The Danish Financial Supervisory Authority
NASDAQ OMX Copenhagen
Oslo Børs

Vestjysk Bank A/S
Torvet 4-5
DK-7620 Lemvig
Denmark
Phone +45 96 63 20 00

21 August 2014

Conversion of loan capital, raising of new loans and redemption of subordinated loan capital

As an important part of the Bank's recovery plan, agreements have been entered concerning the raising of new loans as subordinated capital as well as the conversion of hybrid capital.

The net effect of these agreements means, viewed in isolation, that the Bank's capital base as such will be increased by DKK 150 million from 1 September 2014.

The agreements concluded take effect on 1 September 2014, and when applying as the basis of calculation the Bank's recently published half-year report as at 30 June 2014, the Bank's solvency ratio will constitute 11.6% as opposed to the estimated solvency requirement of 11.1%. This means that the Bank again as from 1 September 2014 fulfils the individual solvency requirements, and that the restrictions imposed by the Financial Supervisory Authority therefore will lapse.

The solvency surplus of 0.5 percentage points corresponds to approx. DKK 100 million. Management considers this a very modest surplus and will therefore in the next few months continue its efforts to increase the surplus.

The efforts to improve the Bank's solvency ratio will primarily be aimed at reducing the Bank's stock of sector shares which cause a deduction in the Bank's capital base according to the solvency calculation rules. Furthermore, the Bank's future focus is committed to ensuring positive and constant consolidation by way of the operating results achieved and continued balance sheet improvements.

The actual changes to the Bank's supplementary capital consist of 3 new loans representing in the aggregate DKK 150 million as supplementary capital with effect as at 1 September 2014. The loans fall due on 1 September 2022 with an option for premature settlement as from 1 September 2019. Interest is charged at the CIBOR3 rate plus 7.5% per annum.

In connection with the raising of the new loans as at 1 September 2014, existing loans will be redeemed in the amount of DKK 150 million, originally raised as subordinated capital. After the introduction of the capital requirements regulation as at 31 March 2014, it is no longer possible to recognise these loans neither in whole nor in part in the Bank's capital base.

Furthermore, the terms governing a loan in the amount of DKK 75 million granted as hybrid core capital have been aligned to match the capital requirements regulation, which will increase the Bank's actual core capital by 0.4 percentage points. In this connection, the interest rate is increased from 5% per annum to 9.561447% per annum.

The loan transactions outlined above have been approved by the relevant authorities.

Any inquiries regarding the present announcement should be addressed to Vagn Thorsager, Chairman of the Supervisory Board, at tel. no. +45 96 63 21 03.

Vestjysk Bank A/S

The Supervisory Board