

LETTERHEAD OF THE DANISH FSA

The board of directors of
Vestjysk Bank A/S

27 June 2014

Extension of deadline for taking necessary measures and fulfilment of orders limiting the right of disposal

On 1 April 2014, pursuant to Section 124(3) of the Danish Financial Business Act, the Danish Financial Supervisory Authority set a solvency requirement of 10.9 per cent, corresponding to the adequate capital framework of approx. DKK 2,194 million. This requirement is still in effect.

Furthermore, the Danish Financial Supervisory Authority ordered Vestjysk Bank (hereinafter "the bank") to carry out necessary measures for the bank to re-establish this capital, and the bank was also notified of orders limiting its right of disposal. Based on the bank's expectation of clarification and execution of initiatives that will bring the bank's solvency above the solvency requirement, it was decided that the orders would be in effect until 1 July 2014, at which time the Danish Financial Supervisory Authority would conduct a new assessment of the orders.

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On 13 June 2014, the bank notified the Authority that it is continuing efforts to carry out the bank's recovery plan.

In accordance with Section 225(2) of the Danish Financial Business Act, the principal starting point is that rulings by the Danish Financial Supervisory Authority on solvency requirements and orders limiting the right of disposal for institutes that meet the requirement of 8 per cent solvency, cf. article 92 of the European Parliament and Council Regulation (EU) no. 575/2013 of 26 June 2013 on prudential requirements for credit institutions and investment firms, but which do not fulfil an individual solvency requirement set by the Danish Financial Supervisory Authority cf. Section 124(3) of the Danish Financial Business Act, are not temporally bounded.

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On the basis of the bank's information regarding these efforts aimed at executing the bank's recovery plan, the bank is ordered, pursuant to Section 225(2) of the Danish Financial Business Act, to continue taking the necessary measures to comply with the aforementioned solvency requirement and to submit a revised recovery plan to the Danish Financial Supervisory Authority.

Furthermore, the bank is ordered to refrain from paying dividends or interest on capital base elements already issued by the bank, i.e. share capital, hybrid core capital and supplementary capital.

Lastly, the bank is ordered not to take one significant new risks. Pursuant to this order, the bank may not increase its overall loan portfolio as calculated in the overall risk exposure as on 31 March 2014; however, in order to execute practical operations, the bank is provided with a window for operation by which the overall risk exposure may deviate by up to 5 per cent. This order also means that the bank may not grant exposures to new real estate customers.

The issued orders will become void upon the bank's fulfilment of the individual solvency requirement.

Within 4 weeks of receiving the decision, decisions by the Danish Financial Supervisory Authority can be brought before the Company Appeals Board by e-mail to the address ean@erst.dk or by post to Dahlerups Pakhus, Langelinje Allé 17, Postboks 2000, 2100 Copenhagen Ø, tel. +45 41 72 71 45, cf. Section 372(3) of the Danish Financial Business Act.

Pursuant to Section 7(2) of the Order on The Danish Ministry of Business and Growth's Company Appeals Board, a fee of DKK 4,000 is charged in connection with appeals to the Company Appeals Board. Pursuant to Section 15(4) of the aforementioned Order, the Board or the chairman on behalf of the Board may make a decision on a complete or partial refund of the fee if the appeal submitted is fully or partially granted. The fee is refunded if the appeal is rejected, cf. Section 8(2).

In accordance with Section 354a of the Danish Financial Business Act, in principal, rulings shall be made public. However, disclosure of rulings to the public may be postponed if such disclosure would cause disproportionate damage to the bank, cf. Section 354a(3). Disclosure by the Danish Financial Supervisory Authority will typically take place after the bank's own public announcement.

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A copy of this letter has been sent to the bank's external auditors.

Hearing

The bank received this ruling in a hearing on 26 June 2014.

Sean Hove

Office manager