

Interim Report

Q3 2012

13 November 2012

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Highlights, ratios and key figures - BankNordik Group

Highlights DKK 1,000	Q1-Q3 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011
Net interest income	459.149	153.377	150.330	155.442	160.735	155.636	111.809
Net fee and commission income	132.888	42.498	43.678	46.713	40.474	47.972	21.542
Net insurance activities	63.209	28.686	20.608	13.916	-11.351	23.745	29.398
Interest and fee income and income from insurance activities, net	663.709	226.120	219.032	218.556	191.671	227.952	165.792
Staff cost and administrative expenses	494.675	140.585	159.413	194.678	203.832	184.217	107.941
Staff cost and administrative expenses, excl. special items	434.385	139.845	148.031	146.510	148.886	148.969	101.816
Impairment charges on loans and advances etc.	102.357	21.104	58.059	23.194	43.075	18.856	10.868
Profit before tax	79.867	67.903	2.253	9.710	-32.708	30.219	22.943
Net profit	64.837	54.527	1.104	9.206	-24.572	27.535	19.414
Loans and advances	11.271.249	11.271.249	11.429.708	11.375.544	11.768.892	11.948.508	8.445.637
Bonds at fair value	3.070.316	3.070.316	3.379.798	2.429.162	2.508.938	2.424.773	2.436.928
Intangible assets	832.968	832.968	834.424	807.341	801.957	761.893	445.648
Assets held for sale	40.199	40.199	60.412	189.490	168.980	174.111	165.646
Total assets	17.827.072	17.827.072	17.876.151	17.877.560	17.086.357	18.892.969	13.283.348
Due to credit institutions and central banks	1.287.746	1.287.746	1.024.008	1.119.571	329.316	181.904	146.334
Deposits and other debt	13.087.461	13.087.461	13.262.212	13.088.421	13.032.047	13.954.669	8.740.515
Issued bonds at amortised cost	0	0	0	98.276	98.276	701.927	1.199.843
Total shareholders' equity	2.012.716	2.012.716	1.957.252	1.968.803	1.957.695	2.008.376	1.986.936
Ratios and key figures							
Solvency							
Solvency ratio, end of period, %	13,8	13,8	15,1	14,9	15,6	14,7	20,3
Core capital ratio, end of period, %	11,9	11,9	12,0	11,9	12,4	11,7	19,3
Core capital ratio excl. hybrid core capital, end of period, %	8,6	8,6	8,7	8,7	9,1	8,7	15,4
Risk-weighted items, end of period, DKK mill	11.940	11.940	12.032	12.504	12.313	13.068	9.743
Profitability							
Return on equity after tax, %	3,3	2,7	0,1	0,5	-1,2	1,4	1,0
Cost / income, %	88,6	71,3	99,0	95,9	114,3	87,0	86,0
Cost / income, % (excl. value adjustm. and impairments)	75,5	63,3	71,1	92,7	108,0	80,6	77,3
Market risk							
Interest rate risk %	3,0	3,0	2,7	2,5	2,3	1,2	1,8
Foreign exchange position %	6,3	6,3	12,8	10,8	8,7	9,8	7,2
Liquidity							
Excess cover relative to statutory liquidity requirements, %	165,6	165,6	181,4	168,8	115,3	148,6	210,7
Credit risk							
Growth on loans and advances, %	-4,2	-1,4	0,5	-3,3	-1,5	41,5	0,8
Gearing of loans and advances	5,6	5,6	5,8	5,8	6,0	5,9	4,2
Impairment and provisioning ratio, end of period, %	2,8	2,8	2,7	2,7	2,7	2,5	3,2
Share of amounts due on which interest rates have been reduced, end of period, %	1,6	1,6	1,7	1,8	1,9	2,1	1,7
Shares							
Earnings per share after tax (nom. DKK 20), DKK	6,6	5,5	0,1	0,9	-2,5	2,8	2,0
Market price per share (nom. DKK 20), DKK	67	67	69	77	79	74	111
Book value per share (nom. DKK 20), DKK	204	204	198	199	200	205	201
Other							
Number of full-time employees, end of period *)	577	577	583	582	612	604	421

*) Q1 - Q3 2012: Incl. staffreduction as of 31 March 2012.

Financial review

Highlights Q3 2012

- Profit before impairment charges and special items improved by DKK 11m from DKK 200m in 9M 2011 to DKK 211m in 9M 2012.
- Profit before tax, value adjustments and sector costs amounted to DKK 70m in Q1-Q3 2012. The full-year forecast of DKK 80-140m expressed in the H1 Interim Report is maintained.
- Net interest and fee income was DKK 196m in Q3 2012, compared to DKK 194m in Q2 2012.
- Income from insurance activities increased by DKK 8m to DKK 29m in Q3 2012 compared to Q2 2012.
- Operating costs before special items were down by 5.2% q/q, from DKK 155m in Q2 2012 to DKK 147m in Q3 2012.
- The integration of the activities acquired in Denmark was finalised in Q2. As a result, there were no non-recurring costs from the integration of Amagerbanken in Q3 (DKK 11m in Q2 2012).
- Impairment charges, net, amounted to DKK 14m in Q3 2012 compared to DKK 46m in Q2 2012.
- Profit before tax amounted to DKK 68m in Q3 2012, bringing the year-to-date figure to DKK 80m.
- Banking Denmark generated a profit before tax of DKK 28m in Q3. This is the first quarter since the acquisitions that the division has reported a bottom line in the black.
- The solvency ratio was 13.8%, as compared to the solvency requirement of 8.9%.
- Surplus liquidity coverage of 166%. Deposit surplus amounted to DKK 1.8bn.

Special items

In recent quarters certain special items (especially integration and restructuring costs) have had a relatively large impact on the Group's financial performance. In order to provide a better understanding of the Group's core financial performance, special items have been extracted from the accounts to be presented and discussed below. The adjusted figures of the underlying business areas are subsequently discussed separately.

Special items include branch acquisition costs, pre-takeover preparation costs, restructuring, harmonisation, and primarily transition and transfer costs incurred in the IT area. In Q3 2012, the only component still being large enough to have an effect on the financial results was market value adjustments.

Special items net amounted to a gain of DKK 3m in Q3 2012 compared to a DKK 17m expense in Q2 2012. Only marginal integration and restructuring costs (IT and administrative service expenses payable to Finansiel Stabilitet) were recognised in Q3 2012, amounting to DKK 1m or DKK 10m less than in Q2 2012.

Special items from Q1 2011 to Q3 2012 are summarised in the table below:

DKK m	Q1 11	Q2 11	Q3 11	Q4 11	Q1 12	Q2 12	Q3 12	2011
Integration and restructuring costs	-3	-6	-35	-55	-48	-11	-1	-99
Market value adjustments	-17	-5	5	27	17	-7	4	10
Sector costs	0	-17	3	-7	-5	1	0	-21
Adjustment of external funding	-7	-7	-4	-1	0	0	0	-19
Other items	7	1	-2	5	0	0	0	11
Total	-20	-35	-33	-31	-37	-17	3	-119

Income statement

The summary income statement below has been adjusted for special items in each relevant quarter and year:

DKKm	Q1 11	Q2 11	Q3 11	Q4 11	Q1 12	Q2 12	Q3 12	2011
Operating income	157	173	232	192	219	221	226	754
Operating costs	103	107	152	157	153	155	147	519
Profit before impairment charges	54	66	80	35	66	66	79	235
Impairment charges	28	11	19	43	23	58	21	101
Reversals of acquired OEI impairments	-4	-3	-2	-6	-4	-12	-7	-15
Operating profit	31	58	63	-2	46	20	65	149
Special items	-20	-35	-33	-31	-37	-17	3	-119
Profit before tax (as reported)	10	23	30	-33	10	2	68	31

The following comments relate to the adjusted figures and are generally stated relative to Q2 2012. Due to seasonal variations the insurance segment are also presented relative to Q3 2011.

Operating income

BankNordik Group's operating income increased by 2% relative to Q2 2012 to stand at DKK 226m in Q3 2012. Income from banking activities has stabilised compared to Q2 2012, while the contribution to operating income from insurance activities increased by 39% due to a low claims ratio.

Net interest income

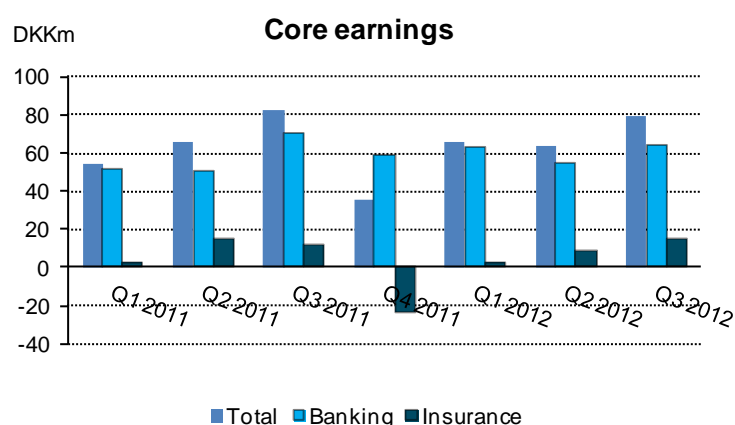
Net interest income was DKK 153m in Q3 2012 compared to DKK 150m in Q2 2012. The marginal increase was due to lower interest expense resulting from the repayment of sub-ordinated capital and marginally higher interest margins. On the other hand, the reduced loan portfolio had the opposite effect.

Net fees and commissions

Net fee and commission income fell marginally to DKK 43m in Q3 2012 from DKK 44m in Q2 2012, but the activity level remains stable.

Insurance income net

Income from insurance activities, net continues to increase, rising by 39% to DKK 29m in Q3 2012 from DKK 21m in Q2 2012. The development was driven by a 9% increase in premium income and marginally lower claims. Compared to Q3 2011, insurance income, net increased by 21% from DKK 24m to DKK 29m.



Operating costs

Operating costs fell by 5% to DKK 147m in Q3 2012 compared to DKK 155m in Q2 2012. Operating costs had been expected to drop relative to H1 2012 due to cost-saving measures introduced in Q1 2012 and the continuing focus on cost savings.

Profit before impairment charges

As expected, BankNordik's profit before impairment charges increased again in Q3 2012, by 20% to DKK 79m compared to DKK 66m in Q2 2012, thus regaining the positive momentum from Q1 2012. The combination of higher core income and lower operating costs drove the improvements.

Impairment charges

Impairment charges recovered to DKK 14m in Q3 2012 after the substantial increase to DKK 46m in Q2 2012, net of loans and advances, a DKK 32m (70%) improvement. Reversals of acquired OEI impairments amounting to DKK 7m in Q3 2012 and DKK 12m in Q2 2012 have been subtracted from the figures.

The third quarter impairment charges of 21m correspond to 0.2% of loans and advances. Total impairments now amount to DKK 342m which correspond to 2.5% of all loans and guarantees. Furthermore impairments on acquired business amount to DKK 500m, which is booked as a reduction in the acquisition price, and thus not as impairments.

Operating profit

With the favourable developments of the cost/income ratio and the impairment charges of the last quarter, BankNordik achieved a significant improvement in operating profit from DKK 20m in Q2 2012 to DKK 65m in Q3, corresponding to a factor 3.3. The banking business is expected to be stable, subject to developments in loans and advances. Due to seasonal variations, the insurance business is not expected to repeat the strong performance of the previous two quarters.

Balance sheet

BankNordik's total assets at 30 September 2012 amounted to DKK 17.8bn which is at the level reported as per the end of Q2 2012. Loans and advances were down by DKK 158m (-1%) to DKK 11.3bn in the third quarter of 2012 mostly due to lower lending activity in Denmark and the Faroe Islands. Deposits fell by DKK 175m (1%) from DKK 13.3bn at the end of Q2 2012 to DKK 13.1 at the end of Q3 2012.

Compared to Q2 2012, amounts due from, and due to credit institutions and central banks increased by DKK 496m and DKK 264m, respectively, largely because the DKK 800m loan from the Danish central bank was increased to DKK 1bn at the end of September 2012. Shifts in the portfolios of bonds and shares stem from the transactions mentioned above. The surplus liquidity at the end of Q3 2012 was 166% higher than the statutory requirement. Subordinated debt now amounts to DKK 672m.

At the end of Q3 2012, the Group's equity had increased to DKK 2,013m.

Other issues**Repurchase of subordinated loan capital**

On 30 July 2012, DKK 150m of the original DKK 822m subordinated loan capital was repaid and the bonds subsequently cancelled, leaving the remaining subordinated loans in circulation at DKK 672m.

Extended and increased liquidity loan

The DKK 800m loan established with Danmarks Nationalbank in March 2012 was increased to DKK 1bn at the end of September 2012, and the maturity has been extended until September 2015.

Events after the balance sheet date

In the end of October 2012 BankNordik announced a reduction in the number of employees amounting to 23 since the end of Q2 2012 – herof 14 layoffs. Otherwise there have been no significant events in BankNordik after the end of the reporting period.

Outlook 2012

Management maintains the expectations as reported in the half year interim report for the 2012 operating profit of DKK 150-200m, including impairments of DKK 80-120m. Furthermore management maintains the result before tax, value adjustments and sector costs of DKK 80-140m, including non recurring costs from integration and reorganization of DKK 60-70m.

BankNordik Group by segment

Banking

Faroe Islands

The banking activities in the Faroe Islands reported an improved performance in Q3 2012 with operating profit before impairment charges of DKK 33m, up from DKK 29m in Q2 2012 and DKK 31m in Q1 2012. Operating income was DKK 82m, remaining at the level of Q2 2012, while costs were down by 8% to DKK 49m due to lower administrative expenses. Impairments in Q3 2012 amounted to DKK 19m, DKK 1m higher than in Q2 2012.

Loans and advances were down by DKK 107m (2%) while deposits were up by DKK 22m (-0%).

Income statement, Faroe Islands

	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012
DKKm							
Operating income	98	100	91	87	79	82	82
Operating costs	47	55	48	52	48	53	49
Profit before impairment charges	51	45	43	35	31	29	33
Impairment charges	11	-6	6	12	15	18	19
Operating profit	40	51	37	23	17	11	14
Special items	-27	-26	-1	5	2	-1	2
Adjustment of external funding	-7	-7	-4	-1	0	0	0
Integration and restructuring costs	-1	-1	-1	-1	-5	0	0
Sector costs	0	-17	3	-7	-2	0	0
Market value adjustments	-24	0	1	8	10	-3	2
Other items	5	-1	-1	6	-1	1	0
Profit before tax (as reported)	13	25	37	28	18	10	17
Loans and advances	6.196	6.306	6.328	6.329	6.106	6.177	6.070
Deposits and other debt	5.718	5.583	5.864	5.459	5.506	5.384	5.406
Cost/Income (Operating cost/income), %	48	55	52	60	60	65	60
Number of FTE, end of period	214	209	203	203	189	190	186

Denmark

The Danish banking activities reported a pre-tax profit for the first time in seven quarters. Profit before impairment charges improved by DKK 3m (14%) to DKK 25m in Q3 2012. Danish operating income increased marginally from DKK 99m to DKK 100m. Operating costs followed the trend of the last quarter, decreasing from DKK 77m in Q2 2012 to DKK 74m (-4%) in Q3 2012.

Interest and fee income was largely stable in Q3 2012, while lower staff costs and administrative expenses contributed a DKK 3m (-4%) drop in operating costs. Net impairment charges amounted to a reversal of DKK 4m, a significant improvement compared to the net impairment charges of DKK 26m in Q2 2012. This development was a main reason for Denmark delivering

Income statement, Denmark

	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012
DKKm							
Operating income	30	30	104	101	107	99	100
Operating costs	32	25	79	80	80	77	74
Profit before impairment charges	-2	5	25	20	27	22	25
Impairment charges	13	16	14	35	6	38	3
Reversals of acquired OEI impairments	-4	-2	0	-4	-4	-12	-7
Operating profit	-11	-9	12	-11	25	-3	29
Special items	-2	-7	-33	-44	-46	-11	-1
Adjustment of external funding	0	0	0	0	0	0	0
Integration and restructuring costs	-3	-6	-35	-54	-43	-11	-1
Sector costs	0	0	0	0	-3	0	0
Market value adjustments	0	-2	1	10	0	0	0
Other items	0	0	0	0	0	0	0
Profit before tax (as reported)	-13	-16	-22	-55	-21	-14	28
Loans and advances	1.490	1.437	4.899	4.684	4.532	4.410	4.325
Deposits and other debt	2.630	2.657	7.624	7.204	7.080	7.412	7.233
Cost/Income (Operating cost/income), %	107	83	76	80	75	78	74
Number of FTE, end of period	114	106	292	297	283	281	279

a profit of DKK 28m.

Loans and advances continued to decline in Q3 2012, the DKK 85m (-2%) fall reflecting the current general trend in the sector. Deposits also declined in Q3 2012, by DKK 179m (-2%) compared to an increase of DKK 332m in Q2 2012.

Greenland

Operating profit before impairment charges remained steady at DKK 5m for the third consecutive quarter. Operating income was down by DKK 1m (-8%) while operating costs declined by 13%. Consolidating all the Bank's activities in Nuuk in March 2012 has had a positive effect on staff costs and administrative expenses.

Net impairment charges fell by DKK 4m, from DKK 3m in Q2 2012 to a DKK 1m reversal in Q3 2012, which is the main reason for the operating profit improving from DKK 2m to DKK 5m in the third quarter.

Loans and advances increased by DKK 33m (4%) while deposits fell by DKK 10m (2%).

Income statement, Greenland

DKKm	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012
Operating income	14	12	12	14	15	13	12
Operating costs	11	12	10	10	9	8	7
Profit before impairment charges	3	1	2	4	5	5	5
Impairment charges	2	1	1	-4	2	3	-1
Reversals of acquired OEI impairments	0	0	-2	-2	0	0	0
Operating profit	1	0	4	10	3	2	5
Special items	0	-2	1	0	0	0	0
Adjustment of external funding	0	0	0	0	0	0	0
Integration and restructuring costs	0	0	0	0	0	0	0
Sector costs	0	0	0	0	0	0	0
Market value adjustments	0	-2	1	0	0	0	0
Other items	0	0	0	0	0	0	0
Profit before tax (as reported)	2	-1	5	9	2	2	5
Loans and advances	690	702	722	756	738	843	876
Deposits and other debt	612	513	577	460	596	571	561
Cost/Income (Operating cost/income), %	78	93	82	72	64	64	62
Number of FTE, end of period	24	28	30	29	27	26	25

Insurance

Trygd

The seasonal rebound to lower claims levels lifted Trygd's Q3 2012 operating profit to DKK 9m. Operating income was up from DKK 9m in Q2 2012 to DKK 14m due to marginally higher premiums and lower claims, while operating costs were unchanged at DKK 5m. The corresponding quarter in 2011 also delivered net profit of DKK 9m.

Income statement, Trygd

DKKm	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012
Operating income	10	14	14	-16	12	9	14
Operating costs	4	5	5	4	5	5	5
Profit before impairment charges	5	10	9	-20	7	3	9
Impairment charges	0	0	0	0	0	0	0
Operating profit	5	10	9	-20	7	3	9
Special items	0	0	0	0	0	0	0
Adjustment of external funding	0	0	0	0	0	0	0
Integration and restructuring costs	0	0	0	0	0	0	0
Sector costs	0	0	0	0	0	0	0
Market value adjustments	0	0	0	0	0	0	0
Other items	0	0	0	0	0	0	0
Profit before tax (as reported)	5	10	10	-20	7	3	9
Combined ratio	77	56	61	84	70	84	59
Number of FTE, end of period	24	22	23	24	24	24	23

Vørður

Vørður delivered its second consecutive quarterly profit, of DKK 6m, in Q3 2012, compared to DKK 6m in Q2 2012. Operating income in Q3 2012 fell by DKK 1m to DKK 17m. Operating costs were down by DKK 1m to DKK 11m. Market value adjustments traditionally have a significant impact on Vørður's reported results, but in the last two quarters of 2012 the development has not affected the baseline result

Income statement, Vørður

DKKm	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012
Operating income	6	17	10	7	6	18	17
Operating costs	9	11	8	10	10	12	11
Profit before impairment charges	-3	6	2	-3	-4	6	6
Impairment charges	0	0	0	0	0	0	0
Operating profit	-3	6	2	-4	-4	6	6
Special items	4	-2	2	9	4	-1	1
Adjustment of external funding	0	0	0	0	0	0	0
Integration and restructuring costs	0	0	0	0	0	0	0
Sector costs	0	0	0	0	0	0	0
Market value adjustments	4	-2	2	9	4	-1	1
Other items	0	0	0	0	0	0	0
Profit before tax (as reported)	1	4	5	5	-1	5	8
Combined ratio	108	84	94	97	113	94	90
Number of FTE, end of period	52	52	54	55	56	58	59

Income statement - BankNordik Group

Note	DKK 1,000	Q1-Q3 2012	Q1-Q3 2011	Full year 2011
3	Interest income	616.694	533.553	749.462
4	Interest expenses	157.545	147.284	202.457
	Net interest income	459.149	386.270	547.005
	Dividends from shares and other investments	8.463	3.937	5.749
5	Fee and commission income	143.440	99.658	143.950
5	Fee and commissions paid	10.552	12.232	16.050
	Net interest and fee income	600.500	477.633	680.654
	Premium income, net of reinsurance	211.684	201.034	266.065
	Claims, net of reinsurance	148.475	135.332	211.714
	Interest and fee income and income from insurance activities, net	663.709	543.335	735.006
6	Market value adjustments	13.270	-16.772	9.761
7	Other operating income	24.540	15.769	26.862
8	Staff costs and administrative expenses	494.675	393.431	597.263
	Amortisation, depreciation and impairment charges	20.446	13.018	21.178
	Other operating expenses	4.174	13.872	20.695
9	Impairment charges on loans and advances etc.	102.357	57.731	100.806
	Income from associated and subsidiary undertakings	0	-884	-998
	Profit before tax	79.867	63.397	30.689
	Tax	15.031	6.854	-1.283
	Net profit	64.837	56.543	31.971
	Portion attributable to			
	Shareholders of BankNordik P/F	64.837	56.403	31.671
	Minority interests	0	140	300
	Net profit	64.837	56.543	31.971
	EPS Basic for the period, DKK*	6,57	5,70	3,23
	EPS Diluted for the period, DKK *	6,57	5,70	3,23

* Based on average number of shares outstanding, see the specification of shareholders equity

Statement of comprehensive income - BankNordik Group

DKK 1,000	Q1-Q3 2012	Q1-Q3 2011	Full year 2011
Net profit	64.837	56.543	31.971
Other comprehensive income			
Translation of non-Faroese subsidiaries	0	-12.333	-5.177
Corrections	0	0	-36.906
Tax on other comprehensive income	0	577	-255
Total other comprehensive income	0	-11.756	-42.338
Total comprehensive income	64.837	44.787	-10.367
Portion attributable to			
Shareholders of BankNordik P/F	64.837	45.047	26.425
Minority interests	0	-260	-36.792
Total comprehensive income	64.837	44.787	-10.367

Balance Sheet - BankNordik Group

Note	DKK 1,000	Sept. 30 2012	Sept. 30 2011	Full year 2011
Assets				
	Cash in hand and demand deposits with central banks	416.515	1.578.751	308.951
10	Due from credit institutions and central banks	958.657	773.867	461.091
11, 14	Loans and advances at fair value	1.086.221	1.019.661	1.022.408
11, 14	Loans and advances at amortised cost	10.185.029	10.928.848	10.746.484
	Bonds at fair value	3.070.316	2.424.773	2.508.938
	Shares, etc.	419.722	325.290	365.334
	Assets under insurance contracts	102.886	95.607	93.558
	Holdings in associates	32.586	32.587	32.586
	Intangible assets	832.968	761.893	801.957
	Assets under pooled schemes	124.525	106.119	121.210
	Total land and buildings	355.060	180.079	217.281
	investment property	160.885	2.500	2.500
	domicile property	194.175	177.579	214.781
	Other property, plant and equipment	27.000	24.758	31.446
	Current tax assets	6.505	6.492	6.356
	Deferred tax assets	19.515	22.196	22.105
12	Assets held for sale	40.199	174.111	168.980
	Other assets	115.325	415.558	155.363
	Prepayments	34.429	22.380	22.309
	Total assets	17.827.072	18.892.969	17.086.357

Balance Sheet - BankNordik Group

Note	DKK 1,000	Sept. 30 2012	Sept. 30 2011	Full year 2011
Shareholders' equity and liabilities				
Liabilities other than provisions				
	Due to credit institutions and central banks	1.287.746	181.904	329.316
	Deposits and other debt	12.962.936	13.848.549	12.910.837
	Deposits under pooled schemes	124.525	106.119	121.210
	Issued bonds at amortised cost	0	701.927	98.276
	Liabilities under insurance contracts	378.369	331.998	353.324
	Current tax liabilities	9.463	75.148	10.247
	Other liabilities	300.478	799.661	410.515
	Deferred income	15.392	15.710	18.517
	Total liabilities other than provisions	15.078.908	16.061.017	14.252.243
Provisions for liabilities				
	Provisions for deferred tax	23.174	18.671	14.192
	Provisions for losses on guarantees	40.503	5.941	31.516
	Total provisions for liabilities	63.678	24.612	45.707
Subordinated debt				
	Subordinated debt	671.771	798.965	830.711
	Total liabilities	15.814.356	16.884.594	15.128.662
Shareholders' equity				
	Share capital	200.000	200.000	200.000
	Foreign translation reserve	16.373	18.158	13.274
	Retained earnings	1.796.343	1.790.218	1.744.422
	Total shareholders' equity	2.012.716	2.008.376	1.957.696
	Shareholders of the Parent Company	2.012.716	2.002.817	1.952.014
	Minority interests	0	5.560	5.682
	Total shareholders' equity	2.012.716	2.008.376	1.957.696
	Total liabilities and equity	17.827.072	18.892.969	17.086.357

Statement of capital - BankNordik Group

Changes in shareholders' equity:

DKK 1,000	Share capital	Foreign currency		Proposed dividends	Retained earnings	Minority interests		Total
		translation reserve				Total		
Shareholders' equity at January 1, 2012	200.000	13.274		0	1.738.739	1.952.013	5.682	1.957.695
Translation of foreign units		0				0		0
Tax on entries on shareholders' equity		0				0		0
Income recognised directly on shareholders' equity		0			0	0	0	0
Net profit					64.837	64.837		64.837
Total comprehensive income		0			64.837	64.837	0	64.837
Purchase of minority interests in Vørður		3.099			-7.235	-4.136	-5.682	-9.818
Acquisition of own shares					-16.825	-16.825		-16.825
Sale of own shares					16.828	16.828		16.828
Dividends paid				0		0		0
Shareholders' equity at September 30, 2012	200.000	16.373		0	1.796.343	2.012.716	0	2.012.716

DKK 1,000	Share capital	Foreign currency		Proposed dividends	Retained earnings	Minority interests		Total
		translation reserve				Total		
Shareholders' equity at January 1, 2011	200.000	23.892		40.000	1.731.597	1.995.489	5.569	2.001.058
Translation of foreign units		-6.017				-6.017	-203	-6.220
Tax on entries on shareholders' equity		283				283		283
Income recognised directly on shareholders' equity		-5.734			-11	-5.745	-203	-5.948
Net profit					56.543	56.543	195	56.738
Total comprehensive income		-5.734			56.532	50.798	-8	50.790
Acquisition of own shares					-33.017	-33.017		-33.017
Sale of own shares					29.545	29.545		29.545
Dividends paid				-40.000		-40.000		-40.000
Shareholders' equity at September 30, 2011	200.000	18.158		0	1.784.658	2.002.816	5.561	2.008.376

Shares

DKK 1,000	Q1-Q3 2012	Q1-Q3 2011	Full year 2011
Net profit	64.837	56.543	31.971
Average number of shares outstanding	9.863	9.919	9.910
Number of dilutive shares issued	0	0	0
Average number of shares outstanding, including dilutive shares diluted	9.863	9.919	9.910
Earnings per share, DKK	6,57	5,70	3,23
Diluted net profit for the period per share, DKK	6,57	5,70	3,23

The share capital is made up of shares of a nominal value of DKK 20 each. All shares carry the same rights. Thus there is only one class of shares.

Average number of shares outstanding:

Issued shares at 1 January, numbers in 1,000	10.000	10.000	10.000
Increase in share capital	0	0	0
Issued shares at end of period	10.000	10.000	10.000
Shares outstanding at end of period	9.863	9.921	9.863
Group's average holding of own shares during the period	137	81	90
Average shares outstanding	9.863	9.919	9.910

Cash flow statement - BankNordik Group

DKK 1,000	Q1-Q3 2012	Q1-Q3 2011	Full year 2011
Cash flow from operations			
Net profit for the period	64.837	56.543	31.971
Adjustment of non-cash operating items	105.543	12.372	-33.383
Other adjustments	-8.463	-3.937	-5.749
Changes in operating capital	-22.102	2.852.013	2.061.913
Cash flow from operations	139.815	2.916.991	2.054.753
Cash flow from investing activities			
Acquisition/sale of group undertakings and other business units	-47.021	0	0
Dividends received	8.463	3.937	5.749
Acquisition/sale of own shares	3	-6.271	-5.930
Acquisition of intangible assets	-60.880	-328.537	-391.100
Acquisition/sale of tangible assets	-167.265	-46.075	-100.418
Cash flow from investing activities	-266.700	-376.945	-491.700
Issue of bonds	-98.276	-1.497.916	0
Increase in loan from the Danish Central Bank	1.000.000	0	0
Increase in subordinated debt	-159.743	-40.000	593.358
Payment of dividends	0	0	-39.684
Payment of long term loan	0	0	-2.101.567
Cash flow from financing activities	741.981	-942.191	-1.547.893
Cash flow	615.096	1.597.855	15.161
Cash in hand and demand deposits with central banks, and due from credit institutions, etc. at the beginning of the year	760.263	756.340	756.340
Foreign currency translation	-186	-1.576	-1.459
Cash flow	615.096	1.597.855	15.161
Cash and due etc.	1.375.173	2.352.619	770.042
Cash and due etc.			
Cash in hand and demand deposits with central banks	416.515	1.578.751	308.951
Due from credit institutions, etc.	958.657	773.867	461.091
Total	1.375.173	2.352.619	770.042

Note 1 Significant accounting policies

The consolidated financial statement for the first three quarters of 2012 has been prepared in accordance with IAS 34 "Interim Financial Reporting" supplemented by additional Faroese disclosure requirements for quarterly reports of listed financial companies and in accordance with the financial reporting requirements of the Nasdaq OMX in Reykjavik and in Copenhagen.

The application of IAS 34 means that the disclosure of figures is less detailed than the disclosure in a full annual report and that the valuation principles laid down by the international financial reporting standards (IFRS) are applied.

The Group has not changed its significant accounting policies from those followed in the Annual Report 2011. The Annual Report 2011 provides a full description of the Group's significant accounting policies.

Future financial reporting standards and interpretations

International Accounting Standards Board (IASB) has issued a number of new accounting standards (IAS and IFRS) and interpretations (IFRIC) that have not yet entered into force. None of these are expected to have an impact on the Group's future financial reporting.

Accounting estimates

The measurement of certain assets and liabilities requires management to estimate how future events will impact on the value of such assets and liabilities. Estimates of significance to the financial reporting are made in connection with determining the impairments of loans and advances, the fair value of unlisted financial instruments, provisions, business acquisitions etc. Estimates are based on assumptions that management consider appropriate but which are uncertain by their nature.

The most significant estimates that the management makes in applying the Group's accounting policies and the most important uncertainty affecting estimates made when preparing the condensed interim report are unchanged from the estimates made in connection with the preparation of the Annual Report at 31 December 2011 and the uncertainties prevailing at that time.

BankNordik Group - segment reporting Q3 2012

Operating segments		Banking				Insurance			Other	Elimination	Group
Note	DKK 1,000	Faroe Islands	Denmark	Greenland	Total	Faroe Islands	Iceland	Total	Other		BankNordik
2	Interest income	328.150	295.412	48.513	672.074	2.165	5.809	7.974	344	-63.699	616.694
	of which internal interest income		58.829		58.829						58.829
	Interest expense	125.287	78.275	17.679	221.241				2	-63.699	157.545
	of which internal interest expense	51.544		7.285	58.829						58.829
	Net interest income	202.863	217.137	30.834	450.834	2.165	5.809	7.974	342		459.149
	Dividends from shares and other investments	1.777	2		1.779		6.671	6.671	13		8.463
	Net fee income	39.715	88.567	8.638	136.919		-3.931	-3.931	372	-472	132.888
	Premium income, net of reinsurance					60.655	149.122	209.778	2.995	-1.089	211.684
	Claims, net of reinsurance					27.694	119.762	147.457	1.018		148.475
	Market value adjustments	9.608			9.608	-196	3.517	3.321	341		13.270
	Income from associates										0
	Other operating income	-903	22.868	118	22.083	-16	1	-15	2.889	-417	24.540
	Total income	253.061	328.573	39.589	621.224	34.913	41.427	76.340	5.932	-1.978	701.519
	Staff costs and administrative expenses	150.798	274.982	24.372	450.152	15.214	27.697	42.911	3.590	-1.978	494.675
	Depreciation and impairment of property, plant and equipment	4.159	11.401	786	16.345	472	2.669	3.141	959		20.446
	Other operating expenses	1.742	2.241	192	4.175			0			4.175
	Total operating expenses	156.699	288.624	25.350	470.672	15.686	30.366	46.052	4.550	-1.978	519.296
	Profit before impairment charges on loans	96.362	39.950	14.240	150.551	19.228	11.061	30.288	1.383		182.222
	Impairment charges on loans and advances etc.	51.284	46.418	4.655	102.356		-1	-1	1		102.357
	Profit before tax	45.078	-6.468	9.585	48.195	19.228	11.061	30.289	1.382		79.867
	Loans and advances	6.070.357	4.325.031	875.861	11.271.249						11.271.249
	Holdings in associates	32.586	0	0	32.586	0	27.365	27.365	0	-27.365	32.586
	Other assets	5.107.805	3.680.303	71.720	8.859.828	197.303	385.524	582.827	58.979	-2.978.397	6.523.237
	Total assets	11.210.748	8.153.293	947.581	20.163.663	197.303	412.889	610.192	58.979	-3.005.762	17.827.072
	Deposits	5.406.335	7.233.010	560.739	13.200.084					-112.624	13.087.461
	Other liabilities	4.720.424		230.438	4.950.863	92.550	306.552	399.102	20.180	-2.643.250	2.726.895
	Shareholders equity	1.083.989	772.324	156.403	2.012.716	104.753	106.337	211.090	38.799	-249.889	2.012.716
	Total liabilities and equity	11.210.748	8.153.293	947.581	20.163.663	197.303	412.889	610.192	58.979	-3.005.762	17.827.072
	Internal interest income/expense allocated to operating segments	4,0%	4,0%	4,0%	4,0%						
	Cost/income ratio (%)	82,2%	102,0%	75,8%	92,2%	44,9%	73,3%	60,3%	76,7%		88,6%
	Cost/income ratio (excl. value adjustments and impairments on loans and advances etc.) (%)	64,4%	87,8%	64,0%	77,0%	44,7%	80,1%	63,1%	81,4%		75,5%

Banking activities returned a pre-tax profit of DKK 48m compared to a profit of DKK 28m in 2011. Banking in the Faroe Islands rendered a pre-tax profit of DKK 45m compared to a profit of DKK 74m in 2011. The main reason are increased impairment charges. Due to lower special items banking in Denmark rendered a pre-tax loss of DKK -6m compared to DKK -51m at the end of Q3 2011. Banking in Greenland rendered a profit before tax of DKK 10m compared to 5m same period last year.

Insurance activities returned a pre-tax profit of DKK 30m compared to DKK 34m the same period last year. In Faroe Islands the pre-tax result for insurance in Faroe Islands was DKK 19m compared to DKK 24m the same period last year. In Iceland the insurance activities rendered a pre-tax profit of DKK 11m compared to DKK 10m for the same period last year.

Other operations returned a pre tax profit of DKK 1m compared to a pre tax profit of DKK 0m in 2011.

BankNordik Group - segment reporting Q3 2011

Operating segments		Banking				Insurance			Other	Elimination	Group
Note	DKK 1,000	Faroe Islands	Denmark	Greenland	BankNordik	Faroe Island	Iceland	Total	Other		BankNordik
2	Interest income	348.544	169.965	40.664	559.173	2.708	4.462	7.170	252	-33.041	533.554
	of which internal interest income		31.859		31.859			0			
	Interest expense	116.295	51.051	12.171	179.517	0	0	0	10	-32.244	147.284
	of which internal interest expense	29.575		2.285	31.859			0			
	Net interest income	232.250	118.913	28.492	379.656	2.708	4.462	7.170	242	-798	386.270
	Dividends from shares and other investments	465	0	0	465	0	3.381	3.381	92	0	3.937
	Net fee income	37.813	45.137	9.267	92.217	0	-4.682	-4.682	123	-231	87.426
	Premium income, net of reinsurance	0	0	0	0	61.233	138.316	199.549	2.467	-981	201.034
	Claims, net of reinsurance	0	0	0	0	26.185	108.735	134.919	413	0	135.332
	Market value adjustments	-23.065	-58	-158	-23.281	16	4.454	4.470	-38	2.077	-16.772
	Income from associates	0	0	0	0	0	0	0	-884	0	-884
	Other operating income	3.127	6.813	2.521	12.461	-5	580	575	3.196	-463	15.769
	Total income	250.590	170.805	40.122	461.517	37.767	37.775	75.543	4.784	-396	541.448
	Staff costs and administrative expenses	146.625	175.939	31.987	354.552	13.465	23.403	36.868	3.686	-1.676	393.431
	Depreciation and impairment of property, plant and equipment	4.604	2.802	0	7.406	3	4.605	4.608	1.003	0	13.018
	Other operating expenses	13.831	41	0	13.872	0	0	0	0	0	13.872
	Total operating expenses	165.060	178.782	31.987	375.829	13.468	28.008	41.476	4.690		420.320
	Profit before impairment charges on loans	85.530	-7.977	8.135	85.687	24.300	9.767	34.066	94	0	121.128
	Impairment charges on loans and advances etc.	11.468	43.060	3.261	57.789	0	-59	-59	0	0	57.731
	Profit before tax	74.061	-51.038	4.874	27.898	24.300	9.826	34.125	94		63.397
	Loans and advances	6.327.509	4.898.566	722.205	11.948.281	0	228	228	0	0	11.948.508
	Holdings in associates	32.586	0	0	32.586	0	3.400	3.400	0	-3.400	32.586
	Other assets	4.942.263	3.548.357	13.421	8.504.041	184.746	356.290	541.036	33.134	-2.166.336	6.911.874
	Total assets	11.302.359	8.446.924	735.626	20.484.908	184.746	359.917	544.663	33.134	-2.169.736	18.892.969
	Deposits	5.865.314	7.623.528	577.276	14.066.118	0	0	0	0	-111.449	13.954.669
	Other liabilities	4.373.459		36.955	4.410.414	79.573	276.013	355.587	10.575	-1.846.651	2.929.925
	Shareholders equity	1.063.586	823.396	121.395	2.008.376	105.173	83.904	189.077	22.559	-211.635	2.008.376
	Total liabilities and equity	11.302.359	8.446.924	735.626	20.484.908	184.746	359.917	544.663	33.134	-2.169.735	18.892.970
	Internal interest income/expense allocated to operating segments	2,4-2,8%	2,4-2,8%	2,4-2,8%	2,4-2,8%						
	Cost/income ratio (%)	70,4%	129,9%	87,9%	94,0%	35,7%	74,0%	54,8%	98,0%		88,3%
	Cost/income ratio (excl. value adjustments and impairments on loans and advances etc.) (%)	60,3%	104,6%	79,4%	77,5%	35,7%	84,1%	58,4%	97,3%		75,3%

BankNordik Group - Geographical revenue information

	Total income		Non-current assets		Additions on material assets		Additions on immaterial assets	
	Q3 2012	Q3 2011	Q3 2012	Q3 2011	Q3 2012	Q3 2011	Q3 2012	Q3 2011
Faroe Islands	288.362	288.988	311.782	632.143	133.089	-2.293		
Denmark	328.573	170.805	766.420	370.887	-4.946	49.637	50.080	354.161
Iceland	44.994	41.533	13.441	11.004	-219	-516	-19.069	
Greenland	39.589	40.122	159.842	5.108	306	5.108		
Total	701.519	541.448	1.251.485	1.019.142	128.230	51.936	31.010	354.161

Income from external customers are divided into activities related to the customer's domicile. Assets include all non-current assets, i.e. intangible assets, material assets investment properties and holdings in associates.

BankNordik Group - Revenues from external customers

Revenues from external customers	Q3 2012	Q3 2011
Banking	619.246	461.122
Insurance products	76.340	75.543
Other	5.932	4.784
Total revenue	701.519	541.448

The Group's external revenue is organized into different business area according to how the Group's revenue is obtained. The different areas are Banking products that includes interest- and fee income from activities, i.e. loans and advances and deposits, with private, corporate and public customers. Insurance products includes insurance products from non-life and life insurance.

Notes - BankNordik Group

Note	DKK 1,000	Q1 - Q3 2012	Q1 - Q3 2011	Full Year 2011
3	Interest income			
	Credit institutions and central banks	6.081	10.347	12.739
	Loans and advances	575.135	484.535	683.107
	Bonds	43.813	51.078	75.073
	Total derivatives of which:	-13.553	-14.929	-19.418
	<i>Currency contracts</i>	0	337	192
	<i>Interest rate contracts</i>	-13.553	-15.266	-19.610
	Other interest income	5.218	2.522	-2.039
	Total interest income	616.694	533.553	749.462
4	Interest expenses			
	Credit institutions and central banks	231	740	1.349
	Deposits	99.793	90.265	127.901
	Issued Bonds	-56	23.043	22.803
	Subordinated debt	54.085	30.533	46.820
	Other interest expenses	3.492	2.703	3.584
	Total interest expenses	157.545	147.284	202.457
5	Net fee and commission income			
	Fee and commission income			
	Securities trading and custody accounts	22.399	13.446	17.412
	Credit transfers	23.491	17.104	20.452
	Loan commissions	8.674	12.345	14.958
	Guarantee commissions	16.504	13.588	26.687
	Other fees and commissions	72.373	43.176	64.442
	Total fee and commission income	143.440	99.658	143.950
	Fee and commissions paid			
	Securities trading and custody accounts	10.552	12.232	16.050
	Net fee and commission income	132.888	87.426	127.900
6	Market value adjustments			
	Loans and advances	1.190	55.654	44.337
	Bonds	-11.157	-6.358	-33.505
	Shares	23.245	-3.109	-4.547
	Investment properties	-11.400	0	0
	Foreign exchange	5.966	-2.982	-6.159
	Total derivatives of which:	5.433	-59.341	29.839
	<i>Currency Swaps</i>	0	-11.688	3.583
	<i>Interest Swaps</i>	0	-47.653	18.324
	<i>Other contracts</i>	5.433	0	7.932
	<i>Other obligations</i>	0	0	-20.205
	Assets linked to pooled schemes	-7	-636	0
	Deposits in pooled schemes			
	Total market value adjustments	13.270	-16.772	9.761

Note	DKK 1,000	Q1 - Q3 2012	Q1 - Q3 2011	Full Year 2011
7	Other operating income			
	Profit/loss on sale of investment and corporate properties and temporary properties	0	21	-91
	Profit on sale of operating equipment	0	612	755
	Reversals of acquired OEI impairments	22.869	9.012	14.402
	Other income	1.671	6.124	11.796
	Total other operating income	24.540	15.769	26.862
8	Staff costs and administrative expenses			
	Staff costs:			
	Salaries	234.760	171.314	239.285
	Pensions	25.525	18.141	27.149
	Social security expenses	29.340	22.569	33.508
	Total staff costs	289.625	212.025	299.942
	Administrative expenses:			
	IT	105.467	75.361	78.609
	Marketing etc	14.399	21.613	28.226
	Education etc	4.401	5.180	6.698
	Advisory services	6.609	6.650	13.566
	Other expenses	85.834	88.241	176.944
	Total administrative expenses	216.710	197.044	304.043
	Total staff costs	289.625	212.025	299.942
	Employee exp. incl. under the item "Claims, net of reinsurance"	-11.659	-15.638	-6.722
	Total administrative expenses	216.710	197.044	304.043
	Total staff costs and administrative expenses	494.675	393.431	597.263
	Number of employees			
	Average number of full-time employees in the period	607	603	519
	Executive remuneration:			
	Board of Directors	1.215	1.200	1.605
	Executive Board:			
	Salaries	3.304	3.163	4.267
	Pension	433	461	617
	Total executive remuneration	4.953	4.823	6.489
9	Impairment charges on loans and advances etc.			
	Due from credit institutions and central banks			
	Loans and advances at amortised cost	93.131	47.644	71.251
	Loans and advances at fair value	0	0	9.136
	Guarantees and loan commitments	9.226	2.270	4.636
	Assets held for sale	0	7.816	15.783
	Total	102.357	57.731	100.806
	Individual impairment charges etc.			
	New and increased impairment charges	131.219	92.098	151.113
	Reversals of impairment charges	31.388	34.955	38.696
	Write-offs charged directly to the income statement	1.936	10.329	959
	Received on claims previously written off	1.292	495	542
	Interest income	9.553	5.287	11.237
	Total individual impairment charges	90.923	61.690	101.597
	Collective impairment charges			
	New and increased impairment charges	11.433	2.818	5.148
	Reversals of impairment charges	0	6.777	5.940
	Total collective impairment charges	11.433	-3.959	-792
	Total impairment charges	102.357	57.731	100.806

Notes - BankNordik Group

Note	DKK 1,000	Sept. 30 2012	Sept. 30 2011	Full Year 2011
10	Due from credit institutions etc. specified by maturity			
	On demand	958.657	735.406	461.091
	3 months and below	0	31.138	0
	3 months to 1 year	0	7.323	0
	Total	958.657	773.867	461.091
11	Impairment charges, loans and advances			
	Individual impairment charges etc.			
	At 1 January	316.798	315.453	315.453
	New and increased impairment charges	119.191	92.098	135.632
	Reversals of impairment charges	31.388	34.955	37.216
	Written-off, previously impaired	99.342	39.216	97.012
	Foreign currency translation	1	-18	-59
	Total	305.260	333.362	316.798
	Collective impairment charges			
	At 1 January	25.137	25.928	25.928
	New and increased impairment charges	11.433	2.818	5.149
	Reversals of impairment charges	0	6.777	5.940
	Total	36.570	21.969	25.137
	Total	341.830	355.331	341.935
12	Assets held for sale			
	Total purchase price, at 1 January	207.464	183.494	183.494
	Additions	42.685	29.376	44.629
	Disposals and write off	4.924	6.775	20.659
	Reclassification to Investment property	154.514	0	0
	Total purchase price	90.711	206.094	207.464
	Depreciation and impairment, at 1 January	38.483	22.700	22.700
	Impairment charges for the year	12.028	9.283	15.783
	Total depreciation and impairment	50.512	31.983	38.483
	Total assets held for sale	40.199	174.111	168.980
13	Contingent liabilities			
	Guarantees			
	Financial guarantees	123.624	130.882	120.485
	Mortgage finance guarantees	523.401	648.451	652.781
	Registration and remortgaging guarantees	560.800	238.722	281.771
	Other guarantees	738.235	725.923	682.391
	Total	1.946.060	1.743.977	1.737.428

14 **Assets deposited as collateral**

At September 30 2012 the Group had deposited bonds at a total market value of DKK 97m with Danmarks Nationalbank (the Danish Central Bank) in connection with clearing. (2011: 111m). Furthermore at September 30 the Group has deposited a total of DKK 1.6 bn of the Groups loan portfolio in connection with the Groups borrowing of DKK 1bn from Danmarks Nationalbank (the Danish Central Bank).

Interim Financial Statement – P/F BankNordik

The financial statement of the Parent Company, P/F BankNordik, is prepared in accordance with the Faroese Financial Business Act and with the executive order on financial reports of credit institutions etc of the Danish FSA as applied in the Faroe Islands.

The Bank has not changed its significant accounting policies from those followed in the Annual Report 2011. The Annual Report 2011 provides a full description of the Bank's significant accounting policies.

Income statement - P/F BankNordik

Note	DKK 1,000	Q1-Q3 2012	Q1-Q3 2011	Full year 2011
1	Interest income	609.246	527.313	741.143
2	Interest expenses	158.412	147.658	203.187
	Net interest income	450.834	379.655	537.957
	Dividends from shares and other investments	1.779	465	1.340
3	Fee and commission income	142.500	99.115	143.617
3	Fee and commissions paid	5.581	6.898	9.584
	Net interest and fee income	589.532	472.337	673.330
4	Market value adjustments	9.608	-23.281	-5.740
5	Other operating income	22.083	12.461	23.654
6	Staff costs and administrative expenses	450.152	354.552	545.189
	Depreciation and impairment of property, plant and equipment	16.345	7.406	14.131
	Other operating expenses	4.174	13.872	20.695
7	Impairment charges on loans and advances etc.	102.356	57.789	100.787
	Income from associated and subsidiary undertakings	25.627	23.648	9.733
	Profit before tax	73.823	51.546	20.174
	Tax	8.987	328	-4.386
	Net profit	64.837	51.218	24.560

Statement of comprehensive income - P/F BankNordik

DKK 1,000	Q1-Q3 2012	Q1-Q3 2011	Full year 2011
Net profit	64.837	51.218	24.560
Other comprehensive income			
Translation of non-Faroese subsidiaries	0	-2.634	-1.892
Tax on other comprehensive income	0	283	-255
Total other comprehensive income	0	-2.351	-2.147
Total comprehensive income	64.837	48.867	22.413

Balance Sheet - P/F BankNordik

Note	DKK 1,000	Sept. 30 2012	Sept. 30 2011	Full year 2011
Assets				
	Cash in hand and demand deposits w ith central banks	416.515	1.578.751	308.951
8	Due from credit institutions and central banks	902.443	705.967	417.553
9, 12	Loans and advances at fair value	1.086.215	1.019.661	1.022.408
9, 12	Loans and advances at amortised cost	10.185.029	10.928.620	10.746.303
	Bonds at fair value	2.892.525	2.285.749	2.340.034
	Shares, etc.	262.511	204.635	215.410
	Holdings in associates	32.586	32.586	32.586
	Holdings in subsidiaries	222.137	163.270	149.490
	Assets under pooled schemes	124.525	106.119	121.210
	Intangible assets	830.044	702.352	779.964
	Total land and buildings	353.079	178.094	215.297
	investment property	160.525	27.707	19.823
	domicile property	192.554	150.387	195.474
	Other property, plant and equipment	24.299	22.218	28.528
	Current tax assets	6.505	6.492	6.356
	Deferred tax assets	4	4	4
10	Assets held for sale	40.199	174.111	168.980
	Other assets	108.701	409.513	149.630
	Prepayments	33.360	21.190	20.932
	Total assets	17.520.676	18.539.334	16.723.635

Balance Sheet - P/F BankNordik

Note	DKK 1,000	Sept. 30 2012	Sept. 30 2011	Full year 2011
Shareholders' equity and liabilities				
Liabilities other than provisions				
	Due to credit institutions and central banks	1.287.746	181.904	329.316
	Deposits and other debt	13.075.559	13.959.998	13.001.465
	Deposits under pooled schemes	124.525	106.119	121.210
	Issued bonds at amortised cost	0	701.927	98.276
	Current tax liabilities	5.038	67.037	9.379
	Other liabilities	275.917	730.359	335.597
	Deferred income	3.726	4.249	4.096
	Total amounts due	14.772.512	15.751.594	13.899.339
Provisions for liabilities				
	Provisions for deferred tax	23.174	18.671	14.192
	Provisions for losses on guarantees	40.503	5.941	31.516
	Total provisions	63.678	24.612	45.707
Subordinated debt				
	Subordinated debt	671.771	798.965	830.711
	Total liabilities	15.507.960	16.575.171	14.775.758
Shareholders' equity				
	Share capital	200.000	200.000	200.000
	Foreign currency translation reserve	16.373	16.169	16.373
	Reserve, Equity Method	66.250	41.777	40.099
	Retained earnings	1.730.093	1.706.218	1.691.405
	Total shareholders' equity	2.012.716	1.964.164	1.947.877
	Total liabilities and equity	17.520.676	18.539.334	16.723.635

Statement of capital - BankNordik P/F

Changes in shareholders' equity:

DKK 1,000	Share capital	Foreign	Equity	Proposed dividends	Retained earnings	Total
		currency translation reserve	method reserve			
Shareholders' equity at January 1, 2012	200.000	16.373	40.099	0	1.691.405	1.947.877
Translation of foreign units						0
Tax on entries on shareholders' equity						0
Income recognised directly on shareholders' equity		0				0
Net profit			25.627		39.210	64.837
Total comprehensive income		0	25.627		39.210	64.837
Acquisition of own shares					-16.825	-16.825
Sale of own shares					16.828	16.828
Dividends paid						0
Shareholders' equity at September 30, 2012	200.000	16.373	65.726	0	1.730.617	2.012.716

DKK 1,000	Share capital	Foreign	Equity	Proposed dividends	Retained earnings	Total
		currency translation reserve	method reserve			
Shareholders' equity at January 1, 2011	200.000	18.520	18.129	40.000	1.682.120	1.958.768
Translation of foreign units		-2.634				-2.634
Tax on entries on shareholders' equity		283				283
Income recognised directly on shareholders' equity		-2.351				-2.351
Net profit			23.648		27.570	51.218
Total comprehensive income		-2.351	23.648		27.570	48.867
Acquisition of own shares					-33.017	-33.017
Sale of own shares					29.545	29.545
Dividends paid				-40.000		-40.000
Shareholders' equity at September 30, 2011	200.000	16.169	41.777	0	1.706.218	1.964.164

Statement of capital - P/F BankNordik

Solvency	Sept. 30 2012	Sept. 30 2011	Full year 2011
DKK 1,000			
Core capital	1.419.574	1.525.240	1.522.756
Base capital	1.643.527	1.920.536	1.921.288
Risk-weighted items not included in the trading portfolio	9.521.584	10.418.616	9.827.802
Risk-weighted items with market risk etc.	1.095.937	1.571.559	1.406.647
Risk-weighted items with operational risk	1.322.113	1.078.250	1.078.250
Total risk-weighted items	11.939.634	13.068.424	12.312.700
Core capital ratio, excl. hybrid core capital	8,6%	8,7%	9,1%
Core capital ratio	11,9%	11,7%	12,4%
Solvency ratio	13,8%	14,7%	15,6%
Core Capital and Shareholders' equity			
Share capital	200.000	200.000	200.000
Reserves	82.623	57.945	56.472
Net profit	64.837	51.218	24.560
Retained earnings, previous years	1.665.256	1.655.000	1.666.845
Shareholders' equity	2.012.716	1.964.164	1.947.877
Deduction of reserves	26.151	0	0
Deduction of net profit	64.837	51.218	0
Deduction of Foreign currency translation reserve	16.373	16.169	16.373
Deduction of intangible assets	830.044	734.343	779.964
Deduction of deferred tax assets	4	4	4
Deduction of insurance subsidiaries	51.776	20.429	30.520
Core capital exclusive of hybrid core capital	1.023.532	1.142.001	1.121.016
Hybrid core capital	396.042	383.240	401.739
Core capital	1.419.574	1.525.240	1.522.756
Base capital			
Core capital	1.419.574	1.525.240	1.522.756
Subordinated capital	275.728	415.725	429.052
Deduction of insurance subsidiaries	51.776	20.429	30.520
Base capital	1.643.527	1.920.536	1.921.288

Cash flow statement - P/F BankNordik

DKK 1,000	Q1-Q3 2012	Q1-Q3 2011	Full year 2011
Cash flow from operations			
Net profit for the period	64.837	51.218	24.560
Adjustment of non-cash operating items	86.924	-9.013	-29.033
Other adjustments	-1.779	-465	-1.340
Changes in operating capital	-42.906	2.842.188	2.045.135
Cash flow from operations	107.075	2.883.929	2.039.322
Cash flow from investing activities			
Acquisition/sale of undertakings and other business units	-47.021	0	0
Dividends received	1.779	15.465	16.340
Acquisition/sale of own shares	3	-6.271	-5.930
Acquisition/sale of intangible assets	-59.273	-327.653	-391.100
Acquisition/sale of tangible assets	-152.089	-52.301	-97.975
Cash flow from investing activities	-256.601	-370.760	-478.665
Issue of bonds	-98.276	-1.497.916	0
Increase in loan from the Danish Central Bank	1.000.000	595.725	0
Increase in subordinated debt	-159.743	0	593.358
Payment of dividends	0	-40.000	-39.684
Cash flow from financing activities	741.981	-942.191	-1.547.893
Cash flow	592.455	1.570.978	12.764
Cash in hand and demand deposits with central banks, and due from credit institutions, etc. at the beginning of the year	726.504	713.740	713.740
Cash flow	592.455	1.570.978	12.764
Cash and due etc.	1.318.958	2.284.718	726.504
Cash and due etc.			
Cash in hand and demand deposits with central banks	416.515	1.578.751	308.951
Due from credit institutions, etc.	902.443	705.967	417.553
Total	1.318.958	2.284.718	726.504

Notes - P/F BankNordik

Note	DKK 1,000	Q1 - Q3 2012	Q1 - Q3 2011	Full Year 2011
1	Interest income			
	Credit institutions and central banks	2.890	8.163	9.753
	Loans and advances	575.994	484.507	683.072
	Bonds	42.572	49.703	67.367
	Total derivatives of which:	-13.553	-14.929	-19.418
	<i>Currency contracts</i>	0	337	192
	<i>Interest rate contracts</i>	-13.553	-15.266	-19.610
	Other interest income	1.343	-132	369
	Total interest income	609.246	527.313	741.143
2	Interest expenses			
	Credit institutions and central banks	229	730	274
	Deposits	100.663	91.447	129.705
	Issued Bonds	-56	23.043	22.803
	Subordinated debt	54.085	30.533	46.820
	Other interest expenses	3.491	1.906	3.584
	Total interest expenses	158.412	147.658	203.187
3	Net fee and commission income			
	Fee and commission income			
	Securities trading and custody accounts	22.399	13.446	17.412
	Credit transfers	23.491	17.104	20.452
	Loan commissions	8.674	12.345	14.958
	Guarantee commissions	16.504	13.588	26.687
	Other fees and commissions	71.433	42.633	64.108
	Total fee and commission income	142.500	99.115	143.617
	Fee and commissions paid			
	Securities trading and custody accounts	5.581	6.898	9.584
	Net fee and commission income	136.919	92.217	134.033
4	Market value adjustments			
	Loans and advances	1.190	55.654	44.337
	Bonds	-12.111	-6.831	-15.214
	Shares	20.538	-9.146	-4.547
	Investment properties	-11.400	0	0
	Foreign exchange	5.966	-2.982	-6.159
	Total derivatives of which:	5.433	-59.341	-4.275
	<i>Currency Swaps</i>	0	-11.688	3.583
	<i>Interest Swaps</i>	0	-47.653	-15.790
	<i>Other contracts</i>	5.433	0	7.932
	Assets under pooled schemes	-7	-636	0
	Other obligations	0	0	-19.883
	Total market value adjustments	9.608	-23.281	-5.740

Note	DKK 1,000	Q1 - Q3 2012	Q1 - Q3 2011	Full Year 2011
5	Other operating income			
	Profit/loss on sale of investment and corporate properties and temporary properties	0	21	-91
	Profit on sale of operating equipment	0	612	711
	Reversals of acquired OEI impairments	22.869	9.012	14.402
	Other income	-785	2.816	8.632
	Total other operating income	22.083	12.461	23.654
6	Staff costs and administrative expenses			
	Staff costs:			
	Salaries	203.548	149.293	216.550
	Pensions	23.077	16.117	23.991
	Social security expenses	24.215	18.815	28.384
	Total staff costs	250.840	184.225	268.926
	Administrative expenses	199.312	170.327	276.264
	Total staff costs and administrative expenses	450.152	354.552	545.189
	Number of employees			
	Average number of full-time employees in the period	523	524	438
	Executive remuneration:			
	Board of Directors	1.215	1.200	1.605
	Executive Board:			
	Salaries	3.304	3.163	4.267
	Pension	433	461	617
	Total executive remuneration	4.953	4.823	6.489
7	Impairment charges on loans and advances etc.			
	Due from credit institutions and central banks			
	Loans and advances at amortised cost	93.130	46.236	71.832
	Loans and advances at fair value	0	0	9.136
	Guarantees and loan commitments	9.226	2.270	4.636
	Assets held for sale	0	9.283	15.183
	Total	102.356	57.789	100.787
	Individual impairment charges etc.			
	New and increased impairment charges	131.219	92.098	151.905
	Reversals of impairment charges	31.388	34.955	38.308
	Write-offs charged directly to the income statement	1.936	10.329	959
	Received on claims previously written off	1.292	436	542
	Interest income	9.553	5.287	12.435
	Total individual impairment charges	90.923	61.749	101.578
	Collective impairment charges			
	New and increased impairment charges	11.433	2.818	5.148
	Reversals of impairment charges	0	6.777	5.940
	Total collective impairment charges	11.433	-3.959	-792
	Total impairment charges	102.356	57.789	100.787

Notes - P/F BankNordik

Note	DKK 1,000	Sept. 30 2012	Sept. 30 2011	Full Year 2011
8	Due from credit institutions etc. specified by maturity			
	On demand	902.443	705.967	417.553
	3 months and below			
	3 months to 1 year			
	Total	902.443	705.967	417.553
9	Impairment charges, loans and advances etc.			
	Individual impairment charges etc.			
	At 1 January	316.769	314.977	314.977
	New and increased impairment charges	131.219	92.098	135.632
	Reversals of impairment charges	31.388	34.955	36.828
	Written-off, previously impaired	99.342	45.779	97.012
	Total	317.258	326.341	316.769
	Collective impairment charges			
	At 1 January	25.137	25.928	25.928
	New and increased impairment charges	11.433	2.818	5.148
	Reversals of impairment charges	0	6.777	5.940
	Total	36.570	21.969	25.137
	Total	353.828	348.310	341.906
10	Assets held for sale			
	Note 12 in the consolidated financial statements contains information of the Bank's assets held for sale.			
11	Contingent liabilities			
	Note 13 in the consolidated financial statements contains information of the Bank's contingent liabilities.			
12	Assets deposited as collateral			
	Note 14 in the consolidated financial statements contains information of the Bank's assets deposited as collateral.			

Statement by the Executive Board and the Board of Directors

Today we have reviewed and approved P/F BankNordik's Interim Report for the first three quarters of 2012.

The consolidated financial statements for the first three quarters of 2012 have been prepared in accordance with IAS 34, Interim Financial Reporting as approved by the EU, while the interim financial statements of the Parent Company have been prepared in accordance with the Faroese Financial Business Act. Furthermore the Interim Report has been prepared in accordance with additional Faroese disclosure requirements for interim reports of listed financial companies and in accordance with the financial reporting requirements of the OMX Nordic Exchanges in Iceland and in Copenhagen.

The interim report has not been audited or reviewed.

We consider the accounting policies applied to be appropriate, such that the Interim Financial Report gives a true and fair view of the Group's and the Parent Company's assets, shareholders' equity and liabilities and financial position at 30 September 2012, and of the results of the Group's and the Parent Company's operations and the Group's and Parent Company's cash flows for the financial period 1 January to 30 September 2012.

In addition, we also consider the Management's report to give a fair presentation of the development in the Group's activities and financial affairs, the profit for the period and the Group's financial position as a whole, as well as a description of the significant risks and elements of uncertainty that may affect the Group.

Tórshavn, 13 November 2012

Executive Board

Janus Petersen
CEO

John Rajani
Deputy CEO

Board of Directors

Klaus Rasmussen
Chairman

Jens Erik Christensen
Vice chairman

Nils Sørensen

Bent Naur

Mette Dahl Christensen

Kenneth M. Samuelson

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BankNordik is a limited liability
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The company is listed on the
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