

To Nasdaq OMX Copenhagen and the press

22 September 2011

Company Announcement no. 9

## **Spar Nord Bank concludes agreement with Jyske Finans A/S regarding the sale of Finans Nord Easyfleet A/S and transfer of the forward-looking activities of Finans Nord A/S**

**On 22 September 2011, Spar Nord Bank's subsidiary, Finans Nord A/S, concluded an agreement with Jyske Bank's subsidiary, Jyske Finans A/S, according to which Jyske Finans will acquire Finans Nord Easyfleet A/S and take over the forward-looking activities of Finans Nord A/S as of 1 October 2011. At the same time, it was agreed that Jyske Finans will take over the administration of Finans Nord's Danish leasing portfolio. The remaining portfolio at Finans Nord A/S will be phased out, and the transaction will thus significantly boost Spar Nord's efforts to ensure comfortable strategic liquidity in the years to come.**

In connection with the announcement of the Group's Interim Report on 17 August 2011, a decision was made to divest the Group's leasing activities in light of the uncertain funding market for Danish financial institutions. A process to explore the potential for a whole or partial divestment was also launched.

The primary reason for this decision was the fact that the Group's senior funding is partly made up of Spar Nord's DKK 7.2 billion of state-guaranteed bond issues, which fall due in 2011-13. As the leasing company Finans Nord A/S, with its subsidiaries SN Finans Nord AB and Finans Nord Easyfleet A/S, had assets totalling about DKK 8.5 billion at 31 August 2011, and since Finans Nord is primarily financed by Spar Nord Bank, divesting the Group's leasing activities will significantly reduce Spar Nord's need for senior funding.

### **Jyske Finans will take over the forward-looking activities and the administration of Finans Nord's existing portfolio**

The agreement with Jyske Finans A/S means that as of 1 October 2011 Jyske Finans will take over the forward-looking activities of Finans Nord A/S and a large number of its employees. At the same time, it has been agreed that Jyske Finans will take over the administration of Finans Nord's existing leasing contracts in return for an agreed fee paid on an ongoing basis.

#### **Spar Nord Bank A/S**

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Finans Nord A/S will then phase out its existing leasing portfolio, which amounts to DKK 6.2 billion as of today. The average contractual term of the underlying agreements is 48 months, and the historical repayment period is 30-38 months due to premature redemption. The portfolio is expected to decrease to DKK 5.7 billion at end-2011, to DKK 3.5 billion at end-2012 and DKK 1.5 billion at end-2013.

This wind-down should be viewed in light of the fact that Spar Nord Bank A/S' bond issues covered by a state guarantee fall due as follows: DKK 1.0 billion in 2011, DKK 3.7 billion in 2012 and DKK 2.5 billion in 2013.

### **Jyske Finans buys Finans Nord Easyfleet A/S at the carrying amount**

In addition, it has been agreed that Jyske Finans will buy Finans Nord Easyfleet A/S, a market leader in Denmark within operational leasing of passenger cars and vans. The acquisition takes place at the carrying amount in Finans Nord's books, corresponding to the equity of about DKK 41 million. Jyske Finans will take over the shares in the company, the employees and the portfolio of operating leases, amounting to about DKK 216 million.

In connection with the transaction, Finans Nord Easyfleet A/S' debt to Spar Nord Bank A/S in the amount of DKK 200 million will be redeemed.

### **New distribution agreement**

Spar Nord and Jyske Finans will also conclude a distribution agreement, which means that Spar Nord will offer leasing products under its own name to its own retail and business customers in cooperation with Jyske Finans.

### **Sales process regarding SN Finans Nord AB still underway**

The process regarding the potential divestment of the third and last part of Finans Nord's activities, the leasing business in Sweden operated by SN Finans Nord AB, with a loan volume of DKK 2.1 billion, is still in progress and expected to be finalized before the end of 2011. Thus, SEB Enskilda also operates as adviser to Spar Nord in connection with the divestment of SN Finans Nord AB.

### **Non-recurring costs and future earnings expectations**

In connection with the transaction, Spar Nord will expense various non-recurring costs in Q3 2011 that will impact on the 2011 profits. Thus, payroll costs in connection with the restructuring process are expected to amount to DKK 14 million, goodwill impairment to DKK 25 million and other transaction costs to DKK 6 million.

The sale of Finans Nord Easyfleet A/S will realize goodwill in the amount of DKK 3.4 million.

Starting with the quarterly report for Q3, the leasing activities will be categorized as discontinuing activities in the Spar Nord Group's financial statements. At the same time, a more detailed account will be given of the importance of the transaction to the Spar Nord Group's future earnings expectations.

The agreement is not conditional upon approval by the authorities or consents by other parties.

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Lasse Nyby, Chief Executive Officer of Spar Nord Bank, has the following comment on the agreement:

- Finans Nord has been good business for the Spar Nord Group for many years. But in a market where funding has become a scarce and expensive resource, the most sensible thing for us is to divest the leasing activities and focus on creating growth in our banking business. Given the agreement we have now concluded with Jyske Bank, we will be able to divest the portfolio gradually as our senior funding falls due, and within a few years we will see deposits and loans balance. At the same time we will ensure that the activities of Finans Nord and Easyfleet are conducted professionally for the benefit of both customers and employees.

Sincerely yours,  
Spar Nord Bank A/S

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