



Swedbank

Press Release

from Swedbank and Färs & Frosta Sparbank

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Swedbank and Färs & Frosta Sparbank develop their collaboration in Skåne

The Boards of Directors of Färs & Frosta Sparbank and Swedbank have decided to strengthen their collaboration. During 1999, Färs & Frosta Sparbank will be transformed into a foundation, Sparbanksstiftelsen Färs & Frosta whose objective will be to develop further and modernize the savings bank concept and increase the opportunities for acting to promote the development of the district. At the same time, Färs & Frosta Sparbank AB, a banking company will be formed, of which 70 percent will be owned by the aforementioned savings bank foundation and 30 percent by Swedbank, by Swedbank subscribing for shares for more than SEK 250M. The transaction is subject to approval by the requisite authorities.

Swedbank will sell its branch office operations in Lund, Staffanstorp, Löddeköpinge, Svalöv, Kågeröd and Tågarp to Färs & Frosta Sparbank with the aim of strengthening its competitiveness in Skåne and streamline the geographic division in the region. The new bank will have a business volume of approximately SEK 15 billion and 285 employees in 26 branch offices. The combined deposit and lending volume is estimated to be in the region of SEK 8 billion, of which approximately SEK 2 billion is attributable to the branch office operations which will now be transferred from Swedbank.

"We have had a significant increase in the business volume in addition to the SEK 3.5 billion which we acquired on March 1, 1998," says Lennart Haglund, President of Färs & Frosta Sparbank. "Our service concept has made a great impact throughout the region and further expansion is therefore natural. At the same time, it is a considerable advantage to have a strong national and international partner."

As soon as possible, the Board of Färs & Frosta will call Extraordinary Savings Bank Meetings which will be held in January 1999. Subject to the approval of the Savings Bank Meeting, the Board of Färs & Frosta Sparbank together with Swedbank will proceed in the transformation process.

"The agreement with Färs & Frosta Sparbank is a very good example of the positive development of the collaboration between FöreningsSparbanken and the independent savings banks throughout Sweden. For Swedbank the alliance with independent savings banks is of significant strategic importance whether this involves joint ownership or not. Through its strong local presence, Färs & Frosta Sparbank has been a model for the development of Swedbank's own local bank operations," says Reinhold Geijer, President and CEO of Swedbank.

"This is a way of streamlining the operations and the geographic division. Färs & Frosta Sparbank is already represented in parts of Lund and Kävlinge municipalities. The fact that the borders become increasingly clearly defined is a logical development which benefits all parties. The branch office operations in the areas involved are also closely in line with Färs & Frosta's other operations," says Anders Rex, Executive Vice President of Swedbank.

The staff of the offices involved are in principle not affected by the change of ownership. They will be transferred to become employees of Färs & Frosta Sparbank.

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