

Merger Plan

for the merger of Vestjysk Bank A/S, company reg. no. 34 63 13 28 and Aarhus Lokalbanc Aktieselskab, company reg. no. 37 72 91 16

This document has been prepared in a Danish-language and an English-language version. In the event of discrepancies, the Danish version shall prevail.

The boards of directors in Vestjysk Bank A/S and Aarhus Lokalbanc Aktieselskab have made this merger plan with the intention of completing a merger of the two companies pursuant to chapter 15 of the Danish Companies Act (in Danish “*selskabsloven*”) with Vestjysk Bank A/S as the continuing company and Aarhus Lokalbanc Aktieselskab as the discontinuing company.

1 Background

- 1.1 On 25 January 2012, Vestjysk Bank A/S and Aarhus Lokalbanc Aktieselskab announced that the two banks contemplate to merge with Vestjysk Bank A/S as the continuing company as well as to execute a capital plan in the continuing company, Vestjysk Bank A/S.
- 1.2 The proposed merger originates from a mutual desire from the board of directors of both banks to expand the commercial basis in Eastern Jutland and create an even stronger Jutland regional bank through operational synergies.
- 1.3 A merger of the two banks will furthermore create a basis for the contemplated capital plan that – if executed – will result in a strengthening of the long term liquidity and capital base of the continuing bank.
- 1.4 The merger is furthermore intended to address the funding challenges of Vestjysk Bank A/S and to create in improved basis for a future successive reduction of the state guaranteed loans.

2 The names of the merging banks

- 2.1 The names of the merging banks are:

Vestjysk Bank A/S (company reg. no. 34 63 13 28) and

Aarhus Lokalbanc Aktieselskab (company reg. no. 37 72 91 16).
- 2.2 Vestjysk Bank A/S also has the following secondary names: Aktieselskabet Ringkjøbing Bank, A/S Nordvestbank, Bonusbanken A/S, Holstebro Landmandsbank A/S, Lemvig Bank A/S, Lemvig Folkebank A/S, Lokalbanc Lemvig A/S, Lokalbanc Vestjylland A/S, NV Finans A/S, VB-Finans A/S, Vestbank A/S, Vestjysk Bolig A/S, Vestjysk Finans A/S, Vestjysk Leasing A/S and Vestjysk Lokalbanc A/S.
- 2.3 Aarhus Lokalbanc Aktieselskab also has the following secondary names: Aarhus Lokalbanc A/S, Aros Bank Aktieselskab, Byens Bank Aktieselskab, Hadsten Bank Aktieselskab, Jyllands Bank Aktieselskab and Langå Bank A/S.
- 2.4 After the merger the continuing company will continue under the name Vestjysk Bank A/S and have the following secondary names: Aarhus Lokalbanc Aktieselskab, Aarhus Lokalbanc A/S, Aktieselskabet Ringkjøbing Bank, Aros Bank Aktieselskab, A/S Nordvestbank, Bonusbanken A/S, Byens Bank Aktieselskab, Hadsten Bank Aktieselskab, Holstebro Landmandsbank A/S, Jyllands Bank Aktieselskab, Langå Bank A/S, Lemvig Bank A/S, Lemvig Folkebank A/S, Lokalbanc Lemvig A/S, Lokalbanc Vestjylland A/S, NV Finans A/S, VB-Finans A/S, Vestbank A/S, Vestjysk Bolig A/S, Vestjysk Finans A/S, Vestjysk Leasing A/S and Vestjysk Lokalbanc A/S.

3 Registered offices of the banks

3.1 Vestjysk Bank A/S has its registered office in the municipality of Lemvig and has its main office at Torvet 4, DK-7620 Lemvig. Aarhus Lokalbanc Aktieselskab has its registered office in the municipality of Aarhus and has its main office at Havnegade 2A, DK-8000 Aarhus C.

3.2 After the merger, the continuing company Vestjysk Bank A/S will continue to have its registered office in the municipality of Lemvig and its main office at Torvet 4, DK-7620 Lemvig.

4 Taxation

The merger will be effected as a taxable merger.

5 Conditions

5.1 Completion of the merger is subject to:

- (a) Approval by the Danish Financial Supervisory Authority of the merger in accordance with section 204 of the Danish Financial Business Act;
- (b) receipt of approvals from the Danish anti-trust authorities; and
- (c) approval of the merger by the shareholders of each of the merging companies in general meetings.

5.2 The merger is intended to be approved at the annual general meetings of the merging companies to be held on 28 March 2012 in Aarhus Lokalbanc Aktieselskab and 29 March 2012 in Vestjysk Bank A/S. If deemed appropriate by the boards of directors, the approval of the merger can be postponed to a later point in time.

5.3 The merger cannot be completed, if the merger has not been approved and filed for registration with the Danish Business Authority on 28 February 2013 at the latest.

6 Time of the merger

6.1 For accounting purposes the merger shall have effect as of the date where the conditions in Clause 5.1 have been satisfied. At the same time, the merger will take effect for legal purposes.

6.2 As of the merger, Aarhus Lokalbanc Aktieselskab will be dissolved, as the rights and obligations of Aarhus Lokalbanc Aktieselskab will be deemed to have passed to Vestjysk Bank A/S in their entirety.

7 Consideration for the shares in Aarhus Lokalbanc Aktieselskab

7.1 As consideration for the shares in Aarhus Lokalbanc Aktieselskab, the shareholders of Aarhus Lokalbanc Aktieselskab receive shares in Vestjysk Bank A/S at an exchange ratio of 1:4. Accordingly, for every four shares of nominally DKK 10 in Aarhus Lokalbanc Aktieselskab the shareholders of this company receive one share of nominally DKK 10 in

Vestjysk Bank A/S. Reference is made to Clause 9 below regarding the practical execution of the exchange.

- 7.2 Any shares in Aarhus Lokalbanc Aktieselskab held by the merging companies as of the time of the merger, cf. Clause 6, are cancelled at the merger and will not be exchanged to shares in Vestjysk Bank A/S.
- 7.3 As a result of the merger, the share capital in Vestjysk Bank A/S will be increased with nominally DKK 39,664,440, and the thereby issued shares constitute merger consideration. After the merger, the share capital of Vestjysk Bank A/S will amount to nominally DKK 306,444,390.
- 7.4 In accordance with section 240(2) of the Danish Companies Act, a valuation report will not be prepared in connection with the capital increase, as a valuation experts' statement on the merger plan pursuant to section 241 of the Danish Companies Act as well as a valuation experts' declaration on the creditors' position pursuant to section 242 of the Danish Companies Act have been prepared.
- 7.5 The determination of the consideration is described in the merger statements from the boards of directors of the companies which will be published in connection with the merger plan. Further, reference is made to the valuation experts' statement which will be published in connection with the merger.

8 Shares in the continuing company

- 8.1 The new shares in Vestjysk Bank A/S issued as consideration to the shareholders in Aarhus Lokalbanc Aktieselskab entitle the holder to dividends from the time the merger takes effect for legal purposes, cf. Clause 6.
- 8.2 The shares in Vestjysk Bank A/S will remain listed and admitted to trading on NASDAQ OMX Copenhagen A/S after the merger. An application will be made to have shares issued in connection with the capital increase in Vestjysk Bank A/S admitted to trading on NASDAQ OMX Copenhagen A/S. Shares in Aarhus Lokalbanc Aktieselskab will be cancelled in connection with the merger and, accordingly, deleted from trade on NASDAQ OMX Copenhagen A/S.
- 8.3 Assuming that the merger is approved at the annual general meetings of the companies on 28 and 29 March 2012, it is expected that the first day of trading of the new shares in Vestjysk Bank A/S on NASDAQ OMX Copenhagen A/S will be on 2 April 2012, and the last day of trading of shares in Aarhus Lokalbanc Aktieselskab will be on 30 March 2012.
- 8.4 Pursuant to sections 12(1)(3) and 13(1)(4) of executive order no. 223/2010¹, a prospectus shall not be prepared in connection with offering to the public and admission to trading of shares that are offered, allotted or will be allotted in connection with a merger, if a document is prepared containing information corresponding to that of a prospectus. Accord-

¹ Executive order no. 223 of 10 March 2010 on the prospectus to be published for securities admitted to trading on a regulated market and for offers to the public of securities of more than EUR 2,500,000.

ingly, a prospectus will not be prepared in connection with the admission to trading of the issued shares in Vestjysk Bank A/S. Instead, an expanded company announcement is prepared and published complementing the corporate documents for a merger listed in the Danish Companies Act.

9 Exchange of shares etc.

- 9.1 As a result of the merger, all shares in the discontinuing company, Aarhus Lokalbanc Aktieselskab, are exchanged with shares in the continuing company Vestjysk Bank A/S, provided, however, that shares in Aarhus Lokalbanc Aktieselskab held by Vestjysk Bank A/S and Aarhus Lokalbanc Aktieselskab are not exchanged, cf. further Clause 7.2.
- 9.2 Exchange of shares will take place by registration in VP Securities A/S, when the merger is registered with the Danish Business Authority. Shareholders in Aarhus Lokalbanc Aktieselskab will receive a separate notice through their respective financial institutions when the merger has been registered and the exchange of shares is to take place.
- 9.3 If a shareholder in Aarhus Lokalbanc Aktieselskab holds a number of shares that is not divisible by four, such shareholder will, in addition to ordinary shares, also receive shares in the form of temporary fractional shares in Vestjysk Bank A/S. During a period of five business days from the allocation of fractional shares, the fractional shares will be tradable to the effect that the individual shareholder may contact Vestjysk Bank A/S to buy any additional fractional shares held by Vestjysk Bank A/S or sell fractional shares to Vestjysk Bank A/S. The price of a fractional share will be one fourth of the weighted average trading price of Vestjysk Bank A/S shares on NASDAQ OMX Copenhagen A/S during the five business days preceding the general meeting of Aarhus Lokalbanc Aktieselskab approving the merger.
- 9.4 After the expiry of the period for trade of fractional shares, shareholders holding fractional shares will receive one share in Vestjysk Bank A/S of nominally DKK 10 for each four fractional shares held.
- 9.5 Fractional shares that are not sold during the period for trade of fractional shares or exchanged, cf. Clause 9.4, will be converted to a cash amount which will be paid to the shareholder. The cash amount will be based on the same price as that to which the fractional shares trade in the trading period for fractional shares, that is, one fourth of the weighted average trading price of Vestjysk Bank A/S shares on NASDAQ OMX Copenhagen A/S during the five business days preceding the general meeting of Aarhus Lokalbanc Aktieselskab where the merger is approved. New shares in Vestjysk Bank A/S corresponding to the fractional shares thus traded, will be included in the continuing bank's holding of treasury shares.
- 9.6 Fractional shares will not be admitted to trading on NASDAQ OMX Copenhagen A/S.
- 9.7 Shareholders of Aarhus Lokalbanc may obtain details of the procedure for trading in fractional shares through their respective banks.

10 Shareholders and creditors with special rights

- 10.1 As part of the merger, Vestjysk Bank A/S is vested in Aarhus Lokalbanc Aktieselskab's agreement on state funded capital injection, whereby article 2a of Aarhus Lokalbanc Aktieselskab's articles of association is inserted as a new article 3B in the articles of association of Vestjysk Bank A/S. The underlying agreement regarding receipt of state hybrid core capital and the terms and conditions of the capital certificates, which constitute appendices 1-3 of the articles of association of Aarhus Lokalbanc Aktieselskab, will be inserted as new appendices 3-5 in the articles of association of Vestjysk Bank A/S.
- 10.2 As part of the vesting of state funded capital injection, Vestjysk Bank A/S has made an agreement with the Danish State represented by the Danish Ministry of Business and Growth concerning an amendment to and specification of the state funded capital injection. The agreement must be approved by the general meetings as part of the merger and will be added as a new appendix 6 to the articles of association of Vestjysk Bank A/S.
- 10.3 The maximum capital increase that can be effected in Vestjysk Bank A/S by a conversion of the state hybrid core capital taken out by Aarhus Lokalbanc Aktieselskab is nominally DKK 35,550,000. In addition hereto comes a possible conversion of accrued, not paid coupon rate of interest, which will be effected pursuant to article 9.10 of the articles of association of Vestjysk Bank A/S.
- 10.4 No other measures are taken with regard to shareholders or creditors with special rights in the discontinuing company.

11 Special rights for board of directors and management

In connection with the merger, no member of the boards of director or managements of Aarhus Lokalbanc Aktieselskab or Vestjysk Bank A/S shall enjoy any special rights.

12 Articles of association of the continuing company

- 12.1 Draft revised articles of association of the continuing company Vestjysk Bank A/S are enclosed.
- 12.2 At the annual general meeting of Vestjysk Bank A/S on 29 March 2012, a proposal has been made to further amend the articles of association. The amendments are described in the notice to convene the general meeting.

Hadsten, 28 February 2012

The board of directors of Vestjysk Bank A/S:

Anders Kristian Bech

Poul Hjulmand

Kirsten Skou Lundgaard-Karlshøj

Bjørn Albinus

Carl Olav Birk Jensen

Palle Hoffmann

Peter Bækkelund Rasmussen

Malene Rønø

Aarhus, 28 February 2012

The board of directors of Aarhus Lokalbanc Aktieselskab:

Carsten Andersen

Flemming Johansen

Jørn Sørensen

Jan Vestergaard Rasmussen

Camilla Lund

Hans Peder Hansen

Per Enevoldsen