

Interim Report

Q3 2011

14 November 2011

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Management's Review

First three quarters of 2011

Highlights

- Profit before tax and value adjustments was DKK 71m in Q1-Q3 2011 against a loss of DKK 40m in the corresponding period last year, adjusted for the divestment of Bakkafrøst.
- Core earnings from the banking operations before impairments improved by DKK 16m from Q2 to Q3 2011.
- The performance of banking operations in Denmark improved by DKK 22m from Q2 2011, now producing a profit excluding one-off expenses of DKK 35m related to the acquisition and integration of the healthy parts of Amagerbanken.
- The profit from banking operations will improve further as synergies from the integration of Amagerbanken are achieved in the first half of 2012, and already implemented interest rate increases will come into full effect as of 2012.
- Impairment charges in Q3 were DKK 19m and are expected to remain stable.
- Pre-tax profit from insurance activities was DKK 30m against DKK 5m in the first three quarters of last year.
- The solvency ratio stood at 15.0% as compared to the requirement of 9.0%.
- BankNordik had a deposit surplus of DKK 2.0bn.
- Previously announced expectations for 2011 are maintained, i.e. a profit of DKK 50m-80m before tax, value adjustments and additional sector expenses, and after carrying one-off expenses of DKK 95m related to the acquisition and integration of Amagerbanken.
- The surplus liquidity coverage at the end of Q3 2011 is 148.5%

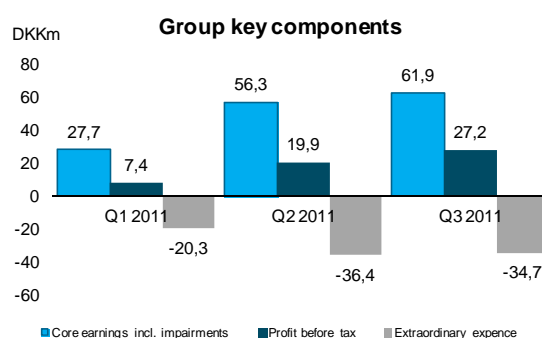
The Board of Directors of BankNordik has approved the financial statements for the third quarter of 2011.

BankNordik's profit was DKK 71m in Q1-Q3 2011 before tax and value adjustments against a loss of DKK 40m in Q1-Q3 2010, adjusted for the divestment of Bakkafrøst in Q3 2010. Before one-off expenses of DKK 35m mostly related to the acquisition and integration of activities from Amagerbanken, the profit was DKK 102m in Q1-Q3 2011.

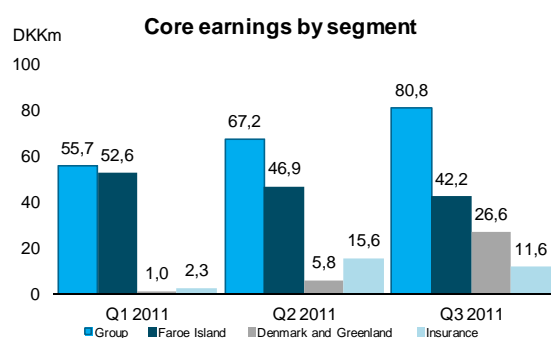
The improvement is primarily attributable to a widening of the interest rate margin, a reduction of the external funding, and the addition of the healthy activities from Amagerbanken.

During 2011, core earnings have increased from DKK 28m in Q1 2011 to DKK 62m in Q3 2011, including impairments. Even after the substantial one-off expenses, pre-tax profit increased to DKK 27m in Q3 2011.

Through its acquisition of the healthy parts of Amagerbanken, effective 1 July 2011, BankNordik increased its activities in Denmark significantly, resulting in an improvement of profit in Denmark in Q3. The profit of the Group, and especially in the Danish activities, will improve further as the integration is completed in the first half of 2012.



Following a step-up of interest rates of up to 0.5% in August, the interest margin was widened, and it will be increased further by another general rate increase in November. The demand for credit, however, is still weak while previously granted credits are running down. Loans in Amagerbanken in



Q3 2011 have as projected decline roughly DKK 250m in the process of the transition, but going forward the development is expected to evolve in line with the rest of the Bank. Further, the relatively low loan activity influenced fee income negatively.

Loan impairment charges remained at the Bank's low and stable level, i.e. DKK 19m in Q3 and an aggregate of DKK 58m in the first three quarters of the year.

A higher level of profits from the Group's insurance activities continued and was DKK 30m before tax and value adjustments in Q3 against DKK 5m in the corresponding quarter last year. The increase is mainly due to a relatively low claim level.

The graph displays the gradually changing composition of BankNordik's core earnings by segment and its steady climb during the first three quarters of 2011.

BankNordik's solvency ratio was calculated at 15.0% by the end of Q3. The Bank's solvency requirement is 9.0%.

Highlights, ratios and key figures - BankNordik Group

Highlights	Q1 - Q3	Q1 - Q3	Index	Q3	Q2	Q1	Q4	Q3	Q2	Full year
DKK 1,000	2011	2010	11 / 10	2011	2011	2011	2010	2010	2010	2010
Net interest and fee income	477.633	441.905	108	204.206	136.394	137.033	147.113	154.488	137.787	589.019
Interest and fee income and income from insurance activities, net	543.335	479.129	113	227.952	165.792	149.592	164.549	170.807	150.132	643.679
Market value adjustments	-16.772	25.419		4.744	-4.623	-16.893	-5.381	-224	10.027	20.037
Other operating income	15.769	386.558	4	387	4.145	11.237	33.970	5.643	-395	420.528
Staff cost and administrative expenses	393.431	296.964	132	184.217	107.941	101.272	111.124	102.091	112.208	408.088
Impairment charges on loans and advances etc.	57.731	190.670	30	18.856	10.868	28.006	17.563	156.092	-16.092	208.233
Net profit	47.424	295.951	16	24.497	16.374	6.553	43.484	-75.853	34.421	339.435
Loans and advances	11.948.508	8.549.425	140	11.948.508	8.445.637	8.376.167	8.674.663	8.549.425	8.792.778	8.674.663
Bonds at fair value	2.424.773	3.463.534	70	2.424.773	2.436.928	2.524.378	3.497.466	3.463.534	2.195.992	3.497.466
Intangible assets	793.884	432.857	183	793.884	477.639	485.132	439.723	432.857	434.724	439.723
Assets held for sale	174.111	134.265	130	174.111	165.646	209.732	160.794	134.265	156.545	160.794
Total assets	18.908.378	15.716.802	120	18.908.378	13.298.756	13.514.685	14.258.767	15.716.802	14.984.424	14.258.767
Due to credit institutions and central banks	181.904	787.392	23	181.904	146.334	316.445	245.249	787.392	624.462	245.249
Deposits and other debt	13.954.669	9.254.447	151	13.954.669	8.740.515	8.943.328	8.843.972	9.254.447	8.751.631	8.843.972
Issued bonds at amortised cost	701.927	2.699.843	26	701.927	1.199.843	1.199.843	2.199.843	2.699.843	2.699.843	2.199.843
Total shareholders' equity	2.037.780	1.979.319	103	2.037.780	2.016.019	2.003.151	2.042.566	1.979.319	2.048.729	2.042.566
Ratios and key figures	Sept. 30	Sept. 30		Sept. 30	June 30	March 31	Dec. 31	Sept. 30	June 30	Full year
	2011	2010		2011	2011	2011	2010	2010	2010	2010
Solvency										
Solvency ratio, %	15,0	17,1		15,0	20,3	17,1	17,0	17,1	17,7	17,0
Core capital ratio, %	12,0	17,4		12,0	19,4	17,3	17,2	17,4	17,9	17,2
Risk-weighted items, DKK mill	13.068	9.704		13.068	9.743	9.849	10.080	9.704	9.737	10.080
Profitability										
Return on equity after tax, %	2,3	16,3		1,2	0,8	0,3	2,2	-3,8	1,1	18,3
Cost / income, %	90,0	58,9		88,3	87,9	95,0	73,8	152,5	70,2	61,5
Cost / income, % (excl. value adjustm. and impairments)	76,9	38,5		81,9	79,1	67,6	63,0	63,8	86,1	43,1
Liquidity										
Excess cover relative to statutory liquidity requirements, %	148,6	337,5		148,6	210,7	163,3	292,9	337,5	288,1	292,9
Credit risk										
Growth on loans and advances, %	37,7	23,2		37,7	0,8	-3,4	1,5	-2,8	-1,3	25,0
Gearing of loans and advances	5,9	4,3		5,9	4,2	4,2	4,2	4,3	4,3	4,2
Shares										
Earnings per share after tax (nom. DKK 20), DKK	4,8	30,3		2,5	1,7	0,7	4,4	-7,7	3,5	34,9
Market price per share (nom. DKK 20), DKK	74	135		74	111	127	144	135	142	144
Book value per share (nom. DKK 20), DKK	207	201		207	203	202	206	201	209	206
Other										
Number of full-time employees, end of period	604	425		604	421	432	433	425	424	433

Outlook 2011

The Management of BankNordik maintains its previously stated expectations for 2011, i.e. a profit of DKK 50m-80m before tax, value adjustments and further sector expenses in the second half of 2011, but including expenses of DKK 95m related to the acquisition and integration of Amagerbanken.

BankNordik is currently budgeting 2012 and intends to give an outlook for 2012 in December 2011.

However, excluding items not expected in the future, the Management points to the DKK 81m core earnings achieved in Q3 2011. Significant factors influencing core earnings going forward are the interest rate increases in August and November and an expected decrease in the loan portfolio as new loans are not expected to match the running-down of present loans. The financial impact of the interest rate increases is expected to exceed the effect of the declining loan portfolio in 2012.

Going forward, the acquired banking activities in Denmark are expected to contribute substantially to the Group's profits. The consolidation of the Danish operations on a single IT platform is planned for early 2012. Consequently, the synergies will not materialise until the second half of 2012, and will reach full effect from 2013. Aggregated one-off expenses related to the integration of Amagerbanken are expected to be some DKK 30m-50m in 2012.

Profits from insurance activities are historically high due to a historically low claims ratio, expected to decrease in 2012.

The forward-looking statements expressed in this report are subject to both general and specific risks and uncertainties that may cause actual results to differ materially from those stated in the forward-looking statements.

Macro-economic update

Moving towards the end of 2011 the international macroeconomic environment looks more vulnerable than expected just a few months ago. The developed countries are still fighting negative economic cycles with high public deficits and the financial sectors struggling to keep up performance and healthy appearance.

Especially the EU countries have suffered under the turmoil of southern member state public debt levels and consequently questionable backup to the Euro.

Fluctuations in the US economy have sent mixed signals and raise questions about the condition of the world's largest economy. There are positive retail sales and housing foreclosures are declining, but at the same time low employment and decreasing housing prices.

The FED sticks to its historically low interest rate policy, while the ECB has changed its policy due to the decreasing inflation tendencies and is now expecting declining interest rates in the next few years.

The emerging economies are still performing well, but there are more speculations on the viability of the high growth.

The Faroe Islands

With three quarters of 2011 passed, the economic rebound has gained a foothold and in terms of paid wages has passed last year by 0.6%. Much of the growth is attributable to successful fishing, especially due to the mackerel and reasonable catches of other species. The increase in the production of sea-farmed salmon continues but lately market prices have dropped to variable cost or lower.

So far export in 2011 has increased by 8.4% and import by 4.5%. The inflation in the third quarter of 2011 was 2%, still driven by oil and energy prices. The unemployment is still decreasing and reached 5.7% in September 2011 compared to 7.8% at the beginning of the year.

The economic outlook is positive and although the growth outlook has been revised negatively GDP is expected to be around 3% in both 2011 and 2012.

Denmark

The development has been disappointing, mostly due to weakening private demand, although the economic growth remains positive, much due to strong export. The surplus on the trade balance supports low interests and external confidence in the economy.

The export driven growth is not expected to continue and thus GDP growth is expected to decline to 1.1% by the end of 2011 and remain low at around 1.4% in 2012. The unemployment rate is around 6.1% and is expected to remain at this level, while inflation is decreasing from 3.1% to 2.6%.

The private sector is facing decreasing asset prices and consequently, a negative wealth effect, which hampers expectations of higher domestic demand. The new Governments budget proposal for 2012 increases the budget deficit in terms of GDP from 3.8% to 5.1% and thus adds to the projected economic growth in 2012.

Iceland

The forecasted rebound in the Icelandic economy has materialized gradually with a GDP growth expected to reach 2.5% in 2011. Growth is mainly based on re-emergence of investments, up by 2.3% in the first half of 2011. But private consumption is also increasing by 3.1%, partly due to increasing real wages, increasing employment, and export driven growth.

The aftermath of the financial meltdown has left all sectors highly indebted and especially the political and financial institutions enjoy only a low level of confidence. The global outlook hampers investments and lowers export expectations. The inflation has risen to 5.7% however; the unemployment rate is projected to decrease from 8.4% to 7.1% in 2011.

GDP growth in 2012 is expected to be around 2.2%, somewhat lower than in 2011.

Greenland

The economic situation in Greenland has become more positive within the last few months. GDP growth in 2011 is expected to be around 3% and the revised figure for 2010 has been revised up to 2%.

The positive development is greatly attributable to the intensive pursuit of oil and minerals in the Greenland subsoil, but higher activity within building and construction as well as

better prices on fish products also support the economic outlook. On the other hand, economic growth in 2012 is not expected to continue.

Financial Review

After the acquisition of Amagerbanken from 1 July 2011 the financial figures in Q3 2011 have been much affected by the increased scale, making it difficult to compare the annual and quarterly figures. To adjust for this, the subsequent comments are made on the notion that all figures will increase in line with the business acquired. Thus the focus throughout the review and segments will be on the changes which have occurred not solely as a result of the acquisition. In line with this principle the extraordinary income from the divestment of Bakkafrøst in 2010 is largely excluded from the comparison.

In the first three quarters of 2011 the BankNordik Group delivered a pre-tax profit of DKK 54m compared to DKK 365m in Q1-Q3 2010 or DKK -15m excluding the divestment of Bakkafrøst. The market value adjustments' impact was minus DKK 42m, net, from DKK 25m in Q3 2010 to minus DKK 17m in Q3 2011. Thus, the profit before market value adjustments was DKK 71m compared to DKK 340m in Q3 2010 or minus DKK 40m adjusted for Bakkafrøst; which is a significant improvement compared to last year.

The profit after tax at the end of Q3 2011 amounted to DKK 47m compared to DKK 18m in Q3 2010 or DKK 296m including Bakkafrøst.

The quarter to quarter pre-tax results in 2011 have improved and reached DKK 27m in Q3 2011 compared to DKK 20m in Q2 and DKK 7m in Q1.

The aggregate profit after tax at the end of Q3 2011 was DKK 47m and in Q3 2011 DKK 24m.

SIGNIFICANT CHANGES

The most significant change in the Q3 2011 report compared to last year is the development in impairment charges. Impairments in the first three quarters of 2011 amounted to DKK 58m of which DKK 19m are booked in the third quarter. In Q1-Q3 2010 impairment charges were DKK 191m and thus impairments have decreased by DKK 133m corresponding to 70%. Impairments amounting to DKK 43m are mainly on the Danish market, corresponding to 74% of the total.

As mentioned in the H1 2011 report, staff costs and administrative expenses in general have been high and increasing since the expansion on the Danish market took off by the acquisition of the Spar Bank branches in 2010 and of

Amagerbanken earlier this year. This is partly because cost/income ratios in the acquired activities have been higher than previously in BankNordik. In addition costs related to the entry into the new markets have been significant from Q1 2010 and onwards.

The Amagerbanken acquisition has affected administrative expenses directly through the ongoing integration. In Q3 2011 this project alone affects net costs negatively by DKK 35m which are expensed under staff cost and administrative expenses. Intermediate IT and administrative service expenses payable to the Financial Stability Company and preparations for the conversion make up most of these payments, which are expected to continue until the conversion to SDC has been carried out.

Besides the non-recurring cost from the IT transfer and transitional administration mentioned, the increased costs are largely related to the 200 additional staff from the Amagerbanken takeover.

On the income side the high growth in fees and commissions is due to the Amagerbanken activities and reflects its strong position especially within the investment segment. The revenues derive mainly from trading fees and mortgage commissions.

Net interest income has increased from DKK 112m in Q2 2011 to DKK 156m in Q3 2011, corresponding to an increase of DKK 44m. The improvements are primarily derived from volume increases from Amagerbanken and increasing interest rates.

The improvement in core income is more evident when looking at the quarterly development of the income statement without extraordinary income and expenses. With the raised interest rates and lower funding loans, net interest income stands to improve further.

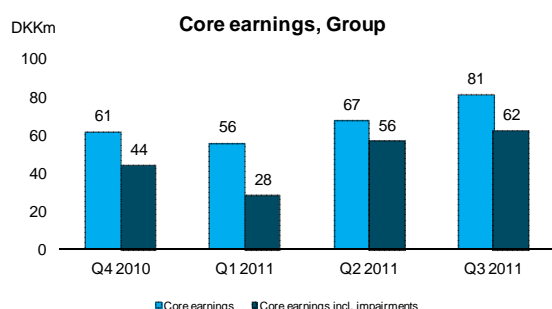
The precondition for bringing down external funding has been the strengthened deposits base by way of acquisitions and organic growth. With the prepayments made and planned for, the surplus liquidity is steadily approaching the Groups surplus-liquidity aim under a more normalized financial climate.

Core earnings affected by transitions

BankNordik Group's core earnings are defined as interest, fee and insurance income, less staff and administrative expenses. Because non-repetitive extraordinary factors, have significantly affected core earnings in the last year, these have been corrected for in the relevant quarters according to the table below.

Extraordinary items	Q4 10	Q1 11	Q2 11	Q3 11
Adjusting of external fund	-8	-7	-7	-4
Integration costs	-14	-7	-10	-40
Sector costs	0	0	-17	3
Market value adjustments	-5	-17	-5	5
Other	34	11	3	1
Total	7	-20	-36	-35

Core earnings have been fairly stable over the last two years but from Q2 2011 they have been slightly increasing. The improvement in core earnings is in line with the initiatives introduced earlier this year and resulting higher net interest income in Q3 2011.



There are at least three initiatives that will draw core earnings up going forward. Firstly, the cost cutting initiatives carried out early in 2011 and forward, by the merger of branches on the Faroe Islands as well as in Denmark. Secondly, the integration of Amagerbanken is expected to be finalized in Q1 2012. And thirdly, interest rates increases in August and in November. These three factors will improve core earnings further in Q4 2011 and reach full effect at the end of H1 2012.

Other items

Other operating expenses have come down since the end of Bank package I, but with the Bank package IV in place the Deposits Guarantee Fund is being used for solving future banking problems. Consequently, further expenses in line with those experienced after the failures of Amagerbanken,

Fjordbank Mors and Max Bank earlier this year, may arise. Under the first bank package expenses were split between other operating expenses and impairment charges.

Max Bank has been the first bank to be taken over within the new framework and so far BankNordik has recognized DKK 4m under Other Operating Expenses.

Due to higher than expected dividends from the collapsed Amagerbanken, BankNordik in Q3 2011 could recognize DKK 7m in reversals of the originally expensed DKK 17m, leaving total cost for the participation in this operation at DKK 10m. Thus sector costs in Q3 2011 amounted to a net reversal of DKK 3m.

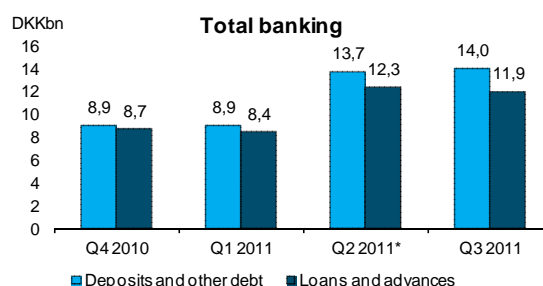
Balance Sheet

BankNordik's total assets have increased by 42% since the acquisition of Amagerbanken, reaching DKK 18.9bn compared to DKK 13.3bn last quarter and DKK 14.3bn at the beginning of the year. The decline in the first half of 2011 was a combination of decreasing loans and repayments of funding which has continued in Q3.

Assets

The asset composition changed significantly in the third quarter.

Assets composing the liquidity reserves at Q3 2011 were DKK 4.4bn which is 0.7bn more than in Q2, due to the surplus liquidity from Amagerbanken. This translates to a surplus liquidity coverage of 149% at the end of Q3 compared to 211% at the end of Q2 2011 and 293% at the end of 2010.



In general the development in loans and advances has been negative while deposits have been stable or slowly increasing throughout the last two years. This trend has largely continued for the organic loan portfolio in Q3 2011, causing a decreasing interest income. But because of Amagerbanken, loans and advances have increased by 41% from DKK 8.4bn to DKK 11.9bn.

Liabilities

With the healthy parts of Amagerbanken holding surplus deposits amounting to DKK 1.4bn, deposits at the end of Q3 2011 amounted to 14bn which is 51% more than a year ago and 60% more than at the end of previous quarter.

The deposits/loans ratio has now increased to 1.17, corresponding to a surplus of DKK 2bn.

Over the last year the Group's issued bonds have decreased by 74% to DKK 702m, and dues to credit institutions have decreased by 77% to DKK 182m. It is the Group's view that its deposits base is now so strong that it is appropriate to pursue a lower surplus liquidity, targeting a surplus level of 100%.

The combination of increasing deposits, decreasing loans, the Group's increased subordinated debt and previous high

liquidity levels have facilitated the large pay-backs of funding in the last year.

The Bank has decided to repay another DKK 500m before the end of the year, bringing external funding down to DKK 383m. Over the next year only DKK 100m of this debt will be maturing.

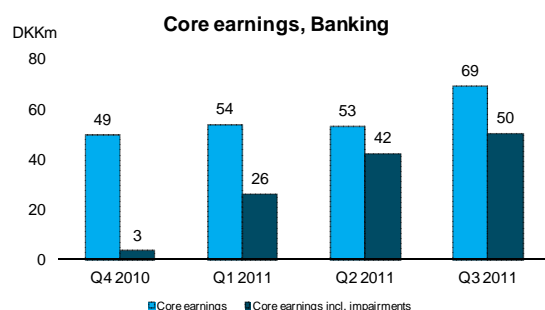
As the Group's profits have been positive so far in 2011 the equity capital remains high and stable. Because Goodwill has increased by DKK 317m (due to the Amagerbanken acquisition price of DKK 235m and related impairments of DKK 83m) in addition to the enlargement of the balance sheet, the solvency level has decreased from 20.3% by the end of Q2 2011 to 15% by the end of Q3 2011, and the core capital ratio which was 19.4% by the end of Q2 2011 has been reduced to 12% at the end of Q3 2011.

BankNordik Group in segments

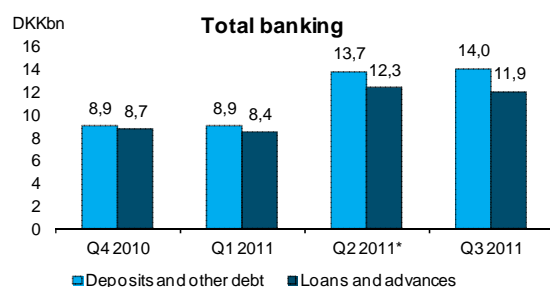
BANKING

With the takeover of the healthy parts of Amagerbanken from 1 July 2011, the BankNordik Group reports on a quarter where almost half of the income is derived from activities outside of the Faroe Islands.

The following presentation of the results will not only address the banking activities all together, but also presents a core earnings version of transitional/one-off costs like intermediate IT costs, expenses in relation to name change from Amagerbanken to BankNordik, etc.



The joined banking operations returned a pre-tax profit of DKK 19m at the end of Q3 2011, which is DKK 52m better than the DKK -33m realised at the end of Q3 2010.

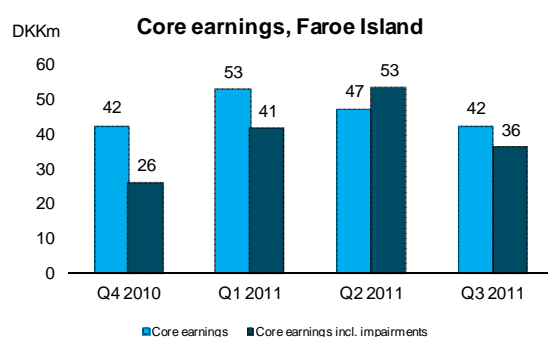


Looking at core earnings, the result is DKK 175m in Q1-Q3 2011 compared to DKK 126m in Q1-Q3 2010. With core earnings of DKK 142m the Faroese segment still contributes most to the core result, while the Danish segment delivers DKK 27m and Greenlandic DKK 6m. The earnings have been declining partly because of the decreasing loan portfolio and lower interest rates in H1, but from Q2 they are on the rise again.

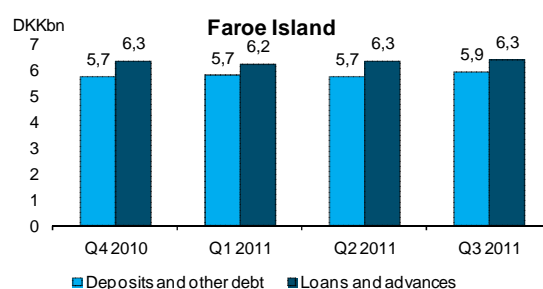
Faroe Islands

The banking activities in the Faroe Islands returned a pre-tax profit of DKK 65m at the end of Q3 2011 compared to DKK -50m in Q3 2010. This is largely due to the high impairment charges of DKK 165m in 2010 and much lower impairment charges of DKK 11m in 2011.

The core activities in Q1-Q3 2011 rendered earnings of DKK 142m compared to DKK 105m in Q1-Q3 2010.



The reduction in net interests is a combination of lower interest rates until the increase in August, higher deposits and marginally lower loans in addition to increasing expenses to subordinated debt issues. Since then, both loans and interest rates have been increasing - and are expected to increase net interest income in Q4.

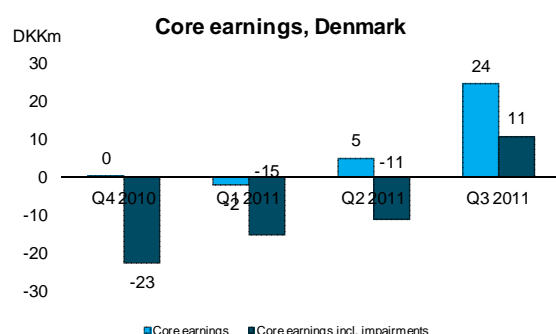


In the last few quarters the loan level has been fairly stable and so have deposits with a little pickup in Q3 2011.

The outlook for the Faroese banking segment is positive with the rebound from a slow start in mind. Though loans are not expected to increase, net interest income is expected to be higher because of the increased interest rates.

Denmark

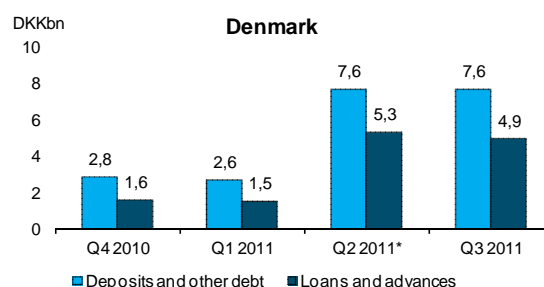
The Group's banking operations in Denmark have been greatly expanded in Q3 2011 through the acquisition of Amagerbanken. In the transaction DKK 5.0bn of deposits and DKK 3.5bn of loans were added to the Groups balance sheet. Consequently, in this third quarter the income statement is much influenced by the acquisition and the transitional activities of Amagerbanken, which also influences the rest of the BankNordik organisation all together.



Banking in Denmark delivered a DKK 51m deficit at the end of Q3 2011 compared to a surplus of DKK 10m at the end of Q3 2010. Impairment charges of DKK 43m impacts most in comparison to the Q3 2010 impairments of DKK 20m. But the deficit also covers non-recurring transition related net expenses, from the Danish acquisitions mainly Amagerbanken, amounting to DKK 35m in the third quarter of 2011 alone. Without these costs the quarter would have returned a positive result.

Net interest income has been boosted by the enlarged portfolio from the acquisition of Amagerbanken and since interest rates have been increased and will be so again in November, interest income is expected to increase somewhat in the coming year.

Especially the net fee income kicks through by a tripling compared to Q3 in 2010 and a quadrupling of the quarterly contribution compared to Q2 2011. Amagerbanken holds a strong markets franchise, based on custody accounts of around DKK 6bn.



* Amagerbanken included in the Q2 2011 figures.

Looking at core earnings of the Danish activities, the result for the first three quarters of 2011 is a surplus amounting to DKK 27m. On individual quarters the result for Q3 2011 is positive by DKK 24m, preceded by DKK 5m and -2m in Q2 and Q1 2011 respectively. Thus the contribution from the Danish acquisitions adds significantly to BankNordik's core result.

Net interest and fee income is on the rise again due to the interest rate increases, and this is expected to increase further for the coming year because of the higher interest margins.

After impairment charges, which have been stable in the last year, the core earnings aggregate DKK -16m in Q1-Q3 2011, with a profit of DKK 11m in the third quarter.

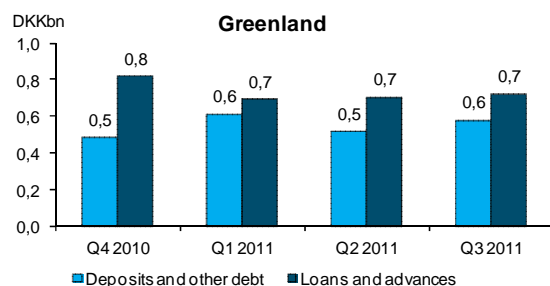
The outlook for the Danish economy is worse than in the last quarter, but with a well diversified high quality loan portfolio, BankNordik does not expect significant increases in the impairment charges.

Greenland

BankNordik in Greenland delivered a pre-tax profit of DKK 5m at the end of Q3 2011 compared to 7m at the end of Q3 2010. Relative to the DKK -1m in Q2 2011, Q3 had a profit of DKK 5m which is a turnaround to the slow start of the year compared to 2010.



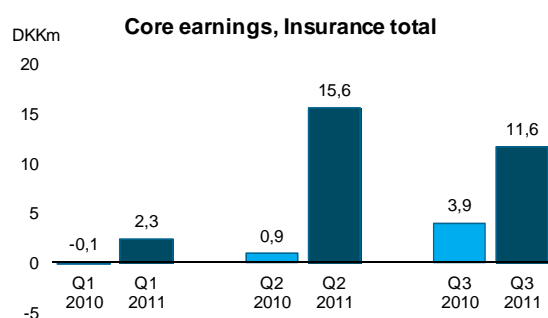
The core earnings at the end of Q3 2011 is DKK 6m compared to DKK 11m in Q3 2010, but in the third quarter alone the result is DKK 2m while it was DKK 1m in the corresponding quarter of 2010. It is largely impairment charges and secondly interest expenses that cause the fluctuations in earnings.



Loans and advances are not declining anymore but have stabilized and are now totalling DKK 722m. Deposits have increased by 20% in the same time and are now DKK 577m. The outlook for the banking activities in Greenland is positive, with prospects for increasing activities within oil exploration and mining.

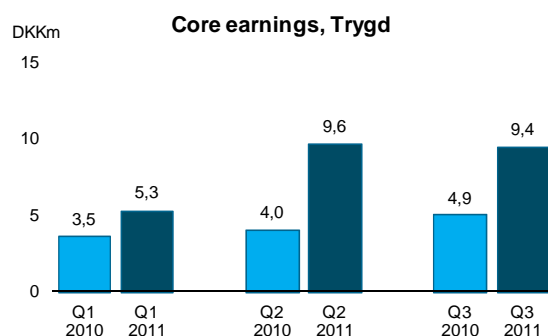
INSURANCE

The combined insurance business of the BankNordik Group, containing Trygd in the Faroe Islands and Vørður in Iceland, returned pre-tax core earnings of DKK 30m in the first three quarters of 2011, DKK 25m above the Q1-Q3 2010 result. Q3 2011 alone contributed with DKK 12m.



Trygd (Faroe Islands)

In Q3 2011 Trygd repeated its record core earnings from Q2 2011 and delivered at profit amounting to DKK 9m, increasing the profit for the first three quarters of 2011 to 24m compared to a Q1-Q3 2010 result amounting to DKK 12m.

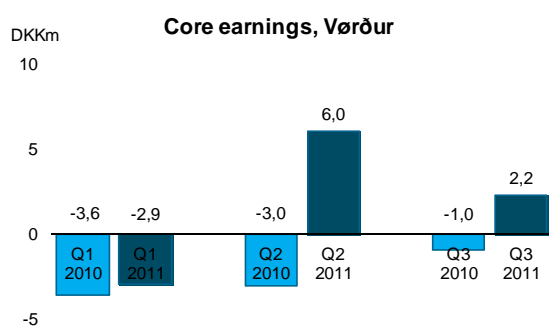


Trygd increased its premium income but also experienced higher claims, thus arriving at basically the same result as in Q2 2011. Although the risk profile on investments is low a little increase on interest income was reaped.

The expectations for the remainder of the year are unchanged, but the favourable claims ratio cannot be expected to continue at the current level.

Vørður (Iceland)

The Q1-Q3 2011 core earnings result in Vørður was DKK 5m compared to DKK -8m at the end of Q3 2010 and thus the result has improved significantly in the first three quarters of 2011.



claims have increased more, in addition to the investment portfolio's interests and dividends being less positive than in Q2 2011, the core earnings result in Q3 2011 was DKK 2m compared to DKK 6m in the second quarter.

The outlook for Vørður's market is positive, and a stable development is expected for the rest of the year. Although positive growth has materialized it is still fragile and uncertainties remain.

There is a slight increase in premium income, but because

Other issues

CREDIT RATING

In the aftermath of the acquisition of the healthy parts of Amagerbanken A/S on 19 May 2011, Moody's on 1 June 2011 announced that BankNordik was under review for a possible downgrade.

This review was disclosed on 21 September 2011 and resulted in a downgrade of BankNordik's long- and short-term ratings to Baa3 and Prime -3, from Baa2 and Prime -2, respectively. Still the stand-alone bank financial strength rating (BFSR) is confirmed at D+. The outlook for all ratings is negative.

Moody's rationale for the downgrade was the increased uncertainty on the longer term performance of BankNordik. On the short term there is the execution risk integrating a relatively large portfolio and doubt about the relative quality of the assets taken over. On the intermediate term the negative economic outlook for the Danish market may decrease asset prices further which again may negatively affect loan performance.

BankNordik continues to benefit from one notch of uplift

reflecting the potential support from the Faroe Islands government.

Though the downgrade is not in itself positive for BankNordik it does not affect the Bank much, given the comfortable deposits/loans ratio of 1.15 and consequently the limited need for external funding. This strong funding position is also recognised by Moody's.

Further, Moody's recognises the potential long-term strategic benefits related to a more diversified franchise in Denmark.

SUBORDINATED DEBT AND HYBRID CAPITAL INCREASED

On 24th June 2011 BankNordik issued DKK 180m of hybrid core capital, and DKK 420m subordinated loan capital in order to strengthen the capital base after the takeover of Amagerbanken.

On 20 October 2011 BankNordik listed these bond issues on NASDAQ OMX Copenhagen and the first day of trading was 24 October 2011.

Events after balance sheet date

There have been no significant events in BankNordik after the closing date of the Q3 2011 report.

Highlights, ratios and key figures, five year summary - BankNordik Group

Highlights					BankNordik P/F	
	Q1 - Q3	Q1 - Q3	Q1 - Q3	Q1 - Q3	Previous GAAP	
DKK 1,000	2011	2010	2009	2008	Q1 - Q3	Full year
					2007	2010
Net interest and fee income	477.633	441.905	341.936	275.630	243.991	589.019
Interest and fee income and income from insurance activities, net	543.335	479.129	371.093	288.697	243.991	643.679
Market value adjustments	-16.772	25.419	35.930	-49.973	21.683	20.037
Other operating income	15.769	386.558	-2.018	-2.333	-3.492	420.528
Staff cost and administrative expenses	393.431	296.964	157.028	154.431	161.952	408.088
Impairment charges on loans and advances etc.	57.731	190.670	75.961	113.604	-28.978	208.233
Net profit	47.424	295.951	118.727	-48.746	106.455	339.435
Loans and advances	11.948.508	8.549.425	7.176.351	7.754.536	6.812.637	8.674.663
Bonds at fair value	2.424.773	3.463.534	1.122.733	848.507	845.066	3.497.466
Intangible assets	793.884	432.857	0	0	0	439.723
Assets held for sale	174.111	134.265	140.651	23.885	0	160.794
Total assets	18.908.378	15.716.802	9.819.193	9.621.288	8.599.358	14.258.767
Due to credit institutions and central banks	181.904	787.392	1.863.685	2.571.826	1.680.143	245.249
Deposits and other debt	13.954.669	9.254.447	5.378.065	5.393.779	5.392.518	8.843.972
Issued bonds at amortised cost	701.927	2.699.843	499.654	0	0	2.199.843
Total shareholders' equity	2.037.780	1.979.319	1.620.315	1.396.824	1.351.974	2.042.566
Ratios and key figures	Sept. 30	Sept. 30	Sept. 30	Sept. 30	Sept. 30	Full year
	2011	2010	2009	2008	2007	2010
Solvency						
Solvency ratio, %	15,0	17,1	25,3	18,9	19,2	17,0
Core capital ratio, %	12,0	17,4	25,4	19,0	19,3	17,2
Risk-weighted items, DKK mill	13.068	9.704	6.763	7.306	7.240	10.080
Profitability						
Return on equity before tax, %	2,7	20,0	9,3	-2,3	10,3	22,4
Return on equity after tax, %	2,3	16,3	7,6	-3,4	8,2	18,3
Income / Cost ratio	1,11	1,70	1,57	0,88	1,97	1,63
Cost / income, % (excl. value adjustm. and impairments)	76,9	38,5	49,3	55,0	66,7	43,1
Market risk						
Interest rate risk, %	1,2	4,5	1,4	2,3	2,0	3,1
Foreign exchange position, %	9,8	10,6	0,8	7,3	4,3	24,6
Liquidity						
Loans and advances plus impairment charges as % of deposits	88,2	97,4	142,4	149,3	131,4	101,9
Excess cover relative to statutory liquidity requirements, %	148,6	337,5	234,2	75,8	76,7	292,9
Credit risk						
Large exposures as % of capital base	22,1	21,6	27,7	130,0	173,2	22,8
Impairment and provisioning ratio, %	2,6	4,7	4,5	3,5	3,6	3,2
Write-off and impairments ratio, %	0,4	1,8	0,9	1,3	-0,4	1,9
Growth on loans and advances, %	37,7	23,2	-5,6	2,7	26,0	25,0
Gearing of loans and advances	5,9	4,3	4,5	5,6	5,0	4,2
Shares nom. DKK 100)						
Earnings per share after tax (nom. DKK 100), DKK	23,9	151,5	61,3	-24,6	53,2	174,6
Book value per share (nom. DKK 100), DKK	1.033	1.006	837	704	676	1.030
Market price per share (nom. DKK 100), DKK	370	675	720	830	1.100	720
Market price / earnings per share DKK	15,5	4,5	11,7	-33,7	20,7	4,1
Market price / book value per share DKK	0,36	0,67	0,86	1,18	1,63	0,70
Other						
Number of full-time employees, end of period	604	424	261	260	267	433

Income statement - BankNordik Group

Note	DKK 1,000	Q1 - Q3 2011	Q1 - Q3 2010	Full year 2010
3	Interest income	533.553	519.429	673.994
4	Interest expenses	147.284	145.157	194.474
	Net interest income	386.270	374.272	479.520
	Dividends from shares and other investments	3.937	6.499	16.653
5	Fee and commission income	99.658	64.439	96.368
5	Fee and commissions paid	12.232	3.305	3.522
	Net interest and fee income	477.633	441.905	589.019
	Premium income, net of reinsurance	201.034	181.698	243.311
	Claims, net of reinsurance	135.332	144.474	188.651
	Interest and fee income and income from insurance activities, net	543.335	479.129	643.679
6	Market value adjustments	-16.772	25.419	20.037
7	Other operating income	15.769	386.558	420.528
8	Staff costs and administrative expenses	393.431	296.964	408.088
	Amortisation, depreciation and impairment charges	22.138	11.433	23.840
	Other operating expenses	13.872	23.368	24.823
9	Impairment charges on loans and advances etc.	57.731	190.670	208.233
	Income from associated and subsidiary undertakings	-884	-3.519	-3.519
	Profit before tax	54.277	365.152	415.741
	Tax	6.853	69.201	76.307
	Net profit	47.424	295.951	339.435
	Portion attributable to			
	Shareholders of BankNordik P/F	47.229	292.836	334.176
	Minority interests	195	3.116	5.258
	Net profit	47.424	295.951	339.435
	EPS Basic for the period, DKK*	4,79	30,31	34,91
	EPS Diluted for the period, DKK *	4,79	30,31	34,91

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

Statement of comprehensive income - BankNordik Group

DKK 1,000	Q1 - Q3 2011	Q1 - Q3 2010	Full year 2010
Net profit	47.424	295.951	339.435
Other comprehensive income			
Translation of non-Faroese subsidiaries	-6.220	10.923	12.910
Tax on other comprehensive income	283	1.003	1.066
Total other comprehensive income	-5.937	9.920	11.845
Total comprehensive income	41.486	305.872	351.279
Portion attributable to			
Shareholders of BankNordik P/F	41.495	297.404	352.682
Minority interests	-8	8.468	-1.402
Total comprehensive income	41.486	305.872	351.279

Balance Sheet - BankNordik Group

Note	DKK 1,000	Sept. 30 2011	Sept. 30 2010	Full year 2010
	Assets			
	Cash in hand and demand deposits with central banks	1.578.751	1.477.071	242.382
10	Due from credit institutions and central banks	773.867	884.172	513.959
11	Loans and advances at fair value	1.019.661	921.522	1.013.704
11	Loans and advances at amortised cost	10.928.848	7.627.903	7.660.959
	Bonds at fair value	2.424.773	3.463.534	3.497.466
	Shares, etc.	325.290	183.838	308.490
	Assets under insurance contracts	95.607	96.362	90.321
	Holdings in associates	20.421	21.306	21.306
	Intangible assets	793.884	432.857	439.723
	Assets under pooled schemes	106.119	46.072	53.651
	Total land and buildings	180.079	141.226	140.396
	investment property	2.500	2.500	2.500
	domicile property	177.579	138.726	137.896
	Other property, plant and equipment	24.758	11.675	16.362
	Current tax assets	2.075	1.963	2.035
	Deferred tax assets	22.196	22.923	27.153
12	Assets held for sale	174.111	134.265	160.794
	Other assets	415.558	249.044	58.683
	Prepayments	22.380	1.070	11.383
	Total assets	18.908.378	15.716.802	14.258.767

Balance Sheet - BankNordik Group

Note	DKK 1,000	Sept. 30 2011	Sept. 30 2010	Full year 2010
	Shareholders' equity and liabilities			
	Liabilities other than provisions			
	Due to credit institutions and central banks	181.904	787.392	245.249
	Deposits and other debt	13.848.549	9.209.100	8.790.321
	Deposits under pooled schemes	106.119	45.347	53.651
	Issued bonds at amortised cost	701.927	2.699.843	2.199.843
	Liabilities under insurance contracts	331.998	331.115	321.833
	Current tax liabilities	74.828	78.742	71.977
	Other liabilities	785.984	318.130	289.007
	Deferred income	15.710	14.158	13.843
	Total liabilities other than provisions	16.047.021	13.483.827	11.985.723
	Provisions for liabilities			
	Provisions for deferred tax	18.671	13.466	18.953
	Provisions for losses on guarantees	5.941	36.950	8.285
	Total provisions for liabilities	24.612	50.416	27.238
	Subordinated debt			
	Subordinated debt	798.965	203.240	203.240
	Total liabilities	16.870.598	13.737.483	12.216.201
	Shareholders' equity			
	Share capital	200.000	200.000	200.000
	Foreign translation reserve	18.158	11.596	18.520
	Retained earnings	1.819.622	1.767.724	1.784.046
	Proposed dividends	0	0	40.000
	Total shareholders' equity	2.037.780	1.979.319	2.042.566
	Shareholders of the Parent Company	2.032.220	1.939.305	2.000.091
	Minority interests	5.560	40.014	42.474
	Total shareholders' equity	2.037.780	1.979.319	2.042.566
	Total liabilities and equity	18.908.378	15.716.802	14.258.767

Statement of capital - BankNordik Group

Changes in shareholders' equity:

DKK 1,000	Share capital	Foreign currency translation reserve	Proposed dividends	Retained earnings	Total	Minority interests	Total
Shareholders' equity at January 1, 2011	200.000	18.520	40.000	1.741.572	2.000.091	42.474	2.042.566
Corrections minority interests in Vørður		5.373		31.533	36.906	-36.906	0
Corrected shareholders' equity at January 1, 2011	200.000	23.892	40.000	1.773.105	2.036.997	5.569	2.042.566
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		0	-5.734	-203	-5.937
Net profit				47.229	47.229	195	47.424
Total comprehensive income		-5.734		47.229	41.495	-8	41.486
Acquisition of own shares				-32.697	-32.697		-32.697
Sale of own shares				26.426	26.426		26.426
Dividends paid			-40.000		-40.000		-40.000
Shareholders' equity at September 30, 2011	200.000	18.158	0	1.814.062	2.032.220	5.561	2.037.781

DKK 1,000	Share capital	Foreign currency translation reserve	Proposed dividends	Retained earnings	Total	Minority interests	Total
Shareholders' equity at January 1, 2010	200.000	14	0	1.419.230	1.619.245	43.877	1.663.122
Corrections, Vørður		7.013		1.019	8.032	-12.331	-4.298
Corrected shareholders' equity at January 1, 2010	200.000	7.028	0	1.420.249	1.627.277	31.546	1.658.824
Translation of foreign units		5.571			5.571	5.352	10.923
Tax on entries on shareholders' equity		-1.003			-1.003		-1.003
Income recognised directly on shareholders' equity		4.568			4.568	5.352	9.920
Net profit				292.836	292.836	3.116	295.951
Total comprehensive income		4.568		292.836	297.404	8.468	305.872
Acquisition of own shares				-169.793	-169.793		-169.793
Sale of own shares				184.418	184.418		184.418
Dividends paid							
Shareholders' equity at June 30, 2010	200.000	11.596	0	1.727.709	1.939.305	40.014	1.979.319

Shares

DKK 1,000	Q1 - Q3 2011	Q1 - Q3 2010	Full year 2010
Net profit	47.424	295.951	339.435
Average number of shares outstanding	9.906	9.765	9.723
Number of dilutive shares issued	0	0	0
Average number of shares outstanding, including dilutive shares diluted	9.906	9.765	9.723
Earnings per share, DKK	4,79	30,31	34,91
Diluted net profit for the period per share, DKK	4,79	30,31	34,91

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	9.833	9.913
Group's average holding of own shares during the period	94	235	277
Average shares outstanding	9.906	9.765	9.723

Cash flow statement - BankNordik Group

DKK 1,000	Q1 - Q3 2011	Q1 - Q3 2010	Full year 2010
Cash flow from operations			
Net profit for the period	47.424	295.951	339.435
Adjustment of non-cash operating items	12.372	163.523	161.615
Other adjustments	-3.937	-6.499	-16.653
Changes in operating capital	2.851.693	-792.356	-1.992.077
Cash flow from operations	2.907.552	-339.382	-1.507.680
Cash flow from investing activities			
Acquisition/sale of group undertakings and other business units	0	-323.507	-293.717
Dividends received	3.937	6.499	16.653
Acquisition/sale of own shares	-6.271	14.624	28.165
Acquisition of intangible assets	-319.098	-26.821	-39.282
Acquisition/sale of tangible assets	-46.075	-35.801	-14.028
Cash flow from investing activities	-367.506	-365.006	-302.210
Cash flow from financing activities			
Issue of bonds	-1.497.916	1.700.000	1.200.000
Increase in subordinated debt	595.725	-45	-45
Payment of dividends	-40.000	-195	0
Payment of long term loan	0	0	0
Cash flow from financing activities	-942.191	1.699.760	1.199.955
Cash flow	1.597.855	995.372	-609.935
Cash in hand and demand deposits with central banks, and due from credit institutions, etc. at the beginning of the year	756.340	1.355.719	1.355.719
Foreign currency translation	-1.576	10.151	10.556
Cash flow	1.597.855	995.372	-609.935
Cash and due etc.	2.352.619	2.361.243	756.340
Cash and due etc.			
Cash in hand and demand deposits with central banks	1.578.751	1.477.071	242.382
Due from credit institutions, etc.	773.867	884.172	513.959
Total	2.352.619	2.361.243	756.340

Note 1 Significant accounting policies

The consolidated financial statement for the first half of 2011 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 2010. The Annual Report 2010 provides a full description of the Group's significant accounting policies.

Changes required by the Danish FSA

According to an order from the FSA the BankNordik Group management has made the following changes in the comparative figures:

Impairment charges

As a consequence of the acquisition of the Sparbank branches in 2010 the Group took over individual impairments on loans and advances amounting to DKK 45.6m and collective impairments amounting to DKK 9.1m.

The fair value of the loans taken over corresponded to the carrying amount immediately prior to the acquisition. As it is not possible for the Group's computer system to hold ordinary and acquired impairments separated the management decided not to separate the acquired impairments from the ordinary impairments. Consequently the acquired impairments and reversals of the acquired impairments are recognised as ordinary impairments are.

The FSA's draft to the Decision of the Danish Securities Council order the Bank not to recognise the acquired impairments as impairments and the reversals of these impairments are to be recognised as interest income.

At the acquisition date the Management estimated that the effective interest rate in the acquired loan portfolio reflected the current credit risk and the Banks requirements on return. Therefore there were no adjustments made to the effective interest rate in connection with the acquisition. Accordingly the reversals of these impairments are recognised under the item "Other operating income" in the Income Statement and not under the item "Interest income" as FSA's draft to the Decision of the Danish Securities Council recommended.

Consequently the total impairment charges in the note are reduced with DKK 68.4m. in 2010 (DKK 90.1m 30 Sept. 2010) and reversals amounting to DKK 41.1m in 2010 (DKK 5.8m 30 Sept. 2010) are reclassified from the item "Impairment charges on loans etc." to the item "Other operating income" in the income statement.

The changes have no effect on net profit or shareholders' equity.

Cash flow statement

The FSA's draft to the Decision of the Danish Securities Council orders BankNordik to disclose received dividends as a separate item in the cash flow statement. Consequently DKK 16.7m (DKK 6.5m 30. Sept. 2010) is reclassified from cash flow from operations to the item "dividends received" under cash flow from investing activities in the Group cash flow statement.

In the parent company's cash flow statement DKK 18.9m (DKK 18.5 30 Sept. 2010) are reclassified to the item "dividends received" under cash flow from investing activities.

The changes have no effect on net profit or shareholders' equity.

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 2010 and the uncertainties prevailing at that time.

Note 2 Segment Reporting

BankNordik Group - segment reporting Q3 2011

Operating segments		Banking				Insurance				BankNordik Group	
Note	DKK 1,000	Faroe Island	Denmark	Greenland	BankNordik	Faroe Island	Iceland	Total	Other	Elimination	Group
2	Interest income	348.544	176.456	43.185	568.185	2.708	4.462	7.170	252	-33.041	542.566
	Interest expense	116.295	51.051	12.171	179.517	0	0	0	10	-32.244	147.284
[cont'd]	Net interest income	232.250	125.404	31.013	388.668	2.708	4.462	7.170	242	-798	395.282
	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	322	0	3.449	-5	580	575	3.196	-463	6.757
	Total income	250.590	170.805	40.122	461.517	37.767	37.775	75.543	4.784		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	13.724	2.802	0	16.526	3	4.605	4.608	1.003	0	22.138
	Other operating expenses	13.831	41	0	13.872	0	0	0	0	0	13.872
	Total operating expenses	174.180	178.782	31.987	384.949	13.468	28.008	41.476	4.690		429.440
	Profit before impairment charges on loans	76.410	-7.977	8.135	76.567	24.300	9.767	34.066	94	0	112.008
	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	64.941	-51.038	4.874	18.778	24.300	9.826	34.125	94		54.277
	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	20.421	0	0	20.421	0	3.400	3.400	0	-3.400	20.421
	Other assets	4.942.263	3.287.345	13.421	8.243.029	184.746	356.290	541.036	33.134	-1.877.750	6.939.448
	Total assets	11.290.194	8.185.911	735.626	20.211.731	184.746	359.917	544.663	33.134	-1.881.150	18.908.378
	Deposits	5.865.314	7.623.528	577.276	14.066.118	0	0	0	0	-111.449	13.954.669
	Other liabilities	5.424.880	562.383	158.350	6.145.613	184.746	359.917	544.663	33.134	-1.769.701	4.953.709
	Total liabilities and equity	11.290.194	8.185.911	735.626	20.211.731	184.746	359.917	544.663	33.134	-1.881.150	18.908.378
	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 (%)	74,1%	129,9%	87,9%	95,9%	35,7%	74,0%	54,8%	98,0%		90,0%
	Cost/income ratio (excl. value adjustments and impairments on loans and advances etc.) (%)	63,6%	104,6%	79,4%	79,4%	35,7%	84,1%	58,4%	97,3%		76,9%

BankNordik Group - segment reporting Q3 2010

Operating segments		Banking				Insurance				BankNordik Group	
Note	DKK 1,000	Faroe Island	Denmark	Greenland	BankNordik	Faroe Island	Iceland	Total	Other	Elimination	Group
2	Interest income	388.172	92.205	41.504	521.880	2.728	6.476	9.204	233	-11.888	519.429
	Interest expense	115.565	29.894	11.571	157.029	0	9	9	7	-11.888	145.157
	Net interest income	272.607	62.311	29.933	364.851	2.728	6.467	9.195	226		374.272
	Dividends from shares and other investments	6.499	0	0	6.499	0	0	0	0	0	6.499
	Net fee income	34.617	15.942	9.989	60.548	0	638	638	190	-242	61.134
	Premium income, net of reinsurance	0	0	0	0	62.319	118.552	180.871	1.896	-1.069	181.698
	Claims, net of reinsurance	0	0	0	0	38.641	105.144	143.784	690	0	144.474
	Market value adjustments	6.850	2.995	-465	9.381	481	15.027	15.508	530	0	25.419
	Income from associates	0	0	0	0	0	126	126	-3.519	-126	-3.519
	Other operating income	-1.802	2.369	3.698	4.264	-19	981	962	381.776	-444	386.558
	Total income	318.772	83.617	43.154	445.543	26.867	36.648	63.516	380.409		887.587
	Staff costs and administrative expenses	179.311	53.526	29.841	262.677	13.744	20.458	34.202	1.839	-1.755	296.964
	Depreciation and impairment of property, plant and equipment	4.114	-478	593	4.229	228	6.258	6.486	718	0	11.433
	Other operating expenses	20.820	0	0	20.820	0	2.548	2.548	0	0	23.368
	Total operating expenses	204.244	53.048	30.434	287.726	13.973	29.264	43.237	2.557		331.764
	Profit before impairment charges on loans	114.527	30.570	12.721	157.818	12.895	7.384	20.279	377.852	0	555.822
	Impairment charges on loans and advances etc.	164.828	20.269	5.573	190.670	0	0	0	0	0	190.670
	Profit before tax	-50.301	10.301	7.148	-32.852	12.895	7.384	20.279	377.852		365.152
	Loans and advances	6.323.791	1.553.000	671.906	8.548.697	0	728	728	0	0	8.549.425
	Holdings in associates	21.306	0	0	21.306	0	3.381	3.381	0	0	24.687
	Other assets	6.670.818	1.430.279	1.754	8.102.851	175.368	343.727	519.095	28.338	-1.507.594	7.142.690
	Total assets	13.015.915	2.983.279	673.660	16.672.854	175.368	347.837	523.204	28.338		15.716.802
	Deposits	5.991.271	2.865.973	511.125	9.368.369	0	0	0	0	-113.923	9.254.447
	Other liabilities	7.024.644	117.306	162.535	7.304.485	175.368	347.837	523.204	28.338	-1.393.671	6.462.355
	Total liabilities and equity	13.015.915	2.983.279	673.660	16.672.854	175.368	347.837	523.204	28.338		15.716.802
	Internal interest income/expense allocated to operating segments	1,0%	1,0%	1,0%	1,0%						
	Cost/income ratio (%)	115,8%	87,7%	83,4%	107,4%	52,0%	79,9%	68,1%	0,7%		58,9%
	Cost/income ratio (excl. value adjustments and impairments on loans and advances etc.) (%)	65,5%	65,8%	69,8%	66,0%	53,0%	135,3%	90,1%	0,7%		38,5%

BankNordik Group's activities are divided in two segments, Banking and Insurance, and since sub-divided into geographical markets.

Overall the banking NII increased by 6,5% due to the acquisition of branches in Denmark. Banking profit before tax increased by DKK 52m compared to same period last year. Explanation for this is lower impairment charges on loans. Higher staff and administrative expense is a consequence of the Group's expansion.

Insurance activity shows an increased pre tax profit of 68% compared to same period last year. Explanation for this is increased net income from insurance activities. Market value adjustments decreased by 11 m compared to same period last year.

Other show a sharp decrease in Q3 2011 compared to same period last year due to divestment of Bakkafrøst in 2010.

BankNordik Group - Geographical information Q3

DKK 1,000	Total income		Non current assets		Additions on material assets	
	2011	2010	2011	2010	2011	2010
Faroe Islands	292.745	724.166	632.143	587.606	-2.293	2.392
Denmark	170.805	83.617	370.887	1.160	49.637	1.092
Iceland	37.775	36.648	11.004	18.297	-516	370
Greenland	40.122	43.154	5.108	0	5.108	0
Total	541.448	887.587	1.019.142	607.063	51.936	3.854

BankNordik Group - Revenues from external customers Q3

	2011	2010
Banking	462.102	444.857
Insurance products	74.561	62.321
Other	4.784	380.409
Total revenue	541.448	887.587

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

The Group's external revenue is organized into different business areas 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. Other include the sale of Bakkafrøst in 2010 with a revenue of DKK 380m.

Notes - BankNordik Group

Note	DKK 1,000	Q1 - Q3 2011	Q1 - Q3 2010	Full Year 2010
3	Interest income			
	Credit institutions and central banks	10.347	14.654	18.568
	Loans and advances	484.535	477.438	604.227
	Bonds	51.078	42.232	67.027
	Total derivatives of w hich:	-14.929	-12.012	-13.789
	<i>Currency contracts</i>	337	0	0
	<i>Interest rate contracts</i>	-15.266	-12.012	-13.789
	<i>Other transactions</i>	0	0	0
	Other interest income	2.522	-2.884	-2.039
	Total interest income	533.553	519.429	673.994
	Of w hich accounted for by income from genuine sale and repurchase transactions:			
	Credit institutions and central banks	0	0	0
4	Interest expenses			
	Credit institutions and central banks	740	8.346	12.199
	Deposits	90.265	96.413	126.216
	Issued Bonds	23.043	23.204	29.927
	Subordinated debt	30.533	15.691	20.914
	Other interest expenses	2.703	1.503	5.219
	Total interest expenses	147.284	145.157	194.474
	Of w hich interest expenses on genuine sale and repurchase transactions are carried under:			
	Credit institutions and central banks	0	18	0
5	Net fee and commission income			
	Fee and commission income			
	Securities trading and custody accounts	13.446	6.926	6.583
	Credit transfers	17.104	18.014	19.724
	Loan commissions	12.345	15.096	24.045
	Guarantee commissions	13.588	12.889	19.659
	Life insurance	0	190	262
	Other fees and commissions	43.176	11.324	26.094
	Total fee and commission income	99.658	64.439	96.368
	Fee and commissions paid			
	Securities trading and custody accounts	12.232	3.305	3.522
	Net fee and commission income	87.426	61.134	92.846
6	Market value adjustments			
	Loans and advances	55.654	35.361	14.596
	Bonds	-6.358	14.639	-4.641
	Shares	-3.109	10.120	14.382
	Investment properties			
	Foreign exchange	-2.982	8.101	16.413
	Total derivatives of w hich:	-59.341	-42.802	-20.859
	<i>Currency Swaps</i>	-11.688	-8.640	920
	<i>Interest Swaps</i>	-47.653	-34.965	-21.545
	Assets linked to pooled schemes	-636	0	146
	Total market value adjustments	-16.772	25.419	20.037

Note	DKK 1,000	Q1 - Q3 2011	Q1 - Q3 2010	Full Year 2010
7	Other operating income			
	Profit/loss on sale of shares and equity investments in associates and group enterprises	0	380.179	380.575
	Profit/loss on sale of investment and corporate properties and temporary properties	21	-94	-581
	Profit on sale of operating equipment	612	0	0
	Reversals of acquired OEI impairments	9.012	5.762	41.119
	Other income	6.124	711	-585
	Total other operating income	15.769	386.558	420.528
	2010: DKK 380m concerns the divestment of Bakkafrøst			
8	Staff costs and administrative expenses			
	Staff costs:			
	Salaries	171.314	140.479	182.903
	Pensions	18.141	10.157	17.547
	Social security expenses	22.569	13.865	22.818
	Total staff costs	212.025	164.501	223.269
	Administrative expenses:			
	IT	75.361	52.555	67.531
	Marketing etc	21.613	23.014	24.688
	Education etc	5.180	4.245	5.262
	Advisory services	6.650	8.475	10.621
	Other expenses	88.241	58.344	95.751
	Total administrative expenses	197.044	146.632	203.853
	Total staff costs	212.025	164.501	223.269
	Employee exp. incl. under the item "Claims, net of reinsurance"	-15.638	-14.168	-19.034
	Total administrative expenses	197.044	146.632	203.853
	Total staff costs and administrative expenses	393.431	296.964	408.088
	Number of employees			
	Average number of full-time employees in the period	603	425	431
	Executive remuneration:			
	Board of Directors	1.200	1.230	1.635
	Executive Board:			
	Salaries	3.163	3.353	4.538
	Pension	461	493	657
	Total executive remuneration	4.823	5.075	6.830

In all the consolidated companies, the remuneration of the Board of Directors is a fixed monthly salary

Pension and termination terms of the Executive Board are identical to those described in the Annual Report 2010.

Note	DKK 1,000	Q1 - Q3 2011	Q1 - Q3 2010	Full Year 2010
9	Impairment charges on loans and advances etc.			
	Due from credit institutions and central banks	0	0	0
	Loans and advances at amortised cost	47.644	122.500	150.954
	Loans and advances at fair value	0	0	8.668
	Private Contingency Association (Det private beredskab)	0	15.416	15.466
	Guarantees and loan commitments	2.270	0	8.285
	Assets held for sale	7.816	52.754	17.518
	Total	57.731	190.670	200.891
	Individual impairment charges etc.			
	New and increased impairment charges	92.098	213.335	243.441
	Reversals of impairment charges	34.955	28.999	31.932
	Write-offs charged directly to the income statement	10.329	1.995	482
	Received on claims previously written off	495	2.095	2.295
	Interest income	5.287	0	10.392
	Total individual impairment charges	61.690	184.236	199.304
	Collective impairment charges			
	New and increased impairment charges	2.818	10.655	8.928
	Reversals of impairment charges	6.777	4.221	0
	Total collective impairment charges	-3.959	6.434	8.928
	Total impairment charges	57.731	190.670	208.233

Notes - BankNordik Group

Note	DKK 1,000	Sept. 30 2011	Sept. 30 2010	Full Year 2010
10	Due from credit institutions etc. specified by maturity			
	On demand	735.406	839.548	513.959
	3 months and below	31.138	21.193	0
	3 months to 1 year	7.323	23.431	0
	Total	773.867	884.172	513.959
11	Impairment charges, loans and advances etc.			
	Individual impairment charges etc.			
	At 1 January	315.453	268.838	268.838
	New and increased impairment charges	92.098	213.335	219.975
	Reversals of impairment charges	34.955	28.999	31.932
	Written-off, previously impaired	39.216	8.188	139.264
	Foreign currency translation	-18	149	0
	Other additions and disposals	0	0	-2.164
	Total	333.362	445.134	315.453
	Collective impairment charges			
	At 1 January	18.586	17.000	17.000
	New and increased impairment charges	2.818	10.655	8.928
	Reversals of impairment charges	6.777	4.221	0
	Total	14.627	23.434	25.928
	Total	347.989	468.568	341.382
12	Assets held for sale			
	Total purchase price, at 1 January	183.494	181.090	181.090
	Additions	29.376	67.958	97.265
	Disposals and write off	6.775	56.846	94.861
	Total purchase price	206.094	192.201	183.494
	Depreciation and impairment, at 1 January	22.700	5.182	5.182
	Impairment charges for the year	9.283	52.754	17.518
	Negative changes in value recognized in the income statement			
	Reversal of impairment on revaluations during the year			
	Reversal of impairment on disposals during the year			
	Total depreciation and impairment	31.983	57.936	22.700
	Total assets held for sale	174.111	134.265	160.794

Note	DKK 1,000	Sept. 30 2011	Sept. 30 2010	Full Year 2010
13	Contingent liabilities			
	The Group uses a variety of loan-related financial instruments to meet the financial requirements of its customers. These include loan offers and other credit facilities, guarantees and instruments that are not recognised on the balance sheet.			
	Loss guarantee for the Private Contingency Association	0	46.250	0
	Guarantees	1.743.977	1.592.272	1.856.361
	Total	1.743.977	1.638.522	1.856.361
	Other contingent liabilities			
	Irrevocable loan commitments	0	81.250	0
	Total	0	81.250	0

According to the acquisition agreement regarding Vörður Tryggingar hf, BankNordik is obligated in the first half of 2012 to purchase additional 416,500,000 shares in the company at an amount in the range of ISK 1,100,000,000 and ISK 1,600,000,000. The purchase price depends on the net profit in Vörður Tryggingar hf in the financial years 2010 and 2011. Translated in to DKK using closing rate at 31 March 2011, the purchase price will be in the range of DKK 50,6m to DKK 73,6m. Following the transaction, BankNordik will hold 100% of the shares in Vörður Tryggingar hf. According to IFRS the management has recognised this obligation as a liability from 1 January 2011. At 30 September 2011 the liability is estimated to amount to DKK 54,8m.

The agreement with the Bank's new IT-provider SDC has a notice of termination of 3 years, and the Bank can be obligated to pay a compensation amounting to maximum DKK 27m.

14 **Assets deposited as collateral**

At 30 September 2011 the Group had deposited bonds at a total market value of DKK 111m with Danmarks Nationalbank (the Danish Central Bank) in connection with clearing. (2010: 65m).

15 **Group enterprise / Branches acquired**

On 18 May 2011, P/F BankNordik concluded an agreement with the Financial Stability Company regarding the acquisition of all retail and most commercial customers from Amagerbanken. The acquisition date was 1 July 2011. Upon acquisition BankNordik paid DKK 235m in cash.

At the acquisition date only the largest loans were reviewed in detail. Based on this management preliminarily assessed that the fair value of the loans taken over corresponded to the carrying amount immediately prior to the acquisition. But based on the due diligence performed, the management was aware of the possibility for further impairment charges on loans at amortised cost. After having reviewed part of the loan portfolio additional impairment charges have been made amounting to DKK 83m.

Therefore the acquisition of the Amagerbank customers is calculated preliminarily and the amounts are provisional.

DKK 1,000	1 July 2011
Fair value of net assets	-326
Goodwill acquired	235.326
Total purchase price	235.000

Due to insufficient information about earnings prior to the acquisition, it is not possible to calculate the total income and results for 2011 with any degree of reliability in the event that the net assets had been acquired as from 1 January 2011.

Goodwill represents the value of the expected earning capacity of the acquired net assets that cannot be reliably attributed to the individual assets, including the value of staffs, the branches' know-how and position in the local community and expected synergies from merging with the BankNordik Group.

DKK 1,000	Preliminary fair value at the time of acquisition	Carrying amount before acquisition
Net assets acquired:		
Cash balances and demand deposits with central banks	63.800	63.800
Due from credit institutions	955.300	955.300
Loans and advances at fair value	101.214	101.214
Loans and advances at amortised cost	3.714.786	3.797.686
Intangible assets		
customer relations	82.574	
leasehold improvements	0	
Property, plant and equipment	41.600	41.600
Other assets	52.400	52.400
Total assets	5.011.674	5.012.000
Deposits and other debt	4.940.200	4.940.200
Other liabilities	71.800	71.800
Total liabilities	5.012.000	5.012.000
Net assets acquired	-326	0
Purchase price	235.000	235.000
Goodwill	235.326	235.000

In connection with the acquisition BankNordik Group also has accepted contingent liabilities in the form of guarantees amounting to DKK 321m.

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 2010. The Annual Report 2010 provides a full description of the Bank's significant accounting policies.

Highlights, ratios and key figures, five year summary - P/F Bank Nordik

Highlights					BankNordik P/F	Full year
					Previous GAAP	
DKK 1,000	Q1 - Q3 2011	Q1 - Q3 2010	Q1 - Q3 2009	Q1 - Q3 2008	Q1 - Q3 2007	2010
Net interest and fee income	472.337	431.898	338.299	271.143	243.991	566.130
Market value adjustments	-23.281	9.381	35.341	-49.744	21.683	9.018
Other operating income	12.461	384.840	-2.444	-3.021	-3.492	417.534
Staff cost and administrative expenses	354.552	262.677	145.175	141.850	161.952	359.494
Impairment charges on loans and advances etc.	57.789	190.670	75.961	113.604	-28.978	208.807
Net profit	42.098	292.836	118.727	-48.746	106.455	334.176
Loans and advances	11.948.281	8.548.697	7.176.351	7.755.333	6.812.637	8.674.007
Bonds at fair value	2.285.749	3.334.011	1.061.599	802.641	845.066	3.343.661
Intangible assets	734.343	420.567	0	0	0	429.968
Assets held for sale	174.111	134.265	140.651	23.885	0	160.794
Total assets	18.554.743	15.430.568	9.823.770	9.637.143	8.599.358	13.963.684
Due to credit institutions and central banks	181.904	787.392	1.863.685	2.571.826	1.680.143	245.249
Deposits and other debt	14.066.118	9.368.369	5.464.232	5.477.383	5.392.518	8.944.378
Issued bonds at amortised cost	701.927	2.699.843	499.654	0	0	2.199.843
Total shareholders' equity	1.993.567	1.939.305	1.620.315	1.396.824	1.351.974	2.000.091
Ratios and key figures						
	Sept. 30 2011	Sept. 30 2010	Sept. 30 2009	Sept. 30 2008	Sept. 30 2007	Full year 2010
Solvency						
Solvency ratio, %	15,0	17,1	25,3	18,9	19,2	17,0
Core capital ratio, %	12,0	17,4	25,4	19,0	19,3	17,2
Risk-weighted items, DKK mill	13.068	9.704	6.763	7.306	7.240	10.080
Profitability						
Return on equity before tax, %	2,1	20,1	9,0	-2,4	10,3	22,5
Return on equity after tax, %	2,1	16,5	7,6	-3,4	8,2	18,5
Income / Cost ratio	1,10	1,75	1,58	0,87	1,97	1,68
Cost / income, % (excl. value adjustm. and impairments)	75,7	34,8	48,1	53,2	66,7	39,4
Market risk						
Interest rate risk, %	1,2	4,5	1,4	2,3	2,00	3,1
Foreign exchange position, %	9,8	10,6	0,8	7,3	4,30	24,6
Liquidity						
Loans and advances plus impairment charges as % of deposits	87,4	96,2	140,1	146,99	131,4	100,8
Excess cover relative to statutory liquidity requirements, %	138,2	326,5	230,2	71,5	76,7	280,6
Credit risk						
Large exposures as % of capital base	22,1	21,6	27,7	130,0	173,2	22,8
Impairment and provisioning ratio, %	2,5	4,7	4,5	3,5	3,6	3,2
Write-off and impairments ratio, %	0,4	1,8	0,9	1,3	-0,4	1,9
Growth on loans and advances, %	37,7	23,2	-5,6	2,7	26,0	25,0
Gearing of loans and advances	6,0	4,4	4,5	5,6	5,0	4,3
Shares nom. DKK 100)						
Earnings per share after tax (nom. DKK 100), DKK	21,2	149,9	61,3	-24,6	53,2	171,8
Book value per share (nom. DKK 100), DKK	1.011	986	837	704	676	1.009
Market price per share (nom. DKK 100), DKK	370	675	720	830	1.100	720
Market price / earnings per share DKK	17,4	4,5	11,7	-33,8	20,7	4,2
Market price / book value per share DKK	0,37	0,68	0,86	1,18	1,63	0,71
Other						
Number of full-time employees, end of period	525	376	234	230	267	353

Income statement - P/F BankNordik

Note	DKK 1,000	Q1 - Q3 2011	Q1 - Q3 2010	Full year 2010
1	Interest income	527.313	511.471	663.369
2	Interest expenses	147.658	146.620	196.243
	Net interest income	379.655	364.851	467.125
	Dividends from shares and other investments	465	6.499	6.937
3	Fee and commission income	99.115	63.853	95.589
3	Fee and commissions paid	6.898	3.305	3.522
	Net interest and fee income	472.337	431.898	566.130
4	Market value adjustments	-23.281	9.381	9.018
5	Other operating income	12.461	384.840	417.534
6	Staff costs and administrative expenses	354.552	262.677	359.494
	Depreciation and impairment of property, plant and equipment	16.526	4.229	14.280
	Other operating expenses	13.872	20.820	20.822
7	Impairment charges on loans and advances etc.	57.789	190.670	208.807
	Income from associated and subsidiary undertakings	23.648	10.520	18.260
	Profit before tax	42.426	358.243	407.541
	Tax	328	65.408	73.364
	Net profit	42.098	292.836	334.176

Statement of comprehensive income - P/F BankNordik

DKK 1,000	Jan. - Sept. 2011	Jan.-Sept. 2010	Full year 2010
Net profit	42.098	292.836	334.176
Other comprehensive income			
Translation of non-Faroese subsidiaries	-2.634	5.571	19.571
Tax on other comprehensive income	283	-1.003	-1.066
Total other comprehensive income	-2.351	4.568	18.505
Total comprehensive income	39.747	297.404	352.682

Balance Sheet - P/F BankNordik

Note	DKK 1,000	Sept. 30 2011	Sept. 30 2010	Full year 2010
	Assets			
	Cash in hand and demand deposits with central banks	1.578.751	1.467.071	242.382
8	Due from credit institutions and central banks	705.967	836.421	471.358
9	Loans and advances at fair value	1.019.661	921.522	1.013.704
9	Loans and advances at amortised cost	10.928.620	7.627.175	7.660.303
	Bonds at fair value	2.285.749	3.334.011	3.343.661
	Shares, etc.	204.635	96.418	195.565
	Holdings in associates	20.421	21.306	21.306
	Holdings in subsidiaries	163.270	147.674	155.309
	Assets under pooled schemes	106.119	46.072	53.651
	Intangible assets	734.343	420.567	429.968
	Total land and buildings	178.094	139.237	138.408
	investment property	27.707	19.823	19.823
	domicile property	150.387	119.414	118.585
	Other property, plant and equipment	22.218	8.275	13.034
	Current tax assets	2.075	1.963	1.963
	Deferred tax assets	4	4	4
10	Assets held for sale	174.111	134.265	160.794
	Other assets	409.513	228.582	52.140
	Prepayments	21.190	6	10.134
	Total assets	18.554.743	15.430.568	13.963.684

Balance Sheet - P/F BankNordik

Note	DKK 1,000	Sept. 30 2011	Sept. 30 2010	Full year 2010
Shareholders' equity and liabilities				
Liabilities other than provisions				
	Due to credit institutions and central banks	181.904	787.392	245.249
	Deposits and other debt	13.959.998	9.323.022	8.890.727
	Deposits under pooled schemes	106.119	45.347	53.651
	Issued bonds at amortised cost	701.927	2.699.843	2.199.843
	Current tax liabilities	66.717	71.091	66.398
	Other liabilities	716.683	308.565	274.530
	Deferred income	4.249	2.346	2.717
	Total amounts due	15.737.598	13.237.608	11.733.114
Provisions for liabilities				
	Provisions for deferred tax	18.671	13.466	18.953
	Provisions for losses on guarantees	5.941	36.950	8.285
	Total provisions	24.612	50.416	27.238
Subordinated debt				
	Subordinated debt	798.965	203.240	203.240
	Total liabilities	16.561.175	13.491.263	11.963.592
Shareholders' equity				
	Share capital	200.000	200.000	200.000
	Foreign currency translation reserve	16.169	11.596	18.520
	Reserve, Equity Method	41.777	26.408	18.129
	Retained earnings	1.735.622	1.701.301	1.723.443
	Proposed dividends	0	0	40.000
	Total shareholders' equity	1.993.567	1.939.305	2.000.091
	Total liabilities and equity	18.554.743	15.430.568	13.963.684

Statement of capital - P/F BankNordik

Solvency

	Sept. 30 2011	Sept. 30 2010	Full year 2010
DKK 1,000			
Core capital	1.563.765	1.684.552	1.733.765
Base capital	1.959.061	1.658.726	1.712.691
Risk-weighted items not included in the trading portfolio	10.418.616	7.359.103	7.974.767
Risk-weighted items with market risk etc.	1.571.559	1.634.586	1.394.961
Risk-weighted items with operational risk	1.078.250	710.259	710.588
Total risk-weighted items	13.068.424	9.703.948	10.080.316
Core capital ratio	12,0%	17,4%	17,2%
Solvency ratio	15,0%	17,1%	17,0%

Core Capital and Shareholders' equity

Share capital	200.000	200.000	200.000
Reserves	57.945	38.004	36.649
Net profit	42.098	292.836	334.176
Retained earnings, previous years	1.693.524	1.408.466	1.429.267
Shareholders' equity	1.993.567	1.939.305	2.000.091
Deduction of net profit	42.098	0	0
Deduction of Foreign currency translation reserve	16.169	11.596	18.520
Deduction regarding holdings of sector shares	0	0	0
Deduction of intangible assets	734.343	420.567	429.968
Deduction of deferred tax assets	4	4	4
Deduction of insurance subsidiaries	20.429	25.826	21.074
Core capital exclusive of hybrid core capital	1.180.525	1.481.312	1.530.526
Hybrid core capital	383.240	203.240	203.240
Core capital	1.563.765	1.684.552	1.733.765

Base capital

Core capital	1.563.765	1.684.552	1.733.765
Addition of revaluation reserve			
Subordinated capital	415.725		
Deduction of insurance subsidiaries	20.429	25.826	21.074
Base capital	1.959.061	1.658.726	1.712.691

Cash flow statement - P/F BankNordik

DKK 1,000	Q1 - Q3 2011	Q1 - Q3 2010	Full year 2010
Cash flow from operations			
Net profit for the period	42.098	292.836	334.176
Adjustment of non-cash operating items	-9.013	157.264	155.525
Other adjustments	-465	-6.499	-6.937
Changes in operating capital	2.842.189	-807.225	-1.968.129
Cash flow from operations	2.874.809	-370.124	-1.485.365
Cash flow from investing activities			
Acquisition/sale of undertakings and other business units	0	-345.507	-293.717
Dividends received	15.465	18.499	18.937
Acquisition/sale of own shares	-6.271	14.624	28.165
Acquisition/sale of intangible assets	-318.533	-20.420	-35.632
Acquisition/sale of tangible assets	-52.301	-5.486	-12.055
Cash flow from investing activities	-361.640	-338.290	-294.302
Issue of bonds	-1.497.916	1.700.000	1.200.000
Increase in subordinated debt	595.725	-45	-45
Payment of dividends	-40.000	0	0
Cash flow from financing activities	-942.191	1.699.955	1.199.955
Cash flow	1.570.978	991.541	-579.712
Cash in hand and demand deposits with central banks, and due from credit institutions, etc. at the beginning of the year	713.740	1.293.451	1.293.451
Cash flow	1.570.978	1.010.041	-579.711
Cash and due etc.	2.284.718	2.303.492	713.740
Cash and due etc.			
Cash in hand and demand deposits with central banks	1.578.751	1.467.071	242.382
Due from credit institutions, etc.	705.967	836.421	471.358
Total	2.284.718	2.303.492	713.740

Notes - P/F BankNordik

Note	DKK 1,000	Q1 - Q3 2011	Q1 - Q3 2010	Full Year 2010
1	Interest income			
	Credit institutions and central banks	8.163	11.530	12.635
	Loans and advances	484.507	477.344	605.889
	Bonds	49.703	40.976	65.294
	Total derivatives of w hich:	-14.929	-12.012	-13.789
	<i>Currency contracts</i>	337	0	0
	<i>Interest rate contracts</i>	-15.266	-12.012	-13.789
	<i>Other transactions</i>	0	0	0
	Other interest income	-132	-6.368	-6.660
	Total interest income	527.313	511.471	663.369
	Of w hich accounted for by income from genuine sale and repurchase transactions:			
	Credit institutions and central banks	0	0	0
2	Interest expenses			
	Credit institutions and central banks	730	9.818	12.179
	Deposits	91.447	96.413	128.005
	Issued Bonds	23.043	23.204	29.927
	Subordinated debt	30.533	15.691	20.914
	Other interest expenses	1.906	1.494	5.219
	Total interest expenses	147.658	146.620	196.243
	Of w hich interest expenses on genuine sale and repurchase transactions are carried under:			
	Credit institutions and central banks	0	18	18
3	Net fee and commission income			
	Fee and commission income			
	Securities trading and custody accounts	13.446	6.926	6.583
	Credit transfers	17.104	18.014	19.724
	Loan commissions	12.345	15.096	24.045
	Guarantee commissions	13.588	12.889	19.659
	Other fees and commissions	42.633	10.928	25.578
	Total fee and commission income	99.115	63.853	95.589
	Fee and commissions paid			
	Securities trading and custody accounts	6.898	3.305	3.522
	Net fee and commission income	92.217	60.548	92.067
4	Market value adjustments			
	Loans and advances	55.654	35.361	14.596
	Bonds	-6.831	6.698	-15.660
	Shares	-9.146	2.022	14.382
	Foreign exchange	-2.982	8.101	16.413
	Total derivatives of w hich:	-59.341	-42.802	-20.859
	<i>Currency Swaps</i>	-11.688	-8.640	920
	<i>Interest Swaps</i>	-47.653	-34.965	-21.545
	<i>Other contracts</i>	0	802	-234
	Assets under pooled schemes	-636	0	146
	Total market value adjustments	-23.281	9.381	9.018

Note	DKK 1,000	Q1 - Q3 2011	Q1 - Q3 2010	Full Year 2010
5	Other operating income			
	Profit/loss on sale of shares and equity investments in associates and group enterprises	0	380.179	380.575
	Profit/loss on sale of investment and corporate properties and temporary properties	21	-94	-581
	Profit on sale of operating equipment	612	0	0
	Reversals of acquired OEI impairments	9.012	5.762	41.119
	Other income	2.816	-1.007	-3.579
	Total other operating income	12.461	384.840	417.534
6	Staff costs and administrative expenses			
	Staff costs:			
	Salaries	149.293	120.857	155.299
	Pensions	16.117	8.356	15.016
	Social security expenses	18.815	10.448	17.864
	Total staff costs	184.225	139.662	188.178
	Administrative expenses	170.327	123.016	171.315
	Total staff costs and administrative expenses	354.552	262.677	359.494
	Number of employees			
	Average number of full-time employees in the period	524	323,2	351,9
	Executive remuneration:			
	Board of Directors	1.200	1.230	1.635
	Executive Board:			
	Salaries	3.163	3.353	4.538
	Pension	461	493	657
	Total executive remuneration	4.823	5.075	6.830
	In all the consolidated companies, the remuneration of the Board of Directors is a fixed monthly salary Pension and termination terms of the Executive Board are identical to those described in the Annual Report 2010.			
7	Impairment charges on loans and advances etc.			
	Due from credit institutions and central banks	0	0	0
	Loans and advances at amortised cost	46.236	122.500	151.529
	Loans and advances at fair value	0	0	8.668
	Private Contingency Association (Det private beredskab)	0	15.416	15.466
	Guarantees and loan commitments	2.270	0	8.285
	Assets held for sale	9.283	52.754	17.518
	Total	57.789	190.670	201.466
	Individual impairment charges etc.			
	New and increased impairment charges	92.098	213.335	243.441
	Reversals of impairment charges	34.955	28.999	31.498
	Write-offs charged directly to the income statement	10.329	1.995	274
	Received on claims previously written off	436	2.095	1.946
	Interest income	5.287	0	10.392
	Total individual impairment charges	61.749	184.236	199.879
	Collective impairment charges			
	New and increased impairment charges	2.818	10.655	8.928
	Reversals of impairment charges	6.777	4.221	0
	Total collective impairment charges	-3.959	6.434	8.928
	Total impairment charges	57.789	190.670	208.807

Notes - P/F BankNordik

Note	DKK 1,000	Sept. 30 2011	Sept. 30 2010	Full Year 2010
8	Due from credit institutions etc. specified by maturity			
	On demand	705.967	836.421	471.358
	3 months and below	0	0	0
	3 months to 1 year	0	0	0
	Total	705.967	836.421	471.358
9	Impairment charges, loans and advances etc.			
	Individual impairment charges etc.			
	At 1 January	314.977	267.928	267.928
	New and increased impairment charges	92.098	213.335	219.975
	Reversals of impairment charges	34.955	28.999	31.498
	Written-off, previously impaired	45.779	8.188	139.264
	Other additions and disposals	0	0	-2.164
	Total	326.341	444.076	314.977
	Collective impairment charges			
	At 1 January	25.928	17.000	17.000
	New and increased impairment charges	2.818	10.655	8.928
	Reversals of impairment charges	6.777	4.221	0
	Total	21.969	23.434	25.928
	Total	348.310	467.510	340.906

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.

13 **Enterprise / Branches acquired**

Note 15 in the consolidated financial statements contains information of the Bank's group enterprise / branches acquired.

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 2011.

The consolidated financial statements for the first three quarters of 2011 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 2011, and of the results of the Group's and the Parent Company's operations and the Group's consolidated cash flows for the financial period 1 January to 30 September 2011.

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, 14 November 2011

Executive Board

Janus Petersen

John Rajani

Board of Directors

Klaus Rasmussen

Jens Erik Christensen

Nils Sørensen

Chairman

Vice chairman

Keld Søndergaard Holm

Mette Dahl Christensen

Kenneth M. Samuelsen

Additional Information

In connection with the publication of the Q3 Interim Report 2011 – BankNordik will host a combined analyst and investor meeting and conference call with a live audio-cast of the presentation on the website on Monday 14 November at 11:00 (CET).

The analyst and investor meeting will take place at NASDAQ OMX Copenhagen on Nikolaj Plads 6, 1067 Copenhagen, on Monday 14 November at 11:00 (CET).

If you are not able to attend the analyst and investor meeting at the above location you are welcome to participate via the conference call. Please dial the relevant number below a few minutes before the conference starts:

Danish participants dial:	+ 45 32 71 47 67
US participants dial:	+ 1 718 354 1226
International Participants dial:	+ 44 207 509 5139

The live presentation will be accessible on the website at www.banknordik.fo.

Booking media interviews:

Janus Petersen, CEO of BankNordik, will be available for interviews with the Media.

In order to book interviews, please contact the Executive Board Secretariat by email: info@banknordik.fo or by phone +298 330 330.

Contacts

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Useful links

www.banknordik.fo

www.banknordik.dk

www.trygd.fo

www.skyn.fo

www.vordur.is