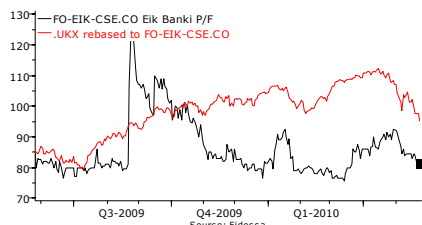


Eik Banki DKK 81

Q1 Results Show Rebound

27 May 2010

Share Price: DKK 81



12m High: DKK 128

12m Low: DKK 76

Market Cap: DKK 658m

Shares in Issue: 8.13m

EPIC Code: FO – EIK CSE Copenhagen
FO-EIK Iceland

Sedol No.: B28ZYK8

ISIN No.: FO 0005702340

Sector: Regional Banks

Markets: OMX Copenhagen and Iceland

Investor Relations: Finn Danberg,
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Websites: www.eikbank.com, www.eik.fo

Description: Eik Banki is the largest bank in the Faroe Islands. It provides loans to Faorese businesses, mortgages on Faroese housing and is also active in Denmark with internet banking and corporate real estate.

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The Q1 figures for 2010 from the leading Faroese banking group Eik Banki show that the organisation is now clearly on the rebound. The banks management stated in its annual statement that it believed that 2010 will be a year with a profit, but not necessarily in the first quarter. This has, indeed, been the outcome, with the Q1 numbers showing a small loss.

The result for the period is a loss of DKK 5 million after taxes compared to a loss of DKK 24 million the same period last year. Regulation for the expenses of the Credit Packages the ordinary operations showed a profit of DKK 17 million compared to a loss of DKK 18 million first quarter 2009.

Positive signs:

- There has been a considerable decrease in impairments, and
- net interest income has increased.

On the other hand:

- net fee and commission income decreased, and
- staff and administrative expenses have increased.

The bank's management states that the rise in expenses partly stems from a change in legislation increasing the payroll tax, and partly from expenses connected to converting the IT-platform to a new IT provider.

The reduction in impairments was gratifying, impairments are less than a quarter of the level in the Q1 2009 figures. If impairments were ignored, the Eik Banki Group would have shown a comfortable profit for the quarter.

Also, the costs of the Credit Package 1, the Danish Government guarantee cost, were significant. A satisfactory profit was shown before these charges

A table of the key numbers for the quarter is shown on the next page.

Eik Banki Core Income and Basic Operational Numbers

Core Income and Basic Operations

The Q1 2010 key figure are as follows:

Eik Banki Group DKK Million	1Q 2010	1Q 2009	Change in DKK	Change in %	1Q 2008	1Q 2007	1Q 2006
Basic Income Statement							
Net interest income	136	133	3	2	160	85	61
Net fee income	30	34	-4	-12	40	29	18
Dividends on shares, etc.	0	0	0	-	5	65	18
Market value adjustments	-37	-12	-25	-208	-59	18	5
Other operating income	2	2	0	-	3	2	2
Profit on financial operations	131	157	-26	-17	149	199	104
Operating expenses, depreciation and write-downs	100	93	7	8	97	68	53
Earnings before impairments	31	64	-33	-52	52	131	51
Impairments of loans and claims	17	76	-59	-78	13	-3	6
Earnings	14	-12	26	217	39	134	45
Income from associated and subsidiary undertakings	2	-6	8	134	0	0	0
Profit on ordinary operations	16	-18	34	188	39	134	45
Credit Package I, guarantee cost	23	19	4	21	0	0	0
Credit Package I, impairments	0	0	0	-	0	0	0
Profit before taxes	-7	-37	30	81	38	134	45
Taxes	-1	-13	12	-	10	16	9
Net profit for the period	-5	-24	19	79	29	118	36

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