

Spar Nord has resolved not to submit an offer to buy Danske Andelskassers Bank

On 25 March 2019, Danske Andelskassers Bank A/S ("DAB") published a document ("Statement regarding Spar Nord's takeover bid and announcement of share issue"), in which the board of directors of DAB in advance rejects the, as yet, unpublished voluntary conditional offer from Spar Nord Bank A/S ("Spar Nord"), while also announcing that DAB has completed a directed issue of shares to an undisclosed group of investors.

In its announcement, DAB states that:

"Shareholders representing 46.2% of the outstanding shares and voting rights in Danske Andelskassers Bank have informed the board of directors that a takeover bid from Spar Nord will not be accepted."

Because DAB thus does not meet the condition set out in Spar Nord's company announcement no. 4 dated 1 March 2019 about not exercising its authority to increase the share capital of DAB, thereby making it impossible for Spar Nord to obtain a satisfactory proportion of the share capital and voting rights in DAB, Spar Nord has resolved to ask for the Danish FSA's permission not to submit the intended offer.

Spar Nord is surprised that the board of directors of DAB resolves to reject Spar Nord's offer in advance, including that DAB in its announcement provides a number of reasons for the rejection which in Spar Nord's opinion are not in accordance with the facts of the matter.

Among other things, in its announcement DAB, as an expected consequence of a possible combination with Spar Nord, refers to "expected mass redundancies and closure of regional branches." This is in contrast to what is stated in the draft document prepared by Spar Nord. The offer document states, among other things, that:

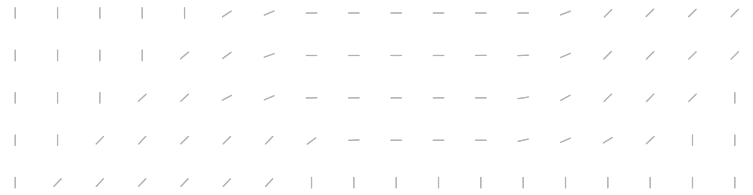
Spar Nord Bank A/S Executive Board



Spar Nord Bank A/S
Skelagervej 15
DK-9000 Aalborg

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“If the Offer is completed, Spar Nord intends to continue the activities of Danske Andelskassers Bank in order to ensure a transition involving as few changes as possible for Danske Andelskassers Bank’s customers. These efforts will include maintaining and strengthening Danske Andelskassers Bank’s local presence.

As a result, Danske Andelskassers Bank’s branches in towns where Spar Nord does not have a presence will continue in operation, and new banking areas will be established (shareholder regions) based on these towns. Branches in towns where both banks are present will be merged in a process dedicated to maintaining customer/adviser relations.

Any need to combine head offices or support functions will take place on the basis of the principle of the best person for the job, and Spar Nord’s Management will assess which functions may appropriately be placed at Danske Andelskassers Bank’s home town of Hammershøj.

In order to ensure the best possible combination, Spar Nord intends to establish a combination committee with representatives from both Danske Andelskassers Bank and Spar Nord. The committee will be tasked with ensuring that the combination is as successful as possible for the customers and employees of both banks.”

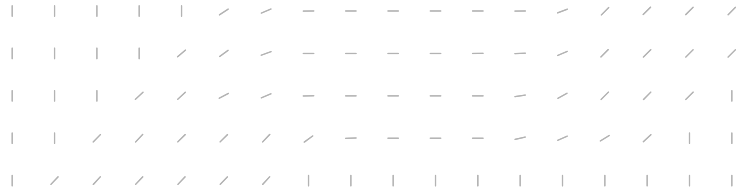
Moreover, Spar Nord is surprised that DAB has resolved to carry out the directed issue of shares and the pertaining lock-up because DAB, in its annual report, states that the bank complies with the corporate governance recommendations in connection with takeovers, specifically that DAB has established a procedure in the event of takeover bids:

“from the time that the board of directors has reason to believe that a takeover bid will be made. According to such contingency procedures, the board of directors should not without the acceptance of the general meeting, attempt to counter the takeover bid by making decisions which in reality prevent the shareholders from deciding on the takeover bid themselves.”

Commenting on the situation, Spar Nord’s CEO Lasse Nyby said:

“We regret that we have failed to establish a dialogue with the DAB management on the benefits that both parties could reap from combining our two businesses. We are confident that we had a good solution for customers, shareholders, employees and local communities, but unfortunately, DAB has not been interested in discussing the opportunity with us.”

After completion of the directed issue of shares, Spar Nord’s ownership interest in DAB will be 27.2% of the share capital and voting rights, and as previously this shareholding will be recognised for accounting purposes as an investment in associates.



Should you have any questions in connection with this announcement, please contact Lasse Nyby, Chief Executive Officer, at tel. +45 9634 4011, or Ole Madsen, Senior Vice President, Communication & Innovation, at tel. +45 9634 4010.

Ole Madsen

Senior Vice President, Communication & Innovation