

The Danish Financial Supervisory Authority
Nasdaq Copenhagen A/S

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New capital plan for Vestjysk Bank and voluntary offer to the shareholders of Vestjysk Bank

As announced in the Board of Directors' action plan, described for example in the 2016 annual report, the Bank has explored the options of improving its capitalisation.

A group of long-term Danish investors have resolved to submit a voluntary offer for all shares in Vestjysk Bank A/S. The Ministry of Finance has today announced a conditional acceptance of the offer on behalf of the Danish State, which owns 81% of the shares in the Bank.

The announcement about the investor group's decision to submit a voluntary offer is attached (in Danish) and is hereby published pursuant to section 4(1) of the executive order on takeover bids.

The group of investors comprises Nykredit, Maj Invest (on behalf of customers), Arbejdernes Landsbank, AP Pension, Novo A/S, the C.L. David Foundation and Collection, ISP Pension and Vestjylland Forsikring.

The agreement to buy the Danish State's stake in the Bank is part of an overall solution, the three elements of which will ensure a future position for Vestjysk Bank as a strong regional bank. In the present situation, the Bank is challenged by low capitalisation, but the overall solution will considerably strengthen its total capital. After the implementation of the plan, Vestjysk Bank's surplus solvency is expected to be approximately 7 percentage points, against the 0.7 of a percentage point recorded in Vestjysk Bank's interim report for Q1 2017.

The overall plan comprises three elements:

- The investor group will buy the shares of those of Vestjysk Bank's shareholders who accept the investor group's voluntary offer, including the Danish State's stake.
- The investor group will then guarantee the completion of a share issue raising DKK 745 million in new equity to Vestjysk Bank and ensuring that the shareholders who decline the investor group's offer will be able to participate in the overall solution on an equal footing with the investor group.
- In addition, the plan will ensure that Vestjysk Bank can refinance existing and issue new subordinated loan capital.

The overall solution was set up after Vestjysk Bank requested Nykredit to lead the efforts to secure a long-term solution to the Bank's capital situation. Nykredit devised the overall solution and secured the backing of long-term Danish investors.

Facts about the overall solution

The investor group offers DKK 1 per share to all shareholders in a voluntary offer. The Danish State and the state-owned company Finansiel Stabilitet together own a total of 123,027,893 shares, corresponding to 81.47% of the shares. The Ministry of Finance has today accepted the offer on behalf of the Danish State, agreeing to sell its shares at a total

price of just over DKK 123 million. The Ministry of Finance's acceptance is conditional on the completion of the overall solution and on no other offer coming forward that the Danish State on the whole would deem to be financially more advantageous to the Danish State. Such offer must be submitted publicly prior to expiry of the investor group's voluntary offer.

On the part of the investor group, the voluntary offer and other elements of the overall plan are conditional on, among other things, the European Commission reaching a decision in the pending case on state aid against Vestjysk Bank and that such decision does not expose Vestjysk Bank to any significant negative impact.

To ensure the capitalisation of the Bank, Vestjysk Bank will effect a share issue as soon as possible after completion of the investor group's voluntary offer, which will be open to all Vestjysk Bank shareholders. The share issue will comprise approximately 745 million new shares with a nominal value of DKK 1 each and the investor group will guarantee the issue. Accordingly, DKK 745 million in new equity will be injected into Vestjysk Bank. Vestjysk Bank will then be able to repay the approximately DKK 316 million in state-funded additional tier 1 capital. Shareholders who do not accept the investor group's voluntary offer will be able to participate in the emission on the same terms as those of the investor group.

By 10 July 2017, a formal offer document will be presented to all shareholders of Vestjysk Bank. The offer document will provide details of each element of the overall solution as well as a timeline for the process. In accordance with section 23 of the executive order on takeover bids, Vestjysk Bank's Board of Directors will prepare and publish a report setting out and motivating the Board of Directors' position on the offer. The share issue and the refinancing of additional tier 1 capital are expected to be finalised in the autumn of 2017.

The conditional sales agreement covers the shares held by the Danish State and Finansiell Stabilitet. The investor group invites the remaining shareholders to consider participating in the overall solution.

To the investor group, the investment is purely financial in nature. None of the investors will gain control over Vestjysk Bank, nor do any of the investors wish to combine Vestjysk Bank's activities with their own.

Facts about the individual investors' roles in the overall solution

Nykredit Realkredit A/S has committed to invest DKK 125-178 million in share capital in Vestjysk Bank. The exact amount will depend how many of the current shareholders decide to participate in the share issue. Accordingly, on completion of the overall solution, Nykredit will own 14%-19.9% of the Bank.

Fondsmæglerselskabet Maj Invest A/S has committed to invest DKK 200 million in share capital in Vestjysk Bank on behalf of its Danish clients. Accordingly, on completion of the overall solution, these clients will have an aggregate stake of 22.3%.

Aktieselskabet Arbejdernes Landsbank has committed to invest DKK 100-175 million in share capital in Vestjysk Bank. The exact amount will depend how many of the current shareholders decide to participate in the share issue. Accordingly, on completion of the overall solution, Arbejdernes Landsbank will own 11.2%-19.4% of the Bank.

AP Pension Livsforsikringsaktieselskab has committed to invest DKK 150-165 million in share capital in Vestjysk Bank. The exact amount will depend how many of the current shareholders decide to participate in the share issue. Accordingly, on completion of the overall solution, AP Pension will own 16.7%-18.4% of the Bank.

Novo A/S has committed to invest DKK 75 million in share capital in Vestjysk Bank. Accordingly, on completion of the overall solution, Novo A/S will own 8.4% of the Bank.

C.L. David Foundation and Collection has committed to invest DKK 25-40 million in share capital in Vestjysk Bank. The exact amount will depend how many of the current shareholders decide to participate in the share issue. Accordingly, on completion of the overall solution, C.L. David Foundation and Collection will own 2.8%-4.4% of the Bank.

ISP Pension has committed to invest DKK 30-40 million in share capital in Vestjysk Bank. The exact amount will depend how many of the current shareholders decide to participate in the share issue. Accordingly, on completion of the overall solution, ISP Pension will own 3.3%-4.5% of the Bank.

Vestjyllands Forsikring GS has committed to invest DKK 25 million in share capital in Vestjysk Bank. Accordingly, on completion of the overall solution, Vestjyllands Forsikring will own 2.8% of the Bank.

In addition to the above, a number of Danish investors have committed to invest around DKK 325 million in subordinated loan capital.

Please address any questions regarding this announcement to Vagn Thorsager, Chairman of the Board of Directors, at tel. +45 96 63 21 03 or mobile +45 40 53 92 55.

Vestjysk Bank A/S

Vagn Thorsager
Chairman

This announcement is not an offer or a solicitation to sell or buy securities in Vestjysk Bank A/S. The voluntary offer is made neither directly nor indirectly in any jurisdiction where this would constitute a violation of legislation within said jurisdiction. This announcement and other documents regarding the offer may not be sent, forwarded or distributed in any other way within a jurisdiction where this would constitute a violation of legislation within said jurisdiction and in the excluded jurisdictions USA, Canada, Japan, Australia, Hong Kong and South Africa. The voluntary offer is made solely on the basis of the offer document prepared and published by the investors as described above. The offer document will contain the complete terms and conditions of the voluntary offer. Shareholders in Vestjysk Bank A/S are recommended to read the offer document and any associated documents as these will contain important information regarding the voluntary offer. Shareholders are advised that this announcement does not constitute a recommendation or statement from the board of directors of Vestjysk Bank A/S regarding the voluntary offer pursuant to Section 23 of the Executive Order on Takeover Bids.

This announcement does not constitute an offering circular and nothing herein contains an offering of securities. Any offering of securities will only be made in accordance with applicable rules for such offerings, including, but not limited to, directive 2003/71/EF (as amended and together with any applicable implementing measures in any EEA member state, the "Prospectus Directive"), and no one should purchase or subscribe for any securities in Vestjysk Bank A/S, except on the basis of information in any offering circular, or pursuant to applicable exemptions to the Prospectus Directive.

Matters discussed in this release constitute or may constitute forward-looking statements. The forward-looking statements in this announcement are based upon various assumptions, many of which are based, in turn, upon further assumptions. These assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond the company's control. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements.