



Swedbank

Press Release from FöreningsSparbanken

November 23, 1999

Sparebank 1 Gruppen in Norwegian bank transaction

The Norwegian Sparebank 1 Gruppen AS and Vår Gruppen ASA has decided to merge according to the following press release by the parties. A principle agreement has been reached concerning integration and cooperation and the acquisition by Sparebank 1 Gruppen of the shares in Vår Gruppen with operations in bank and insurance.

The Board of Directors of FöreningsSparbanken (Swedbank) has decided to support the transaction by a capital contribution of 341,7 MNOK which at the same time will increase FöreningsSparbanken's ownership in Sparebank 1 Gruppen from 24 to 25 per cent.

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Press release

Sparebank 1 Gruppen join forces with Vår Gruppen ASA New strategic and business-orientated alliance

The Board of Directors of Vår Gruppen ASA and the Board of Sparebank 1 Gruppen yesterday night approved a proposition to a principle agreement regarding cooperation and integration. Following the agreement Sparebank 1 Gruppen will acquire the shares of Vår Gruppen ASA. Trade unions will own 10 per cent of Sparebank 1 Gruppen AS.

Sparebank 1 Gruppen AS will pay NOK 3.3 billion for the shares in VÅR Gruppen ASA. Apart from the acquisition there will be developed an extensive strategic and business-orientated alliance between Sparebank 1 Gruppen AS and the current owners of Vår Gruppen ASA.

The agreement, following an initiative by Sparebank 1 Gruppen is founded on a broad understanding of the challenges that Norwegian financial institutions are facing in a domestic and a nordic perspective – and how these should be met. The agreement also means that the arrangements in Vår of trade unions' members will be brought forward and further developed as an advantage for the members of LO. The traditions of the trade unions to be an active operator in the financial community will also be developed by the agreement.

Additionally there have been made long term agreements that the new group will be main supplier of financial products and services to LO and NKL. The trade unions through LO will also own 10 per cent of Sparebank 1 Gruppen AS. The ownership of Sparebank 1 Gruppen after the completion of the transaction will be such that the banks of Sparebank 1 own 65 per cent, LO 10 per cent and FöreningsSparbanken (Swedbank) owns 25 per cent.

Following the merger with Vår bank & insurance, that currently is the fourth largest insurance operation and the seventh largest commercial bank in Norway, the new Sparebank 1 alliance will be the fourth largest bank and insurance operation in Norway with close to NOK 180 billion in managed assets.

- The new group will have a new and stronger position in the Norwegian finance market with solid geographical coverage. Vår Bank & Insurance and Sparebank 1 Gruppen complements each other in a very positive way. Sparebank 1 will have substantially stronger supply within casualty and life insurance and at the same time the supply of bank service will be strengthened especially in Oslo/Akershus. The customers of Vår Bank & Insurance will in their turn have a much larger distribution network which also will form a foundation for increased sale of insurance products. Together the new entity will offer both bank, fund and insurance products in more than 400 locations in Norway, says Tor Læg Reid, President of Sparebank 1 Gruppen and Jan Tore Berg-Knutsen, CEO of Vår Gruppen ASA.



The new alliance means that Sparebank 1 Gruppen AS acquires the operations of Vår Bank & Insurance. In practice the integration will be executed by merging the product companies of the two holding companies. The casualty and life insurance companies will be merged and included in Vår Livforsikring and Vår Skadeforsikring. Vår Fondsförvaltning will be merged into Odin Forvaltning. Vår Bank in Oslo and Akershus region will be further developed as a part of Sparebank 1 Gruppen AS. The region banks of Vår will be merged into the banks of Sparebank 1 where currently located.

Jan Tore Berg-Knutsen, CEO of Vår Gruppen ASA, after the merger will be Senior Advisor of Sparebank 1 Gruppen AS.

Tor Lægreid, President of Sparebank 1 Gruppen AS will govern the new company while Ole Grøterud, currently deputy CEO of Vår will be responsible for the insurance operations of the Group and Deputy President.

There will be no lay-offs in any of the companies as a result of the merger. The agreement is conditioned by the authorities' approval on satisfying conditions.