



NASDAQ OMX Copenhagen

Company Announcement no. 21

10 November 2014

Spar Nord Bank A/S makes a conditional, voluntary tender offer for all shares in Nørresundby Bank A/S

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Spar Nord Bank A/S (“Spar Nord”) will make a conditional, voluntary tender offer for all shares in Nørresundby Bank A/S (“Nørresundby Bank”). The shareholders of Nørresundby Bank are being offered 2 shares in Spar Nord and DKK 309 for each share they hold in Nørresundby Bank, corresponding to DKK 425 for each share, and equal to a premium of 63 %¹ compared with the closing market price on 9 October 2014 immediately before Nørresundby Bank announced plans to merge with Nordjyske Bank A/S.

In Company Announcement no. 15 (published on 10 October 2014), Nørresundby Bank announced that it was negotiating a potential merger with Nordjyske Bank A/S.

Spar Nord, which owns 54.8% of the shares in Nørresundby Bank, has noted with interest that the management of Nørresundby Bank wants the bank to participate in the ongoing consolidation of the Danish banking sector. The reason given by the management for this recommendation is that new statutory requirements and customers’ demand for cheaper products and a higher level of consultancy services call for larger units.

In Spar Nord’s assessment, these requirements can best be met by combining Nørresundby Bank and Spar Nord, and combining these two units will create significant value for both shareholders, customers and staff.

Spar Nord has previously indicated to Nørresundby Bank’s board of directors and management that Spar Nord was interested in entering into a dialogue regarding a combination of the two banks, and in this light it is now announced that Spar Nord has decided to make a conditional, voluntary public tender offer for all shares in Nørresundby Bank (the “Offer”).

¹ Based on the closing price (DKK 58) at 7 November 2014

Key elements of the Offer

The shareholders of Nørresundby Bank are being offered 2 shares in Spar Nord and DKK 309 for each share they hold in Nørresundby Bank, corresponding to DKK 425 for each share, and a total valuation of DKK 1,955 million for all shares in Nørresundby Bank.

The Offer represents a premium¹ of:

- 63 % compared with the closing market price on 9 October 2014 immediately before Nørresundby Bank announced its plans to merge with Nordjyske Bank A/S.
- 106 % compared with the closing market price on 30 December 2013.

The Offer is subject to a number of conditions, including (i) acceptance of the tender offer by at least 90% of the share capital and the corresponding share of the voting rights in Nørresundby Bank, (ii) termination of the restriction on voting rights in Nørresundby Bank's articles of association, (iii) that the necessary approvals are obtained from public authorities, including regulatory and competition law approvals, (iv) that no new shares are issued by Nørresundby Bank during the tender offer period, (v) that no dividend is distributed by Nørresundby Bank during the tender offer period, (vi) that during the tender offer period Nørresundby Bank does not make a decision to complete a demerger or merger or to enter into any transactions involving a significant portion (understood as more than 5 %) of Nørresundby Bank's total assets, and (vii) that there will be no material adverse negative changes in Nørresundby Bank's financial position from the time when the Offer is made until the tender offer period ends.

In accordance with section 4 of Executive Order no. 562 of 2 June 2014 regarding takeover bids, etc., Spar Nord will make the Offer and publish the offering document as soon as possible (within four weeks, at the latest) after final approval has been obtained from the Danish Financial Supervisory Authority.

Background to the Offer and plans for Nørresundby Bank

The intention of the Offer is to utilize the potential for consolidation that Nørresundby Bank has opened up, and in that way create a bank with an even stronger position in North Jutland.

Spar Nord and Nørresundby Bank are two financial institutions that resemble each other in many ways. In addition to originating from the same geographical area, Spar Nord's strategic focus is fully parallel to that of Nørresundby Bank, as the latter operates from physical departments in offering services to ordinary retail customers and businesses in the local region. To this should be added that both banks operate with a significant degree of local decision-making powers, with decisions being made close to the customers.

If the Offer is successful, Spar Nord will henceforth run Nørresundby Bank as an independent subsidiary for a period of up to three years, with Nørresundby Bank continuing under its existing brand. This implies that the need for staff reductions will be very limited.

Financial expectations

Given that a full takeover of Nørresundby Bank is not expected to be completed until 2015, a takeover is not expected to have any impact on Spar Nord's profit, liquidity or capital in 2014.



Immediately after completion of the transaction, Spar Nord Bank expects to be marginally below its own internal strategic targets of a Common Equity (Tier 1) ratio (CET1) of at least 12.0. During the first six months of 2015, however, Spar Nord expects to once more be above this target.

Please direct any questions regarding this announcement to:

Please contact Lasse Nyby, Chief Executive Officer, at tel.+45 9634 4011, or Ole Madsen, Senior Vice President, Corporate Communication, at tel. +45 9634 4010 if you have any questions regarding the contents of this Announcement.

Carnegie Investment Bank is the financial adviser, and Kromann Reumert is the legal adviser to Spar Nord.

Sincerely yours,
Spar Nord Bank A/S

Ole Madsen
Senior Vice President, Communication & IR