

Press release

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### **Change of ownership in merger of mobile payment providers**

*Following a dialogue with the European Commission's Directorate-General for Competition, the owner banks behind the planned merger of the three mobile payment providers MobilePay, Vipps and Pivo have reached the decision that OP Financial Group in Finland will not be a co-owner and that Pivo will not be part of the merger.*

Towards the end of the second quarter of 2021, Danske Bank announced 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.

During this summer, however, the Commission expressed concerns about both MobilePay and Pivo being part of the merger, since this would result in the merger of two sizeable players in Finland. The Commission's immediate view was that the merger would thus adversely affect competition in the mobile payment space in Finland.

Consequently, the owner banks have agreed to proceed without OP Financial Group as co-owner. This also means that OP Financial Group's mobile wallet Pivo will not be part of the merger. The planned merger, as amended, has been filed to the Commission and awaits approval.

*"MobilePay in Denmark and Finland will still merge with Vipps. The parties' ambition to create a mobile payment wallet across borders has not changed. Both Danske Bank and the Norwegian banks behind Vipps would have preferred the merger, as planned, to include OP Financial Group and Pivo, but we respect the Commission's concerns and now hope for a swift approval,"* says Christian Bornfeld, Head of Personal Customers at Danske Bank.

### **The merger is still the right decision**

Danske Bank and the banks behind Vipps remain convinced that the merger of Vipps and MobilePay should go ahead, since it will create one of the most complete mobile wallets in Europe. When created, the new joint company based on Vipps and MobilePay will have almost 11 million

users and more than 400,000 physical shops and webshops as customers who combined carry out about 900 million transactions each year. It will also employ 600 highly qualified employees.

The name of the new company will be Vipps MobilePay AS. The ambition is to provide easy payment solutions based on the day-to-day needs of users and business customers.

*“The new company, Vipps MobilePay, will invest considerably in growth and development in Finland even though Pivo is no longer part of the merger. Our ambition is still to be the market-leading solution for mobile payments in Finland, with the same strong market penetration as in Denmark and Norway. It is also our ambition to enter into more agreements with distribution partners in Finland and in other countries,”* says Claus Bunkenborg, CEO of MobilePay.

As previously communicated, the new company will keep its well-known brands, MobilePay and Vipps. So MobilePay’s personal users and business customers in Denmark and Finland will experience only very limited changes, and will see new and innovative solutions becoming available at an even faster pace than before.

### **Changes in ownership shares**

In connection with OP Financial Group withdrawing from the agreement, the ownership ratio between Danske Bank and the Norwegian banks will remain the same. This means that instead of an ownership share of 25%, Danske Bank will have an ownership share of 27.8%, while the consortium of banks behind Vipps will have an ownership share of 72.2% instead of 65%.

The changes in ownership shares do not materially affect Danske Bank’s previously communicated expectations. The one-off gain on the transaction is expected to be approximately DKK 400 million on the basis of the merger and the distribution of shares in the new parent company. The merger continues to be subject to approval by the relevant authorities, including the EU Commission. We continue to expect final approval in the second half of 2022.

### **No management changes**

The decision to headquarter the new company, Vipps MobilePay, in Oslo stands, and the company will be subject to supervision by the Norwegian Financial Supervisory Authority.

Rune Garborg, the current CEO of Vipps, will also still become the CEO of the new company. Claus Bunkenborg will become Deputy CEO. Kjerstin Braathen, current chairperson of the board of directors of Vipps and CEO of the largest bank in Norway, DNB, will become chairperson of the board of directors of the new company. All other members of the management team and members of the board of directors will be announced once the transaction is approved and the deal final.

Danske Bank

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