

Nasdaq OMX Copenhagen A/S
Nikolaj Plads 6
1007 København K

Skjern, 20 November 2009

Stock announcement no. 17/2009

Skjern Bank issues subordinated loan capital

Skjern Bank issues subordinated loan capital as much as DKK 100 million.

The bank will in the period 23rd November 2009 to 8th December 2009 at 4.00 p.m., 23th November and 8th December included, offer capital certificates for as much as DKK 100 million. A drawing amount of minimum DKK 10 million has been determined, in order that the drawing will go through.

The drawing has not been guaranteed.

In case of oversubscription 50 % of the capital certificates will have preference to existing shareholders registered by name. In this preference the list of shareholders registered by name as of the 19th November 2009 will be taken as starting point.

The capital certificates run out on the 14th December 2017 with the possibility of repayment on and after the 14th December 2014. The capital certificates will repaid at par value not later than the 14th December 2017.

The capital certificates have a fixed yield interest for the period from 14th December 2009 to 14th December 2014 of 8 % per annum of the nominal value. On and after the 14th December 2014 and until the 14th December 2017 the capital certificates will have a yield interest of 3 month CIBOR set by Danmarks Nationalbank plus 6,442 % per annum.

The capital certificates are issued at nominal DKK 1,000 with a minimum drawing of DKK 10,000.

The emission of the capital certificates will be executed at a rate of 100, and will be applied for admission at Nasdaq OMX Copenhagen A/S with an expected first quotation day on the 14th December 2009.

In connection with the emission a prospectus has been made out, and which from the 20th November 2009 can requested from Skjern Bank, Banktorvet 3, DK 6900 Skjern, telephone +45 96 82 14 14 or can be downloaded from www.skjernbank.dk. Furthermore the prospectus



is announced at ATRIUM Partners A/S' and Nasdaq OMX Copenhagen A/S' website. The prospectus is made out in Danish only. ATRIUM Partners has assisted as financial advisor.

The emission is a supplement to the banks taken up hybrid core capital under the Danish Act on Government Capital Injections into Credit Institutions (known as the Credit Package) of DKK 65 million according to Stock Exchange Announcement No. 16/2009 of the 18th November 2009.

The bank decided to take only DKK 65 million from the "Credit Package", from which "Credit Package DKK 117 million granted. This decision was taken in order to be able to offer a potential high-yielding investment to the banks shareholders, clients, etc. For more information: visit www.skjernbank.dk.

Based upon complete drawing of the emission of the capital certificates of DKK 100 million combined with the taken up of DKK 65 million hybrid core capital from the "Credit Package", the banks core capital ratio can be calculated to 12,4 % and the solvency ratio to 17 % based on the banks figures as of the 30th September 2009.

Questions regarding this notice may be addressed to Lars Lerke or Per Munck.

Yours sincerely,
Skjern Bank

Per Munck
Director