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Conditional agreement concerning the sale of 75 per cent of Sparinvest Holdings SE

A conditional agreement concerning the sale of 75 per cent of the share capital in Sparinvest Holdings SE ("Sparinvest") to the Nykredit Group has today been entered into by the group of owners of Sparinvest at a purchase price of DKK 2,245 million. Before completion of the transaction, dividend will be paid to the existing shareholders in an amount of DKK 155 million.

At present, Vestjysk Bank owns 10.6 per cent of the shares in Sparinvest. If the conditions for the transaction are satisfied, and the sale is completed, this will for the Bank generate an extraordinary tax-exempt income of approx. DKK 135.0 million and a dividend payment of approx. DKK 17.6 million. It is to be expected that this will result in an upward adjustment of the already announced expected profit after tax for 2019 by DKK 135 million to around DKK 360-410 million. The earnings expectations will not yet be adjusted seeing that there is some uncertainty surrounding the as of yet not satisfied conditions for completing the sale.

If the sale is completed, Vestjysk Bank's common equity tier 1 capital ratio and total capital ratio will be increased by approx. 1.3 percentage points due to the extraordinary income of DKK 135 million. At the end of 2018, Vestjysk Bank's total capital ratio was 19.7 per cent.

The completion of the transaction is conditional upon a number of factors, including the outcome of an ongoing due diligence process, the adoption at an extraordinary general meeting in Sparinvest as well as public authority approvals. The majority of the present shareholders are expected to continue as shareholders in Sparinvest with a total interest of 25 per cent.

If the conditions for the transaction are satisfied, the transaction is expected to be completed in Q3 of 2019.

In case of any queries regarding the present announcement, please direct these to Michael Nelander Petersen, Managing Director, at tel. (+45) 96 63 21 04.

Vestjysk Bank A/S

Vagn Thorsager
Chairman

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CEO