

Q1 2012

vestjyskBANK Quarterly Report



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Summary

The merger between vestjyskBANK and Aarhus Lokalbanc was executed on 30 March 2012 with vestjyskBANK as the continuing company.

The results for Aarhus Lokalbanc have been included in the statement of income as of the merger date and have therefore not been included in the statement of income for Q1 2012. The merger balance statement as at 31 March 2012 includes assets and liabilities from Aarhus Lokalbanc. The numbers for Aarhus Lokalbanc have not been included in the 2011 comparative figures.

Summary of vestjyskBANK's results for Q1 2012:

- Operations during Q1 2012 proceeded as planned.
- Core income of DKK 278 million (DKK 270 million for Q1 2011)
- Rate of cost 56.0 percent (56.3 percent for Q1 2011)
- Core earnings before impairments of DKK 123 million (DKK 118 million for Q1 2011)
- Impairments of loans and receivables, excl. the Private Contingency Association (Det Private Beredskab), of DKK 106 million (DKK 68 million for Q1 2011)
- Profit before tax of DKK 14 million (DKK 9 million for Q1 2011)
- Profit after tax of DKK 10 million (DKK 6 million for Q1 2011)
- Deposit deficit at 31 March 2012 of DKK 6.0 billion (DKK 6.7 billion end of 2011)
- Excess cover in relation to statutory liquidity requirements of 178.6 percent, solvency ratio of 12.7 and core capital ratio of 8.4 at 31 March 2012
- The implementation of the components of vestjyskBANK's capital plan is progressing as planned. The rights issue has been concluded and was fully subscribed with gross proceeds of DKK 318.7 million, cf. the company announcement of 23 May 2012.
- The Bank maintains its outlook for fiscal year 2012: Core earnings in the range DKK 550–600 million before impairments and before costs related to the Aarhus Lokalbanc merger, a rate of cost of 55 and impairments on loans and receivables of around 1.5 percent.

Management's Review

Quarterly Key Figures and Financial Ratios

Key figures	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011
Statement of income (in MDKK)					
Net interest income	211	225	220	201	200
Net fee income	55	60	50	70	56
Dividends on equity securities etc.	1	0	0	3	0
Market value adjustments for foreign currency and sector shares	10	0	5	5	10
Other operating income	1	1	1	0	4
Core income	278	286	276	279	270
Personnel and administrative expenses	-151	-158	-125	-159	-148
Other operating expenses as well as depreciation, amortisation and impairment losses; property, plant and equipment as well as intangible assets	-4	-4	-5	-3	-4
Operating expenses and operating depreciations and amortisations	-155	-162	-130	-162	-152
Core earnings before impairments	123	124	146	117	118
Impairments of loans and receivables etc., excl. the Private Contingency Association (Det Private Beredskab)	-106	-726	-101	-89	-68
Core earnings after impairments	17	-602	45	28	50
Other market value adjustments	5	4	-44	0	-5
Profit after market value adjustments	22	-598	1	28	45
Extraordinary contribution to the Guarantee Fund for Depositors and Investors (Garantifonden for Indskydere og Investorer)	-8	10	7	-15	-36
The Private Contingency Association	0	-1	0	0	0
Profit/loss before tax	14	-589	8	13	9
Tax	-4	146	-3	-4	-3
Profit/loss	10	-443	5	9	6
Statement of financial position (in MDKK)					
Assets, total	35,959	29,280	29,304	30,019	31,676
Loans	23,824	21,716	22,565	23,132	23,162
Deposits, including pooled funds	17,843	15,029	14,467	14,351	14,879
Contingent liabilities	4,464	4,353	4,023	3,983	4,094
Business volume	46,131	41,098	41,055	41,466	42,135
Equity	2,137	1,733	2,160	2,176	2,171

Management's Review

Quarterly Key Figures and Financial Ratios

Financial ratios	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011
Solvency					
Solvency ratio	12.7%	12.4%	14.3%	13.9%	13.8%
Core capital ratio	8.4%	9.1%	12.2%	11.8%	11.7%
Earnings					
Return on equity before tax, annually ¹	2.9%	-119.7%	1.4%	2.2%	1.6%
Return on equity after tax, annually ¹	2.1%	-90.0%	0.9%	1.5%	1.1%
Income-cost ratio ²	1.05	0.33	1.03	1.05	1.03
Rate of cost ³	56.0%	56.4%	47.1%	58.6%	56.3%
Employees converted to full-time (average)	594.8	605.7	613.4	618.9	620.7
Market risk					
Interest rate risk ⁴	-5.6%	-4.6%	-3.7%	-2.7%	-2.2%
Foreign currency position ⁵	1.2%	1.5%	1.7%	4.2%	3.7%
Foreign currency risk	0.0%	0.0%	0.0%	0.1%	0.1%
Excess cover in relation to statutory liquidity requirements ⁶	178.6%	98.8%	73.4%	34.2%	81.3%
Credit risk					
Loans plus impairments on loans in relation to deposits	146.2%	158.9%	167.6%	172.5%	166.1%
Loans in relation to equity	11.1	12.5	10.4	10.6	10.7
Growth in loans for the period ⁷	9.7%	-3.8%	-2.5%	-0.1%	-1.3%
Total of large commitments ⁸	26.4%	30.7%	28.1%	40.6%	40.2%
Accumulated impairment ratio	7.5%	7.8%	6.0%	5.7%	5.4%
Impairment ratio for the period	0.3%	2.6%	0.4%	0.3%	0.2%
vestjyskBANK share					
Profit/loss for the period per share (denomination DKK 10)	0.5	-35.8	0.4	0.7	0.5
Equity value per share (denomination DKK 10)	70.1	140.8	175.1	177.1	175.7
Price of vestjyskBANK shares, end of the period	25.0	18.8	31.9	36.9	58.5
Market price / profit/loss for the period per share	53.5	-0.5	81.1	54.9	127.1
Market price / equity value per share	0.4	0.1	0.2	0.2	0.3

Aarhus Lokalbanc is only included in the reported figures as of 31 March 2012. Comparative figures for 2011 exclude Aarhus Lokalbanc.

1 On the basis of the average equity

2 Income from ordinary activities in relation to costs from ordinary activities. Income from ordinary activities = net interest and fee income + market value adjustments + other operating income. Costs from ordinary activities = personnel and administrative expenses + depreciation, amortisation and impairment losses; property, plant and equipment as well as intangible assets + other operating expenses + impairment of loans and receivables etc.

3 Operating costs as well as depreciation, amortisation and impairment losses; property, plant and equipment as well as intangible assets / core income

4 Interest rate risk in relation to core capital, less deductions

5 Exchange Rate Indicator 1 in relation to core capital, less deductions

6 Excess cover in relation to the 10 percent requirement set out in sec 152 of the Danish Financial Business Act

7 Growth in loans measured in relation to vestjyskBANK's loans, beginning of the period. The growth can be attributed to the Aarhus Lokalbanc merger.

8 Commitments exceeding 10 percent of the capital base in relation to the capital base

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Statement of Income

Results

The merger between vestjyskBANK and Aarhus Lokalbanc was executed on 30 March 2012 with vestjyskBANK as the continuing company.

The results for Aarhus Lokalbanc have been included in the statement of income as of the merger date and have therefore not been included in the statement of income for Q1 2012. The merger balance statement as at 31 March 2012 includes assets and liabilities from Aarhus Lokalbanc. The numbers for Aarhus Lokalbanc have not been included in the 2011 comparative figures.

In Q1 2012 operations at vestjyskBANK proceeded as expected, and the Bank realised core earnings before impairments of DKK 123 million. The core earnings reflect the Bank's steady results in terms of both its earnings and costs, and the Bank regards the results as satisfactory, not least in light of the continuing difficult market conditions.

Impairments of loans and receivables etc. totalled DKK 106 million for the period. The impairment ratio for Q1 2012 has been recognised at 0.3, which is in line with expectations.

Profits for Q1 2012 totalled DKK 14 million before tax, an increase of DKK 5 million over Q1 2011. Profits after tax stand at DKK 10 million, which is DKK 4 million higher than the corresponding period last year.

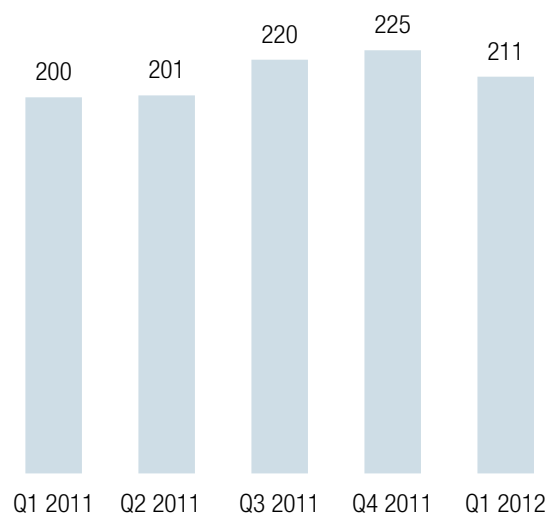
Core income

In Q1 2012 the Bank's core income has been realised at DKK 278 million, which is an increase of 3 percent over the same period last year.

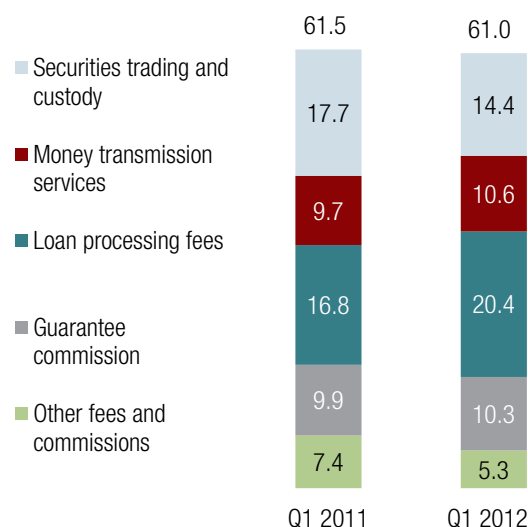
This improvement was primarily due to an increase in net interest income, which rose by 5.5 percent from DKK 200 million in Q1 2011 to DKK 211 million in Q1 2012.

At the same time, net fee income was realised at DKK 55 million for Q1 2012, which is at the level of the same period last year.

Net interest income (figures in MDKK)



Commissions and fees (figures in MDKK)



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Market value adjustments for foreign currency and sector shares totalled DKK 10 million in Q1 2012, of which market value adjustments for foreign currency constituted DKK 6 million, while adjustments for sector shares—i.e. the Bank's holdings of shares in companies with which it engages in collaboration within the sector—were positive at DKK 4 million.

Other operating income totalled DKK 1 million.

Operating expenses and operating depreciations and amortisations

Total operating expenses and operating depreciations and amortisations stood at DKK 155 million in Q1 2012 and thus remained at Q1 2011 levels.

The rate of cost for Q1 2012 has been recognised at 56.0, which is 0.3 percentage points lower than Q1 2011. The Bank maintains its outlook of a 2012 rate of cost of 55.

Rate of cost

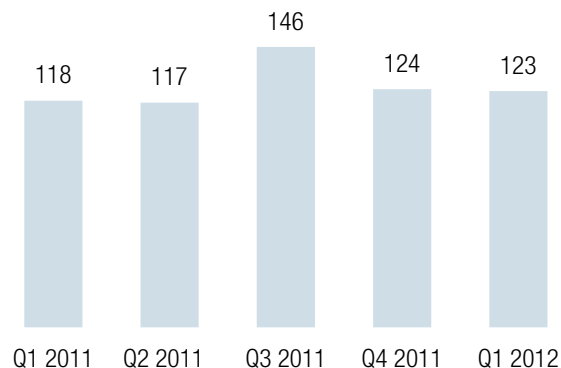


Core earnings before impairments

In Q1 2012 vestjyskBANK realised core earnings before impairments of DKK 123 million. The core earnings reflect the Bank's steady results in terms of both its earnings and costs, and the Bank regards the results as satisfactory, not least in light of the continuing difficult market conditions.

Core earnings before impairments for Q1 2012 improved by DKK 5 million (4.2 percent) compared to the same period in 2011.

Core earnings before impairments (figures in MDKK)



Impairment of loans and receivables etc.

In terms of impairments, 2011 was an extraordinarily challenging year for vestjyskBANK both as a result of the general socioeconomic situation and the implementation of the Danish Financial Supervisory Authority's new, stricter rules for impairments of loans.

In Q1 2012 impairments of loans and receivables etc. totalled DKK 106 million, which is DKK 38 million higher than Q1 2011. Impairments of loans and receivables etc. for Q1 2012 are as expected.

The figure on the following page shows the impairments' operational impact for the reporting period by industry segments. The operational impact from impairments of corporate customers totalled 79 percent, while the impact from retail customers stood at 21 percent.

As expected, it was primarily corporate agriculture-related commitments that affected the Bank's quarterly results negatively. Generally, the agricultural sector is still in a difficult economic situation, and vestjyskBANK is—as are all other Danish banks with agricultural customers—subject to the same broader trends in the agricultural sector.

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Operational effect of impairments for the period by industry segment



Beyond the agricultural sector, Q1 2012 impairments were performed broadly across the other industry segments.

The Bank's accumulated impairment ratio at the end of Q1 2012 stood at 7.5, compared to 5.4 at the end of Q1 2011. The distribution of accumulated impairments and provisions by industry segments as at 31 March 2012 is illustrated in the figure above.

Other market value adjustments

Other market value adjustments totalled DKK 5 million for Q1 2012 compared to negative value adjustments of DKK 5 million for the same period last year. In Q1 2012, positive value adjustments for bonds totalled DKK 2 million, while the value of the Bank's share

Accumulated impairments and provisions by industry segment



portfolio was adjusted by a positive DKK 6 million. Negative value adjustments for derivative financial instruments stood at DKK 3 million.

Extraordinary contributions to the Danish Guarantee Fund for Depositors and Investors

vestjyskBANK's extraordinary contributions to the Danish Guarantee Fund for Depositors and Investors were recognised as an expense at DKK 8 million for Q1 2012. Those costs are related to the Bank's scheduled contributions to the new deposit guarantee scheme adopted in March 2012 as well as to the expected costs relating to the loss guarantee from the Danish Guarantee Fund for Depositors and Investors in connection with the calculation of dividends for Fjordbank Mors af 2011.

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Statement of Financial Position

vestjyskBANK's financial position stood at DKK 36.0 billion at 31 March 2012 compared to DKK 29.3 billion at 31 December 2011. The increase is, among other things, due to the Aarhus Lokalbanc merger.

The Bank is continuing its plan to implement a controlled balance sheet adjustment, which will contribute to ensuring the necessary funding and liquidity going forward.

Loans

The Bank's loans totalled DKK 23.8 billion as at 31 March 2012, an increase of DKK 2.1 billion (9.7 percent) over 31 December 2011. This difference can be attributed to an increase in the Bank's loans of DKK 2.8 billion as a result of the Aarhus Lokalbanc merger as well as a controlled reduction in vestjyskBANK's loans of DKK 0.7 billion.

The loan portfolio adjustment took place, among other things, as a result of a more cautious approach to issuing new loans to corporate customers, a reduction in investment credits as well as the raising of mortgage loans to redeem first priority loans in the Bank. In addition, the Bank entered into a number of partnership agreements in the wind turbine area.

The industry distribution of vestjyskBANK's loans and guarantees is illustrated in the figure on the right.

Agriculture is and always has been an important part of vestjyskBANK's core business, and it is a business area within which the Bank has great experience. At 31 March 2012 the Bank's agricultural commitments stood at approximately 15.5 percent of total loans and guarantees, distributed across the various production branches with 6.6 percent on dairy production, 4.8 percent on pig meat production, 2.1 percent on crop production, 0.5 percent on mink production and 1.5 percent on general agricultural production, including hobby farming.

vestjyskBANK finances many wind turbine projects—primarily in Denmark and Germany—and the Bank also intends to use its

Loans and guarantees by industry segment



significant expertise and strong market position to offer financing for attractive existing and future projects.

The development in loans for new Danish projects has been satisfactory; the Bank's total financing for wind turbines totalled DKK 2.5 billion at 31 March 2011. Since 31 December 2011, there has been a reduction of approximately DKK 234 million.

Real estate currently represents 19 percent of vestjyskBANK's loans and guarantees. The Bank is financing a number of German properties; commitments which are expected to be reduced through sales and refinancing.

The distribution of loans and guarantees (gross) across commitment sizes is illustrated in the table on the following page. The distribution is assessed as being satisfactory.

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Distribution of loans and guarantees (gross) by commitment size

Loans and guarantees (gross)	Number	MDKK	Percentage of total	Accumulated percentage of total
Up to DKK 100,000	12,189	358	1.2	1.2
From DKK 100,001 up to DKK 250,000	4,862	801	2.6	3.7
From DKK 250,001 up to DKK 500,000	3,986	1,431	4.6	8.3
From DKK 500,001 up to DKK 1,000,000	2,533	1,718	5.5	13.9
From DKK 1,000,001 up to DKK 2,000,000	1,535	2,155	6.9	20.8
From DKK 2,000,001 up to DKK 5,000,000	1,062	3,305	10.6	31.4
From DKK 5,000,001 up to DKK 10,000,000	439	3,087	9.9	41.3
From DKK 10,000,001 up to DKK 20,000,000	303	4,256	13.7	55.0
From DKK 20,000,001 up to DKK 50,000,000	196	5,735	18.4	73.5
From DKK 50,000,001 up to DKK 100,000,000	45	3,003	9.7	83.1
From DKK 100,000,001 up to DKK 200,000,000	26	3,598	11.6	94.7
From DKK 200,000,001 up to DKK 500,000,000	4	1,060	3.4	98.1
From DKK 500,000,001 up to DKK 1,000,000,000	1	594	1.9	100.0
Over DKK 1 billion	0	0	0.0	100.0
Total	27,181	31,101	100.0	

The total of major commitments (commitments representing 10 percent or more of the capital base) stood at 26.4 percent at 31 March 2012. This line item includes two commitments.

Deposits, including pooled funds

The Bank's deposits totalled DKK 17.8 billion as at 31 March 2012, an increase of DKK 2.8 billion (18.7 percent) compared to 31 December 2011. DKK 2.3 billion of this increase is derived from the Aarhus Lokalbanc merger while the remaining DKK 0.5 billion can, among other things, be attributed to the Bank's increased focus on attracting depositors with competitive concepts such as vestjyskePENGE, vestjyskTIDSINDSKUD and vestjyskHØJRENTE.

Difference between deposits and loans

The Bank's trend in deposits and loans has reduced vestjyskBANK's deposit deficit from DKK 6.7 billion at 31 December 2011 to DKK 6.0 at 31 March 2012. In other words, the deposit deficit has been reduced by nearly 10 percent over the course of

Q1 2012. vestjyskBANK intends to continue its focused efforts to narrow the gap between deposits and loans.

Business volume

vestjyskBANK's business volume—its total loans, deposits and contingent liabilities—totalled DKK 46.1 billion as at 31 March 2012, compared to DKK 41.1 billion at 31 December 2011. This change is attributed to increases of DKK 2.1 billion in loans, of DKK 2.8 billion in deposits, including pooled funds, and of DKK 0.1 billion in contingent liabilities.

Capital and liquidity conditions

Equity

vestjyskBANK's equity totalled DKK 2,137 million at 31 March 2012. Equity developments since 1 January 2011 are detailed in the Statement of Changes in Equity.

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List of maturities for external funding as at 31 March 2012 (MDKK)

External funding	2012	2013	2014	2015	2016	After 2016	Total
Interbank funding	1,479	5	4	2,071	81	144	3,784
Government-guaranteed senior loans	0	9,431	0	0	0	0	9,431
Employee debt securities	0	7	9	9	0	0	25
Subordinated loans	0	0	403	225	172	0	800
Government hybrid core capital	0	0	0	0	0	1,211	1,211
Other hybrid core capital	0	0	0	0	0	231	231
Total	1,479	9,443	416	2,305	253	1,586	15,482

Subordinated debt

Subordinated debt totalled DKK 2,242 billion as at 31 March 2012, of which hybrid core capital from the Danish state under Bank Package II stood at DKK 1,211 million. Of these funds, DKK 1,175.7 million accrues interest at 9.943 percent, while DKK 35.3 million accrues interest at 11.42 percent.

On 20 February 2012 vestjyskBANK voluntarily converted hybrid core capital of DKK 287.6 million into share capital supplemented by accrued interest of DKK 8.7 million, a total of DKK 296.3 million.

Special rules apply to hybrid core capital according to Bank Package II under the law. Thus, no dilution of capital may occur which is the reason buyback programmes aimed at impairing the share capital are banned. Additionally, executive board salaries are only eligible for a 50 percent tax deduction.

Solvency

The capital base less deductions totalled DKK 3,537 million at 31 March 2012, which together with the risk-weighted items of a total of DKK 27,781 million, produced a solvency ratio of 12.7 compared to 12.4 at 31 December 2011.

The core capital ratio declined from 9.1 percent at 31 December 2011 to 8.4 percent at 31 March 2012. vestjyskBANK applies the expansive methodology under the standardised approach for measuring credit risk. The basic indicator approach is applied for measuring operational risk; the standardised approach is applied for measuring market risk.

Solvency need

The individual solvency need for vestjyskBANK, which among other things is based on the Bank Management's outlook, was recognised at 11.0 percent, and the adequate capital base was recognised at DKK 3,058 million, which can be compared to the capital base less deductions of DKK 3,537 million. For more details regarding the solvency need at 31 March 2012, please see the Bank's website.

The difference between the capital base and capital adequacy constitutes the Bank's surplus solvency, which has been recognised at 1.7 percentage points.

Liquidity

vestjyskBANK's loans have traditionally exceeded its deposits. In recent years the Bank has therefore raised loans and issued debt securities through both Danish and non-Danish credit institutions. At 31 March 2012, these totalled DKK 15.5 billion. The maturity structures for those loans and debt securities are listed in the table above. Additionally, vestjyskBANK has liquidity reserves consisting of undrawn committed credit facilities of DKK 280 million, which will lapse in June 2012.

At 31 March 2012 vestjyskBANK had drawn DKK 2 billion on Danmarks Nationalbank's lending facility.

The deficit in deposits stood at DKK 6.0 billion at 31 March 2011 and thus declined by DKK 0.7 billion compared to 31 December 2011. The gap between deposits and loans is expected to be further narrowed in 2012, since the Bank intends to maintain its

Management's Review

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focus on increasing deposits and continuing its current reduction in lending.

At 31 March 2012 the Bank's liquidity was good, and surplus funding in relation to statutory requirements stood at 178.6 per cent.

The Financial Supervisory Authority's Supervisory Diamond

vestjyskBANK's goal is to remain within the limit values for the five parameters established by the Danish Financial Supervisory Authority's "Supervisory Diamond" and with which, in principle, all banks should comply at year-end 2012. vestjyskBANK is meeting this goal.

The table below lists vestjyskBANK's values compared to the relevant limit values.

Realised values 31 March 2012

Supervisory Diamond Benchmarks	Realised values
Large commitments, total < 125%	26.4%
Growth in loans < 20%	2.9%
Property exposure < 25%	18.8%
Funding ratio < 1	0.76
Excess cover, liquidity > 50%	178.6%

Outlook for 2012

vestjyskBANK's operations during Q1 2012 have proceeded as expected. On that basis, the Bank is therefore maintaining its outlook for total core earnings in 2012 in the range DKK 550–600 million before depreciations and costs related to the Aarhus Lokalbank merger.

Impairments for 2012 are still expected to be around 1.5 percent of loans and guarantees, corresponding to approximately DKK 450 million. It is Management's assessment that the potential consequences of the Danish Financial Supervisory Authority's new,

stricter rules for impairments of loans are already factored into the Bank's earnings forecast for 2012.

Status of capital plan implementation

The implementation of the components of vestjyskBANK's capital plan is progressing as planned.

The first component—a conversion of the government capital injection including accrued interest into share capital in vestjyskBANK for a total of DKK 296.3 million—was completed on 20 February 2012.

The planned rights issue has been completed, cf. company announcement of 23 May 2012. In total, vestjyskBANK offered 30,644,439 new shares for sale at a subscription price of DKK 10.40 per share with a nominal value each of DKK 10 offered to existing shareholders on a pre-emptive basis at a 1:1 ratio.

The rights issue was fully subscribed, and vestjyskBANK attained gross proceeds of DKK 318.7 million. The net proceeds from the issue will be included in vestjyskBANK's cash resources, its capital base and core capital and thereby support vestjyskBANK's operations. The net proceeds will, all other factors being equal, improve the Bank's surplus solvency.

Now that the capital expansion has been completed, the plan's other components will be set in motion:

- Raising new subordinated loan capital of DKK 200 million. vestjyskBANK has obtained a conditional commitment to subscribe for the loan from a group of Danish banks. The subordinated loan capital must be deposited no later than 30 June 2012.
- Disposal of sector shares in the amount of DKK 175 million to Danmarks Nationalbank. vestjyskBANK has been given a conditional share purchasing commitment from Danmarks Nationalbank.
- Obtaining commitments for new individual government guarantees. vestjyskBANK has been given a conditional commitment from the Financial Stability Company (Finansiel Stabilitet) for obtaining new individual government guarantees for new debt securities issued by vestjyskBANK of up to DKK 8.6 billion with maturities of up to three years.

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The conditional commitments which vestjyskBANK has obtained in connection with raising subordinated loan capital, its disposal of sector shares and the new individual government guarantees are interdependent in that they individually were made on the condition that the capital plan's other components would be executed.

The Bank expects that all the components will be executed by 30 June 2012. In doing so, vestjyskBANK will be strengthening its long-term liquidity and capital base, which will constitute an improved platform for its future step-by-step repayment of government guaranteed loans. This will take place with the objective of eliminating the Bank's need for government guarantees after 2016. The enhanced funding situation will— together with the improved earnings power generated as a result of the Aarhus Lokalbanc merger—provide the new vestjyskBANK with an improved platform from which to emerge from the financial crisis stronger.

It is on that basis, vestjyskBANK will target its efforts to expand its business platform in Eastern Jutland and, through operational synergies, create an even stronger regional bank in Jutland.

Share capital

On 20 February 2012 part of vestjyskBANK's government capital injection was converted into shares. As a result, vestjyskBANK's share capital was increased by a nominal value of DKK 141,779,950 from a nominal value of DKK 125,000,000 to a nominal value of DKK 266,779,950.

In compliance with sec 55 of the Danish Companies Act, the Danish state disclosed that it now held more than 5 percent of the Bank's total share capital.

As a result of the merger between Vestjysk Bank A/S and Aarhus Lokalbanc Aktieselskab on 30 March 2012, vestjyskBANK's share capital was raised from a nominal value of DKK 266,779,950 by a nominal value of DKK 39,664,440 to a nominal value of DKK 306,444,390.

As part of vestjyskBANK's capital plan, as previously mentioned, the Bank executed a rights issue. This means that the share capital has been raised by DKK 306,444,390 to DKK 612,888,780. The

share capital is distributed across 61,288,878 shares with a nominal value of DKK 10.

vestjyskBANK has approximately 45,800 registered shareholders. The Danish state holds 32,017,428 shares, which corresponds to an ownership share of 52.2 percent. Additionally, the Financial Stability Company, which is wholly owned by the Danish state, holds 1,291,222 shares in vestjyskBANK; this corresponds to an ownership share of 2.1 percent. If this ownership share is included, the Danish state holds a total of 54.3 percent of vestjyskBANK's share capital and voting rights.

Miscellaneous accounting information

Matters pertaining to Management

Vagn Thorsager, Chief Executive Officer of Aarhus Lokalbanc, joined vestjyskBANK's Executive Board on 30 March 2012 in connection with the merger between vestjyskBANK and Aarhus Lokalbanc. vestjyskBANK's Executive Board now consists of Frank Kristensen, Chief Executive Officer, and Vagn Thorsager, Managing Director.

Related parties

vestjyskBANK's related parties with significant influence comprise the Bank's Supervisory and Executive Boards, senior executives and relatives of these individuals. Over the course of the period, the Bank has conducted normal trade on arm's-length terms with Kaj Bech A/S, an enterprise wholly owned by Director Anders Bech. Apart from what is considered normal management remuneration, no transactions have been carried out with related parties during the fiscal period.

2012 financial calendar

- 23 August Half-Year Report 2012
- 5 November Quarterly Report, Q1-Q3 2012

Management's Statement

The Supervisory and Executive Boards have today considered and approved the present Report covering the period 1 January–31 March 2012 for Vestjysk Bank A/S.

The Quarterly Report was prepared in accordance with IAS 34 "Interim Financial Reporting" as approved by the EU and additional Danish disclosure requirements for listed financial enterprises.

The Accounting Policies applied are considered appropriate, and the interim financial statements provide in our opinion a true and

fair view of the Bank's assets and liabilities and financial position as at 31 March 2012 and of the results of the Bank's activities and cash flows for the reporting period 1 January–31 March 2012.

In our opinion, the present Management's Review provides a true and fair view of the developments in the Bank's activities and financial situation, as well as a true and fair description of the most significant risks and uncertainties that may affect the Bank.

The Quarterly Report has not been audited or reviewed.

Lemvig, 31 May 2012

Executive Board

.....
Frank Kristensen

.....
Vagn Thorsager

Supervisory Board

.....
Carsten Andersen

.....
Anders Bech

.....
Poul Hjulmand

.....
Bjørn Albinus

.....
Carl Olav Birk Jensen

.....
Kirsten Lundgaard-Karlshøj

.....
Malene Rønø

.....
Palle Hoffmann

.....
Peter Bækkelund Rasmussen

Quarterly Financial Statements

Statement of Income and Statement of Comprehensive Income

Note	1/1-31/3 2012 TDKK	1/1-31/3 2011 TDKK	Full year 2011 TDKK	
Statement of Income				
2	Interest income	380,898	366,027	1,527,430
3	Interest expenses	170,045	165,749	681,031
	Net interest income	210,853	200,278	846,399
	Dividends on equity securities etc.	465	209	3,355
4	Income from fees and commissions	61,004	61,494	263,074
	Fees and commissions paid	6,398	5,952	27,488
	Net interest and fee income	265,924	256,029	1,085,340
5	Market value adjustments	15,362	5,201	-25,053
6	Other operating income	1,086	3,843	6,345
7	Personnel and administrative expenses	150,652	147,804	590,548
	Depreciation, amortisation and impairment losses; property, plant and equipment as well as intangible assets	3,439	3,692	15,210
8	Other operating expenses	8,953	35,451	34,781
9-10	Impairment of loans and receivables etc.	105,612	69,452	984,869
	Profit/loss before tax	13,716	8,674	-558,776
	Tax	3,716	2,973	-136,140
	Profit/loss	10,000	5,701	-422,636
Basic earnings per share				
	Basic earnings per share	0.47	0.46	-34.22
	Diluted earnings per share	0.47	0.46	-34.22
Statement of Comprehensive Income				
	Profit/loss	10,000	5,701	-422,636
Other comprehensive income:				
	Hedge accounting	4,027	8,454	-11,938
	Of which transferred to interest in the Statement of Income	-2,084	895	9,888
	Tax on hedge accounting	-486	-2,337	513
	Other comprehensive income after tax	1,457	7,012	-1,537
	Total comprehensive income	11,457	12,713	-424,173

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Statement of Financial Position

Note	31/3 2012 TDKK	31/3 2011 TDKK	31/12 2011 TDKK
Assets			
	822,463	159,230	666,076
	3,300,161	785,977	730,792
	23,824,001	23,161,504	21,715,932
	4,451,328	4,245,453	2,909,038
	616,141	608,480	570,109
	9,797	0	0
	1,132,906	1,148,120	1,104,270
	217,765	108,187	107,065
	409,595	363,050	368,894
	5,422	4,438	1,492
	404,173	358,612	367,402
	14,525	13,647	12,083
	690	652	588
	299,142	161,239	303,346
11 Other assets	860,912	920,026	792,006
Assets, total	35,959,426	31,675,565	29,280,199
Liabilities			
	3,784,433	3,000,359	1,929,734
	16,710,430	13,730,538	13,925,039
	1,132,906	1,148,120	1,104,270
	9,200,423	8,503,335	7,927,786
	29,600	19,364	36,043
12 Other liabilities	722,604	833,445	461,004
13 Subordinated debt	2,241,780	2,269,521	2,162,986
Liabilities, total	33,822,176	29,504,682	27,546,862
Equity			
14 Share capital	306,444	125,000	125,000
Share premium	154,540	0	0
Revaluation reserves	30,848	30,848	30,848
Reserve for cash flow hedges	-10,357	-3,265	-11,814
Retained profit or loss	1,655,775	2,018,300	1,589,303
Equity, total	2,137,250	2,170,883	1,733,337
Liabilities and equity, total	35,959,426	31,675,565	29,280,199
15 Items not recognised in the Statement of Financial Position			
Contingent liabilities	4,463,743	4,094,173	4,353,268
Other binding agreements	8,357	205,596	4,822
Items not recognised in the Statement of Financial Position, total	4,472,100	4,299,769	4,358,090

Quarterly Financial Statements

Statement of Changes in Equity

	Share capital	Share premium	Revaluation reserves	Reserve for cash flow hedges	Retained earnings	Equity, total
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
Equity, 1 January 2012	125,000	0	30,848	-11,814	1,589,303	1,733,337
Comprehensive income for the period				1,457	10,000	11,457
Additions relating to sale of own equity securities					25,103	25,103
Disposals relating to purchase of own equity securities					-24,877	-24,877
Conversion of hybrid capital	141,780	154,540				296,320
Shares issued upon merger	39,664				56,246	95,910
Equity, 31 March 2012	306,444	154,540	30,848	-10,357	1,655,775	2,137,250

	Share capital	Share premium	Revaluation reserves	Reserve for cash flow hedges	Retained earnings	Equity, total
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
Equity, 1 January 2011	125,000	0	30,848	-10,277	2,015,178	2,160,749
Comprehensive income for the period				7,012	5,701	12,713
Additions relating to sale of own equity securities					26,154	26,154
Disposals relating to purchase of own equity securities					-28,733	-28,733
Equity, 31 March 2011	125,000	0	30,848	-3,265	2,018,300	2,170,883

	Share capital	Share premium	Revaluation reserves	Reserve for cash flow hedges	Retained earnings	Equity, total
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
Equity, 1 January 2011	125,000	0	30,848	-10,277	2,015,178	2,160,749
Comprehensive income for the year				-1,537	-422,636	-424,173
Additions relating to sale of own equity securities					73,198	73,198
Disposals relating to purchase of own equity securities					-76,437	-76,437
Equity, 31 December 2011	125,000	0	30,848	-11,814	1,589,303	1,733,337

Quarterly Financial Statements

Statement of Cash Flows

	1/1-31/3 2012 TDKK	1/1-31/3 2011 TDKK	Full year 2011 TDKK
Operating activities			
Profit/loss after tax for the period, excl. received dividends on equity securities	9,535	5,492	-425,991
Dividends on equity securities	465	209	3,355
Profit/loss after tax for the period	10,000	5,701	-422,636
Adjustment for non-cash operating items etc.:			
Adjustment of impairment of loans etc.	105,612	69,452	984,869
Depreciation, amortisation and impairment losses; property, plant and equipment as well as intangible assets	3,439	3,692	15,210
Other operating items with no effect on cash flow	63,638	57,177	33,973
Tax charged as expense	3,716	2,973	-136,140
Corporation tax paid	-102	-7	57
Operating activities, total	186,303	138,988	475,333
Working capital			
Increase/decrease in credit institutions and central banks, net	2,321,233	-946,991	-1,932,151
Increase/decrease in loans and other receivables at amortised cost	625,227	236,653	766,808
Increase/decrease in debt securities at fair value	-1,153,545	596,576	1,932,991
Increase/decrease in shareholding	17,200	-7,091	31,280
Increase/decrease in debt securities in issue at amortised cost	-56,150	-186,488	-762,037
Increase/decrease in other assets and other liabilities, net	55,768	-72,772	-270,523
Increase/decrease in deposits and other debt	507,828	-688,124	-493,623
Working capital, total	2,317,561	-1,068,237	-727,255
Cash flows from operating activities, total	2,503,864	-929,249	-251,922
Investing activities			
Payments for property, plant and equipment	-1,338	-4,668	-20,072
Proceeds from disposal of property, plant and equipment	381	4,580	5,445
Cash flows from investing activities, total	-957	-88	-14,627
Financing activities			
Payment for and proceeds from the disposal of own equity securities	226	-2,579	-3,239
Repayment of subordinated debt	0	0	-125,000
Cash flows from financing activities, total	226	-2,579	-128,239
Change in cash and cash equivalents	2,503,133	-931,916	-394,788
Cash and cash equivalents at the beginning of the period	1,305,834	1,700,622	1,700,622
Change in cash and cash equivalents	2,503,133	-931,916	-394,788
Cash and cash equivalents at the end of the period	3,808,967	768,706	1,305,834
Cash and cash equivalents at the end of the period			
Cash in hand and demand deposits with central banks	822,463	159,230	666,076
Amounts receivable from credit institutions and central banks with a maturity of less than 3 months	2,986,504	609,476	639,758
Cash and cash equivalents at the end of the period, total	3,808,967	768,706	1,305,834

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Note	1/1-31/3 2012 TDKK	1/1-31/3 2011 TDKK	Full year 2011 TDKK
1 Accounting policies			
<p>The quarterly report for the period 1 January–31 March 2012 for vestjyskBANK is presented in accordance with IAS 34 "Interim Financial Reporting" as approved by the EU and supplemental Danish disclosure requirements for interim reporting. The application of IAS 34 means that its scope is more limited than an annual report and also that it complies with the valuation policies set out in the International Financial Reporting Standards (IFRS).</p> <p>In Q1 2012 vestjyskBANK implemented the following new standards, whose application is mandatory for 2012: Change of IFRS 7 relating to disclosure of transfers of financial assets.</p> <p>The change entails expanded disclosure requirements regarding the transfer of financial assets but does not affect recognition and measurement.</p> <p>Additionally, the accounting policies applied in this report remain unchanged from the 2011 Annual Report, which contains a full description of those policies.</p> <p>The measurement of certain assets and liabilities requires that Management estimate how future events may affect the value of such assets and liabilities. Estimates considered material in presenting the accounts include stating depreciations of impaired loans, the fair values of unlisted financial instruments as well as provisions, cf. the more detailed discussion in the 2011 Annual Report. The applied estimates are based on assumptions deemed sound by Management but which by their very nature are uncertain. The Bank's significant risks and the external conditions that may affect the Bank are described in greater detail in the 2011 Annual Report.</p>			
2 Interest income			
Amounts receivable from credit institutions and central banks	1,963	2,529	12,133
Loans and other receivables	351,427	329,066	1,409,214
Debt securities	19,177	30,886	95,354
Other interest income	0	130	535
Interest income at amortised cost	372,567	362,611	1,517,236
Derivative financial instruments	8,331	3,416	10,194
Interest income, total	380,898	366,027	1,527,430

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Notes

Note	1/1-31/3 2012 TDKK	1/1-31/3 2011 TDKK	Full year 2011 TDKK
3 Interest expenses			
Credit institutions and central banks	7,852	12,936	46,738
Deposits and other debt	65,237	52,939	238,094
Debt securities in issue	53,596	55,128	213,496
Subordinated debt	43,348	44,711	182,668
Other interest expenses	12	35	35
Interest expenses at amortised cost, total	170,045	165,749	681,031
4 Income from fees and commissions			
Securities trading and custody	14,372	17,682	74,033
Money transmission services	10,581	9,662	44,429
Loan processing fees	20,442	16,836	69,409
Guarantee commission	10,283	9,920	59,444
Other fees and commissions	5,326	7,394	15,759
Income from fees and commissions, total	61,004	61,494	263,074
5 Market value adjustments			
Debt securities	2,399	-33,110	24,471
Equity securities etc.	9,705	4,670	-22,785
Total market value adjustments for securities attributed to fair value in the Statement of Income	12,104	-28,440	1,686
Foreign currency translation adjustments of foreign currency balances	65,986	103,284	-82,913
Foreign currency translation adjustments of financial instruments	-59,737	-95,115	103,534
Foreign currency, total	6,249	8,169	20,621
Derivative financial instruments, other adjustments	-3,014	6,319	-45,771
Assets related to pooled fund schemes	74,754	6,449	-54,898
Deposits with pooled fund schemes	-74,754	-6,449	54,898
Fair value hedged lending	237	-4,397	8,613
Fair value hedged borrowing	-214	23,550	-10,202
Market value adjustments, total	15,362	5,201	-25,053
Total fair value adjustments for derivative financial contracts including amounts recognised under 'Interest income'	-54,420	-85,380	67,957
6 Other operating income			
Gains on disposal of operating equipment	142	390	836
Other income	974	3,409	5,515
Operation of investment property	-30	44	-6
Other operating income, total	1,086	3,843	6,345

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Notes

Note	1/1-31/3 2012 TDKK	1/1-31/3 2011 TDKK	Full year 2011 TDKK
7 Personnel and administrative expenses			
Salaries and remuneration to the Supervisory Board and the Executive Board			
Supervisory Board	375	375	1,525
Executive Board:			
Salaries	850	1,515	4,293
Pension	672	922	2,192
Termination benefits, former managing director	0	0	4,860
Executive Board, total	1,522	2,437	11,345
Supervisory Board and Executive Board, total	1,897	2,812	12,870
Personnel expenses			
Wages and salaries	70,776	70,905	282,674
Pensions	8,891	9,115	36,414
Expenses relating to social security contributions, payroll tax etc.	8,844	8,526	36,968
Personnel expenses, total	88,511	88,546	356,056
Other administrative expenses			
Other administrative expenses, total	60,244	56,446	221,622
Personnel and administrative expenses, total	150,652	147,804	590,548
Executive Board, other			
Value of fringe benefits	44	65	244
With reference to the terms and conditions for participation as set out in the Act on State-Funded Capital Injections into Credit Institutions (Bankpakke II), we note that in the calculation of taxable income payments made to the Executive Board deducted for tax purposes totalled	783	1,251	5,795
No agreements have been made concerning bonus plans, incentive programmes or similar compensation plans. The Bank is exempt from any defined benefit obligations in respect of the departure of members of the Executive Board, whether as a result of age, illness, disability or any other reason.			
8 Other operating expenses			
Contribution to the Guarantee Fund for Depositors and Investors	7,864	34,800	33,622
Other expenses	1,089	651	1,159
Other operating expenses, total	8,953	35,451	34,781
9 Impairment of loans and receivables etc.			
Loans	117,184	60,108	958,846
The Private Contingency Association	0	690	690
Guarantees and credit commitments	-11,572	8,654	25,333
Impairment of loans and receivables etc., total	105,612	69,452	984,869

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Notes

Note	1/1-31/3 2012 TDKK	1/1-31/3 2011 TDKK	Full year 2011 TDKK
9 Impairment of loans and receivables etc. (cont.)			
Interest income on impaired loans is offset in impairments by	16,089	8,741	24,529
The impact on operations has been obtained as follows:			
Impairments and provisions over the course of the period	167,214	208,277	1,188,220
Reversal of impairments performed in prior financial years	-61,510	-139,412	-252,397
Lost, where individual impairments/provisions have not been made	2,879	1,822	54,456
Included in previously written-off debts	-2,971	-1,235	-5,410
Impairment of loans and receivables etc., total	105,612	69,452	984,869
10 Impairments of loans and provisions against guarantees etc.			
Individual impairments of loans			
Individual impairments of loans and other receivables, beginning of the year	2,121,489	1,416,918	1,416,918
Impairments over the course of the period	158,442	176,095	1,139,347
Reversal of impairments performed in prior financial years	-38,517	-111,695	-208,282
Other movements	22,677	19,258	19,258
Previously individually impaired, now definitely lost	-50,330	-21,138	-245,752
Individual impairments of loans and other receivables, end of the period	2,213,761	1,479,438	2,121,489
Impairments of loans in groups			
Impairments of loans and other receivables in groups, beginning of the year	51,304	69,912	69,912
Impairments over the course of the period	5,031	21,927	15,910
Reversal of impairments performed in prior financial years	-7,140	-25,921	-37,153
Other movements	1,852	2,635	2,635
Impairments of loans and other receivables in groups, end of the period	51,047	68,553	51,304
Impairments of loans, total			
Impairments of loans and other receivables, beginning of the year	2,172,793	1,486,830	1,486,830
Impairments over the course of the period	163,473	198,022	1,155,257
Reversal of impairments performed in prior financial years	-45,657	-137,616	-245,435
Other movements	24,529	21,893	21,893
Previously individually impaired, now definitely lost	-50,330	-21,138	-245,752
Impairments of loans and other receivables, end of the period	2,264,808	1,547,991	2,172,793
Provisions against losses on guarantees and unused credit commitments			
Provisions against losses on guarantees and unused credit commitments, beginning of the year	36,043	10,710	10,710
Provisions over the course of the period	3,200	10,037	31,882
Reversal of provisions performed in prior financial years	-14,772	-1,383	-6,549
Provisions against losses on guarantees and unused credit commitments, end of the period	24,471	19,364	36,043

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Note	1/1-31/3 2012 TDKK	1/1-31/3 2011 TDKK	Full year 2011 TDKK
10 Impairments of loans and provisions against guarantees etc. (cont.)			
Accumulated impairment ratio	7.5%	5.4%	7.8%
Amounts receivable for which calculation of interest has stopped, end of the period	1,694,874	1,182,468	1,308,665
Of which impaired, total	1,071,712	827,667	916,650
Amounts receivable for which calculation of interest has stopped, as a percentage of loans before impairments	6.5%	4.8%	5.5%
Impairments of/provisions for amounts receivable from credit institutions			
Impairments of/provisions for amounts receivable from credit institutions, beginning of the year	1,081	413	413
Impairments/provisions over the course of the period	541	218	1,081
Reversal of impairments performed in prior financial years	-1,081	-413	-413
Impairments of/provisions for amounts receivable from credit institutions, end of the period	541	218	1,081
11 Other assets			
Positive market value of derivative financial instruments	565,930	671,152	526,519
Interest and commission receivable	57,270	58,241	45,891
Other assets	237,712	190,633	219,596
Other assets, total	860,912	920,026	792,006
12 Other liabilities			
Negative market value of derivative financial instruments	310,087	496,534	205,979
Various creditors	199,252	160,089	125,292
Interest and commission payable	171,726	146,454	93,792
Other liabilities	41,539	30,368	35,941
Other liabilities, total	722,604	833,445	461,004
13 Subordinated debt			
Tier 2 capital	799,494	718,920	596,198
Tier 2 capital falls due from 16 May 2014 to 22 May 2016 with an option to prepay remaining in effect until 22 May 2013, subject to the approval of the Danish Financial Supervisory Authority. The capital accrues interest at 1.848 - 5.590% with a step-up clause after the prepayment date.			
Hybrid core capital of DKK 100 million	106,328	99,763	107,031
The capital accrues interest at a fixed 4.765%. There is no due date. There is an option of prepayment, subject to the approval of the Danish Financial Supervisory Authority, on 15 November 2015.			
Hybrid core capital of DKK 75 million	75,000	0	0
The capital accrues interest at a fixed 5.000%. There is no due date. There is an option of prepayment, subject to the approval of the Danish Financial Supervisory Authority, on 30 June 2016.			

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Note	1/1-31/3 2012 TDKK	1/1-31/3 2011 TDKK	Full year 2011 TDKK
13 Subordinated debt (cont.)			
Hybrid core capital of DKK 50 million The capital accrues interest at a fixed 5.440%. There is no due date. There is an option of prepayment, subject to the approval of the Danish Financial Supervisory Authority, on 1 May 2016.	50,000	0	0
Hybrid core capital of DKK 1,150.4 million DKK 34.7 million is subject to a conversion duty, if the Bank does not meet the solvency requirement, or if, in the opinion of the Danish Financial Supervisory Authority, there is an imminent risk that the Bank does not meet the solvency requirement. The capital accrues interest at a fixed 9.943%. There is no due date. An option of prepayment exists, subject to approval by the Danish Financial Supervisory Authority, from 25 August 2012 to 24 August 2014 at par, from 25 August 2014 to 24 August 2015 at a price of DKK 105 per 100, and from 25 August 2015 and thereafter at a price of DKK 110 per 100. Premiums are recognised and amortised according to their expected settlement date. During Q1 2012 hybrid core capital of DKK 287.6 million has been converted into share capital.	1,175,708	1,450,838	1,459,757
Hybrid core capital of DKK 35.6 million The capital accrues interest at a fixed 11.42%. There is no due date. Prepayment can be made, subject to the approval of the Danish Financial Supervisory Authority, from 24 December 2012 to 23 December 2014 at price 105 per 100, from 24 December 2014 onwards at price 110 per 100. No premium has been recognised and amortised with respect to the anticipated payment date.	35,250	0	0
Hybrid capital, total	1,442,286	1,550,601	1,566,788
Subordinated debt, total	2,241,780	2,269,521	2,162,986
Subordinated debt that can be included in the capital base	2,141,089	2,144,521	2,082,686
14 Share capital			
Share capital, beginning of the year	125,000	125,000	125,000
Issued upon conversion of hybrid capital	141,780	0	0
Issued upon merger	39,664	0	0
Share capital, total	306,444	125,000	125,000
Number of shares of DKK 10 each	30,644,439	12,500,000	12,500,000

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Note	1/1-31/3 2012 TDKK	1/1-31/3 2011 TDKK	Full year 2011 TDKK
14 Share capital (cont.)			
Number of own equity securities, beginning of the period			
Number of own equity securities in 1,000 unit lots	185	99	99
Nominal value in DKK 1,000	1,852	993	993
Percentage of the share capital	0.6%	0.8%	0.8%
Additions			
Purchased own equity securities in 1,000 unit lots	1,138	470	1,802
Nominal value in DKK 1,000	11,377	4,701	18,023
Percentage of the share capital	3.7%	3.8%	14.4%
Total purchase price in DKK 1,000	24,877	28,733	76,437
Disposals			
Total disposals in 1,000 unit lots	1,148	425	1,716
Nominal value in DKK 1,000	11,483	4,256	17,164
Percentage of the share capital	3.7%	3.4%	13.7%
Total selling price in DKK 1,000	25,103	26,154	73,198
Number of own equity securities, end of the period			
Number of own equity securities in 1,000 unit lots	175	144	185
Nominal value in DKK 1,000	1,746	1,438	1,852
Percentage of the share capital	0.6%	1.2%	1.5%
The Bank's trade in its own equity securities takes place as part of its regular trade in equity securities.			
As a result of the Bank's receiving government hybrid core capital—in addition to its issuance of debt securities under the individual government guarantee—dividends may only be paid as of 1 October 2010, provided they can be financed from current profits. Revaluation reserves included in equity may not be used for payment of dividends.			
15 Contingent liabilities			
Financial guarantee contracts	717,716	1,060,940	1,272,894
Loss guarantees for mortgage loans	1,525,108	1,105,848	1,139,977
Registration and conversion guarantees	651,795	551,709	557,904
Other contingent liabilities	1,569,124	1,375,676	1,382,493
Contingent liabilities, total	4,463,743	4,094,173	4,353,268
'Other contingent liabilities' include, among other things, performance bonds, delivery guarantees as well as provisions of indemnity in relation to the Guarantee Fund for Depositors and Investors etc.			
Other binding agreements			
Other liabilities	8,357	205,596	4,822
Other binding agreements, total	8,357	205,596	4,822

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Notes

Note	1/1-31/3 2012 TDKK	1/1-31/3 2011 TDKK	Full year 2011 TDKK
16 The difference between presenting financial statements under IFRS and the rules set out by the Danish Financial Supervisory Authority			
Profit/loss for the period, as presented under IFRS	10,000	5,701	-422,636
Owner-occupied property, major depreciation and impairment losses	108	762	11,048
Profit/loss for the period, as presented under the rules set out by the Danish Financial Supervisory Authority	9,892	4,939	-433,684
Equity under IFRS	2,137,250	2,170,883	1,733,337
Owner-occupied property, accumulated depreciation and impairment losses	39,152	29,520	39,806
Equity under the rules set out by the Danish Financial Supervisory Authority	2,098,098	2,141,363	1,693,531
17 Capital requirements			
Equity excl. profit/loss for the period, cf. the rules set out by the Danish Financial Supervisory Authority	2,088,206	2,136,424	2,127,215
Recognised profit/loss, cf. the rules set out by the Danish Financial Supervisory Authority	0	0	-433,684
Revaluation reserves	-30,848	-30,848	-30,848
Intangible assets	-217,765	-108,187	-107,065
Deferred capitalised tax assets	-299,142	-161,239	-303,346
Other deductions from the core capital	-87,671	-101,446	-85,677
Hybrid core capital	888,261	1,485,409	1,175,344
Core capital after deductions	2,341,041	3,220,113	2,341,939
Subordinated loan capital	698,803	593,920	515,898
Revaluation reserves	30,848	30,848	30,848
Hybrid core capital	554,025	65,192	391,444
Capital base before deductions	3,624,717	3,910,073	3,280,129
Deductions from the capital base	-87,671	-101,446	-85,677
Capital base after deductions	3,537,046	3,808,627	3,194,452
Weighted items, total	27,781,197	27,575,545	25,661,641
Core capital after deductions as a percentage of weighted items, total	8.4%	11.7%	9.1%
Solvency ratio according to sec 124(2) of the Danish Financial Business Act	12.7%	13.8%	12.4%
Solvency requirement according to sec 124(2) of the Danish Financial Business Act	8.0%	8.0%	8.0%

Quarterly Financial Statements

Notes

Note	1/1-31/3 2012 TDKK	1/1-31/3 2011 TDKK	Full year 2011 TDKK
18 Security pledged			
Credit institutions: Margin accounts pledged as security in respect of financial instruments	146,987	301,097	123,578
Loans: Pledged as security for credit facility with Danmarks Nationalbank	2,705,800	0	0
Of which pledged	2,000,000	0	0
Debt securities: Pledged as security for credit facility with Danmarks Nationalbank			
Total nominal value	1,355,187	1,504,532	814,263
Total market value	1,359,195	1,473,664	818,089
Of which pledged	0	0	0
19 Pending litigation			
Legal proceedings have been instituted against vestjyskBANK by EBH-Fonden administered in bankruptcy for DKK 100 million. vestjyskBANK is alleged to have off-set liabilities to EBH-Fonden administered in bankruptcy in the Bank's receivables from the estate. vestjyskBANK's liabilities consist of subordinated loan capital, which the Danish Financial Supervisory Authority granted the Bank permission to settle in 2009. The Bank's receivable is categorised as a regular receivable. vestjyskBANK prevailed in the Danish High Court, and the opposing party has appealed the case to the Danish Supreme Court. In addition to that, vestjyskBANK is also party to other litigations. Proceedings are evaluated on an ongoing basis, and provisions are made as needed on the basis of a risk assessment of potential losses. The pending proceedings are not expected to have significant influence on the Bank's financial position.			
20 Consolidated statement			
The Bank is the parent company for the following wholly-owned subsidiaries:			
Share capital:			
Center Finansiering A/S	500		
Hadsten Aktie Invest Aps	205		
Hadsten Aktie Invest II Aps	155		
Hadsten Aktie Invest III Aps	155		

Quarterly Financial Statements

Notes

Note	1/1-31/3 2012 TDKK	1/1-31/3 2011 TDKK	Full year 2011 TDKK
20 Consolidated statement (cont.)			
Profit/loss:			
Center Finansiering A/S	0		
Hadsten Aktie Invest ApS	0		
Hadsten Aktie Invest II ApS	0		
Hadsten Aktie Invest III ApS	0		
Equity:			
Center Finansiering A/S	716		
Hadsten Aktie Invest ApS	4,565		
Hadsten Aktie Invest II ApS	3,257		
Hadsten Aktie Invest III ApS	1,889		
Center Finansiering A/S, Hadsten Aktie Invest II ApS and Hadsten Aktie Invest III ApS are directly and wholly owned by vestjyskBANK.			
Hadsten Aktie Invest ApS is owned indirectly and wholly by vestjyskBANK, since 12.2% of the share capital is owned by Hadsten Aktie Invest II ApS.			
Additionally, vestjyskBANK indirectly and wholly owns Handelsselskabet af 1/1-1973 Hadsten A/S, which is wholly owned by Hadsten Aktie Invest ApS.			
Because of the subsidiaries' modest sizes in relation to the Bank, no consolidated financial statements have been prepared.			
The equity securities / shares in the subsidiaries have been valued at equity value.			
The consolidated solvency ratio has been recognised at 12.7%.			
Balances with group enterprises			
Liability items			
Deposits			
Center Finansiering A/S	729		
Hadsten Aktie Invest ApS	1,367		
Hadsten Aktie Invest II ApS	2,627		
Hadsten Aktie Invest III ApS	1,901		
Handelsselskabet af 1/1-1973 Hadsten A/S	2,981		
Liability items, total	9,605		

Quarterly Financial Statements

Notes

Note	1/1-31/3 2012 TDKK	1/1-31/3 2011 TDKK	Full year 2011 TDKK
21 Acquisition			
vestjyskBANK and Aarhus Lokalbanc merged on 30 March 2012. In the accounts, the merger was completed on the date of acquisition.			
Fair values of acquired net assets at the date of acquisition:			
Cash in hand and demand deposits with central banks	106,623		
Amounts receivable from credit institutions and central banks	618,361		
Loans and other receivables	2,838,908		
Debt securities	388,746		
Equity securities	63,232		
Land and buildings	41,944		
Other property, plant and equipment	3,307		
Other assets	70,830		
Assets, total	4,131,951		
Amounts owed to credit institutions	26,031		
Deposits	2,277,563		
Debt securities in issue	1,328,787		
Other liabilities	157,754		
Subordinated debt	356,980		
Liabilities, total	4,147,115		
Acquired net assets	-15,164		
Purchase price: 3.966 million shares in vestjyskBANK at price 24.18 (registered price on 30 March 2012)	95,910		
Goodwill	111,074		
Goodwill can be attributed to the expected extension of the government guarantees for debt securities issues which vestjyskBANK has obtained as well as to anticipated cost synergies.			
Goodwill is deductible for tax purposes, as the Aarhus Lokalbanc merger has been completed as a taxable merger. Upon determining the final purchase price allocation, adjustments may be made to the purchase price allocation mainly regarding the valuation of the assets.			
Acquired loans:			
Nominal value	3,352,550		
Impairments of commitments and other adjustments relating to credit risk	513,642		
Total	2,838,908		
If the merger had taken place on 1 January 2012, vestjyskBANK's total net interest and fee income would have totalled	295,827		
and profits would have been	9,340		
In estimating the Bank's results, the impact of the acquisition and related revaluations have not been taken into account. Transactions expenses related to the merger have been recognised under the item Other administrative expenses in the amount of DKK 3.8 million.			

Quarterly Financial Statements

Notes

Note	1/1-31/3 2012	1/1-31/3 2011	Full year 2011
22 Key figures and financial ratios			
Statement of income (in MDKK)			
Net interest income	211	200	846
Net fee income	55	56	236
Dividends on equity securities etc.	1	0	3
Market value adjustments for foreign currency and sector shares	10	10	20
Other operating income	1	4	6
Core income	278	270	1,111
Personnel and administrative expenses	-151	-148	-590
Other operating expenses as well as depreciation, amortisation and impairment losses; property, plant and equipment as well as intangible assets	-4	-4	-16
Operating expenses and operating depreciations and amortisations	-155	-152	-606
Core earnings before impairments	123	118	505
Impairments of loans and receivables etc., excl. the Private Contingency Association	-106	-68	-984
Core earnings after impairments	17	50	-479
Other market value adjustments	5	-5	-45
Profit after market value adjustments	22	45	-524
Extraordinary contribution to the Guarantee Fund for Depositors and Investors	-8	-36	-34
The Private Contingency Association	0	0	-1
Profit/loss before tax	14	9	-559
Tax	-4	-3	136
Profit/loss	10	6	-423
Statement of financial position (in MDKK)			
Assets, total	35,959	31,676	29,280
Loans	23,824	23,162	21,716
Deposits, including pooled funds	17,843	14,879	15,029
Contingent liabilities	4,464	4,094	4,353
Business volume	46,131	42,135	41,098
Equity	2,137	2,171	1,733

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Notes

Note	1/1-31/3 2012	1/1-31/3 2011	Full year 2011
22 Key figures and financial ratios (cont.)			
Solvency			
Solvency ratio	12.7%	13.8%	12.4%
Core capital ratio	8.4%	11.7%	9.1%
Earnings			
Return on equity before tax, annually ¹	2.9%	1.6%	-28.7%
Return on equity after tax, annually ¹	2.1%	1.1%	-21.7%
Income-cost ratio ²	1.05	1.03	0.66
Rate of cost ³	56.0%	56.3%	54.6%
Employees converted to full-time (average)	594.8	620.7	614.8
Market risk			
Interest rate risk ⁴	-5.6%	-2.2%	-4.6%
Foreign currency position ⁵	1.2%	3.7%	1.5%
Foreign currency risk	0.0%	0.1%	0.0%
Excess cover in relation to statutory liquidity requirements ⁶	178.6%	81.3%	98.8%
Credit risk			
Loans plus impairments on loans in relation to deposits	146.2%	166.1%	158.9%
Loans in relation to equity	11.1	10.7	12.5
Growth in loans for the period ⁷	9.7%	-1.3%	-7.5%
Total of large commitments ⁸	26.4%	40.2%	30.7%
Accumulated impairment ratio	7.5%	5.4%	7.8%
Impairment ratio for the period	0.3%	0.2%	3.5%
vestjyskBANK share			
Profit/loss for the period per share (denomination DKK 10)	0.5	0.5	-34.2
Equity value per share (denomination DKK 10)	70.1	175.7	140.8
Price of vestjyskBANK shares, end of the period	25.0	58.5	18.8
Market price / profit/loss for the period per share	53.5	127.1	-0.5
Market price / equity value per share	0.4	0.3	0.1

Aarhus Lokalbanc is only included in the reported figures as of 31 March 2012. Comparative figures for 2011 exclude Aarhus Lokalbanc.

1 On the basis of the average equity

2 Income from ordinary activities in relation to costs from ordinary activities. Income from ordinary activities = net interest and fee income + market value adjustments + other operating income. Costs from ordinary activities = personnel and administrative expenses + depreciation, amortisation and impairment losses; property, plant and equipment as well as intangible assets + other operating expenses

3 Operating costs as well as depreciation, amortisation and impairment losses; property, plant and equipment as well as intangible assets / core income

4 Interest rate risk in relation to core capital, less deductions

5 Exchange Rate Indicator 1 in relation to core capital, less deductions

6 Excess cover in relation to the 10 percent requirement set out in sec 152 of the Danish Financial Business Act

7 Growth in loans measured in relation to vestjyskBANK's loans, beginning of the period The growth can be attributed to the Aarhus Lokalbanc merger.

8 Commitments exceeding 10 percent of the capital base in relation to the capital base



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