

PRESS RELEASE

Løkken Sparebank A/S  
Søndergade 3  
DK-9480 Løkken  
CVR No. 32 08 46 56

5 October 2009

## Judicial inquiry concerning Løkken Sparekasse to be initiated

**Having consulted the Financial Stability Company, the supervisory board of Løkken Sparebank A/S, which is a wholly owned subsidiary bank of the Financial Stability Company, has decided to initiate an impartial judicial inquiry. The inquiry will shed light on the reasons why Løkken Sparekasse had to give up its independence in March 2009 and be acquired by the state-owned Financial Stability Company.**

The Financial Stability Company's takeover of Løkken Sparekasse occurred when the savings bank established that its reserves as well as deposited guarantees were lost, and that the savings bank therefore did not meet the legal demands for financial institutions.

The attorneys-at-law are to produce an account that will form the foundation of the board's assessment of whether to take legal steps towards the bank's former board and management, accountants or other persons.

The persons who are to carry out the inquiry will soon be appointed.

### **Background for judicial inquiry**

The decision to initiate a judicial inquiry that will shed light on the circumstances leading to the cessation of Løkken Sparekasse's status as an independent financial institution is to be seen in the light of the considerable losses that have been noted.

The healthy parts of the savings bank were sold to Nordjyske Bank as of 1 April 2009, and the remaining parts of the savings bank's activities were taken over by a newly established company, Løkken Sparebank A/S, which is owned by the Financial Stability Company.

In June 2009, Løkken Sparebank A/S stated that it was necessary to make further provisions for depreciation of DKK 400 million on loan commitments, which increased total provisions for depreciations to more than DKK 800 million.

Today, Løkken Sparebank's total loans amount to more than DKK 1.4 bn, of which depreciation of DKK 800 million has been made.

"It is important to examine what has led to the considerable losses in the savings bank – losses that include the many underwriters' loss of the guarantees they had deposited in Løkken Sparekasse, and losses that will be covered by the Private Contingency Association. At the same time, we want to know if anyone has acted in an actionable manner," says chairman of the board Ole Jørgensen, Løkken Sparebank A/S.

### **For further information, please contact:**

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