

Spar Nord Bank A/S' Interim Report for H1 2016

Satisfactory pre-tax profits of DKK 469 million: Net profit of DKK 383 million yields an annualized 10% return on equity

- Core income for H1 totalled DKK 1,551 million, which is 19% down on H1 2015 – if adjusted for the one-off impact of the sale of Spar Nord's shareholding in Nørresundby Bank at year-start 2015, this represented a 9% drop.
- Net interest income dropped 9% on H1 2015 – the lending volume grew 3% since the same time last year, but during the past 12 months the interest margin has dropped some 40 basis points.
- Net income from fees, charges and commissions amounted to DKK 518 million in H1, equal to a 9% drop on last year's exceptionally good H1.
- Market-value adjustments and dividends aggregated DKK 187 million, down 8% compared with H1 last year if figures are adjusted for the sale of the shareholding in Nørresundby Bank.
- In aggregate, costs and expenses totalled DKK 948 million, which is a 2% decrease compared with H1 2015 – payroll costs grew 2%, while other operating expenses fell by 8%.
- The period's total core earnings before impairment added up to DKK 603 million, which, viewed against the announced full-year forecast of DKK 1.1 billion, are thus satisfactory.
- Impairment of the Group's loans totalled DKK 133 million, corresponding to an impairment ratio of 0.52% p.a. – the impact on agricultural exposures amounted to DKK 132 million, equal to 99% of the combined profit impact.

Q2: TOP-LINE GROWTH, SUCCESSFUL IT MIGRATION AND CHALLENGES FOR DAIRY PRODUCERS

- Core income was 11% up compared with Q1: Net interest income increased 5% while net income from fees, charges and commissions grew 7% as both activity levels and prices improved satisfactorily, while market-value adjustments and dividends swelled 59%, driven by a variety of positive factors.
- The IT migration from SDC to BEC was successfully completed at the beginning of May after a highly satisfactory process – the previously announced benefits by way of cost savings and stronger development momentum are still expected to be realized.
- The Group's total costs and expenses hovered around the same level as in Q1 after a decline in operating expenses while payroll costs increased as a result of the recent IT migration.
- Loan impairment rose from DKK 54 million to DKK 79 million driven by increased impairment of dairy producer exposures.

FORECAST AND STRATEGY

- In light of developments in H1, Spar Nord Bank maintains its full-year forecast for core earnings before impairment of around DKK 1.1 billion, while loan impairment losses are now expected to be slightly lower than in 2015.
- In conjunction with the Q1-Q3 quarterly report this year Spar Nord expects to publish a new strategy plan containing targets for the coming years.

DKK m	H1 2016	H1 2015	Change in %	Q2 2016	Q1 2016	Change in %	Q2 2015	Change in %
Net interest income	813	894	-9	417	396	5	442	-6
Net income from fees, charges and commissions	518	569	-9	268	250	7	257	4
Core income	1,551	1,921	-19	817	734	11	781	5
Costs and expenses	948	964	-2	473	475	0	480	-1
Core earnings before impairment	603	957	-37	344	259	33	301	14
Impairment of loans and advances, etc.	133	166	-20	79	54	46	69	14
Profit/loss before tax	469	741	-37	265	204	30	208	27

Lasse Nyby, Chief Executive Officer, has the following comments on the financial statements:

- In a period where the general conditions for running a bank and creating good results are less than optimal, I find it highly satisfactory that we have succeeded in generating growth for the business and delivering a two-digit return on equity. We do this because our core business is going well, and because we are continually able to attract new customers and develop our business with existing customers. At the same time we are keeping a pretty tight lid on expenses, another important factor, of course, given the lack of momentum from macroeconomic growth or interest levels.

- The big event for Spar Nord in the first six months was unquestionably our IT migration from SDC to BEC. This project has demanded substantial resources throughout our organization over the past 18 months and was completed with great success at the beginning of May. Now well across the IT migration point, we are beginning to redeploy resources aimed at developing our business, including taking steps to complete the new strategy plan, expected to be unveiled later this year.

Interim Report H1 2016 for Spar Nord Bank A/S

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The Quarterly Report has been prepared in a Danish and an English version. In case of discrepancy between the Danish-language original text and the English-language translation, the Danish text shall prevail.

PERFORMANCE INDICATORS AND FINANCIAL RATIOS - THE GROUP

CORE EARNINGS – QUARTERLY

DKK m	H1 2016	H1 2015	Change in %	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Full year 2015
INCOME STATEMENT									
Net interest income *)	813.0	894.1	-9.1	417.2	395.8	415.8	417.3	442.1	1,727.2
Net income from fees, charges and commissions	518.5	569.2	-8.9	268.1	250.4	239.2	221.9	257.3	1,030.3
Market-value adjustments and dividends	186.8	428.0	-56.4	114.7	72.1	43.4	35.5	69.0	506.9
Other operating income	17.3	17.0	1.8	9.7	7.6	8.0	13.1	7.3	38.1
Profit/loss on equity investments in associates and group enterprises	15.0	12.8	17.2	7.4	7.6	7.8	7.7	5.4	28.3
Core income	1,550.6	1,921.1	-19.3	817.1	733.5	714.2	695.5	781.1	3,330.8
Salaries	586.3	575.2	1.9	306.9	279.4	290.8	232.2	298.3	1,098.2
Operating expenses	327.3	356.2	-8.1	149.1	178.2	165.3	157.7	165.3	679.2
Depreciation, amortization and impairment	34.4	32.9	4.6	17.3	17.1	13.3	19.3	16.4	65.5
Costs	948.0	964.3	-1.7	473.3	474.7	469.4	409.2	480.0	1,842.9
Core earnings before impairment	602.6	956.8	-37.0	343.8	258.8	244.8	286.3	301.1	1,487.9
Impairment of loans, advances and receivables, etc. *)	133.4	166.3	-19.8	78.9	54.5	75.5	73.8	68.7	315.6
Core earnings	469.2	790.5	-40.6	264.9	204.3	169.3	212.5	232.4	1,172.3
Contributions to sector-wide solutions	-	-49.4	-	-	-	-24.6	-24.7	-24.7	-98.7
Profit/loss before tax	469.2	741.1	-36.7	264.9	204.3	144.7	187.8	207.7	1,073.6
Tax	86.6	108.8	-20.4	47.0	39.6	27.3	40.7	39.5	176.8
Profit/loss	382.6	632.3	-39.5	217.9	164.7	117.4	147.1	168.2	896.8
Of which, share attributable to interest expenses to holders of Additional Tier 1 (AT1) capital	12.0	1.4	-	6.1	5.9	6.1	6.0	1.4	13.5
BALANCE SHEET DISCLOSURES									
Total assets	77,476	79,832	-3.0	77,476	79,432	76,357	79,958	79,832	76,357
Loans and advances	38,531	34,413	12.0	38,531	40,404	38,039	38,223	34,413	38,039
- Lending, banking activities	33,398	32,787	1.9	33,398	33,635	32,630	33,088	32,787	32,630
- Lending, reverse transactions	3,528	478	-	3,528	5,400	4,155	3,923	478	4,155
- Lending, leasing activities	1,605	1,148	39.8	1,605	1,369	1,254	1,212	1,148	1,254
Deposits	59,649	56,623	5.3	59,649	57,248	58,116	56,986	56,623	58,116
- Deposits, banking activities	46,295	44,098	5.0	46,295	43,802	44,366	44,206	44,098	44,366
- Deposits, repo transactions	0	0	-	0	364	370	464	0	370
- Deposits in pooled schemes	13,354	12,525	6.6	13,354	13,082	13,380	12,316	12,525	13,380
Subordinated debt	1,093	1,351	-19.1	1,093	1,092	1,089	1,154	1,351	1,089
Holdings of Additional Tier 1 (AT1) capital instruments	397	401	-0.9	397	414	412	406	401	412
Shareholders' equity	7,402	7,216	2.6	7,402	7,616	7,475	7,362	7,216	7,475
Contingent liabilities	10,847	10,349	4.8	10,847	9,373	9,585	9,426	10,349	9,585
Total risk exposure	46,823	48,372	-3.2	46,823	46,943	46,500	47,507	48,372	46,500
Core capital (Tier 1)	6,875	6,847	0.4	6,875	6,803	6,946	6,865	6,847	6,946
Impairment account and discount on commitments taken over **)	2,024	2,048	-1.2	2,024	2,011	1,998	2,080	2,048	1,998
Contractual non-performing loans	468	536	-12.7	468	472	514	672	536	514
Business volume	214,107	204,144	4.9	214,107	210,442	210,658	205,691	204,144	210,658

*) 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 and others; see note 3.

**) Spar Nord's impairment account amounts to DKK 1,898 million (Q1 2016: DKK 1,861 million) (note 10) and the discount on commitments taken over amounts to DKK 126 million (Q1 2016: DKK 150 million).

The definition and breakdown of contributions to sector-wide solutions, which have been recognized separately, appear from note 3.

PERFORMANCE INDICATORS AND FINANCIAL RATIOS - THE GROUP

CORE EARNINGS - QUARTERLY

DKK m	H1 2016	H1 2015	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Full year 2015
FINANCIAL RATIOS								
Own funds								
Total capital ratio, %	16.8	16.3	16.8	16.6	17.0	16.5	16.3	17.0
Core capital (Tier 1) ratio, %	14.7	14.2	14.7	14.5	14.9	14.5	14.2	14.9
Common Equity Tier 1 (CET1) ratio, %	14.0	13.5	14.0	13.8	14.4	13.9	13.5	14.4
Earnings								
Return on equity before tax, excl. Additional Tier 1 (AT1) capital, % *)	6.1	10.4	3.5	2.6	1.9	2.5	2.9	14.6
Return on equity after tax, excl. Additional Tier 1 (AT1) capital, % *)	5.0	8.9	2.9	2.1	1.6	2.0	2.3	12.2
Cost share of core income	0.61	0.50	0.58	0.65	0.66	0.59	0.61	0.55
Cost share of core income, incl. impairment of loans and advances, etc.	0.70	0.59	0.68	0.72	0.76	0.69	0.70	0.65
Return on assets, %	0.5	0.8	0.3	0.2	0.2	0.2	0.2	1.2
Market risk and liquidity								
Interest-rate risk, %	0.7	0.6	0.7	1.1	1.8	1.2	0.6	1.8
Foreign-exchange position, %	3.0	3.8	3.0	3.4	3.4	4.0	3.8	3.4
Foreign-exchange risk, %	0.1	0.1	0.1	0.0	0.1	0.1	0.1	0.1
Excess coverage relative to statutory cash ratio requirement, %	300.7	268.0	300.7	264.0	296.1	263.7	268.0	296.1
Liquidity Coverage Ratio (LCR), %	161	142	161	152	145	158	142	145.0
Credit risk								
Loans and advances plus impairment account and discount hereon rel. to deposits, %	67.9	64.3	67.9	74.0	68.8	70.6	64.3	68.9
Loans and advances rel. to shareholders' equity	5.2	4.8	5.2	5.3	5.1	5.2	4.8	5.1
Increase in loans and advances for the period, %	3.3	-4.4	0.0	3.3	-1.2	1.1	-2.3	-4.5
Large exposures as % of capital base	15.9	16.6	15.9	17.2	16.1	15.9	16.6	16.1
Impairment ratio, %	0.3	0.4	0.2	0.1	0.2	0.1	0.1	0.6
Employees and branches								
Number of employees (full-time, end of period)	1,556	1,508	1,556	1,551	1,538	1,522	1,508	1,538
Number of branches	70	70	70	70	70	70	70	70
THE SPAR NORD SHARE								
DKK per share of DKK 10								
Share price, end of period	54	74	54	63	61	76	74	61
Net asset value (NAV)	60	58	60	61	60	59	58	60
Profit/loss for the period *)	3.0	5.0	1.7	1.3	0.9	1.1	1.3	7.1
Dividend	-	2.0	-	-	-	-	-	3.0
Extraordinary dividend	-	-	-	-	-	-	-	2.0
Return	-	-	-	-	-	-	-	11
Price/earnings	-	-	-	-	-	-	-	9

*) Financial ratios have been calculated as if the Additional Tier 1 (AT1) capital were treated as a liability for accounting purposes.

The Spar Nord Group's pre-tax profits ended at DKK 469 million in the first six months of 2016 versus DKK 741 million in the same period of 2015. This performance corresponds to an annualized 12.3% return on equity before tax.

Management finds this performance satisfactory, and in light of developments in H1, Spar Nord has chosen to maintain its full-year forecast for core earnings before impairment of around DKK 1.1 billion, while loan impairment losses are now expected to be slightly lower than in 2015.

KEEN COMPETITION AND LOW MARKET INTEREST RATES LEAVE THEIR MARK ON NET INTEREST INCOME

Net interest income ended at DKK 813 million in H1 2016, which is DKK 81 million, or 9%, down on the same period of 2015.

As we saw in previous periods, the pressure on net interest income is essentially driven by price developments on the lending side, with a narrowing of the lending margin of some 50 basis points over the past 12 months that more than offsets the positive impact of a DKK 1.1 billion, or 3%, growth in volume during the same period. To this should be added that interest income on the Bank's bond portfolio was DKK 50 million lower in H1 2016 than in the same period of 2015 due to the low interest level.

On the upside, interest expenses on deposits dropped DKK 30 million, both as a result of price adjustments on deposits and because high-interest accounts expired. Interest expenses on subordinated debt were also lower than in H1 2015.

Net interest income picked up from DKK 396 million to DKK 417 million from Q1 to Q2, equal to 5%. The positive trend comes of the fact that pressure on the interest margin seems to have eased, among other factors. To this should be added the one-off impact (interest income) from a major facility subject to impairment.

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

Net income from fees, charges and commissions ended at DKK 518 million, which is a DKK 51 million, or 9%, fall from the unusually strong level seen in H1 2015.

The decline compared with the year-earlier level is due to a downturn in loan transaction fees spurred by a reduced remortgaging activity level and reduced income from securities trading and asset management activities. Viewed over a longer historical perspective, the realized net income from fees, charges and commissions can be termed satisfactory despite the decrease from last year's very high level in H1.

Net income from fees, charges and commissions rose from DKK 250 million to DKK 268 million from Q1 to Q2, equal to 7%. The positive trend is attributable to brisker activity in Q2, particularly in securities trading and asset management, and price adjustments affecting certain services.

Q2 SAW POSITIVE GROWTH IN MARKET-VALUE ADJUSTMENTS AND DIVIDENDS

Market-value adjustments and dividends ended at DKK 187 million, which is DKK 241 million, or 56%, down on the same period last year. When one adjusts for a non-recurring income of DKK 226 million in H1 2015 stemming from the sale of the shareholding in Nørresundby Bank, this represents an 8% decrease, which is considered satisfactory in light of market conditions.

From Q1 to Q2 market-value adjustments and dividends rose from DKK 72 million to DKK 115 million, equal to a 59% increase. The positive trend is driven by a respectable performance for shares and bonds, a positive adjustment of shares in sector companies (particularly DLR Kredit) and the fact that in Q2 Spar Nord was able to carry DKK 23 million to income as a result of an adjustment of the selling price for Nets, which was sold in 2014.

COSTS AND EXPENSES DOWN 2%

The Group's total costs and expenses amounted to DKK 948 million, which is DKK 16 million, or 2%, down on H1 2015.

Wages and salaries accounted for DKK 586 million of the total expenses. This is 2% up on the same period of 2015 – on the one hand, reflecting wage developments according to collective agreements and extra work connected with the completed IT migration and, on the other, the positive impact of a settled legal action regarding the principles for calculating payroll tax.

MANAGEMENT COMMENTARY ON H1 2016

At end-H1 2016, the Group employed 1,556 staff members - 48 more than at the same time last year. Among other things, the rising number of employees should be viewed in light of the fact that the completed IT migration has generated a need for extra resources, and the staffing at SparXpres and Leasing has also grown.

Other operating expenses came to DKK 327 million, which is DKK 29 million, or 8%, down on H1 2015. The decline reflects a general reduction in all cost areas (IT, marketing, premises, etc.) coupled with the absence of the non-recurring expenses that characterized last year's first six months.

Expenses were cut marginally from Q1 to Q2, down from DKK 475 million to DKK 473 million. This development is driven by a reduction of IT expenses, which shows that the impact of the implemented migration from SDC to BEC is gradually taking effect. On the downside, payroll costs increased following the implemented IT migration (one-off impact).

CORE EARNINGS BEFORE IMPAIRMENT HIGHER THAN EXPECTED

As a result of the above-mentioned circumstances, core earnings before impairment ended at DKK 603 million in H1. A direct comparison with the same period last year shows that this amounts to a reduction of DKK 354 million, or 37%, while it represents a reduction of DKK 137 million, or 19%, if adjusted for the non-recurring income from the sale of the shareholding in Nørresundby Bank.

However, the realized core earnings before impairment of DKK 603 million are satisfactory seen against the announced forecast of "around DKK 1.1 billion" for the full year.

LOAN IMPAIRMENT IMPACTED BY THE PLIGHT OF DAIRY FARMERS

Impairment of loans and advances, etc. ended at DKK 133 million in H1 2016 - a level that should be viewed in relation to DKK 166 million in the same period of 2015, which corresponds to an impairment ratio of 0.52% p.a.

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

Business sectors, %	Loans, advances and guarantees		Impairment account and discount on exposures taken over
	31.12.2015	30.06.2016	30.06.2016
Agriculture, hunting and forestry	7.0	6.9	41.5
Fisheries	0.2	0.2	0.1
Industry and raw mat. extraction	5.1	5.1	2.7
Energy supply	4.0	3.6	0.8
Building and construction	3.1	3.3	3.3
Trade	7.1	7.4	4.2
Transport, hotels and restaurants	3.1	3.3	2.8
Information and communication	0.2	0.3	0.1
Financing and insurance	13.4	11.8	4.8
Real estate	11.3	11.9	17.1
Other business areas	5.1	4.6	3.5
Business customers, total	59.6	58.4	80.9
Public authorities	0.5	0.6	0.0
Retail customers	39.9	41.0	19.1
Total	100.0	100.0	100.0

DKK -56 million of the DKK 133 million profit impact is attributable to retail customers, equal to an annualized impairment ratio of -0.5% for this customer category. DKK 57 million relates to business customers, excl. agricultural customers, corresponding to an annualized impairment ratio of 0.4%. The ratio between retail and business customers may be impacted by the completed IT migration.

Finally, DKK 132 million of H1's profit impact is attributable to agricultural customers, which corresponds to an impairment ratio for this customer category of as much as 7.4% p.a.

MANAGEMENT COMMENTARY ON H1 2016

Agricultural exposures by production line

30.06.2016 DKK m	Loans, advances and guarantees	Non-accrual loans	Of which impaired	Share impaired
Cattle producers	1,156.7	40.4	657.6	56.8
Pig producers	927.0	79.0	489.6	52.8
Plant cultivation	701.4	12.1	84.8	12.1
Mink farmers	106.0	0.0	28.6	26.9
Leasing	322.4	0.0	18.6	5.8
Other production lines	355.2	2.7	34.0	9.6
Total	3,568.7	134.2	1,313.2	36.8

Agricultural exposures by production line

30.06.2016 DKK m/pct.	Impairment balance	Impaired	Impairment for the year	Impairment ratio of exposure	Percentage impaired
Cattle producers	424.4	46.2	86.7	36.7	64.5
Pig producers	323.4	71.0	27.3	34.9	66.1
Plant cultivation	50.2	13.4	3.1	7.2	59.1
Mink farmers	12.6	1.1	7.6	11.9	44.3
Leasing	4.4	0.0	0.0	1.4	23.9
Other production lines	19.4	0.0	7.3	5.5	57.0
Total	834.4	131.7	132.0	23.4	63.5

Of the DKK 132 million contributed by agricultural customers, DKK 87 million is attributable to dairy farmers. This serves to show that since pig producers' conditions improved, the crisis in the farming industry seems to be hitting dairy farmers hardest.

NET PROFIT OF DKK 383 MILLION

Accordingly, the Group's pre-tax profits amounted to DKK 469 million. The effective tax rate in H1 was 18%, and the net profit can therefore be calculated at DKK 383 million.

OTHER INFORMATION

TOTAL BUSINESS VOLUME GROWS TO DKK 214 BILLION

The Group's total business volume (deposits, loans, advances and guarantees, custodianship accounts and mortgage credits arranged) amounted to DKK 214 billion at end-H1 2016 – DKK 3.4 billion up on the volume at end-2015.

Compared with end-2015, lending increased by DKK 0.5 billion, which reflects the fact that bank and leasing lending has grown by DKK 1.1 billion, while reverse transactions dropped by DKK 0.6 billion.

The volume of mortgage-credit loans arranged has increased DKK 1.3 billion, or 2%, since 1 January to DKK 71.6 billion. In total, the volume of mortgage-credit loans arranged on behalf of retail customers (Totalkredit) amounted to DKK 60.2 billion, and to DKK 11.4 billion for business customers (DLR Kredit).

Since 1 January, deposits, banking activities, have grown by DKK 1.9 billion, or 4%, while deposits in pooled schemes remain unchanged.

Finally, customers' custodianship accounts have decreased DKK 2.1 billion, or 5%, since 1 January.

Of total loans, advances and guarantees in the amount of DKK 49.4 billion, 41% is attributable to retail customers and 59% to business customers.

ROBUST CAPITAL POSITION

Spar Nord's objective on the capital side is to have a Common Equity Tier 1 (CET1) ratio of not less than 12.0%, a total capital ratio of at least 15.5% and an excess coverage of at least 1 percentage point relative to the applicable statutory requirement from time to time.

At end-H1 2016, the Group's Common Equity Tier 1 (CET1) ratio stood at 14.0%, while the total capital ratio came to 16.8%. This should be viewed in relation to Spar Nord having calculated the individual solvency need at 9.4% with the 0.6% combined buffer requirement added. Thus, the Bank has an excess capital coverage of 6.8 percentage points, equal to DKK 3.2 billion.

DKK 150 million has been deducted from the capital statement, equal to the full scope of the share repurchase programme announced in February.

On the basis of fully phased-in CRD IV rules, the current capital position would correspond to a Common Equity Tier 1 (CET1) ratio of 13.7%.

STRATEGIC LIQUIDITY OF DKK 20.2 BILLION

Spar Nord has defined strategic liquidity as the difference between bank and leasing lending and long-term funding (bank deposits, senior loans, issued bonds, subordinated debt and shareholders' equity).

Subordinated debt, senior loans and issued bonds due within 12 months are not included in the Bank's strategic liquidity.

At the end of H1 2016, Spar Nord's strategic liquidity amounted to DKK 20.2 billion, up DKK 0.7 billion on end-2015.

Strategic liquidity

	30.06 2016	31.03 2016	31.12 2015	30.09 2015	30.06 2015
DKK bn					
Deposits, banking activities	46.3	43.8	44.4	44.2	44.1
Senior loans/bond issues	0.0	0.1	0.0	0.1	0.0
Shareholders' equity and subordinated debt	8.9	9.1	9.0	8.9	9.0
Generation of cash	55.2	53.0	53.4	53.2	53.1
Lending, banking activities	33.4	33.6	32.6	33.1	32.8
Lending, leasing activities	1.6	1.4	1.3	1.2	1.1
Maturity, senior loans, issued bonds and subord. debt < 1 year	0.0	0.0	0.0	0.1	0.3
Strategic liquidity, total	20.2	18.0	19.5	18.8	18.9

As the table shows, at end-H1 2016 Spar Nord is still facing a situation where the funding base consists almost exclusively of ordinary customer deposits, and the Bank is independent of funding from the capital markets.

Spar Nord's LCR ratio at end-Q2 2016 was 161%.

Liquidity Coverage Ratio (LCR)

	30.06 2016	31.03 2016	31.12 2015	30.09 2015	30.06 2015
%					
	161	152	145	158	142

SUCCESSFUL IT MIGRATION

After an 18-month preparatory phase, Spar Nord completed the migration of all its IT systems and data from SDC to BEC at the beginning of May. The migration process as such was highly satisfactory, and the subsequent efforts to familiarize employees and customers with the systems are also proceeding smoothly.

We continue to expect the migration to BEC's systems to enhance workflow expediency for our staff in the customer-targeted units and thus boost efficiency in the longer term.

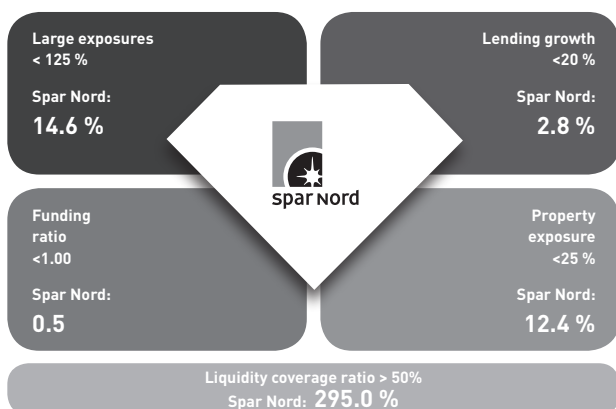
On the economic side, we still expect the migration to BEC will help reduce Spar Nord's annual IT costs by about DKK 55 million. In addition to the initial investment of DKK 139 million, the project as such has resulted in expenses of DKK 37 million, of which DKK 14 million was defrayed in 2016.

NEW STRATEGY PLAN

Since the successful IT migration, Management has been focusing on completing a new strategy plan, scheduled to be announced in conjunction with Spar Nord's Q3 Report.

Among other issues, the new plan will identify how to keep Spar Nord's business model and customer focus up-to-date and relevant, thus enabling the Bank to maintain its competitive thrust in a period characterized by changes in both customer behaviour and technological possibilities.

THE SUPERVISORY AUTHORITY DIAMOND TEST MODEL



With reference to the forthcoming new calculation method for the reference point "Large exposures" announced by the Danish Financial Supervisory Authority, with the benchmark for the 20 largest exposures being fixed at 175% of the Common Equity Tier 1 (CET1), the Bank can state that at end-H1 its largest exposures amounted to 63.2%.

RISKS

Reference is made to the 2015 Annual Report and to the Group's Risk Report for 2015, which describes the most significant risks and elements of uncertainty that may affect the Group and the Parent Company.

OUTLOOK

The Annual Report for 2015 projected core earnings before impairment to end in the DKK 1.1 billion range for the full year of 2016. Impairment of loans and advances for the full year was expected to be on a par with 2015.

In light of developments in H1, Spar Nord maintains its full-year forecast for core earnings before impairment of around DKK 1.1 billion, while loan impairment losses are now expected to be slightly lower than in 2015.

SPAR NORD SHARES HELD BY MEMBERS OF THE BOARD OF DIRECTORS AND THE EXECUTIVE BOARD

BOARD OF DIRECTORS	At 30.06.2016	At 31.03.2016	EXECUTIVE BOARD	At 30.06.2016	At 31.03.2016
Kjeld Johannesen	40,000	40,000	Lasse Nyby	47,784	47,784
Per Nikolaj Bukh	27,200	27,200	John Lundsgaard	71,113	71,113
Kaj Christiansen	7,800	7,800	Lars Møller	65,460	65,460
Torben Fristrup (retired on 20 April 2016)	-	38,300			
Morten Bach Gaardboe (took office on 20 April 2016)	3,620	-			
Laila Mortensen	0	0			
Ole Skov	7,054	7,054			
Jannie Skovsen	7,404	7,404			
Gitte Holmgaard Sørensen	2,486	2,486			
John Sørensen	5,160	5,160			

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

OVERVIEW OF GROUP COMPANIES

	Share capital, end of period *) DKK m	Share- holders' equity, end of period *) DKK m	Profit/loss *) DKK m	Ownership interest 30.06.2016 %	Ownership interest 30.06.2015 %
Consolidated subsidiaries					
Aktieselskabet Skelagervej 15, Aalborg	27.0	1,508.8	50.6	100.0	100.0
Spar Nord Leasing A/S, Aalborg 1)	-	-	-	-	100.0

1) In Q3 2015, Spar Nord Leasing A/S and Spar Nord Bank A/S merged with accounting effect from 1 January 2015, with Spar Nord Bank A/S as the continuing company.

*) According to the most recent Annual Report.

PERFORMANCE INDICATORS AND FINANCIAL RATIOS - THE GROUP

THE DANISH FINANCIAL SUPERVISORY AUTHORITY'S LAYOUT AND RATIO SYSTEM

DKK m	H1 2016	H1 2015	Change in %	H1 2016	H1 2015	H1 2014	H1 2013	H1 2012	Full year 2015
INCOME STATEMENT									
Interest income	917.8	1,029.1	-9.5	917.8	1,029.1	1,143.3	1,493.5	1,225.3	1,975.8
Interest expenses	76.3	113.2	-20.5	76.3	113.2	267.2	356.5	390.5	200.5
Net interest income	841.5	915.9	-8.1	841.5	915.9	876.1	1,137.0	834.8	1,775.3
Dividends on shares, etc.	48.9	54.5	-10.3	48.9	54.5	38.8	20.8	16.0	54.9
Fees, charges and commissions received	571.4	610.1	-6.3	571.4	610.1	432.6	404.0	322.1	1,125.9
Fees, charges and commissions paid	52.9	40.9	29.3	52.9	40.9	32.2	30.8	24.2	95.6
Net income from interest, fees, charges and commissions	1,408.9	1,539.6	-8.5	1,408.9	1,539.6	1,315.3	1,531.0	1,148.7	2,860.5
Market-value adjustments	137.9	373.5	-63.1	137.9	373.5	284.1	114.0	126.5	452.0
Other operating income	17.3	17.0	1.8	17.3	17.0	26.9	57.1	91.2	47.8
Staff costs and administrative expenses	908.7	929.3	-2.2	908.7	929.3	878.1	880.1	771.0	1,768.2
Depreciation, amortization and impairment of intangible assets and property, plant and equipment	34.4	32.9	4.6	34.4	32.9	34.5	65.8	82.2	65.5
Other operating expenses	4.9	51.5	-90.5	4.9	51.5	60.9	57.6	30.6	107.9
Impairment of loans, advances and receivables, etc.	161.9	188.1	-13.9	161.9	188.1	194.0	411.0	361.9	373.4
Profit/loss on equity investments in associates and group enterprises	15.0	12.8	17.2	15.0	12.8	53.1	44.3	28.9	28.3
Profit/loss before tax	469.2	741.1	-36.7	469.2	741.1	511.9	331.9	149.6	1,073.6
Tax	86.6	108.8	-20.4	86.6	108.8	71.5	72.1	32.3	176.8
Profit/loss	382.6	632.3	-39.5	382.6	632.3	440.4	259.8	117.3	896.8
BALANCE SHEET									
Total assets	77,476	79,832	-3.0	77,476	79,832	77,933	75,842	67,425	76,357
Loans and advances	38,531	34,413	12.0	38,531	34,413	36,935	37,684	34,395	38,039
- Lending, banking activities	33,398	32,787	1.9	33,398	32,787	33,689	34,193	28,895	32,630
- Lending, reverse transactions	3,528	478	-	3,528	478	1,769	572	556	4,155
- Lending, leasing activities	1,605	1,148	39.8	1,605	1,148	1,477	2,919	4,944	1,254
Deposits	59,649	56,623	5.3	59,649	56,623	53,237	50,359	37,999	58,116
- Deposits, banking activities	46,295	44,098	5.0	46,295	44,098	42,500	42,426	31,613	44,366
- Deposits, repo transactions	0	0	-	0	0	0	0	0	370
- Deposits in pooled schemes	13,354	12,525	6.6	13,354	12,525	10,737	7,933	6,386	13,380
Subordinated debt	1,093	1,351	-19.1	1,093	1,351	1,711	2,329	1,806	1,089
Shareholders' equity	7,799	7,618	2.4	7,799	7,618	6,855	6,249	5,584	7,887
Contingent liabilities	10,847	10,349	4.8	10,847	10,349	5,957	5,693	5,938	9,585
Total risk exposure	46,823	48,372	-3.2	46,823	48,372	44,615	43,928	40,342	46,500
Core capital (Tier 1)	6,875	6,847	0.4	6,875	6,847	6,580	7,269	6,329	6,946
Impairment of loans, advances and receivables, etc.	1,898	1,819	4.3	1,898	1,819	1,688	1,585	1,321	1,837
Contractual non-performing loans	468	536	-12.7	468	536	628	997	176	514

PERFORMANCE INDICATORS AND FINANCIAL RATIOS - THE GROUP

THE DANISH FINANCIAL SUPERVISORY AUTHORITY'S LAYOUT AND RATIO SYSTEM

DKK m	H1 2016	H1 2015	H1 2016	H1 2015	H1 2014	H1 2013	H1 2012	Full year 2015
FINANCIAL RATIOS								
Own funds								
Total capital ratio, %	16.8	16.3	16.8	16.3	16.9	16.8	15.7	17.0
Core capital (Tier 1) ratio, %	14.7	14.2	14.7	14.2	14.7	16.5	15.7	14.9
Earnings								
Return on equity before tax, %	6.0	10.1	6.0	10.1	7.6	5.4	2.9	14.4
Return on equity after tax, %	4.9	8.6	4.9	8.6	6.6	4.3	2.3	12.0
Income/cost ratio	1.42	1.62	1.42	1.62	1.44	1.23	1.12	1.46
Return on assets, %	0.5	0.8	0.5	0.8	0.6	0.3	0.2	1.2
Market risk and liquidity								
Interest-rate risk, %	0.7	0.6	0.7	0.6	0.5	-0.7	-0.5	1.8
Foreign-exchange position, %	3.0	3.8	3.0	3.8	2.4	5.6	2.2	3.4
Foreign-exchange risk, %	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.1
Excess coverage relative to statutory cash ratio requirement, %	300.7	268.0	300.7	268.0	230.2	209.4	211.1	296.1
Liquidity Coverage Ratio (LCR), %	161	142	161	142	-	-	-	145
Credit risk								
Loans and advances rel. to deposits, %	64.6	60.8	64.6	60.8	69.4	74.8	90.5	65.5
Loans and advances plus impairment rel. to deposits, %	67.7	63.9	67.7	63.9	72.5	78.0	94.0	68.5
Loans and advances relative to shareholders' equity	4.9	4.5	4.9	4.5	5.4	6.0	6.2	4.8
Increase in loans and advances for the period, %	3.3	-4.4	3.3	-4.4	-1.9	-4.7	-11.1	-4.5
Large exposures as % of capital base	15.9	16.6	15.9	16.6	0.0	14.3	0.0	16.1
Impairment ratio for the period, %	0.3	0.4	0.3	0.4	0.4	0.9	0.9	0.8
THE SPAR NORD SHARE								
DKK per share of DKK 10								
Profit/loss for the period	3.1	5.0	3.1	5.0	3.5	2.1	1.4	7.2
Net asset value (NAV)	60	58	60	58	55	50	49	60
Dividend	-	2.0	-	2.0	-	-	-	5.0
Share price/earnings for the period	17.4	14.8	17.4	14.8	17.1	17.6	15.0	8.5
Share price/NAV	0.9	1.3	0.9	1.3	1.1	0.7	0.4	1.0

MANAGEMENT'S STATEMENT ON THE INTERIM REPORT

The Board of Directors and the Executive Board have today reviewed and adopted the Interim Financial Statements of the Spar Nord Bank Group for the period from 1 January to 30 June 2016.

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

The Consolidated Interim Financial Statements are presented in accordance with IAS 34 "Interim Financial Reporting", as adopted by the EU, and the Interim Financial Statements for the Parent Company are presented in accordance with the Danish Financial Business Act. Moreover, the Interim Financial Statements are presented in accordance with additional Danish disclosure requirements regarding interim financial statements for listed financial institutions.

In our opinion, the Interim Financial Statements give a true and fair view of the Group's and Parent Company's financial position at 30 June 2016 and of the results of the Group's and Parent Company's operations and the Group's cash flows for the period from 1 January to 30 June 2016.

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

Aalborg, 24 August 2016

EXECUTIVE BOARD



Lasse Nyby
Chief Executive Officer



John Lundsgaard
Managing Director

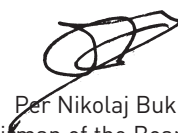


Lars Møller
Managing Director

BOARD OF DIRECTORS



Kjeld Johannesen
Chairman of the Board of Directors



Per Nikolaj Bukh
Deputy Chairman of the Board of Directors



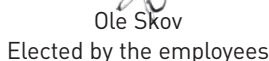
Kaj Christiansen



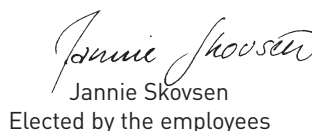
Morten Bach Gaardboe



Laila Mortensen



Ole Skov
Elected by the employees



Jannie Skovsen
Elected by the employees



Gitte Holmgaard Sørensen
Elected by the employees



John Sørensen

INCOME STATEMENT - THE GROUP

Note	DKK m	H1 2016	H1 2015	Q2 2016	Q2 2015	Full year 2015
4	Interest income	917.8	1,029.1	475.1	497.3	1,975.8
5	Interest expenses	76.3	113.2	35.8	46.9	200.5
	Net interest income	841.5	915.9	439.3	450.4	1,775.3
	Dividends on shares, etc.	48.9	54.5	47.7	46.7	54.9
6	Fees, charges and commissions received	571.4	610.1	301.6	279.9	1,125.9
	Fees, charges and commissions paid	52.9	40.9	33.5	22.6	95.6
	Net income from interest, fees, charges and commissions	1,408.9	1,539.6	755.1	754.4	2,860.5
7	Market-value adjustments	137.9	373.5	67.0	22.3	452.0
	Other operating income	17.3	17.0	9.7	7.3	47.8
8	Staff costs and administrative expenses	908.7	929.3	453.2	462.1	1,768.2
	Depreciation, amortization and impairment of intangible assets and property, plant and equipment	34.4	32.9	17.3	16.4	65.5
	Other operating expenses	4.9	51.5	2.8	26.2	107.9
10	Impairment of loans, advances and receivables, etc.	161.9	188.1	101.0	77.0	373.4
	Profit/loss on equity investments in associates and group enterprises	15.0	12.8	7.4	5.4	28.3
	Profit/loss before tax	469.2	741.1	264.9	207.7	1,073.6
	Tax	86.6	108.8	47.0	39.5	176.8
	Profit/loss	382.6	632.3	217.9	168.2	896.8
	Allocated to:					
	The shareholders of the Parent Company, Spar Nord Bank A/S	370.6	630.9	211.8	166.8	883.3
	Holders of Additional Tier 1 (AT1) capital instruments	12.0	1.4	6.1	1.4	13.5
	Profit/loss	382.6	632.3	217.9	168.2	896.8
	EARNINGS PER SHARE					
	Earnings per share (DKK)	3.1	5.0	1.8	1.3	7.2
	Diluted earnings per share (DKK)	3.1	5.0	1.8	1.3	7.2
	STATEMENT OF COMPREHENSIVE INCOME					
	Profit/loss for the period	382.6	632.3	217.9	168.2	896.8
	Other comprehensive income					
	Items that cannot be reclassified to the income statement:					
	Net revaluation of corporate properties	0.8	0.7	0.4	0.3	6.9
	Other capital movements in associates	0.0	-1.1	0.0	0.0	-0.8
	Other comprehensive income after tax	0.8	-0.4	0.4	0.3	6.1
	Comprehensive income, total	383.4	631.9	218.3	168.5	902.9
	Allocated to:					
	The shareholders of the Parent Company, Spar Nord Bank A/S	371.4	630.5	212.2	167.1	889.4
	Holders of Additional Tier 1 (AT1) capital instruments	12.0	1.4	6.1	1.4	13.5
	Comprehensive income, total	383.4	631.9	218.3	168.5	902.9

BALANCE SHEET - THE GROUP

Note	DKK m	30.06.2016	30.06.2015	Full year 2015
ASSETS				
	Cash balances and demand deposits with central banks	1,346.4	7,252.1	610.4
9	Receivables from credit institutions and central banks	2,866.9	4,064.4	2,741.3
	Lending, banking activities	33,398.6	32,786.9	32,630.5
	Lending, reverse transactions	3,527.6	478.4	4,155.1
	Lending, leasing activities	1,605.0	1,148.2	1,253.7
	Loans, advances and other receivables at amortized cost, total	38,531.2	34,413.5	38,039.3
	Bonds at fair value	16,281.0	16,051.3	16,053.6
	Shares, etc.	1,528.6	1,528.7	1,658.3
	Equity investments in associates	74.9	68.2	82.4
	Assets linked to pooled schemes	13,354.0	12,524.7	13,380.0
	Intangible assets	206.2	217.0	214.5
	Investment properties	145.4	145.5	144.6
	Corporate properties	541.2	533.0	547.0
	Land and buildings, total	686.6	678.5	691.6
	Other property, plant and equipment	96.4	107.2	99.6
	Current tax assets	39.7	63.3	91.0
	Deferred tax assets	0.1	11.0	6.0
	Temporary assets	19.8	28.8	27.4
11	Other assets	2,337.6	2,603.9	2,483.7
	Prepayments	106.8	219.7	178.1
	Total assets	77,476.2	79,832.3	76,357.2
SHAREHOLDERS' EQUITY AND LIABILITIES				
LIABILITIES OTHER THAN PROVISIONS				
	Payables to credit institutions and central banks	3,364.3	7,020.7	3,739.5
12	Deposits and other payables	46,294.8	44,098.1	44,736.3
	Deposits in pooled schemes	13,354.0	12,524.7	13,380.0
	Other non-derivative financial liabilities at fair value	1,775.1	2,200.3	1,219.7
13	Other liabilities	3,588.0	4,711.4	4,081.4
	Deferred income	15.9	27.3	25.7
	Total liabilities other than provisions	68,392.1	70,582.5	67,182.6
PROVISIONS FOR LIABILITIES				
	Provisions for deferred tax	123.1	176.2	122.8
	Provisions for losses on guarantees	59.2	66.3	42.9
	Other provisions	9.4	38.9	33.1
	Total provisions	191.7	281.4	198.8
SUBORDINATED DEBT				
14	Subordinated debt	1,093.2	1,350.5	1,088.8
	Total liabilities	69,677.0	72,214.4	68,470.2
SHAREHOLDERS' EQUITY				
	Share capital	1,255.3	1,255.3	1,255.3
	Revaluation reserves	97.1	90.1	96.3
	Statutory reserves	1.8	0.0	23.2
	Proposed dividend	0.0	0.0	376.6
	Retained earnings	6,047.7	5,871.1	5,723.3
	Shareholders' equity	7,401.9	7,216.5	7,474.7
	Holders of Additional Tier 1 (AT1) capital instruments	397.3	401.4	412.3
	Total shareholders' equity	7,799.2	7,617.9	7,887.0
	Total shareholders' equity and liabilities	77,476.2	79,832.3	76,357.2
OFF-BALANCE-SHEET ITEMS				
15	Contingent assets	5.4	8.5	5.2
16	Contingent liabilities	10,847.4	10,349.2	9,585.2
17	Other obligating agreements	469.5	651.8	540.5

STATEMENT OF CHANGES IN EQUITY - THE GROUP

The shareholders of the Parent Company, Spar Nord Bank A/S

DKK m	Share capital	Revaluation reserve	Statutory reserves	Proposed dividend	Retained earnings	Total	Additional Tier 1 (AT1) capital *)	Total
SHAREHOLDERS' EQUITY H1 2016								
Shareholders' equity 01.01.2016	1,255.3	96.3	23.2	376.6	5,723.3	7,474.7	412.3	7,887.0
Changes in equity in H1 2016:								
Comprehensive income in 2016								
Profit/loss for the period	-	-	15.1	-	355.5	370.6	12.0	382.6
Other comprehensive income								
Net revaluation of corporate properties	-	0.8	-	-	-	0.8	-	0.8
Other comprehensive income, total	-	0.8	-	-	-	0.8	-	0.8
Total comprehensive income for the period	-	0.8	15.1	-	355.5	371.4	12.0	383.4
Transactions with owners								
Interest paid on Additional Tier 1 (AT1) capital	-	-	-	-	-	-	-24.2	-24.2
Dividends paid	-	-	-	-376.6	-	-376.6	-	-376.6
Dividends received, treasury shares	-	-	-	-	1.9	1.9	-	1.9
Disposal upon acquisition of treasury shares and Additional Tier 1 (AT1) capital	-	-	-	-	-277.8	-277.8	-2.8	-280.6
Addition upon sale of treasury shares and Additional Tier 1 (AT1) capital	-	-	-	-	205.7	205.7	-	205.7
Dividends received from associates recognized at net asset value	-	-	-36.5	-	36.5	0.0	-	0.0
Tax	-	-	-	-	2.6	2.6	-	2.6
Transactions with owners, total	-	-	-36.5	-376.6	-31.1	-444.2	-27.0	-471.2
Shareholders' equity 30.06.2016	1,255.3	97.1	1.8	0.0	6,047.7	7,401.9	397.3	7,799.2
SHAREHOLDERS' EQUITY H1 2015								
Shareholders' equity 01.01.2015	1,255.3	89.4	571.4	200.8	4,916.1	7,033.0	0.0	7,033.0
Changes in equity in H1 2015:								
Comprehensive income in 2015								
Profit/loss for the period	-	-	12.8	251.1	367.0	630.9	1.4	632.3
Other comprehensive income								
Net revaluation of corporate properties	-	0.7	-	-	-	0.7	-	0.7
Other capital movements in associates and group enterprises	-	-	-1.2	-	0.1	-1.1	-	-1.1
Other comprehensive income, total	-	0.7	-1.2	-	0.1	-0.4	-	-0.4
Total comprehensive income for the period	-	0.7	11.6	251.1	367.1	630.5	1.4	631.9
Transactions with owners								
Issue of Additional Tier 1 (AT1) capital, net of transaction costs	-	-	-	-	-2.9	-2.9	400.0	397.1
Dividends paid	-	-	-	-451.9	-	-451.9	-	-451.9
Dividends received, treasury shares	-	-	-	-	0.3	0.3	-	0.3
Disposal upon acquisition of treasury shares and Additional Tier 1 (AT1) capital	-	-	-	-	-268.9	-268.9	-	-268.9
Addition upon sale of treasury shares and Additional Tier 1 (AT1) capital	-	-	-	-	275.4	275.4	-	275.4
Dividends received from associates recognized at net asset value	-	-	-863.3	-	863.3	0.0	-	0.0
Dissolution of revaluation reserves, associates	-	-	280.3	-	-280.3	0.0	-	0.0
Tax	-	-	-	-	1.0	1.0	-	1.0
Transactions with owners, total	-	-	-583.0	-451.9	587.9	-447.0	400.0	-47.0
Shareholders' equity 30.06.2015	1,255.3	90.1	0.0	0.0	5,871.1	7,216.5	401.4	7,617.9

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

TREASURY SHARE PORTFOLIO	H1 2016	H1 2015	Full year 2015
Number of shares	1,471,262	68,615	139,401
Percentage of share capital	1.2	0.1	0.1

The Group has launched a share repurchase programme worth DKK 150 million, to be implemented in the period from mid-February to end-2016. During the period until end-June, the Group repurchased shares worth DKK 78 million (1,413,931 shares).

*) The Additional Tier 1 (AT1) capital has a perpetual term, with voluntary payment of interest and repayments of principal, for which reason it is treated as shareholders' equity for accounting purposes.

On 10 June 2015, Spar Nord issued bonds for DKK 400 million, with an option for early redemption as from 10 June 2020. Interest is paid on the loan at the rate of 6.052% p.a. until 10 June 2020, after which date interest will be fixed at CIBOR6 + a 5.4% margin.

If Spar Nord's Common Equity Tier 1 (CET1) ratio falls below 5 1/8%, the loan will be written down. The loan can be written up again based on the rules laid down in CRR.

CASH FLOW STATEMENT - THE GROUP

DKK m	H1 2016	H1 2015	Full year 2015
OPERATIONS			
Profit/loss before tax	469.2	741.1	1,073.6
Fair-value changes, investment properties and temporary assets	0.3	3.7	4.0
Depreciation, amortization and impairment of intangible assets and property, plant and equipment	34.4	32.9	65.5
Gains and losses on the sale of intangible assets and property, plant and equipment	-0.5	0.0	0.2
Adjustment of impairment of loans and advances, etc.	61.6	-36.6	-19.0
Provisions for liabilities	-7.4	34.2	5.0
Profit/loss on equity investments in associates and group enterprises	-15.0	-12.8	-28.3
Corporate income tax paid	-29.1	-15.1	-153.6
Operations, total	513.5	747.4	947.4
WORKING CAPITAL			
Movement in credit institutions and central banks, net	-400.1	-3,385.0	-6,598.5
Movement in loans, advances and other receivables at amortized cost	-4.0	1,570.7	-2,072.7
Movement in bonds at fair value	-227.4	4,182.8	4,180.4
Movement in equity portfolio	129.6	-111.9	-241.5
Movement in issued bonds at amortized cost	0.0	-22.6	-22.6
Movement in other assets and other liabilities, net	268.2	966.4	-484.4
Movement in deposits and other payables	1,558.5	1,862.3	2,500.5
Working capital, total	1,324.8	5,062.7	-2,738.8
Cash generated from operations, total	1,838.3	5,810.1	-1,791.4
INVESTMENTS			
Acquisition of activities from FIH Erhvervsbank	-549.5	0.0	0.0
Acquisition of associates and group enterprises	-14.0	0.0	-0.1
Sale of associates and group enterprises	0.0	75.7	22.2
Acquisition of intangible assets	-1.5	-0.4	-6.0
Sale of intangible assets	1.6	0.0	0.0
Acquisition of property, plant and equipment	-22.3	-17.4	-50.5
Sale of property, plant and equipment	14.4	20.6	28.6
Dividends from associates and group enterprises	36.4	863.3	864.3
Investments, total	-534.9	941.8	858.5
FINANCING			
Subordinated debt	4.5	-357.8	-619.5
Additional Tier 1 (AT1) capital recognized in shareholders' equity	-24.4	397.1	395.9
Dividends paid, excluding dividends on treasury shares	-374.7	-451.6	-451.6
Acquisition of treasury shares	-277.8	-268.9	-636.3
Sale of treasury shares	205.7	275.4	639.2
Financing, total	-466.7	-405.8	-672.3
Movements in cash and cash equivalents for the period	836.7	6,346.1	-1,605.2
Cash and cash equivalents, beginning of period	3,295.2	4,900.4	4,900.4
Movements in cash and cash equivalents for the period	836.7	6,346.1	-1,605.2
Cash and cash equivalents, end of period	4,131.9	11,246.5	3,295.2
Cash and cash equivalents, end of period			
Cash, cash equivalents and demand deposits with central banks	1,346.4	7,252.1	610.4
Receivables from credit institutions and central banks with less than 3 mths to maturity	2,785.5	3,994.4	2,684.8
Total	4,131.9	11,246.5	3,295.2

Note

1 ACCOUNTING POLICIES

The Interim Financial Statements of the Spar Nord Group covering the period from 1 January to 30 June 2016 have been prepared in accordance with IAS 34, "Interim Financial Reporting", as adopted by the EU, and additional Danish disclosure requirements for interim reports of listed financial institutions.

Apart from the changes set out below, the accounting policies have been applied consistently with those adopted in the 2015 Annual Report, which contains the complete wording of the accounting policies applied.

Changed accounting policies

Spar Nord has implemented the standards and interpretations that entered into force in the EU as from 2016.

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

2 ACCOUNTING ESTIMATES

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

The most significant estimates that Management makes in applying the Group's accounting policies and the most important uncertainty affecting estimates made when preparing the condensed Interim Financial Statements are unchanged from the estimates made in connection with the preparation of the Financial Statements at 31 December 2015 and the uncertainties prevailing at that time.

NOTES - THE GROUP

Note	DKK m	Spar Nord's Local Banks	Trading, Financial Markets & the International Division	Other areas	Core earnings *)	Reclassifications and Other items after core earnings **)	The Group, total
3 BUSINESS SEGMENTS - H1 2016							
INCOME STATEMENT							
		741.2	29.9	41.9	813.0	28.5	841.5
		516.2	2.6	-0.3	518.5	0.0	518.5
		76.4	67.9	42.5	186.8	0.0	186.8
		8.2	0.1	9.0	17.3	0.0	17.3
		-0.4	0.0	15.4	15.0	0.0	15.0
		1,341.6	100.5	108.5	1,550.6	28.5	1,579.1
		797.6	25.9	124.5	948.0	0.0	948.0
		544.0	74.6	-16.0	602.6	28.5	631.1
		136.0	-0.5	-2.1	133.4	28.5	161.9
		408.0	75.1	-13.9	469.2	0.0	469.2

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

**) The relation to the Group is specified in the column Reclassifications and Other items after core earnings. Reclassifications have impacted the items Net interest income, Other operating income and Impairment of loans, advances and receivables, etc. with an amount of DKK 28.5 million.

NOTES - THE GROUP

Note	DKK m	Spar Nords Local Banks	Trading, Financial Markets & the International Division	Other areas	The Group, total
3 BUSINESS SEGMENTS - H1 2016 (CONTINUED)					
BALANCE SHEET					
	Loans, advances and other receivables at amortized cost	34,853.5	3,628.4	49.3	38,531.2
	Equity investments in associates and group enterprises	0.0	0.0	74.9	74.9
	Intangible assets and property, plant and equipment *)	248.1	0.3	740.8	989.2
	Miscellaneous assets **)	14,728.3	21,780.8	1,371.8	37,880.9
	Total allocated assets	49,829.9	25,409.5	2,236.8	77,476.2
	Deposits and other payables	45,490.2	339.9	464.7	46,294.8
	Shareholders' equity (allocated capital)	4,352.3	578.6	2,868.3	7,799.2
	Miscellaneous liabilities	13,257.7	6,551.3	3,573.2	23,382.2
	Total allocated shareholders' equity and liabilities	63,100.2	7,469.8	6,906.2	77,476.2
DISCLOSURES - TOTAL INCOME/REVENUE					
	Internal income/revenue	-56.7	21.9	321.9	287.1
	Internal income and eliminations offset against costs	0.0	-22.1	-264.9	-287.0
	Income/revenue, external customers	1,398.3	100.7	80.0	1,579.0
	Income/revenue, total	1,341.6	100.5	137.0	1,579.1
FINANCIAL RATIOS					
	Return on equity, % ***)	19.3	22.2	-	-
	Cost share of core income	0.59	0.26	-	-
	Total risk exposure, end of period	36,269	4,821	5,733	46,823
	Number of employees (full-time, end of period)	1,108	68	380	1,556

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

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

DESCRIPTION OF THE ACTIVITIES OF THE BUSINESS AREAS:

- For a description of the activities of Spar Nord's Local Banks and Trading, Financial Markets & the International Division, please see the 2015 Annual Report, p. 58.
- The activities of the Local Banks include the Group's leasing activities, and the activities of Other areas include Corporate Coordination & Support and Staff Functions, which are the Group's support functions.

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

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

*) All assets are located in Denmark.

**) Temporary assets amount to DKK 19.8 million, of which DKK 0.3 million relates to the Group's leasing activities and DKK 19.5 million relates to Other areas.

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

NOTES - THE GROUP

Note	DKK m	Spar Nord's Local Banks	Trading, Financial Markets & the International Division	Other areas	Core earnings *)	Reclassifications and Other items after core earnings **)	The Group, total
3	BUSINESS SEGMENTS - H1 2015						
	INCOME STATEMENT						
	Net interest income	779.6	83.8	30.7	894.1	21.8	915.9
	Net income from fees, charges and commissions	551.4	10.1	7.7	569.2	0.0	569.2
	Market-value adjustments and dividends	74.6	104.7	248.7	428.0	0.0	428.0
	Other operating income	10.2	0.2	6.6	17.0	0.0	17.0
	Profit/loss on equity investments in associates and group enterprises	0.0	0.0	12.8	12.8	0.0	12.8
	Core income/revenue, total	1,415.8	198.8	306.5	1,921.1	21.8	1,942.9
	Operating expenses, depreciation and amortization	788.8	21.2	154.3	964.3	49.4	1,013.7
	Core earnings before impairment	627.0	177.6	152.2	956.8	-27.6	929.2
	Impairment of loans, advances and receivables, etc.	165.8	0.0	0.5	166.3	21.8	188.1
	Core earnings / profit/loss on ordinary operations	461.2	177.6	151.7	790.5	-49.4	741.1
	Contributions to sector-wide solutions	-	-	-49.4	-49.4	49.4	0.0
	Profit/loss before tax	461.2	177.6	102.3	741.1	0.0	741.1

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

**) The relation to the Group is specified in the column Reclassifications and Other items after core earnings. Reclassifications and Other items after core earnings of DKK -49.4 million consist of contributions to sector-wide solutions. Reclassifications have impacted the items Net interest income and Impairment of loans, advances and receivables, etc. with an amount of DKK 21.8 million.

NOTES - THE GROUP

Note	DKK m	Spar Nord's Local Banks	Trading, Financial Markets & the International Division	Other areas	The Group, total
3 BUSINESS SEGMENTS - H1 2015 (CONTINUED)					
BALANCE SHEET					
	Loans, advances and other receivables at amortized cost	33,850.5	624.1	-61.1	34,413.5
	Equity investments in associates and group enterprises	0.0	0.0	68.2	68.2
	Intangible assets and property, plant and equipment *)	261.7	0.6	740.4	1,002.7
	Miscellaneous assets **)	12,840.9	28,391.6	3,115.4	44,347.9
	Total allocated assets	46,953.1	29,016.3	3,862.9	79,832.3
	Deposits and other payables	44,364.4	397.8	-664.1	44,098.1
	Shareholders' equity (allocated capital)	4,259.3	865.5	2,493.1	7,617.9
	Miscellaneous liabilities	12,188.6	6,950.6	8,977.1	28,116.3
	Total allocated shareholders' equity and liabilities	60,812.3	8,213.9	10,806.1	79,832.3
DISCLOSURES - TOTAL INCOME/REVENUE					
	Internal income/revenue	-61.5	36.4	309.0	283.9
	Internal income and eliminations offset against costs	0.0	-30.3	-253.6	-283.9
	Income/revenue, external customers	1,477.3	192.7	272.9	1,942.9
	Income/revenue, total	1,415.8	198.8	328.3	1,942.9
FINANCIAL RATIOS					
	Return on equity, % ***)	21.2	46.4	-	-
	Cost share of core income	0.56	0.11	-	-
	Total risk exposure, end of period	35,494	7,212	5,666	48,372
	Number of employees (full-time, end of period)	1,073	66	369	1,508

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

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

DESCRIPTION OF THE ACTIVITIES OF THE BUSINESS AREAS:

- For a description of the activities of Spar Nord's Local Banks and Trading, Financial Markets & the International Division, please see the 2015 Annual Report, p. 58.
- The activities of the Local Banks include the Group's leasing activities, and the activities of Other areas include Corporate Coordination & Support and Staff Functions, which are the Group's support functions.
- Earnings from investment portfolios, etc. consist of earnings from the Bank's trading portfolio, Erhvervsinvest Nord A/S and companies from which investment in unlisted shares is carried on.

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

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

*) All assets are located in Denmark.

**) Temporary assets amount to DKK 28.8 million, of which DKK 4.2 million relates to the Group's leasing activities and DKK 24.6 million relates to Other areas.

***) The rate of return on equity p.a. has been calculated on allocated capital, which amounts to 12% of the average total risk exposure.

NOTES - THE GROUP

Note	DKK m	H1 2016	H1 2015	Full year 2015
4 INTEREST INCOME				
Receivables from credit institutions and central banks		1.6	4.3	6.4
Loans, advances and other receivables		849.3	929.4	1,798.4
Bonds		67.9	118.2	195.6
Foreign-exchange contracts		3.2	-18.3	-22.9
Interest-rate contracts		-38.9	-26.3	-51.8
Derivative instruments, total		-35.7	-44.6	-74.7
Other interest income		34.7	21.8	50.1
Total interest income		917.8	1,029.1	1,975.8
<i>Of which, income from genuine purchase and resale transactions booked under</i>				
Receivables from credit institutions and central banks		-4.2	-6.8	-14.9
Loans, advances and other receivables		-3.7	-0.4	-3.7
5 INTEREST EXPENSES				
Credit institutions and central banks		-1.7	-5.9	-10.7
Deposits and other payables		51.8	81.5	142.8
Subordinated debt		26.2	37.6	67.8
Other interest expenses		0.0	0.0	0.6
Total interest expenses		76.3	113.2	200.5
<i>Of which, interest expenses from genuine sale and repo transactions booked under</i>				
Payables to credit institutions and central banks		-4.8	-8.4	-16.9
Deposits and other payables		1.2	-0.1	-0.2
6 FEES, CHARGES AND COMMISSIONS RECEIVED				
Securities trading and custody accounts		217.8	243.6	450.8
Payment services		59.5	41.9	90.2
Loan transaction fees		217.4	255.6	485.1
- of which, mortgage-credit institutions		154.7	152.5	310.4
Guarantee commissions		21.4	15.8	31.9
Other fees, charges and commissions		55.3	53.2	67.9
Total fees, charges and commissions received		571.4	610.1	1,125.9
7 MARKET-VALUE ADJUSTMENTS				
Other loans, advances and receivables at fair value		-1.1	-0.7	0.1
Bonds		77.4	-44.1	-68.1
Shares, etc.		45.5	291.5	355.1
Currency		41.9	107.3	113.9
Foreign-exchange, interest, share, commodity and other contracts and derivative instruments		-26.0	16.3	44.2
Assets linked to pooled schemes		-426.0	919.9	1,107.4
Deposits in pooled schemes		426.0	-919.9	-1,107.4
Miscellaneous commitments		0.2	3.2	6.8
Total market-value adjustments		137.9	373.5	452.0

NOTES - THE GROUP

Note	DKK m	H1 2016	H1 2015	Full year 2015
8 STAFF COSTS AND ADMINISTRATIVE EXPENSES				
Staff costs		586.3	575.2	1,098.2
Administrative expenses		322.4	354.1	670.0
Total staff costs and administrative expenses		908.7	929.3	1,768.2
<i>Staff costs</i>				
Salaries		493.8	466.3	876.0
Share-based payment		-	-	-
Pensions		52.1	49.5	98.8
Social security costs		40.4	59.4	123.4
Total staff costs		586.3	575.2	1,098.2
<i>Of which, remuneration to present and previous members of the Executive Board and Board of Directors amounts to:</i>				
<i>Board of Directors</i>				
Number		9	9	9
Fixed pay		1.6	1.5	3.1
Pension		-	-	-
Total remuneration		1.6	1.5	3.1
<i>Executive Board</i>				
Number		3	3	3
Base salary		5.5	5.4	10.4
- less fees received from directorships		0.4	0.7	1.3
The Bank's expense, base salary		5.1	4.7	9.1
Pension, ordinary contribution		0.7	0.7	1.6
Total remuneration earned and paid		5.8	5.4	10.7
<i>Breakdown of remuneration to Executive Board</i>				
<i>Lasse Nyby *)</i>				
Base salary		2.0	1.9	3.8
- less fees received from directorships		0.1	0.2	0.5
The Bank's expense, base salary		1.9	1.7	3.3
Pension, ordinary contribution		0.3	0.3	0.6
Total remuneration earned and paid		2.2	2.0	3.9
<i>John Lundsgaard</i>				
Base salary		1.8	1.8	3.4
- less fees received from directorships		0.1	0.2	0.2
The Bank's expense, base salary		1.7	1.6	3.2
Pension, ordinary contribution		0.2	0.2	0.5
Total remuneration earned and paid		1.9	1.8	3.7
<i>Lars Møller *)</i>				
Base salary		1.7	1.7	3.2
- less fees received from directorships		0.2	0.3	0.6
The Bank's expense, base salary		1.5	1.4	2.6
Pension, ordinary contribution		0.2	0.2	0.5
Total remuneration earned and paid		1.7	1.6	3.1
Bent Jensen stepped down from his position on 20 May 2015. (The expense in 2015 amounted to DKK 12.5 million, of which remuneration accounted for DKK 11.9 million). The amount of DKK 8.5 million provided at end-2015 had been paid in full at end-H1 2016, of which remuneration accounted for DKK 8.3 million (end-H1 2015: DKK 1.9 million).				
*) To which must be added employer-paid car.				
Termination rules:	The members of the Executive Board have a term of notice of 12 months and will receive compensation on termination of employment corresponding to two years' pay.			
Pension obligation:	Like the other employees, members of the Executive Board are comprised by defined-contribution pension plans.			
Incentive scheme:	No new share-option schemes were established for any of the Bank's staff groups.			
<i>Number of employees:</i>				
The average number of employees in terms of full-time employees		1,550.6	1,510.1	1,518.0

NOTES - THE GROUP

Note	DKK m	H1 2016	H1 2015	Full year 2015
	<i>Administrative expenses:</i>			
	IT expenses	167.0	171.0	338.6
	Marketing costs	47.0	49.5	95.0
	Cost of premises	39.1	42.8	83.8
	Staff and travelling expenses	25.1	27.8	54.2
	Office expenses	13.9	16.5	30.6
	Other administrative expenses	30.3	46.5	67.8
	Total administrative expenses	322.4	354.1	670.0
9	RECEIVABLES FROM CREDIT INSTITUTIONS AND CENTRAL BANKS			
	Receivables from central banks, subject to notice	0.0	0.0	0.0
	Receivables from credit institutions	2,866.9	4,064.4	2,741.3
	Total receivables from credit institutions and central banks	2,866.9	4,064.4	2,741.3
10	IMPAIRMENT ACCOUNT			
	<i>Individual impairment of loans and advances</i>			
	Individual impairment, beginning of period	1,645.6	1,648.5	1,648.5
	New individual impairment	381.7	316.9	623.0
	Reversal of individual impairment losses	236.5	144.3	334.6
	Previously written down, now definitively lost	155.2	232.2	374.7
	Interest on impaired loans and advances taken to income	37.1	41.9	83.4
	Individual impairment, end of period	1,672.7	1,630.8	1,645.6
	<i>Groups of impairment losses, loans and advances</i>			
	Groups of impairment losses, beginning of period	137.5	162.6	162.6
	New groups of impairment losses	18.8	0.0	9.6
	Reversal of groups of impairment losses	0.0	41.5	34.7
	Groups of impairment losses, end of period	156.3	121.1	137.5
	<i>Total impairment of loans and advances</i>			
	Impairment, beginning of period	1,783.1	1,811.1	1,811.1
	New impairment	400.5	316.9	632.6
	Reversal of impairment losses	236.5	185.8	369.3
	Previously written down, now definitively lost	155.2	232.2	374.7
	Interest on impaired loans and advances taken to income	37.1	41.9	83.4
	Impairment, end of period	1,829.0	1,751.9	1,783.1
	<i>Impairment recognized in the income statement</i>			
	New impairment	400.5	316.9	632.6
	Reversal of impairment losses	236.5	185.8	369.3
	Losses without prior impairment	31.8	70.6	168.3
	Carried to income, previously written off	49.7	36.2	67.2
	Recognized in the income statement	146.1	165.5	364.4
	<i>Provisions for losses on guarantees</i>			
	Provisions, beginning of period	42.9	33.9	33.9
	New provisions	34.6	34.9	22.6
	Reversal of provisions	18.3	12.3	13.6
	Provisions for losses on guarantees, end of period	59.2	56.5	42.9
	<i>Provisions for losses on guarantees recognized in the income statement</i>			
	New provisions	34.6	34.9	22.6
	Reversal of provisions	18.3	12.3	13.6
	Recognized in the income statement	16.3	22.6	9.0
	Impairment account for loans, advances and provisions for losses on guarantees, total	1,888.2	1,808.4	1,826.0
	<i>Impairment, other credit risks</i>			
	Impairment, other credit risks, beginning of period	10.5	10.5	10.5
	Reversal of impairment losses	0.5	0.0	0.0
	Impairment, other credit risks, total	10.0	10.5	10.5
	Impairment account for loans, advances, provisions for losses on guarantees and other credit risks, total	1,898.2	1,818.9	1,836.5
	Impairment of loans, advances and receivables, etc.			
	<i>The total recognition in the income statement under impairment of loans, advances and receivables, etc. can be broken down as follows:</i>			
	Impairment of loans, advances and receivables, etc.	146.1	165.5	364.4
	Provisions for losses on guarantees	16.3	22.6	9.0
	Impairment, credit institutions	-0.5	0.0	0.0
	Total impairment of loans, advances and receivables, etc.	161.9	188.1	373.4
	Non-performing loans	190.0	282.0	281.3
	<i>Interest on impaired receivables is calculated on the impaired balance only.</i>			
	<i>Interest on impaired loans and advances taken to income</i>	37.1	41.9	83.4

NOTES - THE GROUP

Note	DKK m	H1 2016	H1 2015	Full year 2015				
11 OTHER ASSETS								
Positive market value of derivative instruments, etc.		1,455.1	1,576.0	1,423.6				
Miscellaneous receivables		263.1	374.8	420.7				
Interest and commissions receivable		219.8	257.7	250.3				
Capital contribution to Foreningen Bankernes EDB Central ("BEC")		316.0	316.0	316.0				
Miscellaneous assets		83.6	79.4	73.1				
Other assets, total		2,337.6	2,603.9	2,483.7				
12 DEPOSITS AND OTHER PAYABLES								
Demand deposits		38,950.3	34,435.6	36,807.4				
Subject to notice		1,055.3	3,787.4	2,111.8				
Time deposits		2,682.5	1,754.0	2,104.0				
Special types of deposit		3,606.7	4,121.1	3,713.1				
Deposits and other payables, total		46,294.8	44,098.1	44,736.3				
13 OTHER LIABILITIES								
Miscellaneous payables		2,168.0	2,303.6	2,234.5				
Negative market value of derivative instruments, etc.		952.3	1,788.8	1,476.5				
Interest and commissions payable		87.1	100.8	45.1				
Miscellaneous liabilities		380.6	518.2	325.3				
Other liabilities, total		3,588.0	4,711.4	4,081.4				
14 SUBORDINATED DEBT								
Currency	Note	Principal (DKK m)	Interest rate	Received	Maturity			
DKK	a	58.0	8.000%	2010	25.11.2020	-	58.0	-
DKK	b	400.0	6.043%	2012	28.11.2022	404.6	404.3	404.5
DKK	c	700.0	3.713%	2013	18.12.2023	698.0	697.2	697.6
Supplementary capital contributions, total						1,102.6	1,159.5	1,102.1
Additional Tier 1 (AT1) capital								
DKK	d	200.0	4.804%	2005	Perpetual	-	201.3	-
Portfolio of own bonds relating to subordinated debt						-9.4	-10.3	-13.3
Subordinated debt, total						1,093.2	1,350.5	1,088.8
Interest on subordinated debt						25.4	36.6	66.0
Costs of raising subordinated debt						0.8	1.0	1.8
a. Redeemed on 25.11.2015.								
b. Redeemable as from 28.11.2017, after which date interest is fixed at CIBOR3 + a 5.00% margin.								
c. Redeemable as from 18.12.2018.								
d. Redeemed on 09.09.2015.								
15 CONTINGENT ASSETS								
Deferred tax assets not recognized in the balance sheet amounted to DKK 5.4 million at end-Q2 2016 (end-Q2 2015: DKK 8.5 million; end-2015: DKK 5.2 million).								

NOTES - THE GROUP

Note	DKK m	H1 2016	H1 2015	Full year 2015
16	CONTINGENT LIABILITIES			
	The Bank and all major wholly-owned subsidiaries are jointly registered for payroll tax and VAT and are jointly and severally liable for the payroll tax and VAT payable.			
	Financial guarantees	3,813.3	3,408.0	3,243.7
	Loss guarantees for mortgage-credit loans	4,433.3	3,064.3	3,978.4
	Registration and refinancing guarantees	1,702.4	3,003.0	1,514.8
	Other contingent liabilities	898.4	873.9	848.3
	Total contingent liabilities	10,847.4	10,349.2	9,585.2
	Reference is made to note 8 regarding the Executive Board's notice of termination and the associated compensation.			
	In addition, the Spar Nord Group has contingent liabilities and other obligating agreements corresponding to the relative ownership interest in associates.			
	Spar Nord is taxed jointly with other Danish and foreign subsidiaries in the Spar Nord Group. As the management company, Spar Nord has unlimited, joint and several liability together with the other jointly taxed companies for the Danish corporate income tax payable. Due to the payment of tax on account, no tax was payable at end-H1 2016, end-H1 2015 and end-2015. The corporate income taxes receivable within the group of jointly taxed companies amounted to DKK 39.7 million at end-H1 2016 (end-H1 2015: DKK 63.3 million; end-2015: DKK 91.0 million). Any adjustments to the taxable income subject to joint taxation might entail an increase in the Parent Company's liability.			
	Spar Nord has made provisions for a deferred tax liability in respect of the retaxation balance related to international joint taxation.			
	The Bank participates in the national restructuring and resolution scheme, with separate contributions being paid to the Guarantee Fund and the Resolution Fund. For both funds, separate target levels have been set, based on the sector's total deposits that are covered by the guarantee limit of EUR 100,000 (section 9(1) of the Act on a Depositor and Investor Guarantee Scheme). The Guarantee Fund covers customers' deposits and securities pursuant to the Act on a Depositor and Investor Guarantee Scheme. The Bank's contributions to the Guarantee Fund are calculated based on the Bank's pro-rata share. In future, the amount of the contribution will be adjusted by an individual risk factor.			
	The Resolution Fund is to be used pursuant to the Act on Restructuring and Resolution of Certain Financial Enterprises for the purpose of covering the associated costs. The Bank's contributions to the Resolution Fund are calculated based on the Bank's pro-rata share of the sector's total equity and liabilities less own funds and covered deposits. This contribution will also be adjusted by an individually determined risk factor.			
	No contributions are payable by the Bank to the Guarantee Fund for 2016. The Bank's contributions to the Resolution Fund for 2016 have been included as a pro-rata share of the annual contributions and are within the expected level.			
	Uncertainty attaches to the amount of the contingent liabilities and the possible due dates.			
17	OTHER OBLIGATING AGREEMENTS			
	Miscellaneous	469.5	651.8	540.5
	Other obligating agreements, total	469.5	651.8	540.5

Miscellaneous is composed of:

Lease obligations, with the Group as lessee *)

Spar Nord is the lessee under a number of operating leases. Operating leases are lease agreements under which Spar Nord has the right to use an asset for an agreed term against the payment of rental, without taking over the most significant risks and gains associated with the asset. The lease agreements concern the rental of properties and operating equipment. The lease agreements are not recognized in the balance sheet. The lease agreements until the legal notice of termination date represent an amount of DKK 83.5 million.

Data-processing centre:

Spar Nord has entered into an agreement with BEC a.m.b.a. regarding the provision of IT services.

Spar Nord's membership of BEC a.m.b.a. means that in case of termination of the Bank's membership, it is liable to pay an exit fee. In addition, a capital contribution to BEC a.m.b.a. has been included under Other assets.

The Spar Nord Group has no other significant obligating agreements.

*) According to the most recent Annual Report.

NOTES WITHOUT REFERENCE NUMBERS - THE GROUP

Note

Acquisition of businesses and customer portfolios

In January 2016, Spar Nord entered into an agreement with FIH Erhvervsbank A/S regarding the acquisition of 34 business customer facilities with total loans of DKK 526 million, gross guarantees amounting to DKK 319 million, equal to net guarantees of DKK 64 million, and derivatives of DKK 30 million.

The acquisition of the portfolio has been recognized in accordance with the rules stipulated in IAS 39, according to which the loans acquired have been recognized at the agreed acquisition cost, equal to the fair value, which corresponds to an average price of the assets taken over of 100% of face value.

FAIR-VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Financial instruments recognized at fair value

The fair value is the amount at which a financial asset may be traded between knowledgeable, willing parties in an arm's length transaction. If there is an active market, the market price is used by way of a listed price or price quotation. If a financial instrument is quoted in a market that is not active, the Bank bases its valuation on the most recent transaction price. Adjustment is made for subsequent changes in market conditions, for instance, by including transactions in similar financial instruments that are assumed to be motivated by normal business considerations. For a number of financial assets and liabilities, no effective market exists. In this case, the Bank uses an estimated value, taking into account recent transactions in similar instruments and using discounted cash flows or generally accepted estimation and valuation techniques based on market conditions at the reporting date.

The most frequently used valuation models and estimation and valuation techniques include the pricing of transactions with future settlement and swap models that apply present value calculations, credit pricing models as well as option models, such as Black & Scholes models. In most cases, the Bank essentially bases its valuation on observable inputs.

Unlisted shares recorded at fair value comprise unlisted shares that are not included in the Group's trading portfolio. These unlisted shares are recognized at fair value, using the Fair-Value Option (FVO), and are measured in accordance with provisions in shareholders' agreements and generally accepted valuation methods, etc.

As regards derivative instruments with a positive fair value, the Bank makes a credit valuation adjustment (CVA) to allow for changes in the associated credit risk. The calculation of CVA is based on the customer's PD (Probability-of-Default), LGD (Loss-Given-Default) and EPE (Expected Positive Exposure). In the event that the customer has no external rating, the customer's PD is based on the Bank's own credit models.

The credit valuation adjustment (CVA) amounted to DKK 16.9 million at end-H1 2016 (end-H1 2015: DKK 17.5 million; end-2015: DKK 18.6 million).

NOTES WITHOUT REFERENCE NUMBERS - THE GROUP

Note DKK m

Breakdown of financial instruments relative to the fair-value hierarchy classification and the carrying amount	Listed prices Level 1 DKK m	Observable inputs Level 2 DKK m	Unobservable inputs Level 3 DKK m	Fair value Total DKK m	Carrying amount DKK m
H1 2016					
<i>Financial assets</i>					
Bonds at fair value	13,962.3	2,318.7	0.0	16,281.0	16,281.0
Shares, etc.	140.5	0.0	1,388.1	1,528.6	1,528.6
Assets linked to pooled schemes	10,125.3	3,031.9	196.8	13,354.0	13,354.0
Positive fair value of derivative instruments	0.0	1,455.1	0.0	1,455.1	1,455.1
Total financial assets	24,228.1	6,805.7	1,584.9	32,618.7	32,618.7
<i>Financial liabilities</i>					
Deposits in pooled schemes	0.0	13,354.0	0.0	13,354.0	13,354.0
Other non-derivative financial liabilities at fair value	1,579.8	195.3	0.0	1,775.1	1,775.1
Negative fair value of derivative instruments	0.0	952.3	0.0	952.3	952.3
Total financial liabilities	1,579.8	14,501.6	0.0	16,081.4	16,081.4
H1 2015					
<i>Financial assets</i>					
Loans, advances and other receivables at fair value					
Bonds at fair value	7,200.9	8,850.4	0.0	16,051.3	16,051.3
Shares, etc.	86.9	1.5	1,440.3	1,528.7	1,528.7
Assets linked to pooled schemes	10,790.9	1,733.8	0.0	12,524.7	12,524.7
Positive fair value of derivative instruments	0.0	1,576.0	0.0	1,576.0	1,576.0
Total financial assets	18,078.7	12,161.7	1,440.3	31,680.7	31,680.7
<i>Financial liabilities</i>					
Deposits in pooled schemes	0.0	12,524.7	0.0	12,524.7	12,524.7
Other non-derivative financial liabilities at fair value	2,003.3	197.0	0.0	2,200.3	2,200.3
Negative fair value of derivative instruments	0.0	1,788.8	0.0	1,788.8	1,788.8
Total financial liabilities	2,003.3	14,510.5	0.0	16,513.8	16,513.8
31.12.2015					
<i>Financial assets</i>					
Bonds at fair value	11,234.8	4,818.8	0.0	16,053.6	16,053.6
Shares, etc.	131.8	0.3	1,526.2	1,658.3	1,658.3
Assets linked to pooled schemes	10,685.7	2,694.3	0.0	13,380.0	13,380.0
Positive fair value of derivative instruments	0.0	1,423.6	0.0	1,423.6	1,423.6
Total financial assets	22,052.3	8,937.0	1,526.2	32,515.5	32,515.5
<i>Financial liabilities</i>					
Deposits in pooled schemes	0.0	13,380.0	0.0	13,380.0	13,380.0
Other non-derivative financial liabilities at fair value	1,055.6	164.1	0.0	1,219.7	1,219.7
Negative fair value of derivative instruments	0.0	1,476.5	0.0	1,476.5	1,476.5
Total financial liabilities	1,055.6	15,020.6	0.0	16,076.2	16,076.2

Bonds, assets linked to pooled schemes, derivative instruments and other non-derivative financial liabilities are valued according to the following principles:

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

Shares are valued according to the following principles:

- In case of listed prices, the fair value is fixed at the price quoted by a recognized exchange or another external party.
- In case of pricing based on observable inputs, the fair value is calculated based on available prices for shares that are not listed.
- In case of pricing based on non-observable inputs, the calculation includes shares valued according to generally accepted valuation principles, e.g., the discounting of future expected cash flows. Shares that are priced on the basis of the prices recommended by Lokale Pengeinstitutter (the Association of Local Banks, Savings Banks and Cooperative Banks in Denmark) are included as non-observable inputs. The fair value has been determined reliably for all shares, and accordingly no shares have been recognized at cost.

A transfer is made between the categories in the valuation hierarchy if an instrument is classified differently on the reporting date as compared to the beginning of the financial year. Any reclassification is considered to have been made as of the reporting date.

In 2015, some types of bonds were transferred from a valuation category based on yield curves (Level 2) to a valuation category based on price quotation (Level 1).

In 2016, shares recognized under assets linked to pooled schemes were transferred from a valuation category based on listed prices (Level 1) to a valuation category based on unobservable inputs (Level 3). The adjustment to fair value is included in market-value adjustments.

NOTES WITHOUT REFERENCE NUMBERS - THE GROUP

The fair values recommended by Lokale Pengeinstitutter (Lopi) (the Association of Local Banks, Savings Banks and Cooperative Banks in Denmark) are based on shareholders' agreements for the individual companies and share trades completed. The fair value is often based on the companies' book equity (net asset value), which is used as a basis for the transaction price between shareholders. Spar Nord makes an independent assessment of the prices recommended, and verifies their consistency with the transactions made and financial statements as presented.

Niveau 3	H1 2016			H1 2015		
	Fair value based on net asset value from Lopi	Fair value based on other value from Lopi	Other	Fair value based on net asset value from Lopi	Fair value based on other value from Lopi	Other
DKK m						
Shares	1,183.6	5.8	395.5	1,042.0	5.8	392.5
Sensitivities:						
Change of fair value if the results of the companies change by 10% (annualized)	10.3	-	-	4.9	-	-

A substantial portion of the shares included under "Other" are valued based on the discounting of future expected cash flows from dividends or selling prices.

DKK m	H1 2016	H1 2015	Full year 2015
Financial instruments measured at fair value based on non-observable prices (Level 3)			
In H1 2016, the Bank recognized unrealized market-value adjustments of DKK 23.6 million (H1 2015: DKK 31.7 million; 2015: DKK 69.4 million) in respect of unlisted shares valued on the basis of non-observable inputs.			
Carrying amount, beginning of period	1,526.2	1,304.9	1,304.9
Market-value adjustments in the income statement	46.6	37.7	88.1
Market-value adjustments in other comprehensive income	0.0	0.0	0.0
Purchase	35.4	137.1	211.6
Sale	220.1	44.2	83.2
Transferred to/from Level 3	196.8	4.8	4.8
Carrying amount, end of period	1,584.9	1,440.3	1,526.2

NOTES WITHOUT REFERENCE NUMBERS - THE GROUP

DKK m	H1 2016	H1 2015	Full year 2015
OWN FUNDS			
Shareholders' equity	7,799.2	7,617.9	7,887.0
Additional Tier 1 (AT1) capital included in shareholders' equity	397.3	401.4	412.3
Proposed dividend	255.1	276.3	376.6
Intangible assets, incl. share recognized in investments in associates	205.6	214.0	212.0
Deferred tax assets *)	0.1	11.0	6.0
Other regulatory adjustments	48.6	51.6	45.7
Unutilized portion of DKK 150 million share repurchase limit	76.4	0.0	0.0
Adjustments, equity investments	250.4	115.4	161.1
Common Equity Tier 1 (CET1)	6,565.7	6,548.2	6,673.3
Additional Tier 1 (AT1) capital **)	393.0	385.1	393.0
Other adjustments	83.5	86.5	120.8
Core capital (Tier 1)	6,875.2	6,846.8	6,945.5
Subordinated debt, excl. Additional Tier 1 (AT1) capital **)	1,078.9	1,118.4	1,078.0
Other adjustments	83.5	86.5	120.8
Own funds	7,870.6	7,878.7	7,902.7
Weighted risk exposure, credit risk, etc.	37,918.3	37,931.5	36,550.1
Weighted risk exposure, market risk	3,172.7	4,653.5	4,162.6
Weighted risk exposure, operational risk	5,732.3	5,787.2	5,787.2
Total risk exposure	46,823.3	48,372.2	46,499.9
Common Equity Tier 1 (CET1) ratio, %	14.0	13.5	14.4
Core capital (Tier 1) ratio, %	14.7	14.2	14.9
Total capital ratio, %	16.8	16.3	17.0
The capital adequacy calculation includes recognition of profit/loss for the period.			
*) Amount relating to a separate loss in a subsidiary.			
**) Including portfolio of own bonds.			
COLLATERAL PROVIDED			
Collateral provided through clearing systems, with central counterparties and other infrastructure institutions:			
Bonds	0.0	0.0	0.0
Deposits, clearing	192.8	92.3	91.1
Collateral provided for the market value of derivatives transactions	654.3	1,067.6	990.0
Positive market value of derivative contracts subject to netting	265.9	470.2	387.9
Collateral provided as part of sale and repo transactions	2,669.9	4,752.2	2,609.8
Other collateral provided	47.3	47.6	47.3
Total	3,830.2	6,429.9	4,126.1

NOTES WITHOUT REFERENCE NUMBERS - THE GROUP

DKK m	H1 2016	H1 2015	Full year 2015
HEDGE ACCOUNTING			
Assets			
<i>Loans and advances</i>			
Carrying amount	82.1	84.5	83.2
Purchase price	75.0	75.0	75.0
Fair value	82.1	84.5	83.2
Nominal value	75.0	75.0	75.0
<i>Interest-risk-hedging financial instruments</i>			
<i>Derivatives (swap contracts)</i>			
Carrying amount	-7.1	-9.5	-8.3
Fair value	-7.1	-9.5	-8.3
Synthetic principal/nominal value	75.0	75.0	75.0
Liabilities			
<i>Subordinated debt</i>			
Carrying amount	405.8	607.6	406.0
Purchase price	100.0	600.0	400.0
Fair value	405.8	607.6	406.0
Nominal value	400.0	600.0	400.0
<i>Interest-risk-hedging financial instruments</i>			
<i>Derivatives (swap contracts)</i>			
Carrying amount	5.8	7.6	6.2
Fair value	5.8	7.6	6.2
Synthetic principal/nominal value	400.0	600.0	400.0

Ownership at 30.06.2016

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

PERFORMANCE INDICATORS AND FINANCIAL RATIOS

THE DANISH FINANCIAL SUPERVISORY AUTHORITY'S LAYOUT AND RATIO SYSTEM - THE PARENT COMPANY

DKK m	H1 2016	H1 2015	Change in %	H1 2016	H1 2015	H1 2014	H1 2013	H1 2012	Full year 2015
INCOME STATEMENT									
Interest income	913.7	1,024.9	-9.5	913.7	1,024.9	1,140.5	1,493.5	1,225.8	1,967.1
Interest expenses	86.6	123.6	-18.9	86.6	123.6	269.5	363.8	390.5	221.1
Net interest income	827.1	901.3	-8.2	827.1	901.3	871.0	1,129.7	835.3	1,746.0
Dividends on shares, etc.	42.2	33.5	26.0	42.2	33.5	21.9	6.1	16.0	34.0
Fees, charges and commissions received	571.4	610.1	-6.3	571.4	610.1	432.7	404.1	322.1	1,125.9
Fees, charges and commissions paid	52.9	40.9	29.3	52.9	40.9	32.2	30.8	24.2	95.6
Net income from interest, fees, charges and commissions	1,387.8	1,504.0	-7.7	1,387.8	1,504.0	1,293.4	1,509.1	1,149.2	2,810.3
Market-value adjustments	114.8	373.5	-69.3	114.8	373.5	106.2	105.0	126.4	449.6
Other operating income	14.0	13.7	2.2	14.0	13.7	24.8	53.6	91.5	43.7
Staff costs and administrative expenses	913.0	933.1	-2.2	913.0	933.1	880.6	882.7	772.3	1,775.7
Depreciation, amortization and impairment of intangible assets and property, plant and equipment	33.6	32.1	4.7	33.6	32.1	33.9	58.6	78.3	64.9
Other operating expenses	4.9	51.5	-90.5	4.9	51.5	61.0	57.7	30.6	107.9
Impairment of loans, advances and receivables, etc.	161.9	188.1	-13.9	161.9	188.1	194.0	411.1	361.9	373.4
Profit/loss on equity investments in associates and group enterprises	60.9	46.9	29.9	60.9	46.9	251.1	65.8	25.5	78.9
Profit/loss before tax	464.1	733.3	-36.7	464.1	733.3	506.0	323.4	149.5	1,060.6
Tax	80.7	100.2	-19.5	80.7	100.2	65.0	62.9	32.2	163.2
Profit/loss	383.4	633.1	-39.4	383.4	633.1	441.0	260.5	117.3	897.4
BALANCE SHEET									
Total assets	78,632	80,941	-2.9	78,632	80,941	78,678	76,640	67,445	77,498
Loans and advances	38,404	34,286	12.0	38,404	34,286	36,808	37,684	34,412	37,912
- Lending, banking activities	33,271	32,660	1.9	33,271	32,660	33,562	34,193	33,856	32,503
- Lending, reverse transactions	3,528	478	-	3,528	478	1,769	572	556	4,155
- Lending, leasing activities	1,605	1,148	39.8	1,605	1,148	1,477	2,919	4,944	1,254
Deposits	60,837	57,754	5.3	60,837	57,754	54,016	51,189	38,019	59,292
- Deposits, banking activities	47,483	45,229	5.0	47,483	45,229	43,279	43,256	31,633	45,542
- Deposits, repo transactions	0	0	-	0	0	0	0	0	370
- Deposits in pooled schemes	13,354	12,525	6.6	13,354	12,525	10,737	7,933	6,386	13,380
Subordinated debt	1,093	1,351	-19.1	1,093	1,351	1,711	2,329	1,806	1,089
Shareholders' equity	7,799	7,618	2.4	7,799	7,618	6,855	6,249	5,584	7,887
Contingent liabilities	10,847	10,349	4.8	10,847	10,349	5,957	5,693	5,938	9,585
Total risk exposure	47,977	49,288	-2.7	47,977	49,288	45,526	44,382	40,482	47,391
Core capital (Tier 1)	6,921	6,898	0.3	6,921	6,898	6,633	7,327	6,330	6,992
Impairment of loans, advances and receivables, etc.	1,898	1,819	4.3	1,898	1,819	1,688	1,585	1,321	1,837
Contractual non-performing loans	468	536	-12.7	468	536	628	997	176	514

PERFORMANCE INDICATORS AND FINANCIAL RATIOS

THE DANISH FINANCIAL SUPERVISORY AUTHORITY'S LAYOUT AND RATIO SYSTEM - THE PARENT COMPANY

DKK m	H1 2016	H1 2015	H1 2016	H1 2015	H1 2014	H1 2013	H1 2012	Full year 2015
FINANCIAL RATIOS								
Own funds								
Total capital ratio, %	16.5	16.1	16.5	16.1	16.7	16.8	15.6	16.8
Core capital (Tier 1) ratio, %	14.4	14.0	14.4	14.0	14.6	16.5	15.6	14.8
Earnings								
Return on equity before tax, %	5.9	10.0	5.9	10.0	7.6	5.3	2.9	14.2
Return on equity after tax, %	4.9	8.6	4.9	8.6	6.6	4.3	2.3	12.0
Income/cost ratio	1.42	1.61	1.42	1.61	1.43	1.23	1.12	1.46
Return on assets, %	0.5	0.8	0.5	0.8	0.6	0.3	0.2	1.2
Market risk and liquidity								
Interest-rate risk, %	0.7	0.3	0.7	0.3	0.4	-0.7	-0.5	1.6
Foreign-exchange position, %	3.0	3.6	3.0	3.6	2.3	5.6	2.2	3.4
Foreign-exchange risk, %	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.1
Excess coverage relative to statutory cash ratio requirement, %	295.0	263.1	295.0	263.1	227.0	206.0	211.0	290.4
Liquidity Coverage Ratio (LCR), %	157	140	157	140	-	-	-	143
Credit risk								
Loans and advances rel. to deposits, %	63.1	59.4	63.1	59.4	68.1	73.6	90.5	63.9
Loans and advances plus impairment rel. to deposits, %	66.1	62.4	66.1	62.4	71.2	76.7	94.0	66.9
Loans and advances relative to shareholders' equity	4.9	4.5	4.9	4.5	5.4	6.0	6.2	4.8
Increase in loans and adv. for the period, %	3.3	-4.4	3.3	-4.4	-2.3	-4.7	-11.1	-4.5
Large exposures as % of capital base	14.6	15.3	14.6	15.3	0.0	14.2	0.0	14.8
Impairment ratio for the period, %	0.3	0.4	0.3	0.4	0.4	0.9	0.9	0.8
THE SPAR NORD BANK SHARE								
DKK per share of DKK 10								
Profit/loss for the period	3.1	5.0	3.1	5.0	3.5	2.1	1.4	7.2
Net asset value (NAV)	60	58	60	58	55	50	49	60
Dividend	-	2.0	-	2.0	-	-	-	5.0
Share price/earnings for the period	17.4	14.8	17.4	14.8	17.1	17.6	15.0	8.5
Share price/NAV	0.9	1.3	0.9	1.3	1.1	0.7	0.4	1.0

INCOME STATEMENT

THE PARENT COMPANY

Note	DKK m	H1 2016	H1 2015	Q2 2016	Q2 2015	Full year 2015
2	Interest income	913.7	1,024.9	472.7	495.0	1,967.1
3	Interest expenses	86.6	123.6	40.9	52.0	221.1
	Net interest income	827.1	901.3	431.8	443.0	1,746.0
	Dividends on shares, etc.	42.2	33.5	41.0	25.7	34.0
4	Fees, charges and commissions received	571.4	610.1	301.6	279.9	1,125.9
	Fees, charges and commissions paid	52.9	40.9	33.5	22.6	95.6
	Net income from interest, fees, charges and commissions	1,387.8	1,504.0	740.9	726.0	2,810.3
5	Market-value adjustments	114.8	373.5	43.9	22.3	449.6
	Other operating income	14.0	13.7	8.3	5.4	43.7
6	Staff costs and administrative expenses	913.0	933.1	455.5	464.0	1,775.7
	Depreciation, amortization and impairment of intangible assets and property, plant and equipment	33.6	32.1	16.9	16.0	64.9
7	Other operating expenses	4.9	51.5	2.9	26.3	107.9
	Impairment of loans, advances and receivables, etc.	161.9	188.1	101.0	77.0	373.4
	Profit/loss on equity investments in associates and group enterprises	60.9	46.9	45.0	31.5	78.9
	Profit/loss before tax	464.1	733.3	261.8	201.9	1,060.6
	Tax	80.7	100.2	43.5	33.3	163.2
	Profit/loss	383.4	633.1	218.3	168.6	897.4
	Allocated to:					
	The shareholders of the Parent Company, Spar Nord Bank A/S	371.4	631.7	212.2	167.2	893.9
	Holders of Additional Tier 1 (AT1) capital instruments	12.0	1.4	6.1	1.4	13.5
	Profit/loss	383.4	633.1	218.3	168.6	907.4
	STATEMENT OF COMPREHENSIVE INCOME					
	Profit/loss for the period	383.4	633.1	218.3	168.6	897.4
	Other comprehensive income					
	Net revaluation of corporate properties	0.0	0.0	0.0	0.0	6.3
	Other capital movements in associates	0.0	-1.2	0.0	-0.1	-0.8
	Other comprehensive income after tax	0.0	-1.2	0.0	-0.1	5.5
	Comprehensive income, total	383.4	631.9	218.3	168.5	902.9
	Allocated to:					
	The shareholders of the Parent Company, Spar Nord Bank A/S	371.4	630.5	212.2	167.1	889.4
	Holders of Additional Tier 1 (AT1) capital instruments	12.0	1.4	6.1	1.4	13.5
	Comprehensive income, total	383.4	631.9	218.3	168.5	902.9

BALANCE SHEET

THE PARENT COMPANY

Note	DKK m	30.06.2016	30.06.2015	Full year 2015
ASSETS				
	Cash balances and demand deposits with central banks	1,346.4	7,252.1	610.4
	Receivables from credit institutions and central banks	2,866.9	4,064.7	2,744.7
	Lending, banking activities	33,271.6	32,659.9	32,503.5
	Lending, reverse transactions	3,527.6	478.4	4,155.1
	Lending, leasing activities	1,605.0	1,148.2	1,253.7
	Loans, advances and other receivables at amortized cost, total	38,404.2	34,286.5	37,912.3
	Bonds at fair value	16,281.0	16,051.3	16,053.6
	Shares, etc.	1,471.4	1,471.5	1,601.1
	Equity investments in associates	74.9	68.2	82.4
	Equity investments in group enterprises	1,554.6	1,492.3	1,508.8
	Assets linked to pooled schemes	13,354.0	12,524.7	13,380.0
	Intangible assets	206.2	217.0	214.5
	Investment properties	70.4	70.6	70.6
	Corporate properties	438.7	429.5	443.5
	Land and buildings, total	509.1	500.1	514.1
	Other property, plant and equipment	96.4	107.2	99.6
	Current tax assets	33.6	54.9	86.4
	Temporary assets	19.8	28.8	27.4
8	Other assets	2,303.8	2,598.8	2,478.7
	Prepayments	109.6	222.5	184.2
	Total assets	78,631.9	80,940.6	77,498.2
SHAREHOLDERS' EQUITY AND LIABILITIES				
LIABILITIES OTHER THAN PROVISIONS				
	Payables to credit institutions and central banks	3,333.5	6,989.4	3,708.5
9	Deposits and other payables	47,482.9	45,229.0	45,912.1
	Deposits in pooled schemes	13,354.0	12,524.7	13,380.0
	Other non-derivative financial liabilities at fair value	1,775.1	2,200.3	1,219.7
10	Other liabilities	3,586.4	4,720.1	4,077.6
	Deferred income	15.9	27.3	25.7
	Total liabilities other than provisions	69,547.8	71,690.8	68,323.6
PROVISIONS FOR LIABILITIES				
	Provisions for deferred tax	123.1	176.2	122.8
	Provisions for losses on guarantees	59.2	66.3	42.9
	Other provisions	9.4	38.9	33.1
	Total provisions for liabilities	191.7	281.4	198.8
SUBORDINATED DEBT				
	Subordinated debt	1,093.2	1,350.5	1,088.8
	Total liabilities	70,832.7	73,322.7	69,611.2
SHAREHOLDERS' EQUITY				
	Share capital	1,255.3	1,255.3	1,255.3
	Revaluation reserves	94.4	88.1	94.4
	Statutory reserves	336.6	198.9	312.2
	Proposed dividend	0.0	0.0	376.6
	Retained profit or loss	5,715.6	5,674.2	5,436.2
	Shareholders' equity	7,401.9	7,216.5	7,474.7
	Holders of Additional Tier 1 (AT1) capital instruments	397.3	401.4	412.3
	Total shareholders' equity	7,799.2	7,617.9	7,887.0
	Total shareholders' equity and liabilities	78,631.9	80,940.6	77,498.2
OFF-BALANCE-SHEET ITEMS				
	Contingent assets	3.6	6.7	3.4
11	Contingent liabilities	10,847.4	10,349.2	9,585.2
12	Other obligating agreements	505.8	695.8	576.8

STATEMENT OF CHANGES IN EQUITY

THE PARENT COMPANY

DKK m	Share capital	Revaluation reserve	Statutory reserves	Proposed dividend	Retained earnings	Total	Additional Tier 1 (AT1) capital *)	Total
SHAREHOLDERS' EQUITY 30.06.2016								
Shareholders' equity 01.01.2016	1,255.3	94.4	312.2	376.6	5,436.2	7,474.7	412.3	7,887.0
Changes in equity in H1 2016:								
Comprehensive income in 2016								
Profit/loss for the period	-	-	60.9	-	310.5	371.4	12.0	383.4
Other comprehensive income	-	-	-	-	-	-	-	0.0
Total comprehensive income for the period	-	-	60.9	-	310.5	371.4	12.0	383.4
Transactions with owners								
Interest paid on Additional Tier 1 (AT1) capital	-	-	-	-	-	-	-24.2	-24.2
Dividends paid	-	-	-	-376.6	-	-376.6	-	-376.6
Dividends received, treasury shares	-	-	-	-	1.9	1.9	-	1.9
Disposal upon acquisition of treasury shares and Additional Tier 1 (AT1) capital	-	-	-	-	-277.8	-277.8	-2.8	-280.6
Addition upon sale of treasury shares and Additional Tier 1 (AT1) capital	-	-	-	-	205.7	205.7	-	205.7
Dividends received from associates recognized at net asset value	-	-	-36.5	-	36.5	0.0	-	0.0
Tax	-	-	-	-	2.6	2.6	-	2.6
Transactions with owners, total	-	-	-36.5	-376.6	-31.1	-444.2	-27.0	-471.2
Shareholders' equity 30.06.2016	1,255.3	94.4	336.6	0.0	5,715.6	7,401.9	397.3	7,799.2
SHAREHOLDERS' EQUITY 30.06.2015								
Shareholders' equity 01.01.2015	1,255.3	88.1	746.0	200.8	4,742.8	7,033.0	0.0	7,033.0
Changes in equity in H1 2015:								
Comprehensive income in 2015								
Profit/loss for the period	-	-	15.1	251.1	365.5	631.7	1.4	633.1
Other comprehensive income	-	-	-1.2	-	-	-1.2	-	-1.2
Other capital movements in associates	-	-	-1.2	-	-	-1.2	-	-1.2
Other comprehensive income, total	-	-	-1.2	-	-	-1.2	-	-1.2
Total comprehensive income for the period	-	-	13.9	251.1	365.5	630.5	1.4	631.9
Transactions with owners								
Issue of Additional Tier 1 (AT1) capital, net of transaction costs	-	-	-	-	-2.9	-2.9	400.0	397.1
Dividends paid	-	-	-	-451.9	-	-451.9	-	-451.9
Dividends received, treasury shares	-	-	-	-	0.3	0.3	-	0.3
Disposal upon acquisition of treasury shares and Additional Tier 1 (AT1) capital	-	-	-	-	-268.9	-268.9	-	-268.9
Addition upon sale of treasury shares and Additional Tier 1 (AT1) capital	-	-	-	-	275.4	275.4	-	275.4
Dividends received from associates recognized at net asset value	-	-	-863.3	-	863.3	0.0	-	0.0
Dissolution of revaluation reserves, group enterprises	-	-	63.7	-	-63.7	0.0	-	0.0
Dissolution of revaluation reserves, associates	-	-	238.6	-	-238.6	0.0	-	0.0
Tax	-	-	-	-	1.0	1.0	-	1.0
Transactions with owners, total	-	-	-561.0	-451.9	565.9	-447.0	400.0	-47.0
Shareholders' equity 30.06.2015	1,255.3	88.1	198.9	0.0	5,674.2	7,216.5	401.4	7,617.9

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

The Group has launched a share repurchase programme worth DKK 150 million, to be implemented in the period from mid-February to end-2016. During the period until end-June, the Group repurchased shares worth DKK 78 million (1,413,931 shares).

*) The Additional Tier 1 (AT1) capital has a perpetual term, with voluntary payment of interest and repayments of principal, for which reason it is treated as shareholders' equity for accounting purposes.

On 10 June 2015, Spar Nord issued bonds for DKK 400 million, with an option for early redemption as from 10 June 2020. Interest is payable on the loan at the rate of 6.052% p.a. until 10 June 2020, after which date interest will be fixed at CIBOR6 + a 5.4% margin.

If Spar Nord's Common Equity Tier 1 (CET1) ratio falls below 5 1/8%, the loan will be written down. The loan can be written up again based on the rules laid down in CRR.

STATEMENT OF CHANGES IN EQUITY

THE PARENT COMPANY

DKK m	H1 2016	H1 2015	Full year 2015
TREASURY SHARE PORTFOLIO			
Number of shares	1,471,262	68,615	139,401
Percentage of share capital	1.2	0.1	0.1

The Parent Company applies the same accounting policies as the Group.

The difference between the profit or loss in the Group and in the Parent Company is due to properties being classified as investment properties in subsidiaries and as corporate properties in the Group. The difference consists of depreciation on such properties; see below.

DKK m	PROFIT/LOSS		SHAREHOLDERS' EQUITY	
	H1 2016	H1 2015	H1 2016	H1 2015
Spar Nord Bank, the Group	388.9	632.3	7,805.5	7,617.9
Depreciation, corporate properties	0.8	0.8	0.0	0.0
Spar Nord Bank, the Parent Company	389.7	633.1	7,805.5	7,617.9

NOTES

THE PARENT COMPANY

Note	DKK m	H1 2016	H1 2015	Full year 2015
1 ACCOUNTING POLICIES				
	The Interim Financial Statements for the Parent Company, Spar Nord Bank A/S, for the period from 1 January to 30 June 2016 are presented in accordance with the Danish Financial Business Act, incl. the Danish Executive Order on the Presentation of Financial Statements by Credit Institutions, etc. issued by the Danish Financial Supervisory Authority.			
	The Parent Company's accounting policies are identical with those of the Group. Reference is made to note 1 to the Consolidated Financial Statements. Reference is also made to note 2 to the Consolidated Financial Statements as concerns estimates.			
2 INTEREST INCOME				
	Receivables from credit institutions and central banks	1.9	4.2	6.4
	Loans, advances and other receivables	844.9	925.3	1,789.7
	Bonds	67.9	118.2	195.6
	Foreign-exchange contracts	3.2	-18.3	-22.9
	Interest-rate contracts	-38.9	-26.3	-51.8
	Derivative instruments, total	-35.7	-44.6	-74.7
	Other interest income	34.7	21.8	50.1
	Total interest income	913.7	1,024.9	1,967.1
	<i>Of which, income from genuine purchase and resale transactions booked under</i>			
	Receivables from credit institutions and central banks	-4.2	-6.8	-14.9
	Loans, advances and other receivables	-3.7	-0.4	-3.7
3 INTEREST EXPENSES				
	Credit institutions and central banks	-1.7	-5.9	-10.9
	Deposits and other payables	62.1	91.9	163.6
	Subordinated debt	26.2	37.6	67.8
	Other interest expenses	0.0	0.0	0.6
	Total interest expenses	86.6	123.6	221.1
	<i>Of which, interest expenses from genuine sale and repo transactions booked under</i>			
	Payables to credit institutions and central banks	-4.8	-8.4	-16.9
	Deposits and other payables	1.2	-0.1	-0.2
4 FEES, CHARGES AND COMMISSIONS RECEIVED				
	Securities trading and custody accounts	217.8	243.6	450.8
	Payment services	59.5	41.9	90.2
	Loan transaction fees	217.4	255.6	485.1
	- of which, mortgage-credit institutions	154.7	152.5	310.4
	Guarantee commissions	21.4	15.8	31.9
	Other fees, charges and commissions	55.3	53.2	67.9
	Total fees, charges and commissions received	571.4	610.1	1,125.9
5 MARKET-VALUE ADJUSTMENTS				
	Other loans, advances and receivables at fair value			
	Bonds	-1.1	-0.7	0.1
	Shares, etc.	77.4	-44.1	-68.1
	Investment properties	22.4	291.5	355.1
	Currency	0.0	-2.1	-2.4
	Foreign-exchange, interest, share, commodity and other contracts and derivative instruments	41.9	107.3	113.9
		-26.0	16.3	44.2
	Assets linked to pooled schemes	-426.0	919.9	1,107.4
	Deposits in pooled schemes	426.0	-919.9	-1,107.4
	Miscellaneous commitments	0.2	5.3	6.8
	Total market-value adjustments	114.8	373.5	449.6

NOTES

THE PARENT COMPANY

Note	DKK m	H1 2016	H1 2015	Full year 2015
6	STAFF COSTS AND ADMINISTRATIVE EXPENSES			
	Staff costs	586.3	575.2	1,098.1
	Administrative expenses	326.7	357.9	677.6
	Total staff costs and administrative expenses	913.0	933.1	1,775.7
	<i>Staff costs</i>			
	Salaries	493.8	466.3	875.9
	Share-based payment	-	-	-
	Pensions	52.1	49.5	98.8
	Social security costs	40.4	59.4	123.4
	Total staff costs	586.3	575.2	1,098.1
	<i>Of which, remuneration to present and previous members of the Executive Board and Board of Directors amounts to</i>			
	<i>Board of Directors</i>			
	Number	9	9	9
	Fixed pay	1.6	1.5	3.1
	Pension	-	-	-
	Total remuneration	1.6	1.5	3.1
	<i>Executive Board</i>			
	Number	3	3	3
	Base salary	5.5	5.4	10.4
	- less fees received from directorships	0.4	0.7	1.3
	The Bank's expense, base salary	5.1	4.7	9.1
	Pension, ordinary contribution	0.7	0.7	1.6
	Total remuneration earned and paid	5.8	5.4	10.7
	<i>Breakdown of remuneration to Executive Board</i>			
	Lasse Nyby *)			
	Base salary	2.0	1.9	3.8
	- less fees received from directorships	0.1	0.2	0.5
	The Bank's expense, base salary	1.9	1.7	3.3
	Pension, ordinary contribution	0.3	0.3	0.6
	Total remuneration earned and paid	2.2	2.0	3.9
	John Lundsgaard			
	Base salary	1.8	1.8	3.4
	- less fees received from directorships	0.1	0.2	0.2
	The Bank's expense, base salary	1.7	1.6	3.2
	Pension, ordinary contribution	0.2	0.2	0.5
	Total remuneration earned and paid	1.9	1.8	3.7
	Lars Møller *)			
	Base salary	1.7	1.7	3.2
	- less fees received from directorships	0.2	0.3	0.6
	The Bank's expense, base salary	1.5	1.4	2.6
	Pension, ordinary contribution	0.2	0.2	0.5
	Total remuneration earned and paid	1.7	1.6	3.1
	Bent Jensen stepped down from his position on 20 May 2015. (The expense in 2015 amounted to DKK 12.5 million, of which remuneration accounted for DKK 11.9 million). The amount of DKK 8.5 million provided at end-2015 had been paid in full at end-H1 2016, of which remuneration accounted for DKK 8.3 million (end-H1 2015: DKK 1.9 million).			
	*) To which must be added employer-paid car.			
	Termination rules:	The members of the Executive Board have a term of notice of 12 months and will receive compensation on termination of employment corresponding to two years' pay.		
	Pension obligation:	Like the other employees, members of the Executive Board are comprised by defined-contribution pension plans.		
	Incentive scheme:	No new share-option schemes were established for any of the Bank's staff groups.		
	<i>Number of employees:</i>			
	The average number of employees in terms of full-time employees	1,550.6	1,510.1	1,518.0
	<i>Administrative expenses:</i>			
	IT expenses	167.0	171.0	338.6
	Marketing costs	47.0	49.5	95.0
	Cost of premises	43.4	46.7	91.5
	Staff and travelling expenses	25.1	27.8	54.2
	Office expenses	13.9	16.5	30.6
	Other administrative expenses	30.3	46.4	67.7
	Total administrative expenses	326.7	357.9	677.6

NOTES

THE PARENT COMPANY

Note	DKK m	H1 2016	H1 2015	Full year 2015
7	IMPAIRMENT ACCOUNT			
	<i>Individual impairment of loans and advances</i>			
	Individual impairment, beginning of period	1,645.6	1,648.5	1,648.5
	New individual impairment	381.7	316.9	623.0
	Reversal of individual impairment losses	236.5	144.3	334.6
	Previously written down, now definitively lost	155.2	232.2	374.7
	Interest on impaired loans and advances taken to income	37.1	41.9	83.4
	Individual impairment, end of period	1,672.7	1,630.8	1,645.6
	<i>Groups of impairment losses, loans and advances</i>			
	Groups of impairment losses, beginning of period	137.5	162.6	162.6
	New groups of impairment losses	18.8	0.0	9.6
	Reversal of groups of impairment losses	0.0	41.5	34.7
	Groups of impairment losses, end of period	156.3	121.1	137.5
	<i>Total impairment of loans and advances</i>			
	Impairment, beginning of period	1,783.1	1,811.1	1,811.1
	New impairment	400.5	316.9	632.6
	Reversal of impairment losses	236.5	185.8	369.3
	Previously written down, now definitively lost	155.2	232.2	374.7
	Interest on impaired loans and advances taken to income	37.1	41.9	83.4
	Impairment, end of period	1,829.0	1,751.9	1,783.1
	<i>Impairment recognized in the income statement</i>			
	New impairment	400.5	316.9	632.6
	Reversal of impairment losses	236.5	185.8	369.3
	Losses without prior impairment	31.8	70.6	168.3
	Carried to income, previously written off	49.7	36.2	67.2
	Recognized in the income statement	146.1	165.5	364.4
	<i>Provisions for losses on guarantees</i>			
	Provisions, beginning of period	42.9	33.9	33.9
	New provisions	34.6	34.9	22.6
	Reversal of provisions	18.3	12.3	13.6
	Provisions for losses on guarantees, end of period	59.2	56.5	42.9
	<i>Provisions for losses on guarantees recognized in the income statement</i>			
	New provisions	34.6	34.9	22.6
	Reversal of provisions	18.3	12.3	13.6
	Recognized in the income statement	16.3	22.6	9.0
	Impairment account for loans, advances and provisions for losses on guarantees, total	1,888.2	1,808.4	1,826.0
	<i>Impairment, other credit risks</i>			
	Impairment, other credit risks, beginning of period	10.5	10.5	10.5
	Reversal of impairment losses	0.5	0.0	0.0
	Impairment, other credit risks, total	10.0	10.5	10.5
	Impairment account for loans, advances, provisions for losses on guarantees and other credit risks, total	1,898.2	1,818.9	1,836.5
	Impairment of loans, advances and receivables, etc.			
	<i>The total recognition in the income statement under impairment of loans, advances and receivables, etc. can be broken down as follows:</i>			
	Impairment of loans, advances and receivables, etc.	146.1	165.5	364.4
	Provisions for losses on guarantees	16.3	22.6	9.0
	Impairment, credit institutions	-0.5	0.0	0.0
	Total impairment of loans, advances and receivables, etc.	161.9	188.1	373.4
	Non-performing loans	190.0	282.0	281.3
	<i>Interest on impaired receivables is calculated on the impaired balance only.</i>			
	Interest on impaired loans and advances taken to income	37.1	41.9	83.4

NOTES

THE PARENT COMPANY

Note	DKK m	H1 2016	H1 2015	Full year 2015
8 OTHER ASSETS				
Positive fair value of derivative instruments, etc.		1,455.1	1,576.0	1,423.6
Miscellaneous receivables		239.6	374.4	419.7
Interest and commissions receivable		209.8	253.3	246.3
Capital contribution to Foreningen Bankernes EDB Central ("BEC")		316.0	316.0	316.0
Miscellaneous assets		83.3	79.1	73.1
Other assets, total		2,303.8	2,598.8	2,478.7
9 DEPOSITS AND OTHER PAYABLES				
Demand deposits		39,138.4	34,566.5	36,983.2
Subject to notice		1,055.3	3,787.4	2,111.8
Time deposits		3,682.5	2,754.0	3,104.0
Special types of deposit		3,606.7	4,121.1	3,713.1
Deposits and other payables, total		47,482.9	45,229.0	45,912.1
10 OTHER LIABILITIES				
Miscellaneous payables		2,167.2	2,302.5	2,231.3
Negative fair value of derivative instruments, etc.		952.3	1,788.8	1,476.5
Interest and commissions payable		87.1	111.1	45.1
Miscellaneous liabilities		379.8	517.7	324.7
Other liabilities, total		3,586.4	4,720.1	4,077.6
11 CONTINGENT LIABILITIES				
The Bank and all major wholly-owned subsidiaries are jointly registered for payroll tax and VAT and are jointly and severally liable for the payroll tax and VAT payable.				
Financial guarantees		3,813.3	3,408.0	3,243.7
Loss guarantees for mortgage-credit loans		4,433.3	3,064.3	3,978.4
Registration and refinancing guarantees		1,702.4	3,003.0	1,514.8
Other contingent liabilities		898.4	873.9	848.3
Total contingent liabilities		10,847.4	10,349.2	9,585.2
12 OTHER OBLIGATING AGREEMENTS				
Miscellaneous		505.8	695.8	576.8
Other obligating agreements, total		505.8	695.8	576.8

Miscellaneous is composed of:

Rent obligations *)

The Bank has concluded lease agreements with real property lessors regarding a number of the Bank's branches. The rent obligation until the legal notice of termination date amounts to DKK 119.8 million.

Data processing centre

Spar Nord has entered into an agreement with BEC a.m.b.a. regarding the provision of IT services.

Spar Nord's membership of BEC a.m.b.a. means that in case of termination of the Bank's membership, it is liable to pay an exit fee. In addition, a capital contribution to BEC a.m.b.a. has been included under Other assets.

Spar Nord Bank has no other significant obligating agreements.

*) According to the most recent Annual Report.

NOTES WITHOUT REFERENCE NUMBERS

THE PARENT COMPANY

Note	DKK m	H1 2016	H1 2015	Full year 2015
OWN FUNDS				
	Shareholders' equity	7,799.2	7,617.9	7,887.0
	Additional Tier 1 (AT1) capital included in shareholders' equity	397.3	401.4	412.3
	Proposed dividend	255.1	276.3	376.6
	Intangible assets, incl. share recognized in investments in associates	205.6	214.0	212.0
	Other regulatory adjustments	48.5	52.2	45.7
	Unutilized portion of DKK 150 million share repurchase limit	76.4	0.0	0.0
	Adjustments, equity investments	216.1	92.1	138.0
	Common Equity Tier 1 (CET1)	6,600.2	6,581.9	6,702.4
	Additional Tier 1 (AT1) capital *)	393.0	385.1	393.0
	Other adjustments	72.0	69.0	103.5
	Core capital (Tier 1)	6,921.2	6,898.0	6,991.9
	Subordinated debt (excl. Additional Tier 1 (AT1) capital *)	1,078.9	1,118.4	1,078.0
	Other adjustments	72.0	69.0	103.5
	Own funds	7,928.1	7,947.4	7,966.4
	Weighted risk exposure, credit risk, etc.	39,137.4	38,873.8	37,770.4
	Weighted risk exposure, market risk	3,177.0	4,661.4	4,176.1
	Weighted risk exposure, operational risk	5,662.3	5,752.7	5,444.7
	Total risk exposure	47,976.7	49,287.9	47,391.2
	Common Equity Tier 1 (CET1) ratio, %	13.8	13.4	14.1
	Core capital (Tier 1) ratio, %	14.4	14.0	14.8
	Total capital ratio, %	16.5	16.1	16.8

The capital adequacy calculation includes recognition of profit/loss for the period.

*) Including portfolio of own bonds.