S (Spar Nord Bank A/S), Lokalbank Sæby A/S (Spar Nord Bank A/S), Lokalbank Sønderborg A/S (Spar Nord Bank A/S), Lokalbank Terndrup A/S (Spar Nord Bank A/S), Lokalbank Thisted A/S (Spar Nord Bank A/S), Lokalbank Vejgaard A/S (Spar Nord Bank A/S), Lokalbank Vejle A/S (Spar Nord Bank A/S), Lokalbank Viborg A/S (Spar Nord Bank A/S), Lokalbank Østeraa A/S (Spar Nord Bank A/S), Lokalbank Århus A/S (Spar Nord Bank A/S) Sparbank A/S, Sparbank Vest A/S, Skive Sparekasse A/S, Egnssparekassen i Skive A/S, Nordvestjysk Sparekasse A/S, Breum Sparekasse A/S, Ejsing Sparekasse A/S, Haderup Sparekasse A/S, Hald Sparekasse A/S, Harre og Omegns Sparekasse A/S, Hem Sparekasse A/S, Hjerk Sparekasse A/S, Højslev Sparekasse A/S, Junget-Thorum Sparekasse A/S, Oddense Sparekasse A/S, Rødding Sparekasse A/S, Rønbjerg Sparekasse A/S, Sallingsund Sparekasse A/S, Selde-Åsted Sparekasse A/S, Sjørup Sprekasse A/S, Stoholm Sparekasse A/S.

Ownership

The Bank's shares are listed on NASDAQ OMX, and the Bank has approximately 124,000 shareholders (as of 31 December 2013). Four shareholders, namely The Spar Nord Foundation (18.5 per cent. shareholding),Nykredit Realkredit A/S (10.0 per cent. shareholding), The Spar Vest Foundation (5.5 per cent share holding) and FMR LLC have informed the Bank of holdings exceeding 5 per cent. of the Bank's share capital. None of the shareholders are considered to be in control of the Bank.

There are no arrangements, known to the Bank, the operation of which may at a subsequent date result in a change in control of the Bank.

Financial Performance

There is no recent event particular to the Bank which is to a material extent relevant to the evaluation of the Bank's solvency.

The table below is an extract of the Group's income statement, balance sheet and financial ratios for the last five financial years (source: Spar Nord Bank A/S's 2013 Annual Report).

CORE EARNINGS - YEAR

PERFORMANCE INDICATORS

INCOME STATEMENT DKK m	2013	2012	Change in %	2011	2010	2009
Net interest income *)	1,751.5	1,542.4	13.6	1,471.7	1,438.3	1,611.5
Net income from fees, charges and commissions	719.4	557.0	29.2	476.8	498.5	410.1
Market-value adjustments and dividends	201.4	241.9	-16.7	130.3	270.2	300.2
Other operating income	45.0	35.5	26.8	40.3	34.1	30.8
Profit/loss on equity investments in associates and group enterprises	66.4	54.8	21.2	39.0	61.0	35.9
Core income	**2,783.7**	**2,431.6**	**14.5**	**2,158.1**	**2,302.1**	**2,388.5**
Salaries	1,006.3	905.8	11.1	882.5	875.5	845.1
Operating expenses	572.8	525.9	8.9	504.2	529.4	559.8
Depreciation, amortiz. and impairment	67.3	68.8	-2.2	73.3	63.7	68.9
Costs	**1,646.4**	**1,500.5**	**9.7**	**1,460.0**	**1,468.6**	**1,473.8**
Core earnings before impairment	**1,137.3**	**931.1**	**22.1**	**698.1**	**833.5**	**914.7**
Impairment of loans, advances and receivables, etc. *)	409.2	593.6	-31.1	404.4	356.3	467.6
Core earnings	**728.1**	**337.5**	**115.7**	**293.7**	**477.2**	**447.1**
Earnings from investment portfolios	43.6	40.9	6.6	3.0	-22.2	17.1
Profit/loss on ordinary operations	**771.7**	**378.4**	**103.9**	**296.7**	**455.0**	**464.2**
Contributions to sector-wide solutions	-120.2	-58.4	105.8	6.0	-324.2	-291.2
Special merger-related items	-46.1	-66.6	-30.9	0.0	0.0	0.0
Profit/loss on continuing activities before tax	**605.4**	**253.4**	**138.9**	**302.7**	**130.8**	**173.0**
The Group's leasing activities (discontinuing activities)	64.1	36.7	74.7	42.2	2.2	-28.3
Profit/loss before tax	**669.5**	**290.1**	**130.8**	**344.9**	**133.0**	**144.7**
Tax on continuing activities	136.4	55.9	144.0	52.9	27.1	33.9
Tax on discontinuing activities	-3.0	10.4	-128.8	17.2	0.9	-6.7
Profit/loss	**536.1**	**223.8**	**139.5**	**274.8**	**105.0**	**117.5**

BALANCE SHEET DISCLOSURES DKK m						
Total assets	74,605	79,146	-5.7	70,081	67,436	64,529
Loans and advances	37,648	39,058	-3.6	38,702	39,952	38,315
Lending, banking activities	33,772	34,916	-3.3	31,189	30,754	30,791
Lending, reverse transactions	1,786	116	-	393	1,517	0
Lending, leasing activities	2,090	4,026	-48.1	7,120	7,681	7,524
Deposits	50,883	48,923	4.0	37,415	36,882	35,998
Deposits, banking activities	41,831	41,922	-0.2	31,088	30,391	31,931
Deposits, repo transactions	0	0	-	0	813	0
Deposits in pooled schemes	9,052	7,001	29.3	6,327	5,678	4,067
Subordinated debt	3,002	2,562	17.2	2,317	2,477	2,681
Shareholders' equity	6,533	5,975	9.3	4,627	4,374	4,143
Contingent liabilities	5,380	5,767	-6.7	3,838	5,137	6,235
Risk-weighted items	42,697	46,307	-7.8	42,188	43,406	41,692
Core capital (Tier 1), incl. hybrid core capital, after deductions	7,437	6,973	6.7	5,622	5,717	5,502
Impairment account and discount on commitments taken over **)	2,117	2,742	-22.8	1,143	1,027	1,100
Contractual non-performing loans	672	1,186	-43.3	162	151	154
Business volume, continuing activities	180,297	175,320	2.8	137,087	137,080	128,605

*) *In the core earnings format, an amount was reclassified between the items Net interest income, Other operating income and Impairment of loans, advances and receivables, etc., which relates to the share of the discount, recognized as income, on commitments taken over from Sparbank; see note 3.*

**) *Spar Nord's impairment account amounts to DKK 1,606 million (2012: DKK 1,330 million) (note 56) and the discount on commitments taken over from Sparbank amounts to DKK 511 million (2012: DKK 1,412 million).*

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

Due to the phase-out of the Group's leasing activities, the individual items in the income statements for 2009 and 2010 have been reclassified, as the share of the individual items in the consolidated income statement relating to the Group's leasing activities has been reclassified to the account line, "Profit/loss on discontinuing activities", termed "The Group's leasing activities (discontinuing activities)".

Description of the Spar Nord Bank Group

Strategy and vision

The general and long-term goal for the Bank's operations is to increase the amount of local autonomy available to its Local Banks. The Bank's corporate vision is to combine nationwide coverage with local autonomy and decentralised decision-making and thereby creating the most attractive bank for customers, employees and shareholders alike.

Together we create financial freedom...

While the corporate vision conveys the overriding goal for the Bank's future growth, the mission statement is the Bank's commitment to its customers: "Together we create financial freedom." The Bank helps to create greater financial elbowroom for the individual customer, whether personal or corporate. The Bank's employees enter into a dialogue with customers about the options available within their financial means. The express aim for the Bank is to take the top-level competencies and product range from larger banks and combine these with the local presence associated with small banks.

Active involvement, ambition and being down-to-earth

The Bank is united throughout its chain around three common core values: active involvement, ambition and being down to earth. The purpose of the values is to provide a set of guiding principles for the Bank's daily involvement with customers and other stakeholders.

Local strategy and growth

Since 2001, the Bank's activities have been based on its "Local Strategy". The term signals the intention to create growth by opening new Local Banks outside the Bank's traditional core operating area, North Jutland. The Bank's goal is to gain nationwide coverage over time by setting up Local Banks in every Danish town with more than 25,000 residents.

Some of the goals underlying the growth strategy are to reduce business and risk concentration and to exploit the potential of the Bank's special approach to retail banking in a wider geographic area. Throughout the entire period of expansion, management has pursued a policy of providing maximum security for a cost-effective expansion process. The means include centralised credit monitoring (see "Credit risks"), and requiring all newly opened Local Banks to break even within three years.

When the Local Strategy was adopted, the decision was also made to reduce the Bank's dependency on major individual commitments. Specifically, no single customer exposure is to exceed DKK 400 million.

Since the strategy was adopted in 2001, the Bank has added 40 Local Banks outside of North Jutland to its local banking chain. 18 of the new Local Banks have been established as green-field operations and 32 further banks have been acquired.

In the same period, there has been some consolidation of the Bank's Local Branch network, with the operations of 38 branches in northern Jutland merging with those of other branches in the area. The total number of Local Banks has grown from 65 in 2001 to 76 in 2013.

In years to come, focus will be on exploiting the business and earnings potential created during the period of expansion. Accordingly, the bank does not plan to set up any new local banks; instead, efforts will be channelled into creating growth in business volume and earnings at the existing units. This may be effected through purely organic growth or through acquisitions in selected areas.

Strategy Plan 2014-15: AN UNCOMPLICATED BANK

Toward the end of 2013, Spar Nord adopted and launched a new strategy plan covering the next two years (2014- 15). The strategy plan is dubbed AN UNCOMPLICATED BANK, and is a natural outgrowth of the strategic course charted and executed by the Bank in recent years. This course is targeted at maintaining a focus on generating growth in business volume and earnings by winning market shares among everyday retail customers and local businesses in the geographical areas in which the Bank has a presence. The Bank intends to win these shares by focusing on highly qualified, personal advisory services and showing a strong commitment to the local area.

As part of the Bank's strategic aim to increase its market share of the business market, the Bank on 6 March 2014 announced that it was engaged in discussions with FIH Erhvervsbank A/S regarding the Bank's interest in acquiring parts of FIH Erhvervsbank A/S' business. As of the Prospectus Date, these discussions are still ongoing.

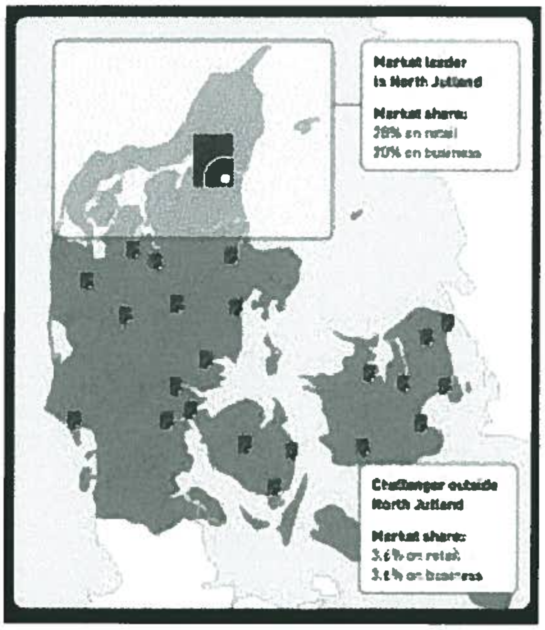
In pinpointing our strategic focus on everyday retail and business customers, local commitment and personal advisory service, the Bank deliberately chose not to target a number of segments, including the most advanced and complex customer categories, projects and systems.

In the forthcoming period, we will maintain a sharp in-house focus on the development of systems and processes that underpin our ambition of running a no-frills bank with well-functioning products and services that are easy to understand for end-users. To this end, we will focus on developing systems to automate standard processes, thus opening up a window for more time for face-to-face consultations between customers and advisers.

An uncomplicated bank

The core of Spar Nord's business model and strategy is the ambition to run an uncomplicated bank that focuses unequivocally on ordinary retail customers and small and medium-sized businesses in the local community. The Bank is opting in to this strategic course - and thus opting out of large customers, complex business activities and development projects - because we want to deploy the core competences inherent in the personal, actively involved customer service and create a bank that delivers solid and stable results.

Thus, Spar Nord's ambition is to combine the physical and psychological proximity of a local bank with the economies of scale that flow from being a large nationwide player. And with this in mind to expand the Bank's market share within the defined target groups.



Group Organistation

The Bank is the parent company of the Group. The Bank is not dependent upon other entities within the Group. The table below provides an overview of the Bank's consolidated companies.

GROUP ENTERPRISES

	Share capital End of year DKK m	Shareholders' equity End of year DKK m	Profit/loss for the year DKK m	Spar Nord The Group 2013 %	Spar Nord The Group 2012 %	Spar Nord Parent Company 2013 %	Spar Nord Parent Company 2012 %
Consolidated companies							
Erhvervsinvest Nord A/S, Aalborg	30.0	52.8	10.9	100.0	100.0	100.0	100.0
Aktieselskabet Skelagervej 15, Aalborg (1)	27.0	1,219.0	27.5	100.0	100.0	100.0	100.0
Spar Nord Ejendomsselskab A/S, Aalborg	12.0	12.7	-7.3	100.0	100.0	100.0	100.0
Spar Nord Leasing A/S, Aalborg (2)	10.0	274.6	54.0	100.0	100.0	100.0	100.0
SN Finans Nord AB, Sweden (2)	74.6	95.8	6.8	100.0	100.0	-	-

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

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

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

Business Areas

The Group comprises the business segments Spar Nord's Local Banks; Trading, Financial Markets & the International Division; and Spar Nord Leasing A/S, of which the latter has been classified as discontinuing operations since 1 October 2011. In addition, it has a number of staff and support departments based at the Aalborg head office

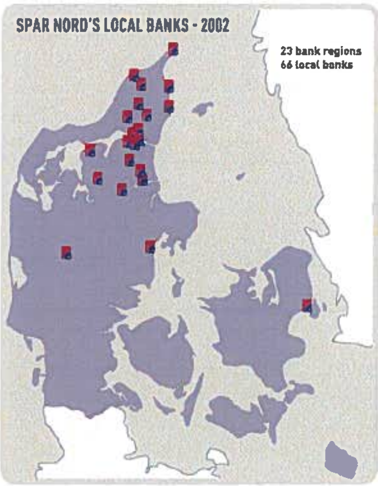
Spar Nord's Local Banks constitute the largest business segment in the Spar Nord Group. This business segment comprises 34 bank regions with 76 local banks; 1,091 employees serve about 363,000 retail and business customers. Spar Nord's Local Banks offer banking services, such as loans and credits, credit and debit cards, payment services products and a wide range of savings products, non-life insurance, life insurance and pension products. Finally, via the SparXpres division Spar Nord offers consumer financing, gift vouchers, etc.

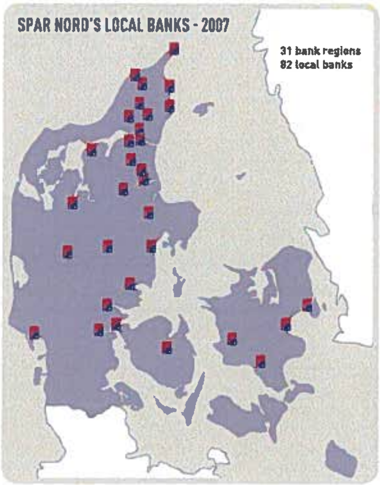
Trading, Financial Markets & the International Division consists of Markets, Asset Management, Shares, Interest & Forex and the International Division. The business segment serves the Group's own retail and business customers as well as institutional customers and also supplies wholesale services to small and medium-sized financial institutions.

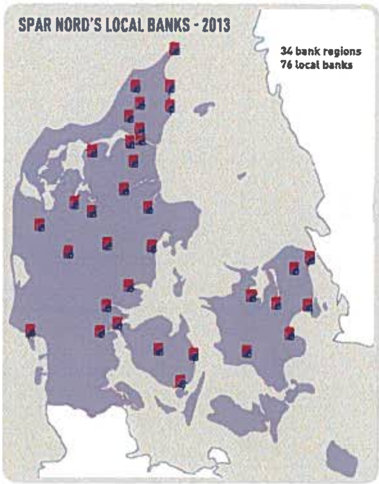
The Group is active in leasing in Denmark and Sweden, primarily through its subsidiaries Spar Nord Leasing and SN Finans Nord AB. The companies mainly finance vehicles in the core areas transportation, farming and contracting. Since October 2011, leasing has been classified as a discontinuing activity, as the sustainable activities in Denmark have been transferred to the Jyske Bank Group, and the existing portfolio is being phased out.

Business Units and Geography

The Bank's traditional core region is northern Jutland. Since 2001, however, the Bank has established new Local Banks in major cities all over Denmark. Before that time, the Bank was already present in Copenhagen and Aarhus. The map below shows the Bank's geographical presence (the "**Bank Areas**").







SEGMENT INFORMATION

BUSINESS SEGMENTS 2013 DKK m	Spar Nord's Local Banks	Trading, Financial Markets & the Intern. Division	Other areas	Core earnings	Reclas. and other items after core earnings	The Group's leasing activities (discontinuing activities)	The Group, total
INCOME STATEMENT							
Net interest income	1,538.6	226.7	-13.8	1,751.5	268.3	-	2,019.8
Net income from fees, charges and commissions	695.6	17.3	6.5	719.4	-0.1	-	719.3
Market-value adjustments and dividends	88.5	92.4	20.5	201.4	28.9	-	230.3
Other operating income	11.3	2.0	31.7	45.0	12.5	-	57.5
Profit/loss on equity investments in associates and group enterprises	0.0	0.0	66.4	66.4	11.2	-	77.6
Core income/revenue, total	**2,334.0**	**338.4**	**111.3**	**2,783.7**	**320.8**	**-**	**3,104.5**
Operating expenses, depreciation and amortization	1,442.5	55.4	148.5	1,646.4	147.5	-	1,793.9
Core earnings before impairment	**891.5**	**283.0**	**-37.2**	**1,137.3**	**173.3**	**-**	**1,310.6**
Impairment of loans, advances and receivables, etc.	409.4	0.0	-0.2	409.2	296.0	-	705.2
Core earnings / profit/loss on ordinary operations	**482.1**	**283.0**	**-37.0**	**728.1**	**-122.7**	**-**	**605.4**
Contributions to sector-wide solutions	-	-	-120.2	-120.2	120.2	-	0.0
Special merger-related items	-	-	-46.1	-46.1	46.1	-	0.0
Profit/loss on continuing activities before tax	**482.1**	**283.0**	**-203.3**	**561.8**	**43.6**	**-**	**605.4**
The Group's leasing activities (discontinuing activities)	-	-	-	-	-	64.1	64.1
Profit/loss before tax	**482.1**	**283.0**	**-203.3**	**561.8**	**43.6**	**64.1**	**669.5**

Customers

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

At the end of 2013, the Bank had a total of approx. 363,000 customers which is approx. 10,000 more than the previous year. The total number of customers comprises 334,000 retail customers and 29,000 corporate customers. The Bank has been able to generate net customer growth for a period of five consecutive years because geographical expansion has now started to make a true mark, and the Bank is enjoying a high level of loyalty among existing customers.

Risk Management

Credit Risk

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

The Bank has an internal limit on customer commitments, which may not exceed DKK 400 million. In determining the amount of a commitment, due provision is made for the specially secured claims that are referred to in section 4 of 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 Bank's upper limit of DKK 400 million.

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

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. An ongoing and systematic credit quality assessment is made of the Bank's entire commitment portfolio.

Over the past few years, the Bank has developed and implemented IT tools for controlling and monitoring credit risks, and recording key data regarding credit commitments and customers' financial affairs. The objective of using this credit analysis system is to detect danger signals from commitments at an early stage, while also monitoring portfolios and organisational units. An internal rating system and a credit scoring system have been implemented in all the Bank's departments and are also used as a basis for credit decisions at the local level, in the sense that customers assigned the lowest risk score are more likely to have their credit line extended than those assigned higher risk scores. In addition, the systems are used for managing overdrafts and serve as a guide for pricing purposes.

Lending Portfolio

The Bank has diversified its lending portfolio in terms of industries, and a relatively larger share of lending to borrowers in the agricultural sector compared with the banking sector can be attributed to North Jutland's business and industrial structure and the fact that lending for insurance and financing purposes is significantly lower than the sector average. Compared with the average for the Danish banking sector, a relatively larger share of Spar Nord's loans, advances and guarantees can be attributed to retail customers.

Throughout 2013, Spar Nord experienced a satisfactory development in the credit quality of its lending portfolio by way of an improvement of the average credit quality for business customers and an unchanged credit quality for the retail customer portfolio.
The merged portfolios from Sparbank have now been fully integrated into Spar Nord's credit models and are now rated as the Bank's other customers. Generally, as expected the portfolios taken over from Sparbank turned out to have a credit quality that is close to the portfolios that Spar Nord had already. Prior to the merger, an in-depth due diligence review was conducted, and the results disclosed a reasonable quality level. There have been slightly smaller impacts on the operating result from the Sparbank portfolios than those realized on Spar Nord's existing portfolios.

Market Risk

Market risks are monitored according to a three-level instruction hierarchy within the Bank. The Supervisory Board determines the limits for the Group and the Executive Management delegates these limits to the other entities of the Group. The executives of the Trading, Financial Markets & the International Division (being the largest entity), are only granted the limits within which they may operate. In addition, the Middle Office function of the Bank's Finance and Accounts Department is responsible for estimating, monitoring and checking market risks and reporting them to the Supervisory and Executive Boards of the Bank. All trades are settled by the Bank's Back Office according to the guidelines issued by the DFSA regarding functional separation.

Interest-rate Risk

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 is assessed on an ongoing basis and determined in light of expectations for the macro-economic situation and market developments.

Equity Risks

The Bank 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 31 December 2013 aggregated DKK 1,215.5 million. Of this amount, shares in associates, e.g. Nørresundby Bank, in which the Bank holds a 50.2 per cent. interest, totalled DKK 997.3 million. Shares in strategic partners in the financial sector amounted to DKK 1,057.1 million.

The Bank's actual equity portfolio of listed shares, unit trust certificates and unlisted venture shares amounted to DKK 158.4 million at 31 December 2013.

Foreign-exchange 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.

Liquidity

The objective of the Bank's cash management is to ensure appropriate cash funds in order to honour the Bank's payment obligations as and when they fall due, and to ensure reasonable financing costs. One of the objectives in this regard is to support its strategic goal of generating growth in customer numbers and average business volume.

The Bank seeks to manage its liquidity risk at three levels. The first level is management of the long-term internal liquidity target called the Bank's strategic liquidity. It is defined as cash deposits excl. repo transactions, senior loans, issued bonds, subordinated debt and shareholders' equity less loans and advances, excl. reverse transactions. Subordinated debt, senior loans and issued bonds due within 12 months are not included in the calculation of strategic liquidity. The intention is to ensure that the Bank's liquidity requirements and customer lending is financed by long-term debt.

The second level is the Bank's target to obtain free liquidity by way of unencumbered exchange-listed securities, demand deposits held with credit institutions, certificates of deposits or cash balances that will ensure the Bank's compliance with section 152 of the Financial Business Act, and that the Bank maintains an appropriate liquidity reserve.

Finally, at the third level, the Bank 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 DFSA. It shows how the Bank's liquidity will develop, when all money market funding falls due and is not renewed. The Supervisory Board will determine the time window in which the Bank's liquidity is required to remain positive according to the model.

Furthermore, in conformity with the guidelines laid down in section 71 of the Financial Business Act, the Bank has prepared a liquidity plan.

Operational Risk

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 and the control of the same activities.

Internal Audit is an independent staff function established by the Supervisory Board in compliance with the Financial Supervisory Authority's Executive Order on the Conduct of Auditing in Financial Institutions. An independent compliance function was introduced in 2007 to oversee the Bank's compliance with financial legislation, industry standards and the Bank's internal guidelines in all areas. The objective of the new 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 Bank also has established IT security to protect its information and information systems. All IT installations running at the Bank 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. In the case of IT services run by service providers this is 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, even in case extraordinary events may have occurred.

8. The Danish Banking Sector

As a result of many mergers and acquisitions in the last two decades the Danish financial sector is now more consolidated. However, compared to other European countries there are still a relatively high number of banks and savings banks. In terms of overall market share, the two pan-Nordic conglomerates, Danske Bank and Nordea, dominate the Danish banking sector.

The next tier of the Danish banking sector is comprised of a group of regional banks: Jyske Bank (which has announced its intention to merge with BRF Kredit), Sydbank, Spar Nord Bank, Vestjysk Bank and Arbejdernes Landsbank. The regional banks are characterised by their regional origins and their more or less extensive national branch network. After years of steady growth, the last five years have brought about a divide in the regional banks' market with the collapse among others of Roskilde Bank, Fionia Bank, Amagerbanken, Fjordbank Mors and recently, Max Bank. The rest of the banks in the group have still been performing well relative to the market.

The rest of the Danish market is made up by a large number of smaller local banks and savings banks. As was the case for regional banks, the local bank market has experienced a division in recent years with a number of banks collapsing or merging with other banks (notably Forstædernes Bank, Lokalbanken i Nordsjælland, Ringkøbing Bank, EBH Bank, Løkken Sparekasse and Bonusbanken) while others still performed relatively well.

Since the beginning of 2008, more than 25 Danish banks and savings banks have discontinued their operations or been taken over by the Financial Stability Company. At the end of 2013, 88 commercial and savings banks were operating in Denmark.

The Danish banking sector is characterised by a long-standing tradition of partnering and deploying available technologies, notably for credit transfers. The transparent, joint infrastructure created by the institutions is a distinctive feature of the Danish financial sector.

After banking, the second largest activity in the Danish financial sector is mortgage credit. Dominant actors in this sector are Nykredit (including Totalkredit) and Realkredit Danmark (part of Danske Bank Group). The next tier of the market encompasses Nordea Kredit, BRF Kredit (which has announced its intention to merge with Jyske Bank), and DLR Kredit. In the past, mortgage credit financing was predominately offered by independent mortgage credit institutions. At present, mortgage credit financing is offered by the major banking groups.

The only remaining major independent mortgage credit institution is Nykredit, the dominant player in the Danish market. In 2003 Nykredit strengthened its position through the acquisition of Totalkredit. Totalkredit – at the time the second largest mortgage credit provider in the Danish market – was owned by and distributed through 100 Danish banks and savings banks. After the acquisition, Totalkredit continues to operate as an independent brand and with an unchanged distribution strategy.

The Bank participates in the mortgage credit sector by selling products of both Nykredit/Totalkredit and DLR Kredit through the branch network of the Bank. Spar Nord is a minority shareholder in both Nykredit and DLR Kredit, and the arrangement to sell their products is contained in various cooperation agreements. In total, the Bank has arranged mortgage-credit loans for a total of approximately DKK 60 billion. Sales of the mortgage credit products of Nykredit and DLR Kredit generates fees and commissions for the Bank, which in the year to 31 December 2013, accounted for DKK 205.2 million.

Danish Government measure to ensure financial stability (Bank Packages)

With effect from 1 October 2010 the Act on Financial Stability (Chapter 4a of the Danish Act No. 1003 of 10 October 2008 on Financial Stability, as amended by Consolidated Act No. 875 of 15 September 2009, Act No. 516 of 12 June 2009, Act No. 1273 of 16 December 2009, Act No. 721 of 25 June 2010, Act No. 1556 of 21 December 2010, Act No. 619 of 14 June 2011, Act No. 273 of 27 March 2013, Act No. 1231 of 18 December 2012 and Act No. 1287 of 19 December 2012 and as further amended from time to time (the "**Act on Financial Stability**") was amended inter alia to allow for a controlled winding-up of a distressed bank through the Financial Stability Company, which is known as Bank Package III, The resolution scheme is voluntary and contains no general state guarantee to creditors.

The intention of the winding-up procedures is to wind up a distressed bank faster than under the traditional bankruptcy schemes. The procedures do not alter the risk of the creditors, which mean that both under the winding-up procedures and the traditional bankruptcy schemes, the creditors may lose all or part of their claims.

The Act on Financial Stability was further amended with effect from 23 June 2011 in order to allow for the Guarantee Fund for Depositors and Investors to contribute with a financial inducement to encourage a sound bank to take over all activities of a distressed bank, including all unsubordinated and unsecured claims. On 25 August 2011 a number of consolidation initiatives was agreed upon by the vast majority of the political parties in the Danish Parliament ("**Bank Package IV**"). Bank Package IV provides for a strengthening of the compensation scheme in order to create greater incentives for sound banks to wholly or partly take over a bank in distress. In particular, Bank Package IV provides for the Danish state to contribute in the compensation scheme with an amount up to the equivalent of the haircut that would have been imposed on any state guaranteed bonds that would have been issued by the bank in distress. Contrary to Bank Package III, the unsubordinated and unsecured senior creditors will not suffer any loss if Bank Package IV is applied.

New Capital and Liquidity Regulations

New regulations for the financial sector are being proposed in the EU and beyond. The Bank follows this process closely and supports measures that strengthen the resilience of the sector and its ability to support economic growth. The Bank is of the view that the Basel III guidelines generally meet this criterion.

The final versions of the CRR and CRD IV Directive adopted on June 2013 has entered into force on 1 January 2014. The framework implements among other things the Basel Committee on Banking Supervision's proposals imposing stricter capital and liquidity requirements for banks across EU member states including capital requirements, stricter and aligned definitions of capital and risk-weighted assets ("**RWA**"), leverage ratio, large exposure framework and liquidity and funding requirements. The CRD IV Directive covers the overall supervisory framework for banks (including the individual risk assessment) and other measures such as the combined capital buffer requirements, definition of systemic important financial institution ("**SIFI**"), governance and remuneration requirements.

The CRD IV Directive comes into force through implementation in the Financial Business Act, whereas CRR applies immediately and directly without adoption in national law. The European Banking Authority ("**EBA**") has proposed detailed rules through binding technical standards and is expected to propose further technical standards in 2014 for many areas including, inter alia, liquidity requirements, certain aspects of capital requirements, variable renumeration and market risk and credit valuation adjustment risk.

Under the CRD IV Directive and the Basel III framework, the minimum capital requirement for common equity tier 1 ("CET1") (which does not include hybrid capital) will be phased in gradually form the current 2 per cent RWA to up to 9.5 per cent in 2019.The 9.5 per cent requirement will include a "capital conservation buffer requirement" of 2.5 per cent and a "countercyclical buffer requirement" of 0 - 2.5 per cent in addition to the minimum requirement of 4.5 per cent. The countercyclical requirement will apply in period of excess lending growth in the economy and may vary for each jurisdiction. If a bank does not maintain these buffers, restrictions will be placed on its ability to pay dividends and make other payments.

For each SIFI there will be additional capital requirements on top of the minimum requirements applicable to other banks. The framework also contains stricter requirements for the quality of capital that may be count as CET1 capital and for the calculation of RWA.

As regards liquidity the Basel Committee proposed two liquidity ratios in December 2012: (i) the Liquidity Coverage Ratio ("**LCR**") and the Net Stable Funding Ratio ("**NSFR**"). The LCR stipulates that banks must have a liquidity buffer that ensures a survival horizon of at least 30 calendar days in the case of a seriously stressed liquidity situation. The NSFR is intended to ensure a sound funding structure by promoting an increase in long-term funding. The NSFR stipulates that a bank must at all times have stable funding equal to the amount of their illiquid assets for one year forward.

In January 2013, the Basel Committee issued revisions to its guideline for the LCR. The revisions include a phasing implementation of the minimum requirement according to which it will be set at 60 per cent in 2015 and end at 100 per cent on 1 January 2019.The revisions also include an expansion of the pool of level 2 liquid assets that can be counted in the liquidity buffer and a reduction of the weights assigned to certain liquidity outflows.

The Bank's LCR was 115 per cent at 31 December 2013 and stress tests show that the Bank has sufficient liquidity buffer for the coming 12 months period.

9. Trend Information

There has been no material adverse change in the prospects of the Bank since 31 December 2013.

10. Profit Forecasts or Estimates

The Bank has not prepared any specific profit forecast for the purpose of this Prospectus and does not consider the current forecasts for 2014 as stated in the annual report for 2013 and as adjusted in the Bank's company announcement no. 7/2014 on 24 March 2014 regarding the sale of shares in Nets Holding A/S to be material in the context of the Notes.

11. Administrative, Management and Supervisory Bodies

The company has a two-tier management system encompassing a Board of Directors and an Executive Board.

Board of Directors

The Board of Directors has the overall responsibility for the management of the Bank and supervises the Executive Management. Under the current management structure, the Board of Directors defines the overall principles governing the affairs of the Group. The Executive Management is the supreme decision-making body as concerns the day-to-day management of the Bank, observing the guidelines and instructions issued by the Board of Directors. The Board of Directors must give specific authorisation to transactions, which are unusual or significant to the Bank. The Board of Directors shall also consider from time to time whether the capital resources of the Bank are adequate in the context of the Bank's operations and shall ensure that the Bank's book-keeping and asset management functions are subject to the appropriate control.

The Board of Directors, which consists of non-executive directors, is elected by the shareholders of the Bank at the general meeting of shareholders with the exception of those directors who are elected pursuant to applicable law concerning employee representation on the Board of Directors (currently three members). Employees of companies that employ more than 35 employees are entitled to elect directors corresponding to half of the directors elected by the general meeting. Board members elected by the employees are elected for terms of four years, and they hold the same rights and obligations as any member of the Board of Directors elected by the shareholders. Board members elected by the shareholders in general meeting are elected for terms of two years, and the number of such directors may range from four to six (currently five members). Members of the Board of Directors have a duty to retire at the date of the first general meeting following their 70th birthday. According to Danish law, members of the Executive Management may not also be members of the Board of Directors of the Bank.

The business address for the current members of the Board of Directors is Skelagervej 15, DK-9100 Aalborg, Denmark.

Members of the Board of Directors

Torben Fristrup

Born in 1951. Member of the Board of Directors since 2003, Chairman of the Board of Directors since 2004. Member of the remuneration committee.

Chief Executive Officer, CUBIC-Modulsystem A/S, Manager, Regulus ApS and Fristrup Holding Aalborg ApS.

Current Directorships

- Brønderslev Industrilakering A/S (Chairman)
- CUBIC Norge A/S (Chairman)
- CUBIC-Modular System Ltd. (Chairman)
- CUBIC Svenska AB (Chairman)
- Sjørring Maskinfabrik A/S. (Chairman)
- CUBIC-Modulsystem A/S
- Erik Kauffeldt's Foundation

Per Nikolaj Bukh

Born in 1965. Member of the Board of Directors since 2007, Deputy Chairman of the Board of Directors since 2009. Member of the audit committee. Member of the remuneration committee.

Professor, Aalborg University, General Manager, Danmarksgade 28, Frederikshavn ApS, P. N. Bukh ApS, Value Spread I ApS.

Current Directorships

- Jurist- & Økonomforbundets Forlag A/S,
- Jurist- & Økonomforbundets Forlagsfond
- Jurist- & Økonomforbundets Forlag Holding A/S
- Padborg Ejendomme A/S.

Kaj Christiansen

Born in 1955. Member of the Board of Directors since 2012.

CEO of Frederikshavn Maritime Erhvervspark A/S since 1999.

Current Directorships

- The Arena North Foundation (Chairman)
- Northern Offshore Services A/S,
- The Spar Nord Foundation
- Domus Aqua ApS
- Ringvejens Erhvervsinvest A/S,
- Frederikshavn Maritime Erhvervspark A/S
- The Kattegat Silo Foundation.

Laila Mortensen

Born in 1965. Member of the Board of Directors since 2012.

CEO of Industripension Holding A/S, Industriens Pensionsforsikring A/S and chairman of the executive board of Industriens Pensionsservice A/S, Komplementarselskabet OPP Psyk. afdeling, Vejle - Industriens Pension ApS.

Current Directorships

- P/S OPP Psyk. Afdeling, Vejle (Chairman)
- Industriens Pension ApS (Chairman)
- IP Ejendomme 2013 P/S (Chairman)
- IP Infrastruktur P/S (Chairman)
- IP Komplementar ApS (Chairman)
- DSEB
- Forsikring & Pension
- Industriens Pension Portfolio F.M.B.A.,
- Pensionsinfo
- IP Butendiek Wind Komplementar ApS
- IP Finans 1 ApS.

Carsten Normann

Born in 1962. Member of the Board of Directors since 2004.

Partner and Man. Director of Mayday Invest A/S, CEO of CN Holding ApS.

Current Directorships

- FFV Energi & Miljø A/S (Chairman)
- M-Sport A/S (Chairman)
- Interfone International A/S
- CaPa ApS
- K/S Laboris I, Horsens

Fritz Dahl Pedersen

Born in 1955. Member of the Board of Directors since 2012.

CEO of Fritz Dahl Pedersen Holding ApS, Bolette og Fritz Dahl Peder- sen Ejendomsselskab ApS, Fritz Dahl Pedersen Biler ApS.

Current Directorships

- The Spar Vest Foundation
- Spar Vest Tyskland A/S
- Spar Vest Grønland A/S
- Spar Vest Finans A/S
- SVF Ejendomsservice A/S
- Fritz Dahl Pedersen Holding ApS
- Bolette og Fritz Dahl Pedersen Ejendomsselskab ApS
- Dahl Pedersen Holding ApS.

Ole Skov

Born in 1959. Employee-elected member of the Board of Directors since 2000. Member of the audit committee.

Senior workplace representative, Spar Nord Bank A/S.

Current Directorships

- The Financial Services Union's "Spar Nord Kreds" (Chairman)
- The Personnel Foundation at Spar Nord,
- The Financial Services Union's executive committee.

Jannie Skovsen

Born in 1965. Employee-elected member of the Board of Directors since 2008.

Workplace representative, Spar Nord Bank A/S.

Current Directorships

- The Financial Services Union's "Spar Nord Kreds", (Deputy Chairman)
- The Spar Nord Foundation

Gitte Holmgaard Sørensen

Born in 1965. Employee-elected member of the Board of Directors since 2012.

Workplace representative, Spar Nord Bank A/S.

Current Directorships

- The Financial Services Union's "Spar Nord Kreds"

Hans Østergaard

Born in 1946. Member of the Board of Directors since 2009. Chairman of the audit committee.

Professional board member. Former State-authorized Public Accountant.

Current Directorships

- HNC Group A/S (Chairman)

Executive Management

The Executive Management is in charge of the day-to-day management of the Group as laid down in the Rules of Procedure for the Executive Management.

The business address for the current members of the Executive Management is Skelagervej 15, DK-9100 Aalborg, Denmark.

Members of the Executive Management

Lasse Nyby

Chief Executive Officer

Born in 1960. Chief Executive Officer of the Bank since 2000.

Current Directorships

- JSNA Holding A/S (Chairman)
- Advizer ApS (Chairman)
- Spar Nord Leasing A/S (Chairman)
- SN Finans Nord AB (Chairman)
- Erhvervsinvest Nord A/S (Chairman)
- Spar Nord Ejendomsselskab A/S (Chairman)
- Aktieselskabet Skelagervej 15 (Chairman)
- Foreningen AP Pension F.M.B.A.,
- AP Pension Livsforsikringsaktieselskab,
- AP Pensionsservice,
- AP Skadesforsikring Aktieselskab,
- Nykredit Holding A/S,
- PRAS A/S,
- Vækst-Invest Nordjylland A/S,
- The Danish Bankers' Association,
- Regional Bankers' Association.

Lars Møller

Managing Director

Born in 1957. Managing Director of the Bank since 2000.

Current Directorships

- BI Holding A/S (the Bank- invest Group) (Chairman)
- BI Asset Management Fondsmæglerselskab A/S (Chairman)
- BI Management (Chairman)
- DLR Kredit A/S
- Erhvervsinvest Nord A/S
- Spar Nord Ejendomsselskab A/S.

John Lundsgaard

Managing Director

Born in 1964. Managing Director of the Bank since 2000.

Current Directorships

- Skandinavisk Data Center A/S (Chairman)
- Factor Insurance Brokers A/S (Chairman)
- Høgsberg Assurance Service A/S (Chairman)
- Aktieselskabet Skelagervej 15
- Ietpension Holding A/S,
- Spar Nord Ejendomsselskab A/S

- The Employers' Association for the Financial Sector (FA)

Bent Jensen

Managing Director

Born in 1960. Managing Director of the Bank since 2012, following the merger between the Bank and Sparbank A/S.

Current Directorships

- Aktieselskabet Skelagervej 15

Statement on Conflicts of Interest

No actual or potential conflict of interests exists between any of the duties of the members of the Board of Directors and the Executive Board to the Bank and their private interests or other duties.

12. Financial Information Concerning the Bank's Assets and Liabilities, Financial Position and Profits and Losses

Historical financial information, financial statements and information on the auditing of historical annual financial information have been incorporated by reference. Please see section 16– Documents for further information.

There have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Bank is aware) during the last 12 months preceding the Prospectus Date which may have, or have had in the recent past, significant effects on the Bank and/or the Group's financial position or profitability.

There has been no significant change in the financial or trading position of the Group since 31 December 2013.

13. Material Contracts

State Hybrid Capital

The Bank has entered into an agreement with the Danish State on the Danish State's subscription for notes (the "**Hybrid Agreement**") in a total amount of DKK 1,265 million ("**State Hybrid Capital**"). According to the terms and conditions of the notes attached to the Hybrid Agreement (the "**Terms and Conditions of the Notes**"), the notes are in the nature of Hybrid Core Capital.

In addition to customary disclosure requirements and default provisions, the agreement with the Danish State contains the following material obligations for the Bank:

(i) The Bank may not (i) effect any capital reductions except to cover losses or to write down share capital in accordance with the loan notes agreement or (ii) purchase own shares, including initiate buy back programmes, if such purchase would constitute a violation of Bank Package II. The Bank may not sell own shares on terms and conditions that are more burdensome for the Bank than market terms unless it is necessary to do so in order to honour the Bank's employee stock option programmes.

(ii) After 1 October 2010, the Bank may only distribute dividends to the extent that such dividends can be financed by the Bank's net profit after tax, which may be added to the distributable reserves, as generated in the period following 1 October 2010.

(iii) The Bank may not use funds to capitalise businesses in violation of Bank Package II. The Bank may not acquire shares if such acquisition constitutes a violation of Bank Package II. All intra-Group agreements and transactions shall be concluded on arm's length terms.

(iv) The Bank may not introduce restrictions on ownership, voting rights or negotiability in the Articles of Association, nor may the Bank introduce share classes.

(v) The Bank may not (i) initiate new share options programmes or other similar plans for the Executive Board or prolong or renew existing programmes; (ii) remunerate members of the Executive Board by variable pay elements to an extent exceeding 20% of the total basic salary including pension; (iii) issue bonus shares at a discount or use similar advantageous schemes for the Executive Board; or (iv) make tax deductions of more than one-half of the Executive Board's salaries, to the extent that such deductions would constitute a violation of Bank Package II. The Bank shall in a note to the annual report disclose the amount for which tax deductions have been made.

(vi) No later than on 31 March and 30 September of each year, the Bank shall present a statement of its lending activities in the immediately preceding period from 1 July to 31 December and from 1 January to 30 June, respectively, to the Danish State in accordance with Bank Package II. The statement on lending activities shall be published as provided by Bank Package II.

The agreement with the Danish State is effective until the earlier of the date when (i) all amounts payable under the loan granted under the Hybrid Agreement with the Danish State, including interest and costs, have been repaid in full, cancelled or converted into equity under the Hybrid Agreement with the Danish State and the loan notes agreement, or (ii) the Danish State has transferred all notes and has thus ceased to be a creditor of all or part of the loan.

In addition to the special terms agreed between the Bank and the Danish State, the Bank shall comply with the obligations contained in the Terms and Conditions of the Notes during the term of the loan. In addition to customary disclosure requirements and default provisions, the Terms and Conditions of the Notes contain the following material obligations for the Bank:

(i) The Bank may not (i) effect any capital reductions except to cover losses or to write down share capital in accordance with the loan notes agreement or (ii) purchase own shares, including initiate buy back programmes, if such purchase would constitute a violation of Bank Package II. The Bank may not sell own shares on terms and conditions that are more burdensome for the Bank than market terms unless it is necessary to do so in order to honour the Bank's employee stock option programmes.

(ii) The Bank may not issue share options, warrants, convertible debt instruments or similar instruments on terms that are less favourable to the Bank than market terms, unless such issue is part of a general employee scheme.

(iii) The Bank may not at any time pay dividend, repay or buy back any debt that is subordinated to the notes or rank *pari passu* with the notes or other Hybrid Core Capital if (i) any coupon that is past due remains unpaid, or (ii) if coupon has not been paid in full on two consecutive fixed coupon payment dates following an alternative coupon payment event (as defined below) or the date on which a cancellation of coupon has occurred. Notwithstanding the aforementioned, the Bank may for its trading portfolio purchase debt that is subordinated to the notes or ranks *pari passu* with the notes or other Hybrid Core Capital in order to meet purchase orders from the Bank's customers in respect of the Bank operating as a market maker.

(iv) The shareholders of the Bank may not approve any resolution to liquidate the Bank unless where such liquidation is required by law.

(v) The Bank may not enter into (i) a merger agreement, and the shareholders of the Bank may not approve such merger agreement, if the valuers declare pursuant to section 241(4) of the Companies Act that the consideration paid for the shares is not reasonable, or (ii) a demerger agreement, if such agreement may have a material adverse effect on the Danish State's interests.

(vi) The Bank may not apply for delisting of the shares from NASDAQ OMX or another regulated market within the EU or EEA.

(vii) The Bank may not complete any transaction or take any other action which would imply that, in the event of a conversion of coupon or notes pursuant to provisions regarding alternative coupon payment or the Bank's conversion option and obligation, the economic value of the ACPE Shares (as defined below) or the new shares to be received following the determination of the ACPE reference price or the reference price is less than the value of such ACPE Shares or new shares, respectively, had such transaction or action not been completed or taken.

The agreement with the Danish State contains provisions to the effect that the Bank may distribute dividends after 1 October 2010 to the extent such dividends can be financed by the Bank's net profit after tax. If the Bank makes dividend payments, interest pursuant to the Terms and Conditions of the Notes may increase as a variable dividend supplement for each note will be payable in addition to a fixed coupon.

If, following any coupon payment in full or in part, the Bank's solvency would be less than 110% of the solvency requirement on any fixed coupon payment date, the payment of the relevant coupon or part thereof shall be settled by way of issue of new shares or delivery of existing own shares (the "**ACPE Shares**") to the noteholder(s) *pro rata* to their holding of notes on the relevant fixed coupon payment date or such later date as may be required when the Bank is in possession of price sensitive information (the "**ACPE Conversion Date**"). The coupon shall be converted into ACPE Shares on the ACPE Conversion Date by registration of the resulting capital increase with the Danish Business Authority.

Pursuant to the Terms and Conditions of the Notes, the notes are perpetual and will not fall due, in full or in part, at any fixed date. However, subject to the written consent of the DFSA, the Bank may redeem all or part of the notes with the addition of accrued and due but unpaid coupon, on or after 30 May 2014. However, if the notes are redeemed before the first day of the sixth year from the issue date, redemption will be subject to the following conditions being met on the redemption date:

(i) The Bank's Core Capital Ratio must be at least 12% after such redemption; or

(ii) The total nominal value of the notes to be redeemed has been replaced by other Core Capital of at least the same quality as the notes.

For a period up to but not including the first day of the sixth year from the issue date, the Bank may at its discretion and at any time require that the notes be converted at their nominal value with the addition of any accrued and due but unpaid coupon on the nominal value, in separate tranches of 20% of the original number of notes into new shares of the Bank, if the Bank's Hybrid Core Capital Ratio exceeds 35%.

If the Bank's original Core Capital Ratio exceeds 50%, the Bank has an obligation to exercise the Bank's Conversion Option in individual trances of 20% of the original number of notes to the extent (and only to the extent) necessary to bring the Bank's original Hybrid Core Capital Ratio (including the effect of the conversion) to 35% or less.

The Bank expects to repay the DKK 1,265 million in State-funded hybrid core capital in May 2014.

14. Third Party Information, Expert Statements and Declarations of Interest

This Prospectus does not contain any expert statements or expert reports.

This Prospectus contains information about the market share, market position and industry data for the operating areas of the Group and its reporting segments. Unless otherwise indicated, the statistical and other market information relating to such information is based on data reported to the central bank in Denmark. Such information has been accurately reproduced and, as far as the Bank is aware and is able to ascertain from such information, no facts have been omitted which would render the information provided inaccurate or misleading.

15. Taxation

Danish Taxation

The following is a summary description of the taxation in the Kingdom of Denmark of the Notes according to the Danish tax laws in force as of the date of this Prospectus and is subject to any changes in law and the interpretation and application thereof, which changes could be made with retroactive effect.

The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of the Notes, and does not purport to deal with the tax consequences applicable to all categories of investors some of which (such as professional dealers in securities) may be subject to special rules. The tax considerations for Danish resident investors acquiring, holding or disposing the Notes depend on the investor's tax status and the specific terms applicable to every single emission. Potential investors are in all circumstances strongly recommended to contact their own tax advisers to clarify the individual consequences of the investment, holding and disposal of the Notes. The Bank makes no representations regarding the tax consequences of the purchase, holding or disposal of the Notes.

Taxation at source

Under existing Danish tax laws no general withholding tax or coupon tax will apply to payments of interest or principal or other amounts due on the Notes, other than in certain cases on payments in respect of controlled debt in relation to the Bank as referred to in consolidated Act No. 1082 of 14 November 2012, as amended. This will not have any impact on holders of Notes who are not in a relationship whereby they control, or are controlled by, the Bank, or where the holders of the Notes and the Bank are not controlled by the same group of shareholders.

Resident holders of Notes

Private individuals, including persons who are engaged in financial trade, companies and similar enterprises resident in Denmark for tax purposes or receiving interest on the Notes through their permanent establishment in Denmark are liable to pay tax on such interest.

Capital gains are taxable to individuals and corporate entities in accordance with the Danish act on taxation of debt, debt claims and financial contracts ("Kursgevinstloven") (the Act). Gains and losses on Notes held by corporate entities are generally taxed in accordance with a mark-to-market principle ("lagerprincippet"), i.e. on an unrealised basis. Gains and losses on Notes held by corporate entities are taxed at the ordinary corporate income tax rate.

Gains and losses on Notes held by individuals are generally taxed on a realised basis. However, gains and losses will only be included in the taxable income when the annual net gain or loss on debt claims, on debt denominated in foreign currency and on investment certificates in bond-based investment funds subject to minimum taxation in total exceeds DKK 2,000. The net gain is taxed as capital income at a rate of up to 42% in 2014

Pension funds and other entities governed by the Danish act on taxation of pension yield of 22 February 2011 (as amended) ("Pensionsafkastbeskatningsloven") would, irrespective of realisation, be taxed on annual increase or decrease in fair market value of the Notes according to a mark-to-market principle ("lagerprincippet") as specifically laid down in the act. The net return is generally taxed at a flat rate of 15.3% in 2014.

Non-resident holders of Notes

Under existing Danish tax laws, payments of interest or principal amounts to any non-resident holders of Notes are not subject to taxation in Denmark, other than in certain cases on payments in respect of controlled debt in relation to the Bank as referred to under "Taxation at source" above. Thus, no Danish withholding tax will be payable with respect to such payments and any capital gain realised upon the sale, exchange or retirement of a Note will not be subject to taxation in Denmark, other than in certain cases on payments in respect of controlled debt in relation to the Bank as referred to under "Taxation at source" above.

This tax treatment applies solely to holders of Notes who are not subject to full tax liability in Denmark or included in a Danish joint taxation scheme and do not carry on business in Denmark through a permanent establishment.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). Luxembourg has recently announced that as from 1 January 2015 it will apply an exchange of information system. A number of non-EU countries and territories, including Switzerland, have adopted similar measures (a withholding system in the case of Switzerland).

The European Commission has proposed certain amendments to EC Council Directive 2003/48/EC which may, if implemented, amend or broaden the scope of the requirements described above.

16. Documents

Documents Incorporated by Reference

The audited consolidated financial information for Spar Nord Bank A/S for the years ended 31 December 2013 and 31 December 2012 is included in this Prospectus by reference to the audited consolidated financial statements for Spar Nord Bank A/S, submitted to NASDAQ OMX Copenhagen A/S and available at the Bank's website: www.sparnord.dk (please see *Table of cross references* below). Such published consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as endorsed by the EU and additional Danish disclosure requirements for annual reports of listed companies.

Table of cross references

Information	Source
Management's statement for 2013	Annual report for 2013, p. 39
Reports by the Internal Audit department for 2013	Annual report for 2013, p. 40
Reports by the independent auditors for 2013	Annual report for 2013, p. 41
Consolidated income statement for 2013	Annual report for 2013, p. 44
Consolidated statement of comprehensive income for 2013	Annual report for 2013, p. 44
Consolidated balance sheet at 31 December 2013	Annual report for 2013, p. 45
Consolidated statement of changes in equity for 2013	Annual report for 2013, p. 46
Consolidated cash flow statement for 2013	Annual report for 2013, p. 49
Notes to the consolidated financial statements for 2013	Annual report for 2013, p. 51-123
Management's statement for 2012	Annual report for 2012, p. 45
Reports by the Internal Audit department for 2012	Annual report for 2012, p. 46
Reports by the independent auditors for 2012	Annual report for 2012, p. 47
Consolidated income statement for 2012	Annual report for 2012, p. 50
Consolidated statement of comprehensive income for 2012	Annual report for 2012, p. 50
Consolidated balance sheet at 31 December 2012	Annual report for 2012, p. 51
Consolidated statement of changes in equity for 2012	Annual report for 2012, p. 52
Consolidated cash flow statement for 2012	Annual report for 2012, p. 55
Notes to the consolidated financial statements for 2012	Annual report for 2012, p. 57-129

The consolidated financial statements for 2013 and 2012 have been audited by KPMG Statsautoriseret Revisionspartnerselskab. No qualifications or disclaimers have been included in the annual reports for 2013 and 2012.

Documents on Display

The following documents are available for inspection at the Bank's head office:

- Articles of Association
- The Bank's annual reports for the financial years ended 31 December 2013 and 2012.
- The Prospectus relating to the Listing

The Bank will, on request, provide copies of annual reports for the financial years ended 2013 and 2012 for the Bank's subsidiaries (available in Danish).

The documents referred to above are available on the Bank's website subject to certain limitations.

The Bank's memorandum of association is not available.

17. Definitions and Glossary

The following table sets forth definitions of terms used in this Prospectus.

Arranger	Danske Bank A/S
Articles of Association	The Bank's articles of association dated 24 April 2013
Bank	Spar Nord Bank A/S
Bank Package I	Guarantee scheme adopted by the Danish parliament on 5 October 2008 pursuant to which the Danish State guaranteed unsecured creditors' claims against losses in Danish banks to the extent such claims were not otherwise covered. The scheme expired on 30 September 2010
Bank Package II	Danish Act no. 67 of 3 February 2009 on state capital injections in credit institutions, as amended (Consolidating Act no. 876 of 15 September 2009)
Bank Package III	Danish Act no. 721 of 25 June 2010 on the establishment of a model under the auspices of Finansiel Stabilitet A/S by which distressed banks may be wound up in a controlled manner as a going concern
Bank Package IV	Document no. 181 adopted by the Finance Committee of the Danish parliament on 7 September 2011 and Danish Act no. 1061 of 22 November 2011 amending the Danish act on a guarantee scheme for depositors and investors (loss guarantee by application of an extended "dowry" scheme)
Base Capital Executive Order	Executive Order No. 915 of 12 September 2012 on calculation of base capital issued under the Financial Business Act
Basel III	Framework agreement of the Basel Committee on Banking Supervision amending rules on impairments, capital requirements for mortgage lenders, a maximum leverage ratio, countercyclical capital buffers and required liquidity levels, etc.
Board of Directors	The Board of Directors of the Bank as at the Prospectus Date
Business Day	A day on which banks and VP are open for general business (including dealing in foreign exchange and foreign currency deposits) in Copenhagen
Call Date	As defined in clause 6.4 of section 6 – Terms and Conditions of the Notes
Capital Base	Consists of Core Capital and Supplementary Capital less deductions as defined in section 128 of the Financial Business Act
Capital Event	As defined in clause 6.3.2 of section 6 – Terms and Conditions of the Notes
CIBOR Rate	As defined in clause 4.1.2(a) of section 6 – Terms and Conditions of the Notes

Companies Act	Danish Act on public and private limited companies (the Danish Companies Act) (Act no. 322 of 11 April 2011)
Conditions	the terms and conditions of the Notes, as set out in section 6 – Terms and Conditions of the Notes
Core Capital	Core capital, also referred to as tier 1 capital, comprises Core Tier 1 Capital and Hybrid Core Capital adjusted for statutory deductions, see section 5(7)(iv) of the Financial Business Act
Core Tier 1 Capital	Consists of share capital and reserves (excluding revaluation reserves) and Hybrid Core Capital adjusted for statutory deductions, see section 4 of executive order no. 764 of 24 June 2011 on the calculation of Capital Base
CRD	European Capital Requirements Directives, 2006/48/EU and 2006/49/EU
CRD IV	As the context requires, any or any combination of the CRD IV Directive, the CRR and any CRD IV Implementing Measures
CRD IV Directive	A directive of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms dated 26 June 2013 and published in the Official Journal of the European Union on 27 June 2013, as amended or replaced from time to time
CRD IV Implementing Measures	Any regulatory capital rules or regulations or other requirements, which are applicable to the Bank and which prescribe (alone or in conjunction with any other rules or regulations) the requirements to be fulfilled by financial instruments for their inclusion in the regulatory capital of the Bank (on a non-consolidated or consolidated basis) to the extent required by the CRD IV Directive or the CRR, including for the avoidance of doubt any regulatory technical standards released by the European Banking Authority (or any successor or replacement thereof)
CRR	A regulation of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms dated 26 June 2013 and published in the Official Journal of the European Union on 27 June 2013, as amended or replaced from time to time.
Danish kroner or DKK	The official currency of the Kingdom of Denmark
Danish State	The Danish State
DFSA	The Danish Financial Supervisory Authority
EEA	The European Economic Area
EU	The European Union
Euro or EUR	The single European currency
Executive Management	The Executive Board of the Bank as at the Prospectus Date

Extraordinary Resolution	As defined in clause 12.6 of section 6 – Terms and Conditions of the Notes
Financial Business Act	The Danish Financial Business Act (Consolidated Act No. 948 of 2 July 2013, as amended).Danish Act on financial business, see Consolidating Act no. 342 of 8 April 2011 as amended
Finansiel Stabilitet A/S	Finansiel Stabilitet A/S was established by Act no. 1003 of 10 October 2008 and is owned by the Danish State. The company's objective is to contribute to securing financial stability in Denmark, including by winding up distressed banks. Moreover, it is the company's objective on behalf of the Danish State to manage the agreements entered into concerning the provision of an individual state guarantee for a specified portion of the institutions' debt
GDP	Gross domestic product
Group	The Bank and its consolidated subsidiaries
Guarantee Fund	The Guarantee Fund is a private, self-governing fund established by Act no. 794 of 20 August 2009 the object of which is to provide coverage for private individuals and companies (legal entities) with deposits and securities in Danish banks in connection with suspension of payments or compulsory liquidation. All Danish banks, mortgage credit institutions and investment and investment management companies licensed to carry on business under the Financial Business Act are required to join and to contribute to the Guarantee Fund. This also applies to Danish branches of foreign institutions which are domiciled outside the EU
Guarantee Scheme	Bank Package I
Hybrid Agreement	The Bank's agreement with the Danish State on the subscription of notes by the Danish State. According to the terms and conditions of the notes, the notes are in the nature of Hybrid Core Capital
Hybrid Core Capital	Subordinated Loan Capital which complies with the requirements of section 132 of the Financial Business Act
ICAAP	Internal capital adequacy assessment process (the individual solvency need)
IFRS	International Financial Reporting Standards as adopted by the EU
Interest Paymenyt Date	As defined in clause 4.1.1 of section 6 – Terms and Conditions of the Notes
Interest Period	As defined in clause 4.2 of section 6 – Terms and Conditions of the Notes
Issue Date	18 December 2013
Listing	the admission to trading and official lisitng of the Notes on NASDAQ OMX
Management	The Board of Directors and the Executive Management of the Bank

Margin	As defined in clause 4.1.2(b) of section 6 – Terms and Conditions of the Notes
Maturity Date	18 December 2023
Member State	Any member state of the EU
Modified Following Business Day Convention	The first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day.
NASDAQ OMX	NASDAQ OMX Copenhagen A/S
Noteholders	Any holders of the Notes
Notes	Subordinated Floating Rate Tier 2 Notes due 18 December ssued by the Bank on 18 December 2013 under ISIN code DK0030330311
Prospectus Date	26 March 2014
Prospectus Directive	Directive 2003/71/EC (and amendments thereto, including the 2010 Amending Directive, to the extent implemented in the Relevant Member State)
Prospectus Order	Executive Order No. 643 of 6 June 2012
Prospectus Regulation	Commission Regulation (EC) No. 809/2004 of 29 April 2004, as amended
Prospectus	This prospectus dated 26 March 2014
Relevant Date	As defined in clause 8.1 of section 6 – Terms and Conditions of the Notes
Relevant Member State	Any member state of the EEA which has implemented the Prospectus Directive
Relevant Regulator	The DFSA and any successor or replacement thereto, or other authority having primary responsibility for the prudential oversight and supervision of the Bank, as determined by the Bank;
Relevant Rules	The regulatory capital rules from time to time as applied by the Relevant Regulator and as amended from time to time (including CRD IV and/or the Resolution and Recovery Directive, as applicable). For the avoidance of doubt, at the Issue Date such rules being those set out in the Financial Business Act and the Base Capital Executive Order.
Resolution and Recovery Directive	the Directive of the European Parliament and of the Council on resolution and recovery of credit institutions and investment firms, a first draft of which was published on 6 June 2012, as amended or replaced from time to time.
Resolution and Recovery Directive	The Directive of the European Parliament and of the Council on resolution and recovery of credit institutions and investment firms, a first draft of which was published on 6 June 2012, as amended or replaced from time to time

Risk-weighted Items	See section 142(1) of the Financial Business Act
Rules of Procedure	The Bank's rules of procedure for the Board of Directors and the Executive Management
Securities Trading Act	Consolidated Act No. 982 of 8 June 2013 on Securities Trading, as amended
SIFI	CRD IV definition of systemic important financial institution which may become subject to tighter capital requirements pursuant to future regulation. The criteria and conditions to be met in order to be defined as a SIFI have yet to be determined but will be based on common EU regulation
Spar Nord's Local Banks	Business segment of Spar Nord Bank A/S
State Hybrid Capital	Agreement with the Danish State on the Danish State's subscription for notes in a total amount of DKK 1,265,000,000. The notes were issued on 30 June 2009 and are in the nature of Hybrid Core Capital
Subordinated Loan Capital	Liabilities (possibly established by issuance of securities) providing that the creditor's claim is subordinated to all other creditor claims, see section 128 of the Danish Financial Business Act
Supplementary Capital	Supplementary capital, also referred to as tier 2 capital, comprises revaluation reserves, Subordinated Loan Capital and contributed capital complying with certain requirements with respect to maturity, repayment, etc. and Hybrid Core Capital which is not included in the Core Capital, see section 24 of executive order no. 764 of 24 June 2011 on the calculation of Capital Base
Tax Event	As defined in clause 6.2.1 of section 6 – Terms and Conditions of the Notes
The Spar Nord Foundation	Spar Nord Fonden, Østeraa 12, 9000 Aalborg, Denmark
Tier 1 Capital	Capital which is treated as a constituent of common equity tier 1 capital (in Danish: *egentlig kernekapital*) or additional tier 1 (in Danish: *hybrid kernekapital*) under the Relevant Rules by the Relevant Regulator for the purposes of the Bank and this shall include all hybrid core capital (in Danish: *hybrid kernekapital*) issued by the Bank within the meaning of the Base Capital Executive Order
Tier 2 Capital	Capital which is treated as a constituent of Tier 2 capital (in Danish: *supplerende kapital*) under the Relevant Rules by the Relevant Regulator for the purposes of the Bank and this shall include all subordinated loan capital (in Danish: *ansvarlig lånekapital*) issued by the Bank within the meaning of the Base Capital Executive Order
Transition Scheme	A transition scheme introduced in February 2009 whereby a Danish bank could apply individually for a state guarantee for its existing and new, unsubordinated debt with a maturity of up to three years
VP Securities	VP Securities A/S