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Company announcement no. 10

Spar Nord acquiring strategic stake in Danske Andelskassers Bank

Spar Nord Bank A/S ("Spar Nord") today acquired 39,319,988 shares in Danske Andelskassers Bank A/S ("DAB") and now holds 27.05 % of the voting rights and share capital of DAB. Spar Nord considers the investment a strategic shareholding, which is expected to yield a satisfactory financial return.

Having successfully emerged from a difficult period, DAB now represents an attractive strategic match for Spar Nord, which on acquiring a 27 % stake is now the largest single shareholder in DAB. The stake is acquired for DKK 236 million.

The acquisition of a 27 % stake in DAB is attractive for Spar Nord as a financial investment, not least because the divestment of large shareholdings in Nørresundby Bank A/S in 2015 and Valueinvest Asset Management SA in 2018 released capital for so-called "material equity investments" in other financial enterprises.

As Spar Nord holds more than 10% of the shares in DAB, and as DAB's articles of association stipulate no voting right restrictions, the DAB investment will be recognised in Spar Nord's financial statements as an investment in "associates" and, as a result, be recognised according to the equity method. Provided DAB's financial performance develops in line with expectations, the return on the allocated capital will be highly attractive.

"We have invested in DAB because under the given circumstances with respect to our own capital position and expected developments in DAB we expect a reasonable rate of return on our investment", said Spar Nord's CEO, Lasse Nyby. He continued:

"We would like to discuss with DAB's board of directors the possibility of making an attractive offer to all DAB shareholders on the right terms and conditions – a dialogue we hope we'll be able to commence with, in the months to come."

Spar Nord Bank A/S
Executive Board

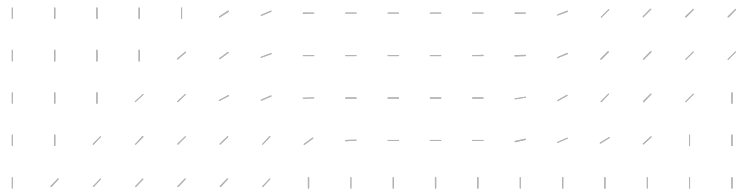


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From the perspective of a strategic investment, DAB is attractive for Spar Nord because there is a strong match between the two banks in a number of areas, including in relation to customer focus, channel strategy, geography and IT platform.

“In our view, DAB is a very attractive bank, and we believe that combining our businesses could offer a great long-term value proposition for customers, shareholders and employees. DAB and Spar Nord are both dedicated to the combination of providing personal advice, up-to-date digital solutions and, not least, a strong commitment to the local community. Both banks have foundations among our large shareholders who – on receipt of dividends – will contribute to the growth and the development of the local communities in which we operate. Last, but not least, we are both facing challenges in the form of relatively weak demand for financing, large and resource-intensive compliance-related tasks and the need to develop strong digital customer solutions, and all of these factors illustrate the relevance of consolidation”, said Lasse Nyby.

Should you have any questions in connection with this announcement, please contact Lasse Nyby, Chief Executive Officer, at tel. +45 9634 4011.

Kind Regards,
Spar Nord

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