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Danske Bank A/S to merge MobilePay with Norwegian Vipps and Finnish Pivo

Danske Bank A/S has entered into an agreement with OP Financial Group in Finland and the consortium of banks behind Vipps in Norway to merge the three mobile payment providers MobilePay, Vipps and Pivo.

The ambition is to create Europe's best and most comprehensive digital wallet. Serving 11 million users and over 330,000 shops and web shops, the company will be one of the largest bank-owned mobile payment providers in Europe.

The parties wish to join forces to further strengthen product development and innovation and thereby provide a market-leading customer experience within payment solutions – while at the same time giving personal as well as business customers access to the best features of each of their existing solutions. In addition, the parties plan to invest heavily in e-commerce, which has been growing rapidly in recent years, and to ensure users access to mobile cross-border payments.

“MobilePay has been a fantastic success. At Danske Bank, we are proud to have developed MobilePay, which is providing free, user-friendly and innovative solutions to our users and easy, seamless payment solutions to businesses. However, it is very expensive to compete with global competitors in this space and in order to continue to develop the most attractive solutions for our customers, MobilePay must be part of something bigger to gain scale and pool investments for further innovation,” says Glenn Söderholm, Head of Personal & Business Customers in Danske Bank, and continues:

“No partnership would be better than teaming up with Norwegian Vipps – it is the perfect match for MobilePay. At the same time, it is a great strength that Pivo, owned by Finland's largest bank, OP, will also be part of the merger. We are proud to take part in creating a new and future-oriented fintech business in the Nordic region, and Danske Bank will continue to be a dedicated co-owner of the new business.”

The merger is expected to result in a one-off gain for Danske Bank of approximately DKK 400-500 million. The merger is conditional on approval by the relevant authorities, including the European Commission. Final approval is expected in the second half of 2021 or in early 2022, hence the one-off gain is not included in our current outlook for the full year.

The banks behind Vipps will own 65% of the new parent company, Vipps AS, Danske Bank will own 25% and the OP Financial Group will own 10%. The reason for the Norwegian share is that the banks behind Vipps cover almost the entire Norwegian banking sector.

The MobilePay brand and a shared platform

The MobilePay brand will continue in its current markets. Most personal users and businesses will therefore not experience any changes to their use of MobilePay, but will see new and innovative solutions becoming available at an even faster pace.

“By bringing a number of well-known brands into the ownership of a joint company, we will be strongly positioned in the market and ensure that we have the necessary scale to continue rapid growth. At the same time, we want to convey the message to other leading banks and platforms that we are open for dialogue. It is especially important for us that MobilePay’s close cooperation with the other Danish banks can continue. The potential participation of other banks may further underpin the ambition to create a strong European player in the payment area,” says Claus Bunkenborg, CEO of MobilePay and future member of the executive board of the new company.

The merged business will build the common technology platform starting from Vipps’ platform, which is independent from the owner banks, and runs fully in public cloud. With a shared technical platform and strengthened development capabilities, it will be considerably easier and faster to bring new products and solutions to the market for the benefit of both personal and business customers.

Organisation, management and employees

The parent company, Vipps AS, will be headquartered in Oslo, and the company will be subject to supervision by the Norwegian Financial Supervisory Authorities. Rune Garborg, the current CEO of Vipps, will become the CEO of the merged business. Claus Bunkenborg, the current CEO of MobilePay, will also become a member of the executive board.

Kjerstin Braathen, current chairman of Vipps and CEO of the largest bank in Norway, DNB, will be chairman of the board of directors of the new company. Danske Bank and OP will appoint members to the board of directors corresponding to their respective ownership shares.

There will be no layoffs as a result of the merger of Vipps, MobilePay and Pivo. All synergies from the establishment of the shared platform will be reinvested in strengthened development capabilities

in order to meet the new company's commitment to always providing the most customer-friendly payment solutions in the market.

All of MobilePay's locations in Finland (Helsinki), Denmark (Copenhagen and Brabrand) and Lithuania (Vilnius) will continue unchanged.

Press conference at 11am today

At 11am today, there will be a virtual press conference with representatives from all parties. Claus Bunkenborg will represent Danske Bank and MobilePay. Find the link to the press conference [here](#).

Danske Bank

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