

To Nasdaq, OMX The Nordic Exchange, Copenhagen and the press

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Spar Nord Bank establishes three new bank areas on Zealand

As appears from an announcement published on Monday morning, Bankaktieselskabet af 24/08 (Roskilde Bank) has made an agreement with Spar Nord, Arbejdernes Landsbank and Nordea regarding the continuation of the existing retail business.

Spar Nord will take over seven of the branches and set up three new bank areas: Spar Nord Roskilde with four local banks (Himmelev, Svogerslev, Køgevej, Jyllinge), Spar Nord Holbæk with two local banks (Holbæk and Hvalsø) and Spar Nord Helsingør with one local bank. In total, the three new areas have a staff of about 100 employees and almost 30,000 customers.

The acquisition of the seven branches means that Spar Nord also takes over a lending portfolio amounting to DKK 2.4 billion and total deposits aggregating DKK 1.6 billion. The seven branches will be taken over on a 'krone-for-krone' basis, and goodwill in the amount of DKK 183 million will be paid in connection with the takeover. The takeover does not change the Bank's expectations as to this year's core earnings, whereas it is expected to contribute DKK 60-70 million to the Bank's core earnings before impairment for 2009.

Attractive market area

For quite some time Spar Nord has had the ambition to set up a number of bank areas on Zealand, where the Bank is already represented, namely in Copenhagen, Køge, Næstved and Slagelse.

Since 2001, Spar Nord has been pursuing the strategy to establish a nationwide bank chain by setting up autonomous local banks in all major towns and cities throughout the country. Until now, 15 local banks have been set up outside the North Jutland core area.

- Even though we have chosen to grow organically to date by setting up our own units, we found that the potential for transforming parts of Roskilde Bank's local branch network into Spar Nord banks was highly interesting, says Lars Møller, Managing Director of Spar Nord, and continues:

- In addition to finding the Mid- and North Zealand area attractive, the high quality of the employees and customers, above all, was the decisive factor in our deliberations. These are seven interesting branches that we are now getting the opportunity to include in our chain of local banks.

All activities are being continued

For the employees of the seven new Spar Nord banks, the new affiliation means the introduction of a new business model, with by far the majority of decisions being made locally, and where only the credit policy and the *brand* are common features throughout the chain.

- For the customers this means that their local bank will remain at least as local as in the past. The customers will be met by a new sign on the facade and get a new logo

on their Visa Dancard, but the employees will remain in their respective branches, and the relationship between customers and their banking advisers will continue as in the past, says Lars Møller and goes on to say:

- It is our ambition to retain or add to the manning at the new local banks. On the one hand, because the employees are the basic prerequisite for retaining and attracting customers, and because we intend to establish pension & investment centres in both Roskilde and Holbæk, where the plan is to appoint investment and pension specialists. In Elsinore, which is a relatively new branch, we also expect to increase staffing in step with our expanding the business volume.

Positive synergies

Despite the costs arising as a result of the integration process, Spar Nord expects that the takeover of the seven branches will have a neutral impact on the Bank's core earnings before losses and impairment in 2008 as compared with the most recently published forecasts, which are thus still expected to hover around DKK 675-775 million. The acquisition is expected to contribute DKK 60-70 million to the Bank's core earnings before impairment for 2009.

At the same time, the expectation is that incorporating the new branches into Spar Nord's decentralized business model will engender positive synergies in the long term, and that it will be possible to realize new potential in the local areas in terms of customer intake, activity volume and earnings.

Finally, the strengthened national market position - a step towards the fulfilment of Spar Nord's goal to become a nationwide bank - is expected to have a positive impact on the rest of the chain.

Spar Nord facts

After the establishment of the three new areas on Zealand, the Spar Nord chain consists of 32 bank areas with 86 local banks. The Spar Nord Group has 1,550 employees, who serve about 265,000 customers throughout the country. The Group's total business volume amounts to about DKK 85 billion.

Press conference

Spar Nord, Nordea, Arbejdernes Landsbank and Roskilde Bank will hold a joint press conference today at 11 a.m. at Hotel Scandinavia in Copenhagen. Lars Møller, Managing Director will be representing Spar Nord. It will not be possible to get more comments before the press conference. In continuation of the conference, there will be a possibility of individual interviews, and the rest of the day Lars Møller can be reached at tel. +45 2527 0000 for comments.

Sincerely yours,
Spar Nord Bank

Ole Madsen,
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