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Dear Sirs,

Sydbank, Arbejdernes Landsbank and Vestjysk Bank enter into merger agreement

The Boards of Sydbank A/S ("Sydbank"), Aktieselskabet Arbejdernes Landsbank ("Arbejdernes Landsbank") and Vestjysk Bank A/S ("Vestjysk Bank") have today entered into an agreement to propose to their respective general meetings that the three banks merge. The merger will be completed with Sydbank as the continuing legal entity under the brand "AL Sydbank A/S" with headquarters in Aabenraa, Denmark.

The proposal will be submitted for approval at the extraordinary general meetings of the three banks held on 2, 3 and 4 December 2025. Separate notices will be issued for the general meetings.

The Boards of Sydbank, Arbejdernes Landsbank and Vestjysk Bank unanimously recommend the shareholders to vote in favour of the merger.

Background and purpose

The merger consists of Sydbank – known as Denmark's Commercial Bank, Arbejdernes Landsbank – the preferred bank for private customers in Denmark, and Vestjysk Bank – Denmark's strongest local bank. Together they will form AL Sydbank.

The merger creates one bank with a common set of values, a strong culture and one unifying goal of being one of Denmark's best performing, most efficient and profitable banks.

AL Sydbank will be a nationwide bank with local roots and distinct competitive strengths. A bank that understands both the Danes and Danish businesses. A bank that understands both city and countryside. A stronger bank in the Danish market.

AL Sydbank is based on a prudent set of shared values, built around integrity, customer focus, presence, employee commitment, shareholder focus and social responsibility. The bank will look after its customers and ensure they experience quality, proximity and insight into their needs through a business model focused on providing straightforward advice and on building long-lasting relationships.

The bank will offer Denmark's strongest branch network firmly rooted in local communities, where stability is a priority, and all customers will continue to receive the same trusted banking services as they do today. In addition, customers will experience the value creation that the merger brings. With greater scale and more competencies, AL Sydbank will be better equipped to underwrite more and larger commitments to the benefit of corporate clients.

At the same time, the merger brings new perspectives and opportunities to the banks' dedicated employees. AL Sydbank will need many and talented employees, who will be offered opportunities and clear career paths in a bank that is competitive and has ambitions to grow even stronger.

AL Sydbank is taking a step up in terms of the ability to withstand challenges. In a time where increased regulation, competitive pressure and digitalisation are challenging the banks' customer focus and competitiveness, the merger between Sydbank, Arbejdernes Landsbank and Vestjysk Bank will contribute to defining the future in Danish banking. The merger will ensure AL Sydbank's independence and a long-term position among the largest banks in the Danish market.

The merger combines the best of each bank, where the respective strengths and cultures fit well together. The combination of three strong sets of core values, three solid market positions and three competent organisations means that AL Sydbank can be the best private and commercial bank in Denmark – for customers, for employees, for owners and for society.

"By joining forces, we will achieve a long-term position in the Danish banking market and thus safeguard our independence and long-term value creation, which is a crucial part of Sydbank's strategy. AL Sydbank is built on the strengths that each of us are bringing to the table. By uniting our strengths, we become more competitive and better equipped to underwrite more and larger commitments for the benefit of corporate clients," says Ellen Trane Nørby, Chair of the Board of Directors.

Overall strategic rationale

The merger will support the fulfillment of the three banks' growth strategies in a market where increasing regulatory pressure and administrative burdens challenge customer attention and competitiveness.

By joining forces, a larger and more efficient financial foundation will be created, enabling AL Sydbank to:

- take on significantly larger commitments to the benefit of our corporate clients
- invest in digitalisation and customer experiences
- maintain decision-making close to customers and local communities
- achieve better capital utilisation and lower funding costs

The merger will thus contribute to a more competitive and long-term banking structure in Denmark.

AL Sydbank will be among Denmark's five largest banks with total lending of DKK 137 billion, deposits of DKK 207 billion and total credit intermediation of DKK 375 billion.

Expected synergies

Annual cost synergies are expected to be approximately DKK 1.2 billion before tax, which will be fully phased in after approximately 24 months. These synergies are expected to be realised gradually through the merger of IT platforms, staff functions and processes, as well as through the optimisation of the branch structure.

Substantial capital synergies are expected as a result of a decline in risk-weighted exposures of DKK 12-18 billion after approximately 36 months.

In addition to the financial gains, the merger is expected to generate significant competence and development synergies through combined investment capacity, a broader skills base, and enhanced opportunities to develop new solutions for both private and corporate customers.

Local roots and organisation

AL Sydbank will have its headquarters in Aabenraa, Denmark and a nationwide branch network. Sydbank's 13 existing local councils will be complemented by three new ones – in Western Jutland, Eastern Zealand and one affiliated with the former shareholders of Arbejdernes Landsbank.

From the merger date and until the general meeting in 2026, the General Assembly will consist of Sydbank's current 63 members elected at the general meeting and five members from the newly established local councils.

Subsequently, the General Assembly will consist of 60-80 members elected at the general meeting and 3-5 members elected from the newly established local councils.

Management and governance

At the time of the merger, the Executive Management of AL Sydbank will consist of: Mark Luscombe (CEO), Frank Mortensen (Deputy CEO), Jørn Adam Møller, Stig Westergaard, Peter Hupfeld, Svend Randers and Gry Bandholm.

After the merger and until the next annual general meeting and meeting of the General Assembly, the Board of Directors of AL Sydbank will consist of:

Ellen Trane Nørby (Chair), Claus Jensen (Vice-Chair), Søren Holm, Jon Stefansson, Susanne Schou, Brian Østergaard Roed, Janne Burkard Moltke-Leth, Henning Overgaard, Caroline Søeborg Ahlefeldt and Christian Riewe. In addition, there will be 4 employee-elected members from Sydbank.

After the Annual General Meeting and subsequent General Assembly meeting in 2026, the Board of Directors will consist of four members elected at the Annual General Meeting, eight members elected by the General Assembly and six members elected by the employees.

Ownership and transaction consideration

As consideration for the retiring shares, the following will receive:

The shareholders of Arbejdernes Landsbank will receive shares in AL Sydbank at an exchange ratio of 62.47:1, such that 62.47 shares with a nominal value of DKK 1 will be exchanged for 1 share with a nominal value of DKK 10.

Minority shareholders in Vestjysk Bank will receive shares in AL Sydbank at an exchange ratio of 100.52:1 and a cash consideration of DKK 1.78 per Vestjysk Bank share, corresponding to a premium of 34.23 % to Vestjysk Bank's volume-weighted average price on 24 October 2025.

After the merger, the ownership structure of AL Sydbank is expected to be 57.15 % held by Sydbank's current shareholders, 39.00 % by Arbejdernes Landsbank shareholders and 3.85 % by Vestjysk Bank's minority shareholders.

Process and conditions

Completion of the merger is conditional upon:

- adoption at the general meetings of Sydbank, Arbejdernes Landsbank and Vestjysk Bank,
- approval by the Danish Financial Supervisory Authority pursuant to section 204 of the Danish Financial Business Act, and
- approval by the Danish competition authorities on terms satisfactory to the Boards of Directors of the merging banks.

The three banks expect to publish the joint merger plan and statement as well as the auditor's reports on 29. oktober 2025. An exemption document will also be published.

The documents will be made available at www.sydbank.dk and www.sydbank.com

Upon completion of the merger, registration with the Danish Business Authority is expected in December 2025.

In connection with this, Vestjysk Bank's shares will be delisted from Nasdaq Copenhagen, while the newly issued shares in AL Sydbank will be admitted to trading and official listing immediately after registration.

Shareholders in Arbejdernes Landsbank and Vestjysk Bank who transfer shares as part of the merger may be liable for tax on any gains and are advised to seek individual advice.

The merger is expected to be finalised in December 2025.

Advice on the merger

SEB Corporate Finance, Denmark, filial af Skandinaviska Enskilda Banken, has acted as joint financial advisor to Sydbank and Arbejdernes Landsbank.

Gorrissen Federspiel Advokatpartnerselskab has acted as legal advisor to Sydbank.

Bruun & Hjejle Advokatpartnerselskab has acted as legal advisor to Arbejdernes Landsbank.

Deloitte Corporate Finance, a part of Deloitte Statsautoriseret Revisionspartnerselskab and Accura Advokatpartnerselskab has acted as advisors to the minority shareholders of Vestjysk Bank.

Important notice

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