

Interim Report

Q1 2012

15 May 2012

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Highlights, ratios and key figures - BankNordik Group

Highlights	Q1	Q4	Q3	Q2	Q1
DKK 1,000	2012	2011	2011	2011	2011
Net interest income	159,587	160,735	155,636	111,809	118,825
Net fee and commission income	46,713	40,474	47,972	21,542	17,912
Net insurance activities	13,916	-11,351	23,745	29,398	12,559
Interest and fee income and income from insurance activities, net	222,702	191,671	227,952	165,792	149,592
Staff cost and administrative expenses	194,678	203,832	184,217	107,941	101,272
Staff cost and administrative expenses, excl. special items	146,510	148,886	148,969	101,816	98,147
Impairment charges on loans and advances etc.	25,946	43,075	18,856	10,868	28,006
Profit before tax	11,103	-32,708	30,219	22,943	10,235
Net profit	10,599	-24,572	27,536	19,414	9,593
Loans and advances	11,375,544	11,768,892	11,948,508	8,445,637	8,376,167
Bonds at fair value	2,429,162	2,508,938	2,424,773	2,436,928	2,524,378
Intangible assets	807,341	801,957	771,013	451,728	456,181
Assets held for sale	189,490	168,980	174,111	165,646	209,732
Total assets	17,897,469	17,086,357	18,902,089	13,289,427	13,502,317
Due to credit institutions and central banks	1,119,571	329,316	181,904	146,334	316,445
Deposits and other debt	13,088,421	13,032,047	13,954,669	8,740,515	8,943,328
Issued bonds at amortised cost	98,276	98,276	701,927	1,199,843	1,199,843
Total shareholders' equity	1,962,996	1,957,695	2,017,495	1,993,015	1,977,106
Ratios and key figures	March 31	Dec. 31	Sept. 30	June 30	March 31
	2012	2011	2011	2011	2011
Solvency					
Solvency ratio, %	14.9	15.6	15.0	20.3	17.2
Core capital ratio, %	11.9	12.4	12.0	19.4	17.4
Risk-weighted items, DKK mill	12,504	12,313	13,068	9,743	9,849
Profitability					
Return on equity after tax, %	0.5	-1.2	1.4	1.0	0.5
Cost / income, %	95.4	114.3	87.0	86.0	92.9
Cost / income, % (excl. value adjustm. and impairments)	91.0	108.0	80.6	77.3	65.7
Liquidity					
Excess cover relative to statutory liquidity requirements, %	168.8	115.3	148.6	210.7	163.3
Credit risk					
Growth on loans and advances, %	-3.3	-1.5	41.5	0.8	-3.4
Gearing of loans and advances	5.8	6.0	5.9	4.2	4.2
Shares					
Earnings per share after tax (nom. DKK 20), DKK	1.1	-2.5	2.8	2.0	1.0
Market price per share (nom. DKK 20), DKK	77	79	74.0	111	127
Book value per share (nom. DKK 20), DKK	199	200	205	201	199
Other					
Number of full-time employees, end of period *)	582	612	604	421	432

*) Q1 2012: Incl. staff reduction as of 31 March 2012.

Financial review

Highlights Q1 2012

- Profit before impairment charges and special items improved DKK 35m from DKK 35m in Q4 2011 to DKK 70m in Q1 2012
- Net interest and fee income increased by 3% to DKK 209m in Q1 2012 compared to Q4 2011
- Operating costs exclusive special items are DKK153m in Q1 2012 compared to DKK 157m in Q4 2011 and are expected to decrease after implementation of rationalisations
- Non-recurring costs from the integration of Amagerbanken and redundancy payments amounted to DKK 48m
- Impairment charges, net were DKK 22m and are expected to remain stable
- Solvency ratio 14.9% compared to a solvency requirement of 9.2% - and surplus liquidity coverage 169%
- The Silkeborg branch merged with the Aarhus branch and the Ilulissat and Sisimiut branches with the Nuuk branch
- Headcount reduced by 30 FTE at the end of Q1 2012 compared to year-end 2011

As in Q4 2011, the first quarter of 2012 was greatly influenced by the high integration and restructuring costs associated with the former Amagerbanken branches. Following the IT integration in February and other cost saving initiatives, costs compared to income will gradually approach a level more in line with the pre-acquisition era.

Special items

In order to provide a better understanding of the financial development, a number of special items have been extracted from the accounts to be measured and discussed separately, followed by adjusted figures for the underlying business.

For example, special items include acquisition costs of branches, pre-takeover preparation costs, restructuring, harmonization and most of all transition and transfer costs incurred in the IT area.

Integration and restructuring costs, amounting to DKK 48m, constituted the bulk of the special items, which in Q1 2012 amounted to DKK 37m net. The intermediate IT and administrative service expenses payable to Finansiel Stabilitet and the costs for the transfer to SDC, which took place on 17 February 2012, made up most of the amount. DKK 11m were related to redundancy payments from the reduction of staff carried out in March 2012.

In Q1 2012, BankNordik paid to the Depositors Guarantee Fund DKK 2.8m in respect of Fjordbank Mors and an additional DKK 2.5m to the new insurance scheme under bank package four.

Special items from 2010 to Q1 2012 are summarised in the table below:

DKKm	Q1 11	Q2 11	Q3 11	Q4 11	Q1 12	2011
Integration and restructuring costs	-3	-6	-35	-55	-48	-99
Market value adjustments	-17	-5	5	27	16	10
Sector costs	0	-17	3	-7	-5	-21
Adjustment of external funding	-7	-7	-4	-1	0	-19
Other items	7	1	-2	5	0	11
Total	-20	-35	-33	-31	-37	-119

Income Statement

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

DKKm	Q1 11	Q2 11	Q3 11	Q4 11	Q1 12	2011
Operating income	157	173	232	192	223	754
Operating costs	103	107	152	157	153	519
Profit before impairment charges	54	66	80	35	70	235
Impairment charges	28	11	19	43	26	101
Reversals of acquired OEI impairments	-4	-3	-2	-6	-4	-15
Operating profit	31	58	63	-2	48	149
Special items	-20	-35	-33	-31	-37	-119
Profit before tax (as reported)	10	23	30	-33	11	31

The following comments relate to these adjusted figures and are mostly stated relative to Q4 2011. Due to seasonal variations the insurance segment is also compared to Q1 2011.

Operating income

BankNordik Group's operating income increased from DKK 192m in Q4 2011 to DKK 223m in Q1 2012. Net interest income declined marginally, but the combination of stronger fee and commission income and increasing net income from insurance activities, lifted operating income by 16%.

Net interest income

The net interest income was DKK 160m in Q1 2012 compared to DKK 161m in Q4 2011. The loan portfolio contracted by 3%, but at the same time the interest rate margin has been widened with 0.1% thus offsetting the effect from the contracted loan portfolio.

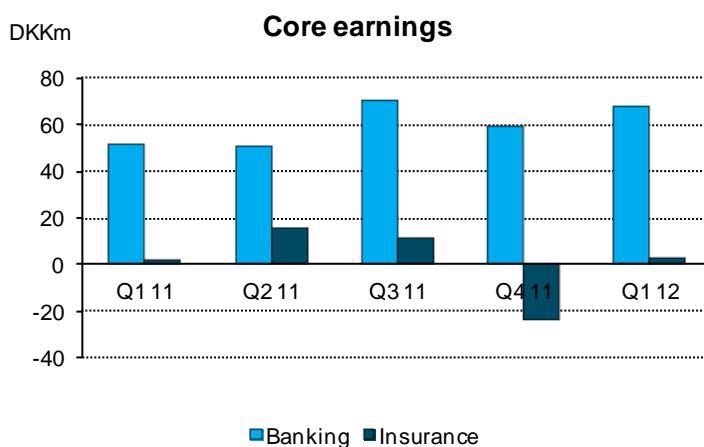
Net fees and commissions

Net fee and commission income has increased by 15% to DKK 47m in the first quarter of 2012. There has been progress in securities trading, credit transfers and other fees and commissions while guarantee commissions are lower.

Insurance income net

Insurance activities, net delivered DKK 14m to the operating income in Q1 2012. After the insurance activities, net

suffered a loss of DKK 11m in Q4 2011 due to high weather-related claims, the tide has turned, as income



increased from DKK 65m to DKK 66m (2%) and especially because claims decreased by 32% to DKK 52m. Compared to Q1 2011 the operating income has increased by 13% from DKK 16m to DKK 18m.

Operating costs

The operating costs declined by 2% to DKK 153m in Q1 2012 compared to Q4 2011. Staff costs and administrative expenses, which make up the bulk of costs, fell by 4% in Q1 2012 relative to Q4 2011.

Steps have been taken to reduce costs and lift profitability. The effects will feed through in 2012 and take full effect in 2013. At the end of March 2012, the Group reduced its headcount by 6% or 30 FTE compared to year end 2011 and the branch in Silkeborg was merged with the Aarhus branch. In Greenland, the Bank consolidated all its activities in Nuuk.

The redundancy payments relating to the reduction in staff in Q1 2012, has been posted as non-recurring items, but the salaries for the same staff in Q1 2012 is posted as core operating costs. Thus the management expects a marginal reduction in salaries in the coming quarters compared to Q1 2012.

Profit before impairment charges

The profits from the Groups operations reflect the Q1 2012 trend with increasing operating income and marginally lower operating costs resulting in a profit before impairment charges of DKK 70m, which is DKK 35m better than in Q4 2011.

Impairments

Impairment charges, net on loans and advances decreased sharply in the first quarter of 2012 from DKK 37m in Q4 2011 to DKK 22m (-41%) corresponding to 0.2% of loans and advances. The ratio is expected to remain at this level for the rest of the year. Total impairments now amount to DKK 339m which corresponds to 2.8% of all loans and guarantees

Operating profit

The Group generated an operating profit of DKK 48m in Q1 2012 following the loss of DKK 2m in Q4 2011. This development was triggered by the improving core earnings and lower impairment charges in banking as well as the improved claims ratio in insurance relative to Q4 2011.

Balance Sheet

BankNordik's total assets at 31 March 2012 amounted to DKK 17.9bn, a DKK 811m (5%) increase from DKK 17.1bn at the end of 2011. Loans and advances decreased by DKK 393m (3%) to DKK 11.4bn in the first quarter of 2012 due to the weak lending activity and steady repayments on loans. On the other hand, deposits increased marginally, by DKK 56m, to DKK 13.1bn at the end of Q1 2012.

Mainly because of the newly drawn DKK 800m funding loan with the Danish Central Bank, amounts due to credit institutions and central banks increased by DKK 790m from DKK 329m at the end of 2011 to DKK 1.1bn at the end of Q1 2012. The loan diversifies and strengthens the Bank's already strong long-term liquidity position and is currently a source of low-cost funding. The surplus liquidity at the end of Q1 2012 was 169% above the statutory requirement.

At the end of Q1 2012, the Groups equity was DKK 1,963m and subordinated debt DKK 837m.

Other issues

IT conversion of former Amagerbanken branches

The IT transfer of the former Amagerbanken branches from BEC to SDC was successfully carried out in mid-February 2012 and BankNordik is now operating on a single IT platform, facilitating smoother internal procedures and not least diminishing costs.

Expenses amounting to DKK 48m in Q1 2012 from running two separate IT systems have hampered the Bank's profitability since the takeover of Amagerbanken, but these costs will now be much lower, improving the Bank's profitability going forward.

Vörður now wholly owned by BankNordik

As of the end of Q1 2012 Vörður is wholly owned by BankNordik, but the final settlement of the acquisition price remains unresolved

External funding

Through the extended liquidity facility by way of loans collateralised to the Danish central bank, BankNordik received, at the end of March 2012, a DKK 800m loan with a three-year maturity.

Events after the balance sheet date

There have been no significant events in BankNordik after the end of the reporting period.

Outlook 2012

The management of BankNordik maintains its previously stated expectations for 2012, i.e. a profit of DKK 100-170m before tax, value adjustments and sector costs.

BankNordik Group in segments

Banking

Faroe Islands

The banking activities in the Faroe Islands report a declining performance for Q1 2012, returning operating profit before impairment charges of DKK 30m compared to DKK 35m in Q4 2011. The lower performance was mainly caused by lower interest income due to a combination of a decrease in loans in the first quarter by DKK 223m, stable interest margins and increased internal interest rate. Net fees on the other hand improved by 6m reaching DKK 14m. Operating costs of DKK 48m were DKK 4m lower than in Q4 2011. Impairments in Q1 2012 were DKK 3m higher and amounted to DKK 15m.

Income statement, Faroe Islands

	Q1	Q2	Q3	Q4	Q1
DKK m	2011	2011	2011	2011	2012
Operating income	98	100	91	87	78
Operating costs	47	55	48	52	48
Profit before impairment charges	51	45	43	35	30
Impairment charges	11	-6	6	12	15
Operating profit	40	51	37	23	15
Special items	-27	-26	-1	5	2
Adjustment of external funding	-7	-7	-4	-1	0
Integration and restructuring costs	-1	-1	-1	-1	-5
Sector costs	0	-17	3	-7	-2
Market value adjustments	-24	0	1	8	10
Other items	5	-1	-1	6	-1
Profit before tax (as reported)	13	25	37	28	17

Denmark

After a challenging quarter with the IT integration in February 2012 and the branch in Silkeborg merging with the Aarhus branch, this quarter also marked the beginning of a return to normal for the Danish activities. Due to DKK 8m (11%) higher income generation from interest margin increases and an increased internal interest rate, net interest income amounted DKK 79m. During Q1 2012 loans and deposits decreased by DKK 152m (-3%) and DKK 124m (-2%) respectively.

Accordingly operating profit before impairments increased by DKK 10m to DKK 30m in Q1 2012. Because impairments, net decreased by DKK 29m from Q4 2011 to DKK 2m in Q1 2012 and DKK 39m from DKK -11m in Q4 2011 to DKK 28m in Q1 2012.

Income statement, Denmark

	Q1	Q2	Q3	Q4	Q1
DKK m	2011	2011	2011	2011	2012
Operating income	30	30	104	101	110
Operating costs	32	25	79	80	80
Profit before impairment charges	-2	5	25	20	30
Impairment charges	13	16	14	35	6
Reversals of acquired OEI impairments	-4	-2	0	-4	-4
Operating profit	-11	-9	12	-11	28
Special items	-2	-7	-33	-44	-46
Adjustment of external funding	0	0	0	0	0
Integration and restructuring costs	-3	-6	-35	-54	-43
Sector costs	0	0	0	0	-3
Market value adjustments	0	-2	1	10	0
Other items	0	0	0	0	0
Profit before tax (as reported)	-13	-16	-22	-55	-18

operating income increased DKK 9m, the operating profit improved

From Q2 2012 the return to basic business activities and the cost-saving initiatives implemented is expected to improve performance going forward and Denmark is expected to contribute positively to BankNordik's result.

Greenland

In order to concentrate skills and resources and facilitate better services, BankNordik chose to close two branches in Greenland effective from 1 May and consolidate all activities in the newly-acquired domicile in Nuuk.

The operating profit before impairments in Greenland increased by DKK 4m to DKK 8m in Q1 2012 due to a 34% improvement in net interest income because of higher interest margins. However, as impairments, net in Q1 2012 have increased to DKK 5m from a DKK 6m reversal in Q4 2011, the operating profit declined from

Income statement, Greenland

	Q1	Q2	Q3	Q4	Q1
DKK m	2011	2011	2011	2011	2012
Operating income	14	12	12	14	17
Operating costs	11	12	10	10	9
Profit before impairment charges	3	1	2	4	8
Impairment charges	2	1	1	-4	5
Reversals of acquired OEI impairments	0	0	-2	-2	0
Operating profit	1	0	4	10	3
Special items	0	-2	1	0	0
Adjustment of external funding	0	0	0	0	0
Integration and restructuring costs	0	0	0	0	0
Sector costs	0	0	0	0	0
Market value adjustments	0	-2	1	0	0
Other items	0	0	0	0	0
Profit before tax (as reported)	2	-1	5	9	2

DKK 10m to DKK 3m. The Q1 2012 level of impairments is expected to fall again throughout the year.

Insurance

Trygd

Following an expensive Q4 2011 in terms of claims due to severe weather conditions, Trygd in Q1 2012 returned to a performance in line with the quarters preceeding Q4 2011. Premium income continued the stable performance of recent quarters, but claims fell by DKK 28m from DKK 37m in Q4 2011 to DKK 9m in Q1 2012, but claims are also DKK 2m lower than in Q1 2011.

The operating profit was DKK 7m which is DKK 27m higher than the DKK 20m loss realised in Q4 2011 as well as DKK 2m higher than in Q1 2011.

Income statement, Trygd

DKKm	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012
Operating income	10	14	14	-16	12
Operating costs	4	5	5	4	5
Profit before impairment charges	5	10	9	-20	7
Impairment charges	0	0	0	0	0
Operating profit	5	10	9	-20	7
Special items	0	0	0	0	0
Adjustment of external funding	0	0	0	0	0
Integration and restructuring costs	0	0	0	0	0
Sector costs	0	0	0	0	0
Market value adjustments	0	0	0	0	0
Other items	0	0	0	0	0
Profit before tax (as reported)	5	10	10	-20	7

Vørður

As from the end of Q1 2012, BankNordik has increased its ownership of Vørður from 51% to 100% ie. now a wholly owned subsidiary. As the company was already fully consolidated in the financial statements, the change will have no impact on the income statement.

Premium income net of reinsurance continues to rise from DKK 45m in Q4 2011 to DKK 46m (4%) in Q1 2012 which is also DKK 2m higher than Q1 2011. Unfortunately, claims rose by 10% from DKK 39m to DKK 43m. The operating profit in Q1 2012 was a loss of DKK 4m which is equal to Q4 2011, but DKK 1m lower than in Q1 2011.

Income statement, Vørður

DKKm	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012
Operating income	6	17	10	7	6
Operating costs	9	11	8	10	10
Profit before impairment charges	-3	6	2	-3	-4
Impairment charges	0	0	0	0	0
Operating profit	-3	6	2	-4	-4
Special items	4	-2	2	9	4
Adjustment of external funding	0	0	0	0	0
Integration and restructuring costs	0	0	0	0	0
Sector costs	0	0	0	0	0
Market value adjustments	4	-2	2	9	4
Other items	0	0	0	0	0
Profit before tax (as reported)	1	4	5	5	-1

Market value adjustments in Vørður have a significant impact on the reported results, but though they were DKK 4m positive in Q1 2012, the company incurred a pre-tax loss of DKK 1m, down from a profit of DKK 5m in Q4 2011 and DKK 1m in Q1 2011.

Income statement - BankNordik Group

Note	DKK 1,000	Q1 2012	Q1 2011	Full year 2011
3	Interest income	211,586	161,055	749,462
4	Interest expenses	51,999	42,230	202,457
	Net interest income	159,587	118,825	547,005
	Dividends from shares and other investments	2,487	296	5,749
5	Fee and commission income	49,832	18,801	143,950
5	Fee and commissions paid	3,119	889	16,050
	Net interest and fee income	208,786	137,033	680,654
	Premium income, net of reinsurance	66,208	64,171	266,065
	Claims, net of reinsurance	52,292	51,612	211,714
	Interest and fee income and income from insurance activities, net	222,702	149,592	735,006
6	Market value adjustments	16,653	-16,893	9,761
7	Other operating income	4,407	11,237	26,862
8	Staff costs and administrative expenses	194,678	101,272	597,263
	Amortisation, depreciation and impairment charges	6,680	4,423	21,178
	Other operating expenses	5,354	0	20,695
9	Impairment charges on loans and advances etc.	25,946	28,006	100,806
	Income from associated and subsidiary undertakings	0	0	-998
	Profit before tax	11,103	10,235	30,689
	Tax	505	642	-1,283
	Net profit	10,599	9,593	31,971
	Portion attributable to			
	Shareholders of BankNordik P/F	10,511	9,519	31,671
	Minority interests	88	74	300
	Net profit	10,599	9,593	31,971
	EPS Basic for the period, DKK*	1.07	0.97	3.29
	EPS Diluted for the period, DKK *	1.07	0.97	3.29

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

Statement of comprehensive income - BankNordik Group

DKK 1,000	Q1 2012	Q1 2010	Full year 2011
Net profit	10,599	9,593	31,971
Other comprehensive income			
Translation of non-Faroese subsidiaries	-4,783	-8,707	-5,177
Corrections	0	0	-36,906
Tax on other comprehensive income	-518	405	-255
Total other comprehensive income	-5,301	-8,302	-42,338
Total comprehensive income	5,298	1,291	-10,367
Portion attributable to			
Shareholders of BankNordik P/F	5,542	1,500	26,425
Minority interests	-244	-209	-36,792
Total comprehensive income	5,298	1,291	-10,367

Balance Sheet - BankNordik Group

Note	DKK 1,000	March 31 2012	March 31 2011	Full year 2011
Assets				
	Cash in hand and demand deposits with central banks	1,746,151	398,990	308,951
10	Due from credit institutions and central banks	301,563	662,841	461,091
11, 14	Loans and advances at fair value	1,220,181	954,337	1,022,408
11, 14	Loans and advances at amortised cost	10,155,364	7,421,830	10,746,484
	Bonds at fair value	2,429,162	2,524,378	2,508,938
	Shares, etc.	378,460	301,800	365,334
	Assets under insurance contracts	113,452	109,784	93,558
	Holdings in associates	32,586	33,471	32,586
	Intangible assets	807,341	456,181	801,957
	Assets under pooled schemes	132,073	74,640	121,210
	Total land and buildings	217,251	140,343	217,281
	investment property	2,500	2,500	2,500
	domicile property	214,751	137,843	214,781
	Other property, plant and equipment	30,188	16,352	31,446
	Current tax assets	6,410	10,339	6,356
	Deferred tax assets	20,898	23,648	22,105
12	Assets held for sale	189,490	209,732	168,980
	Other assets	88,393	151,376	155,363
	Prepayments	28,507	12,274	22,309
	Total assets	17,897,469	13,502,317	17,086,357

Balance Sheet - BankNordik Group

Note	DKK 1,000	March 31 2012	March 31 2011	Full year 2011
Shareholders' equity and liabilities				
Liabilities other than provisions				
	Due to credit institutions and central banks	1,119,571	316,445	329,316
	Deposits and other debt	12,956,348	8,868,688	12,910,837
	Deposits under pooled schemes	132,073	74,640	121,210
	Issued bonds at amortised cost	98,276	1,199,843	98,276
	Liabilities under insurance contracts	368,492	341,472	353,324
	Current tax liabilities	7,388	74,249	10,247
	Other liabilities	350,177	405,172	410,515
	Deferred income	15,153	14,478	18,517
	Total liabilities other than provisions	15,047,479	11,294,988	14,252,243
Provisions for liabilities				
	Provisions for deferred tax	12,949	18,548	14,192
	Provisions for losses on guarantees	37,071	8,434	31,516
	Total provisions for liabilities	50,019	26,982	45,707
Subordinated debt				
	Subordinated debt	836,974	203,240	830,711
	Total liabilities	15,934,473	11,525,210	15,128,662
Shareholders' equity				
	Share capital	200,000	200,000	200,000
	Foreign translation reserve	8,305	15,873	13,274
	Retained earnings	1,754,691	1,761,234	1,744,422
	Proposed dividends			
	Total shareholders' equity	1,962,996	1,977,107	1,957,695
	Shareholders of the Parent Company	1,951,756	1,971,747	1,952,013
	Minority interests	11,239	5,360	5,682
	Total shareholders' equity	1,962,996	1,977,107	1,957,695
	Total liabilities and equity	17,897,469	13,502,317	17,086,357

Statement of capital - BankNordik Group
Changes in shareholders' equity:

DKK 1,000	Share	Foreign	Proposed	Retained	Total	Minority	Total
	capital	translation					
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		-4,451			-4,451	-332	-4,783
Tax on entries on shareholders' equity		-518			-518		-518
Income recognised directly on shareholders' equity		-4,969		0	-4,969	-332	-5,301
Net profit				10,511	10,511	88	10,599
Total comprehensive income		-4,969		10,511	5,542	-244	5,298
Acquisition of own shares				-3,405	-3,405		-3,405
Sale of own shares				3,408	3,408		3,408
Dividends paid			0		0		0
Shareholders' equity at March 31, 2012	200,000	8,305	0	1,749,253	1,957,558	5,438	1,962,996

DKK 1,000	Share	Foreign	Proposed	Retained	Total	Minority	Total
	capital	translation					
Shareholders' equity at January 1, 2011	200,000	23,892	40,000	1,744,021	2,007,913	5,569	2,013,482
Translation of foreign units		-8,424			-8,424	-283	-8,707
Tax on entries on shareholders' equity		405			405		405
Income recognised directly on shareholders' equity		-8,019			-8,019	-283	-8,302
Net profit				9,519	9,519	74	9,593
Total comprehensive income		-8,019		9,519	1,500	-209	1,291
Acquisition of own shares				-21,999	-21,999		-21,999
Sale of own shares				24,333	24,333		24,333
Dividends paid			-40,000		-40,000		-40,000
Shareholders' equity at March 31, 2011	200,000	15,873	0	1,755,874	1,971,747	5,360	1,977,107

Shares

DKK 1,000	Q1	Q1	Full year
	2012	2011	2011
Net profit	10,599	9,593	31,971
Average number of shares outstanding	9,863	9,917	9,723
Number of dilutive shares issued	0	0	0
Average number of shares outstanding, including dilutive shares diluted	9,863	9,917	9,723
Earnings per share, DKK	1.07	0.97	3.29
Diluted net profit for the period per share, DKK	1.07	0.97	3.29

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	83	277
Average shares outstanding	9,863	9,917	9,723

Cash flow statement - BankNordik Group

DKK 1,000	Q1 2012	Q1 2011	Full year 2011
Cash flow from operations			
Net profit for the period	10,599	9,593	31,971
Adjustment of non-cash operating items	-55,498	39,815	-33,383
Other adjustments	-2,487	-296	-5,749
Changes in operating capital	597,711	1,300,930	2,061,913
Cash flow from operations	550,325	1,350,042	2,054,753
Cash flow from investing activities			
Acquisition/sale of group undertakings and other business units	-39,451	0	0
Dividends received	2,487	296	5,749
Acquisition/sale of own shares	3	2,334	-5,930
Acquisition of intangible assets	-22,618	-380	-391,100
Acquisition/sale of tangible assets	-774	-4,647	-100,418
Cash flow from investing activities	-60,354	-2,396	-491,700
Issue of bonds	0	-1,000,000	0
Increase in loan from the Danish Central Bank	800,000	0	0
Increase in subordinated debt	0	0	593,358
Payment of dividends	0	-40,000	-39,684
Payment of long term loan	0	0	-2,101,567
Cash flow from financing activities	800,000	-1,040,000	-1,547,893
Cash flow	1,289,970	307,646	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	-2,520	-2,156	-1,459
Cash flow	1,289,970	307,646	15,161
Cash and due etc.	2,047,714	1,061,831	770,042
Cash and due etc.			
Cash in hand and demand deposits with central banks	1,746,151	398,990	308,951
Due from credit institutions, etc.	301,563	662,841	461,091
Total	2,047,714	1,061,831	770,042

Note 1 Significant accounting policies

The consolidated financial statement for the first quarter 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 Q1 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	107,427	103,988	19,613	231,028	930	2,090	3,020	95	-22,558	211,586
	of which internal interest income		22,178		22,178						22,178
	Interest expense	43,684	25,221	5,386	74,291				266	-22,558	51,999
	of which internal interest expense	19,640		2,539	22,178						22,178
	Net interest income	63,743	78,767	14,227	156,737	930	2,090	3,020	-170		159,587
	Dividends from shares and other investments	-48	20	0	-28			2,514	0		2,487
	Net fee income	13,882	31,223	3,029	48,134		-1,355	-1,355	34	-100	46,713
	Premium income, net of reinsurance					19,681	46,205	65,886	1,031	-709	66,208
	Claims, net of reinsurance					8,631	43,352	51,983	309		52,292
	Market value adjustments	9,859	0	0	9,859	-203	3,679	3,476	3,318		16,653
	Income from associates										
	Other operating income	-814	4,179	0	3,365	-5	1	-4	1,186	-139	4,407
	Total income	86,622	114,189	17,256	218,066	11,771	9,782	21,553	5,089		243,762
	Staff costs and administrative expenses	51,211	119,828	9,060	180,099	5,039	9,307	14,346	1,180	-947	194,678
	Depreciation and impairment of property, plant and equipment	1,359	3,765	262	5,386	1	985	986	309		6,680
	Other operating expenses	2,235	2,877	242	5,354						5,354
	Total operating expenses	54,806	126,470	9,564	190,839	5,040	10,292	15,332	1,488		206,712
	Profit before impairment charges on loans	31,816	-12,281	7,692	27,227	6,731	-510	6,221	3,601		37,049
	Impairment charges on loans and advances etc.	14,865	5,752	5,252	25,869		75	75	2		25,946
	Profit before tax	16,951	-18,033	2,440	1,358	6,731	-585	6,146	3,599		11,103
	Loans and advances	6,105,879	4,531,768	737,892	11,375,540						11,375,540
	Holdings in associates	32,586	0	0	32,586	0	3,343	3,343	0	-3,343	32,586
	Other assets	4,120,966	3,621,524	172,344	7,914,835	193,619	366,744	560,363	31,860	-2,017,714	6,489,343
	Total assets	10,259,431	8,153,293	910,236	19,322,961	193,619	370,087	563,706	31,860	-2,021,058	17,897,469
	Deposits	5,506,371	7,079,695	595,577	13,181,643					-93,223	13,088,421
	Other liabilities	3,705,445	296,060	188,055	4,189,561	99,113	286,230	385,344	3,811	-1,732,663	2,846,052
	Shareholders equity	1,047,615	777,537	126,604	1,951,756	94,506	83,857	178,362	28,049	-195,172	1,962,996
	Total liabilities and equity	10,259,431	8,153,293	910,236	19,322,961	193,619	370,087	563,706	31,860	-2,021,058	17,897,469
	Internal interest income/expense allocated to operating segments	4.0%	4.0%	4.0%	4.0%						
	Cost/income ratio (%)	80.4%	115.8%	85.9%	99.4%	42.8%	106.0%	71.5%	29.3%		95.4%
	Cost/income ratio (excl. value adjustments and impairments on loans and advances etc.) (%)	71.4%	110.8%	55.4%	91.7%	42.1%	168.6%	84.8%	84.1%		91.0%

Banking activities returned a profit before tax of DKK 1m compared to a profit of DKK 1m in 2011. Banking in the Faroe Islands rendered a pre-tax profit of DKK 17m compared to a profit of DKK 13m in 2011. The main reason are stable core earnings and stable impairment charges. Due to special items banking in Denmark rendered a pre-tax loss of DKK -18m compared to DKK -13m in Q1 2011. The result is significantly better than in Q4 2011 with a loss of DKK 55m. Banking in Greenland rendered a profit before tax of DKK 2m. This is in line with the same periode last year.

Insurance activities returned a pre-tax profit of DKK 6m i.e. in line with the same periode last year. In Faroe Islands the pre-tax result for insurance in Faroe Islands was DKK 7m compared to DKK 5m in Q1 2011 Insurance pre-tax loss in Iceland amounted to DKK -1m from a pre-tax profit of DKK 1m last year.

Other operations returned a pre tax profit of DKK 4m compared to a pre tax profit of DKK 3m in 2011.

BankNordik Group - segment reporting Q1 2011

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	119,421	33,557	13,545	166,523	889	1,546	2,435	66	-7,969	161,055
	of which internal interest income		7,511								7,511
	Interest expense	36,490	10,942	2,749	50,180	0	8	8	11	-7,969	42,230
	of which internal interest expense	7,015		496							7,511
	Net interest income	82,931	22,616	10,797	116,343	889	1,537	2,427	55		118,825
	Dividends from shares and other investments	-367	0	0	-367	0	621	621	41		296
	Net fee income	7,760	6,971	2,717	17,447	0	505	505	40	-81	17,912
	Premium income, net of reinsurance					19,378	44,370	63,748	864	-441	64,171
	Claims, net of reinsurance					10,688	40,799	51,487	125		51,612
	Market value adjustments	-24,126	161	161	-23,804	-205	4,286	4,081	2,830		-16,893
	Income from associates										
	Other operating income	6,895	4,324	44	11,263	1	112	114	0	-139	11,237
	Total income	73,093	34,071	13,718	120,882	38,931	10,634	20,010	3,705		143,936
	Staff costs and administrative expenses	45,795	33,634	10,313	89,743	4,308	7,510	11,818	373	-661	101,272
	Depreciation and impairment of property, plant and equipment	1,491	561	276	2,329	1	1,780	1,781	313		4,423
	Other operating expenses										
	Total operating expenses	47,286	34,196	10,590	92,072	4,309	9,290	13,599	686		105,695
	Profit before impairment charges on loans	25,807	-125	3,128	28,811	34,622	1,344	6,411	377,297		38,241
	Impairment charges on loans and advances etc.	13,183	13,230	1,593	28,006						28,006
	Profit before tax	12,624	-13,355	1,536	805	34,622	1,344	6,411	377,297		10,235
	Loans and advances	6,196,175	1,489,926	690,066	8,376,167						8,376,167
	Holdings in associates	33,471			33,471	0	3,306	3,306	0	-3,306	33,471
	Other assets	4,424,133	1,665,602	150,603	6,240,339	167,222	357,567	524,789	30,186	-1,702,635	5,092,679
	Total assets	10,653,779	3,155,529	840,669	14,649,977	167,222	360,873	528,095	30,186	-1,705,941	13,502,317
	Deposits	5,717,589	2,629,604	611,955	8,959,148					-90,460	8,868,688
	Other liabilities	3,612,027	207,517	81,242	3,900,787	77,819	284,965	362,784	8,432	-1,615,480	2,656,522
	Shareholders equity	1,324,164	318,407	147,472	1,790,042	89,403	75,908	165,311	21,754		1,977,107
	Total liabilities and equity	10,653,779	3,155,529	840,669	14,649,977	167,222	360,873	528,095	30,186	-1,705,941	13,502,317
	Internal interest income/expense allocated to operating segments	1,4-2,5%	1,4-2,5%	1,4-2,5%	1,4-2,5%						
	Cost/income ratio (%)	83%	139%	89%	99%	11%	87%	68%	19%		92.9%
	Cost/income ratio (excl. value adjustments and impairments on loans and advances etc.) (%)	49%	101%	78%	64%	11%	146%	85%	78%		65.7%

BankNordik Group - Geographical revenue information

	Total income		Non-current assets		Additions on material assets		Additions on immaterial assets	
	Q1 2012	Q1 2011	March 31 2012	March 31 2011	Q1 2012	Q1 2011	Q1 2012	Q1 2011
Faroe Islands	98,632	84,619	177,832	587,565	0	972	0	-3,040
Denmark	114,189	34,071	721,151	8,834	994	778	9,513	3,899
Iceland	13,685	11,528	26,760	66,735				
Greenland	17,256	13,718	172,666	0				
Total	243,762	143,936	1,098,408	663,133	994	1,750	9,513	859

Income from external customers are divided into activities related to the customers'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	Q1 2012	Q1 2011
Banking	217,119	120,222
Insurance products	21,553	20,010
Other	5,089	3,705
Total revenue	243,762	143,936

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 2012	Q1 2011	Full Year 2011
3	Interest income			
	Credit institutions and central banks	2,458	2,495	12,739
	Loans and advances	203,643	147,992	683,107
	Bonds	10,428	16,743	75,073
	Total derivatives of which:	-5,624	-7,146	-19,418
	<i>Currency contracts</i>	0	0	192
	<i>Interest rate contracts</i>	-5,624	-7,146	-19,610
	<i>Other transactions</i>			
	Other interest income	681	971	-2,039
	Total interest income	211,586	161,055	749,462
4	Interest expenses			
	Credit institutions and central banks	166	-427	1,349
	Deposits	33,392	27,380	127,901
	Issued Bonds	-91	8,118	22,803
	Subordinated debt	17,321	5,170	46,820
	Other interest expenses	1,211	1,989	3,584
	Total interest expenses	51,999	42,230	202,457
5	Net fee and commission income			
	Fee and commission income			
	Securities trading and custody accounts	8,691	299	17,412
	Credit transfers	7,171	3,549	20,452
	Loan commissions	2,712	2,022	14,958
	Guarantee commissions	7,641	6,359	26,687
	Other fees and commissions	23,617	6,572	64,442
	Total fee and commission income	49,832	18,801	143,950
	Fee and commissions paid			
	Securities trading and custody accounts	3,119	889	16,050
	Net fee and commission income	46,713	17,912	127,900
6	Market value adjustments			
	Loans and advances	20	43	44,337
	Bonds	1,726	-22,074	-33,505
	Shares	13,313	4,335	-4,547
	Investment properties			
	Foreign exchange	-619	-737	-6,159
	Total derivatives of which:	2,471	1,633	9,634
	<i>Currency Swaps</i>	0	1,669	3,583
	<i>Interest Swaps</i>	-4,348	-31	-1,881
	<i>Other contracts</i>	6,819	-6	7,932
	Assets linked to pooled schemes	-257	-94	0
	Deposits in pooled schemes			
	Total market value adjustments	16,653	-16,893	9,761

Note	DKK 1,000	Q1 2012	Q1 2011	Full Year 2011
7	Other operating income			
	Profit/loss on sale of shares and equity investments in associates and group enterprises			
	Profit/loss on sale of investment and corporate properties and temporary properties	0	21	-91
	Profit on sale of operating equipment	0	350	755
	Reversals of acquired OEI impairments	3,861	5,189	14,402
	Other income	546	5,677	11,796
	Total other operating income	4,407	11,237	26,862
8	Staff costs and administrative expenses			
	Staff costs:			
	Salaries	83,732	48,541	239,285
	Pensions	8,415	4,841	27,149
	Social security expenses	8,925	5,341	33,508
	Total staff costs	101,073	58,723	299,942
	Administrative expenses:			
	IT	48,262	18,919	78,609
	Marketing etc	5,359	7,780	28,226
	Education etc	2,393	2,599	6,698
	Advisory services	2,604	2,007	13,566
	Other expenses	36,610	16,990	176,944
	Total administrative expenses	95,229	48,294	304,043
	Total staff costs	101,073	58,723	299,942
	Employee exp. incl. under the item "Claims, net of reinsurance"	-1,623	-5,745	-6,722
	Total administrative expenses	95,229	48,294	304,043
	Total staff costs and administrative expenses	194,678	101,272	597,263
	Number of employees			
	Average number of full-time employees in the period	610	435	519
	Executive remuneration:			
	Board of Directors	405	390	1,605
	Executive Board:			
	Salaries	1,047	939	4,267
	Pension	105	141	617
	Total executive remuneration	1,556	1,470	6,489
9	Impairment charges on loans and advances etc.			
	Due from credit institutions and central banks			
	Loans and advances at amortised cost	25,946	19,755	71,251
	Loans and advances at fair value	0	0	9,136
	Guarantees and loan commitments	0	434	4,636
	Assets held for sale	0	7,816	15,783
	Total	25,946	28,006	100,806
	Individual impairment charges etc.			
	New and increased impairment charges	23,094	52,367	151,113
	Reversals of impairment charges	2,240	18,709	38,696
	Write-offs charged directly to the income statement	5,009	946	959
	Received on claims previously written off	430	158	542
	Interest income	2,944	1,560	11,237
	Total individual impairment charges	22,489	32,887	101,597
	Collective impairment charges			
	New and increased impairment charges	3,457	3,584	5,148
	Reversals of impairment charges	0	8,465	5,940
	Total collective impairment charges	3,457	-4,881	-792
	Total impairment charges	25,946	28,006	100,806

Notes - BankNordik Group

Note	DKK 1,000	March 31 2012	March 31 2011	Full Year 2011
10	Due from credit institutions etc. specified by maturity			
	On demand	301,563	632,588	461,091
	3 months and below	0	12,180	0
	3 months to 1 year	0	18,073	0
	Total	301,563	662,841	461,091
11	Impairment charges, loans and advances etc.			
	Individual impairment charges etc.			
	At 1 January	316,798	315,453	315,453
	Additions on acquisitions			
	New and increased impairment charges	23,094	52,367	135,632
	Reversals of impairment charges	2,240	18,709	37,216
	Written-off, previously impaired	27,532	43,856	97,012
	Foreign currency translation	2	-24	-59
	Other additions and disposals			
	Total	310,121	305,231	316,798
	Collective impairment charges			
	At 1 January	25,137	25,928	25,928
	Additions on acquisitions			
	New and increased impairment charges	3,457	3,584	5,149
	Reversals of impairment charges	0	8,465	5,940
	Total	28,594	21,047	25,137
	Total	338,715	326,278	341,935
12	Assets held for sale			
	Total purchase price, at 1 January	207,464	183,494	183,494
	Additions	23,457	61,506	44,629
	Disposals and write off	2,947	4,752	20,659
	Total purchase price	227,973	240,248	207,464
	Depreciation and impairment, at 1 January	38,483	22,700	22,700
	Impairment charges for the year	0	7,816	15,783
	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	38,483	30,516	38,483
	Total assets held for sale	189,490	209,732	168,980
13	Contingent liabilities			
	Guarantees			
	Financial guarantees	107,442	31,381	120,485
	Mortgage finance guarantees	579,224	462,838	652,781
	Registration and remortgaging guarantees	345,871	433,373	281,771
	Other guarantees	701,089	585,590	682,391
	Total	1,733,626	1,513,182	1,737,428
14	Assets deposited as collateral			

At March 31 2012 the Group had deposited bonds at a total market value of DKK 124m with Danmarks Nationalbank (the Danish Central Bank) in connection with clearing. (2011: 185m). Furthermore at March 31 the Group has deposited a total of DKK 1.6 bn of the Groups loan portfolio in connection with the Groups borrowing of DKK 800m from Danmark 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 2012	Q1 2011	Full year 2011
1	Interest income	208,849	159,013	741,143
2	Interest expenses	52,112	42,417	203,187
	Net interest income	156,737	116,596	537,957
	Dividends from shares and other investments	-28	-367	1,340
3	Fee and commission income	49,351	18,337	143,617
3	Fee and commissions paid	1,218	889	9,584
	Net interest and fee income	204,843	133,676	673,330
4	Market value adjustments	9,859	-23,804	-5,740
5	Other operating income	3,365	11,262	23,654
6	Staff costs and administrative expenses	180,099	89,743	545,189
	Depreciation and impairment of property, plant and equipment	5,386	2,329	14,131
	Other operating expenses	5,354	0	20,695
7	Impairment charges on loans and advances etc.	25,869	28,006	100,787
	Income from associated and subsidiary undertakings	5,765	4,785	9,733
	Profit before tax	7,123	5,841	20,174
	Tax	-721	-579	-4,386
	Net profit	7,844	6,420	24,560

Statement of comprehensive income - P/F BankNordik

DKK 1,000	Q1 2012	Q1 2011	Full year 2011
Net profit	7,844	6,420	24,560
Other comprehensive income			
Translation of non-Faroese subsidiaries	-3,449	-3,705	-1,892
Tax on other comprehensive income	-518	405	-255
Total other comprehensive income	-3,967	-3,299	-2,147
Total comprehensive income	3,877	3,121	22,413

Balance Sheet - P/F BankNordik

Note	DKK 1,000	March 31 2012	March 31 2011	Full year 2011
Assets				
	Cash in hand and demand deposits with central banks	1,746,151	398,990	308,951
8	Due from credit institutions and central banks	256,803	616,947	417,553
9, 12	Loans and advances at fair value	1,220,181	954,337	1,022,408
9, 12	Loans and advances at amortised cost	10,155,359	7,421,273	10,746,303
	Bonds at fair value	2,282,618	2,374,225	2,340,034
	Shares, etc.	221,967	186,549	215,410
	Holdings in associates	32,586	33,471	32,586
	Holdings in subsidiaries	191,828	142,843	149,490
	Assets under pooled schemes	132,073	74,640	121,210
	Intangible assets	797,270	427,189	779,964
	Total land and buildings	215,268	138,356	215,297
	investment property	19,974	19,823	19,823
	domicile property	195,294	118,534	195,474
	Other property, plant and equipment	27,229	13,291	28,528
	Current tax assets	6,410	5,850	6,356
	Deferred tax assets	4	4	4
10	Assets held for sale	189,490	209,732	168,980
	Other assets	82,253	145,200	149,630
	Prepayments	26,445	11,064	20,932
	Total assets	17,583,935	13,153,963	16,723,635

Balance Sheet - P/F BankNordik

Note	DKK 1,000	March 31 2012	March 31 2011	Full year 2011
Shareholders' equity and liabilities				
Liabilities other than provisions				
	Due to credit institutions and central banks	1,119,571	316,445	329,316
	Deposits and other debt	13,049,571	8,959,148	13,001,465
	Deposits under pooled schemes	132,073	74,640	121,210
	Issued bonds at amortised cost	98,276	1,199,843	98,276
	Current tax liabilities	5,222	69,687	9,379
	Other liabilities	337,511	324,150	335,597
	Deferred income	2,960	2,116	4,096
	Total amounts due	14,745,184	10,946,029	13,899,339
Provisions for liabilities				
	Provisions for deferred tax	12,949	18,548	14,192
	Provisions for losses on guarantees	37,071	8,434	31,516
	Total provisions	50,019	26,982	45,707
Subordinated debt				
	Subordinated debt	836,974	203,240	830,711
	Total liabilities	15,632,178	11,176,251	14,775,758
Shareholders' equity				
	Share capital	200,000	200,000	200,000
	Foreign currency translation reserve	12,406	15,220	16,373
	Reserve, Equity Method	45,864	35,079	40,099
	Retained earnings	1,693,486	1,727,413	1,691,405
	Proposed dividends			
	Total shareholders' equity	1,951,756	1,977,712	1,947,877
	Total liabilities and equity	17,583,935	13,153,963	16,723,635

Statement of capital - BankNordik P/F
Changes in shareholders' equity:

DKK 1,000	Share capital	Foreign currency translation reserve	Equity method reserve	Proposed dividends	Retained earnings	Total
Shareholders' equity at January 1, 2012	200,000	16,373	40,099	0	1,691,405	1,947,877
Translation of foreign units		-3,449				-3,449
Tax on entries on shareholders' equity		-518				-518
Income recognised directly on shareholders' equity		-3,967				-3,967
Net profit			5,765		2,079	7,844
Total comprehensive income		-3,967	5,765		2,079	3,877
Acquisition of own shares					-3,405	-3,405
Sale of own shares					3,408	3,408
Dividends paid						0
Shareholders' equity at March 31, 2012	200,000	12,406	45,864	0	1,693,486	1,951,756

DKK 1,000	Share capital	Foreign currency translation reserve	Equity method reserve	Proposed dividends	Retained earnings	Total
Shareholders' equity at January 1, 2011	200,000	18,520	30,294	40,000	1,723,443	2,012,257
Translation of foreign units		-3,705				-3,705
Tax on entries on shareholders' equity		405				405
Income recognised directly on shareholders' equity		-3,299				-3,299
Net profit			4,785		1,636	6,420
Total comprehensive income		-3,299	4,785		1,636	3,121
Acquisition of own shares					-21,999	-21,999
Sale of own shares					24,333	24,333
Dividends paid				-40,000		-40,000
Shareholders' equity at March 31, 2011	200,000	15,220	35,079	0	1,727,413	1,977,712

Statement of capital - P/F BankNordik

Solvency			
DKK 1,000	March 31	March 31	Full year
	2011	2011	2011
Core capital	1,487,821	1,717,124	1,522,756
Base capital	1,867,589	1,696,050	1,921,288
Risk-weighted items not included in the trading portfolio	10,021,209	7,670,694	9,827,802
Risk-weighted items with market risk etc.	1,160,757	1,100,116	1,406,647
Risk-weighted items with operational risk	1,322,113	1,078,250	1,078,250
Total risk-weighted items	12,504,079	9,849,060	12,312,700
Core capital ratio	11.9%	17.4%	12.4%
Solvency ratio	14.9%	17.2%	15.6%
Core Capital and Shareholders' equity			
Share capital	200,000	200,000	200,000
Reserves	58,270	50,299	56,472
Net profit	7,844	6,420	24,560
Retained earnings, previous years	1,685,642	1,720,993	1,666,845
Shareholders' equity	1,951,756	1,977,712	1,947,877
Deduction of net profit	7,844	3,380	0
Deduction of Foreign currency translation reserve	12,406	15,220	16,373
Deduction of intangible assets	797,270	424,149	779,964
Deduction of deferred tax assets	4	4	4
Deduction of insurance subsidiaries	51,820	21,074	30,520
Core capital exclusive of hybrid core capital	1,082,412	1,513,884	1,121,016
Hybrid core capital	405,409	203,240	401,739
Core capital	1,487,821	1,717,124	1,522,756
Base capital			
Core capital	1,487,821	1,717,124	1,522,756
Subordinated capital	431,588	0	429,052
Deduction of insurance subsidiaries	51,820	21,074	30,520
Base capital	1,867,589	1,696,050	1,921,288

Cash flow statement - P/F BankNordik

DKK 1,000	Q1 2012	Q1 2011	Full year 2011
Cash flow from operations			
Net profit for the period	7,844	6,420	24,560
Adjustment of non-cash operating items	-53,378	40,460	-29,033
Other adjustments	28	367	-1,340
Changes in operating capital	584,404	1,293,452	2,045,135
Cash flow from operations	538,898	1,340,698	2,039,322
Cash flow from investing activities			
Acquisition/sale of undertakings and other business units	-39,451	0	0
Dividends received	-28	-367	16,340
Acquisition/sale of own shares	3	2,334	-5,930
Acquisition/sale of intangible assets	-21,978	0	-391,100
Acquisition/sale of tangible assets	-994	-469	-97,975
Cash flow from investing activities	-62,448	1,499	-478,665
Issue of bonds	0	-1,000,000	0
Increase in loan from the Danish Central Bank	800,000	0	0
Increase in subordinated debt	0	0	593,358
Payment of dividends	0	-40,000	-39,684
Cash flow from financing activities	800,000	-1,040,000	-1,547,893
Cash flow	1,276,450	302,197	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	1,276,450	302,197	12,764
Cash and due etc.	2,002,954	1,015,937	726,504
Cash and due etc.			
Cash in hand and demand deposits with central banks	1,746,151	398,990	308,951
Due from credit institutions, etc.	256,803	616,947	417,553
Total	2,002,954	1,015,937	726,504

Notes - P/F BankNordik

Note	DKK 1,000	Q1 2012	Q1 2011	Full Year 2011
1	Interest income			
	Credit institutions and central banks	1,228	1,926	9,753
	Loans and advances	203,632	147,984	683,072
	Bonds	9,877	16,311	67,367
	Total derivatives of which:	-5,624	-7,146	-19,418
	<i>Currency contracts</i>	0	0	192
	<i>Interest rate contracts</i>	-5,624	-7,146	-19,610
	<i>Other transactions</i>			
	Other interest income	-264	-62	369
	Total interest income	208,849	159,013	741,143
2	Interest expenses			
	Credit institutions and central banks	166	31	274
	Deposits	33,771	27,380	129,705
	Issued Bonds	-91	8,118	22,803
	Subordinated debt	17,321	5,170	46,820
	Other interest expenses	945	1,717	3,584
	Total interest expenses	52,112	42,417	203,187
3	Net fee and commission income			
	Fee and commission income			
	Securities trading and custody accounts	8,691	299	17,412
	Credit transfers	7,171	3,549	20,452
	Loan commissions	2,712	2,022	14,958
	Guarantee commissions	7,641	6,359	26,687
	Other fees and commissions	23,136	6,107	64,108
	Total fee and commission income	49,351	18,337	143,617
	Fee and commissions paid			
	Securities trading and custody accounts	1,218	889	9,584
	Net fee and commission income	48,134	17,447	134,033
4	Market value adjustments			
	Loans and advances	20	43	44,337
	Bonds	1,269	-22,528	-15,214
	Shares	6,975	-2,122	-4,547
	Investment properties			
	Foreign exchange	-619	-737	-6,159
	Total derivatives of which:	2,471	1,632	9,634
	<i>Currency Swaps</i>	0	1,669	3,583
	<i>Interest Swaps</i>	-4,348	-31	-1,881
	<i>Other contracts</i>	6,819	-6	7,932
	Assets under pooled schemes	-257	-93	0
	Other obligations	0	0	-33,792
	Total market value adjustments	9,859	-23,804	-5,740

Note	DKK 1,000	Q1 2012	Q1 2011	Full Year 2011
5	Other operating income			
	Profit/loss on sale of shares and equity investments in associates and group enterprises			
	Profit/loss on sale of investment and corporate properties and temporary properties	0	21	-91
	Profit on sale of operating equipment	0	350	711
	Reversals of acquired OEI impairments	3,861	6,050	14,402
	Other income	-497	4,841	8,632
	Total other operating income	3,365	11,262	23,654
6	Staff costs and administrative expenses			
	Staff costs:			
	Salaries	76,100	42,023	216,550
	Pensions	7,477	4,176	23,991
	Social security expenses	7,304	4,194	28,384
	Total staff costs	90,881	50,393	268,926
	Administrative expenses	89,219	39,350	276,264
	Total staff costs and administrative expenses	180,099	89,743	545,189
	Number of employees			
	Average number of full-time employees in the period	527	356	438
	Executive remuneration:			
	Board of Directors	405	390	1,605
	Executive Board:			
	Salaries	1,047	939	4,267
	Pension	105	141	617
	Total executive remuneration	1,556	1,470	6,489
7	Impairment charges on loans and advances etc.			
	Due from credit institutions and central banks			
	Loans and advances at amortised cost	25,269	19,755	71,832
	Loans and advances at fair value	0	0	9,136
	Private Contingency Association (Det private beredskab)			
	Guarantees and loan commitments	0	434	4,636
	Assets held for sale	600	7,816	15,183
	Total	25,869	28,006	100,787
	Individual impairment charges etc.			
	New and increased impairment charges	23,017	52,367	151,905
	Reversals of impairment charges	2,240	18,709	38,308
	Write-offs charged directly to the income statement	5,009	946	959
	Received on claims previously written off	430	158	542
	Interest income	2,944	1,560	12,435
	Total individual impairment charges	22,412	32,887	101,578
	Collective impairment charges			
	New and increased impairment charges	3,457	3,584	5,148
	Reversals of impairment charges	0	8,465	5,940
	Total collective impairment charges	3,457	-4,881	-792
	Total impairment charges	25,869	28,006	100,787

Notes - P/F BankNordik

Note	DKK 1,000	March 31 2012	March 31 2011	Full Year 2011
8	Due from credit institutions etc. specified by maturity			
	On demand	256,803	616,947	417,553
	3 months and below			
	3 months to 1 year			
	Total	256,803	616,947	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	23,017	52,367	135,632
	Reversals of impairment charges	2,240	18,709	36,828
	Written-off, previously impaired	27,532	43,856	97,012
	Other additions and disposals			
	Total	310,013	304,779	316,769
	Collective impairment charges			
	At 1 January	25,137	25,928	25,928
	New and increased impairment charges	3,457	3,584	5,148
	Reversals of impairment charges	0	8,465	5,940
	Written of, previously impaired			
	Other changes			
	Total	28,594	21,048	25,137
	Total	338,607	325,827	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 quarter of 2012.

The consolidated financial statements for the first quarter 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 31 March 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 31 March 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, 15 May 2012

Executive Board

Janus Petersen

John Rajani

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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