

Interim Report

H1 2013

13 August 2013

CONTENTS

MANAGEMENT'S REPORT

• Highlights - ratios and key figures.....	3
• Financial Review.....	4
- H1 2013 highlights	4
- Income statement.....	4
- Balance sheet.....	6
- Supervisory diamond.....	6
- Events after the balance sheet date.....	6
• Outlook 2013	6
• Segments.....	7
- Banking.....	7
○ Faroe Islands.....	7
○ Denmark.....	8
○ Greenland.....	9
- Insurance activities.....	10
○ Trygd.....	10
○ Vörður.....	10

FINANCIAL STATEMENT – BankNordik Group

• Income statement.....	11
• Balance sheet.....	13
• Statement of capital.....	15
• Cash flow statement.....	16
• Notes to the financial statements.....	17

FINANCIAL STATEMENT – P/F BankNordik

• Income statement.....	24
• Balance sheet.....	25
• Statement of capital.....	27
• Cash flow statement.....	29
• Notes to the financial statements.....	30

STATEMENT by the Executive Board and Board of Directors	33
---	----

CONTACT DETAILS.....	34
----------------------	----

Highlights, ratios and key figures - BankNordik Group

Highlights	H1	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
	2013	2013	2013	2012	2012	2012	2012	2011	2011
DKK 1,000									
Net interest income	297,898	151,118	146,780	154,116	153,377	150,330	155,442	160,735	155,636
Net fee and commission income	85,633	43,045	42,588	52,005	42,498	43,678	46,713	40,474	47,972
Net interest and fee income	390,267	199,003	191,264	208,052	197,435	198,425	204,641	203,021	204,206
Net insurance income	40,223	28,532	11,691	23,949	26,625	18,547	11,855	-11,351	23,745
Interest and fee income and income from insurance activities, net	430,490	227,535	202,955	232,001	224,059	216,971	216,495	191,671	227,952
Market value adjustments	6,375	-15,629	22,004	6,099	3,605	-6,988	16,653	26,533	4,744
Other operating income	41,320	30,081	11,239	14,489	6,612	13,521	4,407	11,093	387
Staff cost and administrative expenses	280,576	135,559	145,017	152,807	138,524	157,352	192,617	203,832	184,217
Impairment charges on loans and advances etc.	92,677	29,033	63,644	45,812	21,104	58,059	23,194	43,075	18,856
Net profit	65,481	52,281	13,200	38,237	54,527	1,104	9,206	-24,572	27,535
Loans and advances	10,749,708	10,749,708	10,819,582	11,302,702	11,271,249	11,429,708	11,375,544	11,768,892	11,948,508
Bonds at fair value	3,471,204	3,471,204	3,427,274	2,881,904	3,070,316	3,379,798	2,429,162	2,508,938	2,424,773
Intangible assets	803,929	803,929	806,295	807,268	832,968	834,424	807,341	801,957	761,893
Assets held for sale	20,924	20,924	23,439	25,811	40,199	60,412	189,490	168,980	174,111
Total assets	17,368,907	17,368,907	17,816,864	17,608,966	17,827,072	17,876,151	17,877,560	17,086,357	18,892,969
Due to credit institutions and central banks	1,387,264	1,387,264	1,372,950	1,288,052	1,287,746	1,024,008	1,119,571	329,316	181,904
Deposits and other debt	12,330,533	12,330,533	12,799,880	12,745,653	13,087,461	13,262,212	13,088,421	13,032,047	13,954,669
Issued bonds at amortised cost	0	0	0	0	0	0	98,276	98,276	701,927
Total shareholders' equity	2,124,946	2,124,946	2,063,488	2,053,362	2,012,716	1,957,252	1,968,803	1,957,695	2,008,376
Ratios and key figures									
	June 30	June 30	March	Dec. 31	Sept. 30	June 30	March 31	Dec. 31	Sept. 30
	2013	2013	2013	2012	2012	2012	2012	2011	2011
Solvency									
Solvency ratio, %	15.4	15.4	14.9	14.8	13.8	15.1	14.8	15.6	14.7
Core capital ratio, %	13.5	13.5	13.0	12.9	11.9	12.0	11.9	12.4	11.7
Core capital ratio excl. hybrid core capital, end of period, %	10.2	10.2	9.7	9.6	8.6	8.7	8.7	9.1	8.7
Risk-weighted items, DKKm	11,813	11,813	11,772	11,902	11,940	12,032	12,504	12,313	13,068
Profitability									
Return on equity after tax, %	3.1	2.5	0.6	1.9	2.7	0.1	0.5	-1.2	1.4
Cost / income, %	84.0	73.8	94.3	83.2	71.3	99.0	95.9	114.3	87.0
Cost / income, % (excl. value adjustm. and impairments)	65.5	58.1	74.3	66.4	63.3	71.1	92.7	108.0	80.6
Market risk									
Interest rate risk %	1.7	1.7	3.7	1.5	3.0	2.7	2.5	2.3	1.2
Foreign exchange position %	6.4	6.4	16.9	17.3	6.3	12.8	10.8	8.7	9.8
Liquidity									
Excess cover relative to statutory liquidity requirements, %	176.2	176.2	196.3	152.6	165.6	181.4	168.8	115.3	148.6
Credit risk									
Growth in loans and advances, %	-4.9	-0.6	-4.3	0.3	-1.4	0.5	-3.3	-1.5	41.5
Gearing of loans and advances	5.1	5.1	5.2	5.5	5.6	5.8	5.8	6.0	5.9
Impairment and provisioning ratio, end of period, %	3.6	3.6	3.5	3.0	2.8	2.7	2.7	2.7	2.5
Write-off and provisioning ratio, %	0.7	0.2	0.5	0.4	0.2	0.4	0.2	0.3	0.1
Share of amounts due on which interest rates have been reduced	0.8	0.8	1.8	1.7	1.6	1.7	1.8	1.9	2.1
Shares									
Earnings per share after tax (nom. DKK 20), DKK	6.6	5.3	1.3	3.9	5.5	0.1	0.9	-2.5	2.8
Market price per share (nom. DKK 20), DKK	96	96	114	76	67	69	77	79	74
Book value per share (nom. DKK 20), DKK	215	215	209	208	204	198	199	200	205
Other									
Number of full-time employees, end of period	529	529	533	550	577	583	582	612	604

Financial review

Highlights H1 2013

- Operating profit before impairment charges was DKK 154m in H1 compared with DKK 131m in H1 2012.
- The Group incurred a healthy profit before tax and value adjustments of DKK 70m in H1 2013. The full-year guidance of a profit of DKK 130-160m expressed in the Annual Report 2012 is maintained.
- Net interest and fee income was DKK 390m in H1 2013, compared to DKK 403m in H1 2012.
- Income from insurance activities amounted to DKK 40m in H1 2013 compared with DKK 30m in H1 2012.
- Operating costs excluding non-recurring items were down by 7.2% to DKK 282m in H1 2013.
- Impairment charges, net, amounted to DKK 75m in H1 2013 compared to DKK 65m in H1 2012.
- Non-recurring income of DKK 8m was recognised in H1 2013 with income items from the sale of the corporate head office in May and cost items from the rationalisation measures related to the reorganisation in January.
- Sector costs amounted to DKK 16m.
- Profit before tax amounted to DKK 77m in H1 2013.
- The solvency ratio was 15.4% as compared to the solvency requirement of 8.7%.
- Surplus liquidity coverage of 176%. The deposit surplus amounted to DKK 1.6bn.

Highlights Q2 2013

- Operating profit amounted to DKK 68m in Q2, which makes it the best quarterly result in the Group's recent history.
- Impairment charges, net, amounted to DKK 20m in Q2 2013 compared to DKK 55m in Q1 2013
- Operating costs excluding non-recurring items were down by 7.2% compared with Q2 2012
- Extraordinary income of DKK 18m from the sale of the head office.

Income statement

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

DKKm	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011
Operating income	230	206	236	224	219	217	192	232
Operating cost	142	141	143	145	153	151	157	152
Profit before impairment charges	88	65	93	79	66	66	35	80
Impairment charges	29	64	46	21	58	23	43	19
Reversals of acquired OEI impairments	-9	-8	-11	-7	-12	-4	-6	-2
Operating profit	68	10	58	65	20	46	-2	63
Non-recurring items	18	-10	-15	-1	-12	-48	-50	-41
Sector costs	-8	-8	-7	0	1	-5	-7	3
Profit before value adjustments and	79	-8	36	64	9	-7	-59	25
Market value adjustments	-16	22	6	4	-7	17	27	5
Profit before tax (as reported)	63	14	42	68	2	10	-33	30
Cost/Income (Operating cost/income), %	62	68	61	65	70	70	82	66
Number of FTE, end of period	529	533	550	577	583	582	612	604

Certain non-recurring items (especially integration and restructuring costs) have had a relatively strong impact on the Group's financial performance in recent quarters. These items are shown in a separate line in the table above. Non-recurring items were a net income of DKK 18m in Q2 2013 resulting from the sale of the head office.

The following comments relate to the adjusted figures and are generally stated relative to Q1 2013. Due to seasonal variations, the insurance segment is also presented relative to Q2 2012.

Operating income

BankNordik Group's operating income increased by 11% relative to Q1 2013 to stand at DKK 230m in Q2 2013. The increase related to an improvement in income from insurance activities and higher income from the groups liquidity.

Net interest income

Net interest income was DKK 151m in Q2 2013 compared to DKK 147m in Q1 2013. The increased income stems from higher income from the groups liquidity.

Net fees and commissions

Net fee and commission income was stable at DKK 43m in Q2 2013 with a stable activity level.

Insurance income net

Income from insurance activities, net amounted to DKK 29m in Q2 2013 i.e. DKK 10m higher than in the same period of last year.

Operating costs

Operating costs were DKK 142m in Q2 2013, i.e. at the same level as in Q1 2013.

Profit before impairment charges

BankNordik's profit before impairment charges increased to DKK 88m in Q2 2013 from DKK 65m in Q1 2013 and DKK 66m in Q2 2012. The combination of significantly higher operational income and stable operating costs drove the change.

Impairment charges

Net impairment charges amounted to DKK 20m in Q2 2013. As expected in the Q1 2013 report, impairment charges decreased in Q2 2013 to a lower level than in Q1 2013. The Bank expects impairment charges for the full year 2013 to be at the same level as in 2012.

Operating profit

Operating profit increased from DKK 10m in Q1 2013 to DKK 68m in Q2 2013 mainly due to the decrease in impairment charges and improved income from insurance. This is in line with the expectations expressed in the Q1 2013 interim report of improvements to the banking business, and – due to seasonal variations – improvements to the insurance business relative to the first quarter.

Balance sheet

BankNordik's total assets at 30 June 2013 amounted to DKK 17.4bn. Loans and advances were down by 0.6% to DKK 10.7bn at the end of H1 2013 compared to Q1 2013 mostly due to lower lending activity in Denmark. Deposits decreased significantly by DKK 469m (3.7%) from DKK 12.8bn at 31 March 2013 to DKK

12.3bn at 30 June 2013. The Bank lowered deposit rates in Q2 2013 and has not bid as aggressively on deposits based on money market rates.

Compared to Q1 2013 amounts due to credit institutions and central banks increased DKK 14m, while the amount due from credit institutions and central banks decreased DKK 200m. Liquidity invested in bonds amounted to DKK 3.4bn, of which DKK 150m was invested in corporate bonds, while the rest of the bond portfolio was placed in mortgage and government bonds. Liquidity invested in shares was almost unchanged at DKK 417m. The surplus liquidity at 30 June 2013 was 176% higher than the statutory requirement.

At 30 June 2013, the Group's equity had increased to DKK 2,125m.

Compliance with the Danish FSA Supervisory Diamond

	BankNordik H1 2013	FSA Limit
Large exposures	35%	<125%
Liquidity coverage	176%	>50%
Loan growth	-5%	<20%
Funding ratio	0.67	<1.00
Lending to property sector	8.3%	<25%

At 30 June 2013, the Group met all requirements set by the Danish FSA in the Supervisory Diamond.

Events after the balance sheet date

On August 1st 2013 the Group repaid DKK 100m in hybrid core capital obtained from the Danish state. A pro forma calculation based on the risk weighted assets from 30 June 2013 gives a solvency ratio of 14.6% after the repayment. There have been no other significant events in BankNordik after the end of the reporting period.

Outlook 2013

Management maintains the expectations as reported in the Annual Report 2012 of a pre-tax profit before value adjustments in the DKK 130-160m range.

BankNordik Group by segment

Banking: Faroe Islands

The banking activities in the Faroe Islands reported an improved performance in Q2 2013 with operating profit of DKK 37m relative to DKK 18m in Q1 2013 and DKK 11m in Q2 2012. Operating income rebounded to DKK 89m from DKK 80m in Q1 2013, while costs were stable at DKK 45m. Impairment charges in Q2 2013 amounted to DKK 6m, which was lower than in recent quarters. Loans and advances were stable with a small increase of DKK 13m, while deposits decreased by DKK 140m. The lower deposit volume can be explained by the Bank's tactical decision not to bid so aggressively for deposits based on money market rates.

DKKm	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011
Operating income	89	80	93	82	82	79	87	91
Operating costs	45	45	46	49	53	48	52	48
Profit before impairment charges	43	34	47	33	29	31	35	43
Impairment charges	6	16	16	19	18	15	12	6
Operating profit	37	18	31	14	11	17	23	37
Non-recurring items	18	-2	-9	0	1	-6	4	-5
Sector costs	-3	-3	-3	0	0	-2	-7	3
Profit before value adjustments and	52	13	20	14	13	9	20	35
Market value adjustments	-8	14	5	2	-3	10	8	1
Profit before tax (as reported)	45	26	24	17	10	18	28	37
Loans and advances	5.982	5.969	6.044	6.070	6.177	6.106	6.329	6.328
Deposits and other debt	5.154	5.294	5.217	5.406	5.384	5.506	5.459	5.864
Cost/Income (Operating cost/income), %	51	57	50	60	65	60	60	52
Number of FTE, end of period	176	173	177	186	190	189	203	203

Banking: Denmark

The Danish banking activities reported stable profit before impairment charges of DKK 21m, which was similar to the DKK 22m in Q2 2012. With impairment charges, net of DKK 13m, the operating profit amounted to DKK 9m. Operating income in Denmark decreased from DKK 98m to DKK 96m due to lower loan volumes. Operating costs were stable at DKK 75m relative to DKK 75m in Q1 2013 and DKK 77m in Q2 2012.

Loans and advances continued to decline in Q2 2013, but at a much lower rate in Q2 2013 than in Q1 2013. Deposits declined by DKK 259m (4%) in Q2 2013, which can primarily be explained by lower deposit volumes by a few corporate clients, but also by a decrease in the volume of deposits carrying high interest rates.

DKKm	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011
Operating income	96	98	101	100	99	107	101	104
Operating costs	75	75	74	74	77	80	80	79
Profit before impairment charges	21	24	27	25	22	27	20	25
Impairment charges	22	43	30	3	38	6	35	14
Reversals of acquired OEI impairments	-9	-8	-11	-7	-12	-4	-4	0
Operating profit	9	-11	7	29	-3	25	-11	12
Non-recurring items	0	-8	-8	-1	-11	-43	-54	-35
Sector costs	-4	-4	-4	0	1	-3	0	0
Profit before value adjustments and	4	-23	-4	28	-14	-21	-65	-23
Market value adjustments	0	0	0	0	0	0	10	1
Profit before tax (as reported)	4	-23	-4	28	-14	-21	-55	-22
Loans and advances	3.964	4.056	4.332	4.325	4.410	4.532	4.684	4.899
Deposits and other debt	6.826	7.085	7.127	7.233	7.412	7.080	7.204	7.624
Cost/Income (Operating cost/income), %	78	76	73	74	78	75	80	76
Number of FTE, end of period	254	257	269	279	281	283	297	292

Banking: Greenland

Operating income remained stable at DKK 12m in Q2 2013, while operating costs decreased to DKK 6m compared to DKK 8m in Q1 2013. Net impairment charges of DKK 2m brought the operating profit to DKK 4m. Operating profit before impairment charges remained steady at DKK 6m. Compared to Q2 2012 operating income was down by DKK 1m while operating costs declined by 2m. Consolidating all of the Bank's Greenland activities in Nuuk in March 2012 has had a positive effect on staff costs and administrative expenses.

Loans and advances increased slightly, by DKK 10m, while deposits decreased by DKK 97m compared to Q1 2013.

DKKm	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011
Operating income	12	13	13	12	13	15	14	12
Operating costs	6	8	9	7	8	9	10	10
Profit before impairment charges	6	5	4	5	5	5	4	2
Impairment charges	2	5	0	-1	3	2	-4	1
Reversals of acquired OEI impairments	0	0	0	0	0	0	-2	-2
Operating profit	4	0	4	5	2	3	5	4
Non-recurring items	0	0	0	0	0	0	0	0
Sector costs	0	0	0	0	0	0	0	0
Profit before value adjustments and	4	1	5	5	2	3	5	4
Market value adjustments	0	0	0	0	0	0	0	1
Profit before tax (as reported)	4	0	4	5	2	2	9	5
Loans and advances	804	794	927	876	843	738	756	722
Deposits and other debt	456	553	523	561	571	596	460	577
Cost/Income (Operating cost/income), %	53	61	67	62	64	64	72	82
Number of FTE, end of period	21	22	23	25	26	27	29	30

Insurance: Trygd (Faroe Islands)

Lower claims lifted Trygd's Q2 2013 operating profit to DKK 8m from DKK 6m in Q1 2013 and DKK 3m in Q2 2012. Operating income was up from DKK 10m in Q1 2013 to DKK 12m, while operating costs were stable at DKK 4m.

DKKm	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011
Operating income	12	10	9	14	9	12	-16	14
Operating costs	4	4	5	5	5	5	4	5
Profit before impairment charges	8	6	4	9	3	7	-20	9
Impairment charges	0	0	0	0	0	0	0	0
Operating profit	8	6	4	9	3	7	-20	9
Non-recurring items	0	0	-1	0	0	0	0	0
Profit before value adjustments and	8	6	3	9	3	7	-20	9
Market value adjustments	-1	0	0	0	0	0	0	0
Profit before tax (as reported)	7	6	3	9	3	7	-20	10
Combined ratio	66	73	82	60	86	69	84	61
Number of FTE, end of period	22	23	23	23	24	24	24	23

Insurance: Vørður (Iceland)

Vørður reported operating profit of DKK 10m in Q2 2013 compared with DKK 6m in Q2 2012. The higher operating profit more than outweighed the negative value adjustments from the rising level of interest rates bringing the profit before tax to DKK 3m.

DKKm	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011
Operating income	20	5	19	15	16	4	7	10
Operating costs	10	9	8	9	10	8	10	8
Profit before impairment charges	10	-4	11	6	6	-4	-3	2
Impairment charges	0	0	0	0	0	0	0	0
Operating profit	10	-4	11	6	6	-4	-4	2
Non-recurring items	0	0	0	0	0	0	0	0
Profit before value adjustments and	10	-4	11	6	6	-4	-4	2
Market value adjustments	-7	8	1	1	-1	4	9	2
Profit before tax (as reported)	3	4	12	8	5	-1	5	5
Combined ratio	86	113	86	92	96	116	101	95
Number of FTE, end of period	51	53	53	59	58	56	55	54

Income statement - BankNordik Group

Note	DKK 1,000	H1 2013	H1 2012	Full year 2012
3	Interest income	377,657	412,555	815,486
4	Interest expenses	79,759	106,782	202,221
	Net interest income	297,898	305,772	613,265
	Dividends from shares and other investments	6,735	6,903	10,394
5	Fee and commission income	97,298	96,576	199,065
5	Fee and commissions paid	11,665	6,185	14,172
	Net interest and fee income	390,267	403,066	808,552
	Premium income, net of reinsurance	143,932	135,812	281,260
	Claims, net of reinsurance	103,709	105,411	200,285
	Interest and fee income and income from insurance activities, net	430,490	433,467	889,527
6	Market value adjustments	6,375	9,665	19,369
7	Other operating income	41,320	17,928	39,029
8	Staff costs and administrative expenses	280,576	349,969	641,300
	Amortisation, depreciation and impairment charges	11,999	13,700	27,293
	Other operating expenses	16,247	4,174	11,409
9	Impairment charges on loans and advances etc.	92,677	81,253	148,169
	Income from associated undertakings	-7	0	1,716
	Income on assets temporarily acquired			
	Profit before tax	76,679	11,964	121,470
	Tax	11,198	1,654	18,396
	Net profit	65,481	10,310	103,073
	Portion attributable to			
	Shareholders of BankNordik P/F	65,481	10,032	103,073
	Non-controlling interests	0	278	0
	Net profit	65,481	10,310	103,073
	EPS Basic for the period, DKK*	6.55	1.03	10.31
	EPS Diluted for the period, DKK *	6.64	1.05	10.45

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

Statement of comprehensive income - BankNordik Group

DKK 1,000	H1 2013	H1 2012	Full year 2012
Net profit	65,481	10,310	103,073
Other comprehensive income			
Translation of non-Faroese subsidiaries	7,535	246	-1,727
Revaluation reserve	10,756	0	0
Tax on other comprehensive income	-1,936	-1,183	0
Total other comprehensive income	16,355	-937	-1,727
Total comprehensive income	81,836	9,373	101,347
Portion attributable to			
Shareholders of BankNordik P/F	81,836	9,373	101,347
Non-controlling interests			
Total comprehensive income	81,836	9,373	101,347

Balance Sheet - BankNordik Group

Note	DKK 1,000	June 30 2013	June 30 2012	Full year 2012
Assets				
	Cash in hand and demand deposits with central banks	479,393	668,628	644,335
10	Due from credit institutions and central banks	756,485	315,529	839,116
11	Loans and advances at fair value	839,441	1,078,416	1,038,103
11	Loans and advances at amortised cost	9,910,267	10,351,293	10,264,599
	Bonds at fair value	3,471,204	3,379,798	2,881,904
	Shares, etc.	416,917	365,999	411,512
	Assets under insurance contracts	105,506	112,417	85,683
	Holdings in associates	14,725	32,586	14,875
	Intangible assets	803,929	834,424	807,268
	Assets under pooled schemes	0	134,027	0
	Total land and buildings	327,571	336,130	353,455
	investment property	153,577	121,948	158,093
	domicile property	173,994	214,182	195,362
	Other property, plant and equipment	23,874	29,362	24,296
	Current tax assets	7,579	6,501	6,846
	Deferred tax assets	50,098	21,354	43,407
12	Assets held for sale	20,924	60,412	25,811
	Other assets	103,879	114,106	150,316
	Prepayments	37,114	35,170	17,440
	Total assets	17,368,907	17,876,151	17,608,966

Balance Sheet - BankNordik Group

Note	DKK 1,000	June 30 2013	June 30 2012	Dec. 31 2012
Shareholders' equity and liabilities				
Liabilities other than provisions				
	Due to credit institutions and central banks	1,387,264	1,024,008	1,288,052
	Deposits and other debt	12,330,533	13,128,185	12,745,653
	Deposits under pooled schemes	0	134,027	0
	Liabilities under insurance contracts	403,927	390,163	339,769
	Current tax liabilities	6,881	7,865	4,505
	Other liabilities	310,843	359,140	386,811
	Deferred income	10,873	9,500	18,400
	Total liabilities other than provisions	14,450,321	15,052,887	14,783,190
Provisions for liabilities				
	Provisions for deferred tax	71,206	13,221	56,433
	Provisions for losses on guarantees	54,851	31,287	43,551
	Total provisions for liabilities	126,057	44,508	99,983
Subordinated debt				
	Subordinated debt	667,583	821,503	672,431
	Total liabilities	15,243,961	15,918,899	15,555,604
Shareholders' equity				
	Share capital	200,000	200,000	200,000
	Foreign translation reserve	25,978	15,436	18,443
	Revaluation reserve	8,820	0	0
	Retained earnings	1,890,148	1,741,816	1,824,919
	Proposed dividends	0	0	10,000
	Total shareholders' equity	2,124,946	1,957,252	2,053,362
	Total liabilities and equity	17,368,907	17,876,151	17,608,966

Statement of capital - BankNordik Group

Changes in shareholders' equity:

DKK 1,000	Share capital	Foreign currency		Proposed dividends	Retained earnings	Minority interests		Total
		translation reserve	Revaluation reserve			Total	interests	
Shareholders' equity at January 1, 2013	200,000	18,443	0	10,000	1,824,919	2,053,362		2,053,362
Revaluation of assets			10,756			10,756		10,756
Translation of foreign units		7,535			0	7,535		7,535
Tax on entries on income recognised as Other comprehensive income		0	-1,936			-1,936		-1,936
Income recognised directly on shareholders' equity		7,535	8,820	0	0	16,355		16,355
Net profit				0	65,481	65,481	0	65,481
Total comprehensive income		7,535	8,820		65,481	81,836	0	81,836
Acquisition of own shares					-5,978	-5,978		-5,978
Sale of own shares					5,725	5,725		5,725
Dividends paid				-10,000	0	-10,000		-10,000
Shareholders' equity at June 30, 2013	200,000	25,978	8,820	0	1,890,147	2,124,946	0	2,124,946

DKK 1,000	Share capital	Foreign currency		Proposed dividends	Retained earnings	Minority interests		Total
		translation reserve	Revaluation reserve			Total	interests	
Shareholders' equity at January 1, 2012	200,000	13,274	0	0	1,738,739	1,952,013	5,682	1,957,695
Translation of foreign units		246				246	0	246
Tax on entries on income recognised as Other comprehensive income		-1,183				-1,183		-1,183
Income recognised directly on shareholders' equity		-937			0	-937	0	-937
Net profit					10,310	10,310	0	10,310
Total comprehensive income		-937	0	0	10,310	9,373	0	9,373
Purchase of minority interests in Vørður		3,099			-7,235	-4,136	-5,682	-9,818
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		0
Shareholders' equity at June 30, 2012	200,000	15,436	0	0	1,741,817	1,957,253	0	1,957,253

Shares

DKK 1,000	H1		Full year
	2013	2012	2012
Net profit	65,481	10,310	103,073
Average number of shares outstanding	9,863	9,863	9,863
Number of dilutive shares issued	0	0	0
Average number of shares outstanding, including dilutive shares diluted	9,863	9,863	9,863
Earnings per share, DKK	6.55	1.03	10.31
Diluted net profit for the period per share, DKK	6.64	1.05	10.45

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	9,863	9,863
Group's average holding of own shares during the period	137	137	137
Average shares outstanding	9,863	9,863	9,863

Cash flow statement - BankNordik Group

DKK 1,000	H1 2013	H1 2012	Full year 2012
Cash flow from operations			
Net profit for the period	65,481	10,310	103,073
Result from associates	0	0	-2,511
Amortisation and impairment charges for intangible assets	6,129	5,911	15,077
Depreciation and impairment charges of tangible assets	5,870	5,573	11,608
Impairment of loans and advances/guarantees	93,463	80,474	152,009
Other adjustments	-2,536	-6,369	-2,000
Paid tax	0	0	-3,581
Other non-cash operating items	-5,151	-47,663	-47,611
Total	163,263	43,856	226,065
Changes in operating capital			
Tax charged to the income statement	11,198	2,763	18,396
Change in loans at fair value	175,337	-54,326	-15,450
Change in loans at amortised cost	257,337	317,062	329,700
Change in holding of bonds	-599,502	-833,895	-363,055
Change in holding of shares	6,723	20,799	-35,374
Acquisition of Amagerbanken	0	0	30,000
Change in deposits	-415,120	239,943	-165,105
Due to credit institutions and central banks	99,213	-105,308	-41,264
Change in other assets / liabilities	13,529	-1,130	-17,056
Assets/liabilities under insurance contracts	42,235	43,429	0
Prepayments	-26,419	-18,449	5,996
Cash flow from operations	-272,207	-345,255	-27,148
Cash flow from investing activities			
Dividends received	2,536	6,903	2,000
Acquisition of intangible assets	0	-56,388	-648
Acquisition of tangible assets	-4,904	-39,145	-14,169
Sale of tangible assets	36,181	4	4,422
Cash flow from investing activities	33,813	-88,626	-8,396
Cash flow from financing activities			
Issue of bonds	0	-98,276	0
Acquisition of group undertakings and other business units/branches	0	-44,278	0
Increase in loans from central banks	0	800,000	1,000,000
Change in subordinated debt	0	0	-150,000
Acquisition of own shares	-5,978	-16,737	-17,425
Sale of own shares	5,725	16,739	17,428
Payment of dividends	-10,000	0	0
Repayment of issued bonds	0	0	-98,276
Cash flow from financing activities	-10,253	657,448	751,726
Cash flow	-248,646	223,567	716,182
Cash in hand and demand deposits with central banks, and due from credit institutions, etc. at the beginning of the year	1,483,451	760,427	770,042
Foreign currency translation	1,073	163	-2,773
Cash flow	-248,646	223,567	716,182
Cash and due etc.	1,235,878	984,157	1,483,451
Cash and due etc.			
Cash in hand and demand deposits with central banks	479,393	668,628	644,335
Due from credit institutions, etc.	756,485	315,529	839,116
Total	1,235,878	984,157	1,483,451

Note 1 Significant accounting policies

The consolidated financial statement for the first half of 2013 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 2012. The Annual Report 2012 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 2012 and the uncertainties prevailing at that time.

BankNordik Group - segment reporting H1 2013

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	202,850	175,921	28,159	406,929		1,203	4,952	6,155	1	-35,427	377,657
	of which internal interest income		35,063		35,063							35,063
	Interest expense	66,020	39,797	9,370	115,187					0	-35,427	79,759
	of which internal interest expense	30,375		4,688	35,063							35,063
	Net interest income	136,830	136,124	18,788	291,743	1,203	4,952	6,155	1			297,898
	Dividends from shares and other investments	2,535	1		2,536			4,199		0		6,735
	Net fee income	26,370	57,729	5,459	89,558		-3,925	-3,925	0	0		85,633
	Premium income, net of reinsurance					42,396	102,520	144,916	0	-984		143,932
	Claims, net of reinsurance					20,919	82,790	103,709	0			103,709
	Market value adjustments	5,960			5,960	-879	1,294	415	0			6,375
	Income from associates									-7		-7
	Other operating income	21,002	18,146	634	39,782	-50	61	10	1,930		-403	41,320
	Total income	192,698	212,000	24,881	429,579	21,751	26,310	48,061	1,924		-1,386	478,177
	Staff costs and administrative expenses	92,155	148,345	14,293	254,792	8,142	17,361	25,503	1,668		-1,386	280,576
	Depreciation and impairment of property, plant and equipment	890	9,538	-35	10,393	269	1,286	1,555	50			11,999
	Other operating expenses	6,775	8,725	747	16,247	0		0				16,247
	Total operating expenses	99,820	166,608	15,005	281,433	8,411	18,646	27,058	1,718		-1,386	308,822
	Profit before impairment charges on loans	92,878	45,392	9,876	148,146	13,339	7,664	21,003	206			169,355
	Impairment charges on loans and advances etc.	21,946	64,414	6,344	92,703		-26	-26	0			92,677
	Profit before tax	70,933	-19,022	3,532	55,443	13,339	7,690	21,030	206		0	76,679
	Loans and advances	5,981,966	3,963,966	803,776	10,749,708	0	0	0	0			10,749,708
	Holdings in associates	14,725	0	0	14,725	0	0	0	0			14,725
	Other assets	4,958,459	3,646,478	47,301	8,652,238	192,722	462,768	655,490	18,413		-2,721,666	6,604,474
	Total assets	10,955,150	7,610,444	851,077	19,416,670	192,722	462,768	655,490	18,413		-2,721,666	17,368,907
	Deposits	5,154,041	6,826,255	456,480	12,436,776		0	0			-106,243	12,330,533
	Other liabilities	4,618,626	613	235,710	4,854,949	93,940	341,471	435,411	6,706		-2,383,637	2,913,429
	Shareholders equity	1,182,483	783,576	158,886	2,124,945	98,782	121,297	220,079	11,707		-231,786	2,124,945
	Total liabilities and equity	10,955,150	7,610,444	851,077	19,416,670	192,722	462,768	655,490	18,413		-2,721,666	17,368,907
	Internal interest income/expense allocated to operating segments	2.5%	2.5%	2.5%	2.5%							
	Cost/income ratio (%)	63.2%	109.0%	85.8%	87.1%	38.7%	70.8%	56.2%	89.3%			84.0%
	Cost/income ratio (excl. value adjustments and impairments on loans and advances etc.) (%)	53.5%	78.6%	60.3%	66.4%	37.2%	74.5%	56.8%	89.3%			65.5%

Banking activities returned a pre-tax profit of DKK 55m compared to a pre-tax loss of DKK 3m in H1 2012. Banking in the Faroe Islands rendered a pre-tax profit of DKK 71m compared to a profit of DKK 28m in H1 2012. The main reasons are higher net interest income, non-recurring income, lower impairments and lower expenses compared to H1 2012. Due to increased impairments banking in Denmark rendered a pre-tax loss of DKK -19m compared to a pre-tax loss of DKK -35m at the end of H1 2012. In Denmark core earnings increased significantly compared to H1 2012 due to significantly lower staff costs and administrative expenses. Banking in Greenland rendered a profit before tax of DKK 4m i.e. on the same level as in the same period last year.

Insurance activities returned a pre-tax profit of DKK 21m compared to DKK 14m the same period last year. In Faroe Islands the pre-tax result for insurance in Faroe Islands was DKK 13m compared to DKK 10m the same period last year. In Iceland the insurance activities rendered a pre-tax profit of DKK 8m compared to DKK 3m for the same period last year.

Other operations returned a pre tax profit of DKK 0m compared to a pre tax profit of DKK 1m the same period in 2012.

BankNordik Group - segment reporting H1 2012

Operating segments		Banking				Insurance			Other	Elimination	Group
Note	DKK 1,000	Faroe Islands	Denmark	Greenland	BankNordik	Faroe Island	Iceland	Total	Other		BankNordik
2	Interest income	216,683	197,544	32,518	446,744	1,573	4,019	5,591	186	-39,967	412,555
	of which internal interest income	0	39,219	0	39,219	0	0	0	0	0	39,219
	Interest expense	82,875	52,160	11,688	146,722	0	26	26	1	-39,967	106,783
	of which internal interest expense	34,363	0	4,857	39,219	0	0	0	0	0	39,219
	Net interest income	133,808	145,384	20,830	300,022	1,573	3,993	5,566	185	0	305,772
	Dividends from shares and other investments	1,548	2	0	1,550	0	5,341	5,341	13	0	6,903
	Net fee income	26,715	60,018	6,148	92,880	0	-2,729	-2,729	526	-286	90,391
	Premium income, net of reinsurance	0	0	0	0	39,604	95,228	134,832	1,972	-991	135,812
	Claims, net of reinsurance	0	0	0	0	20,408	84,331	104,739	672	0	105,411
	Market value adjustments	7,326	0	0	7,326	-199	2,366	2,167	172	0	9,665
	Income from associates	0	0	0	0	0	0	0	0	0	0
	Other operating income	-590	16,613	45	16,069	-10	1	-9	2,146	-278	17,928
	Total income	168,807	222,017	27,023	417,846	20,560	19,868	40,428	4,341	-1,555	461,060
	Staff costs and administrative expenses	103,291	204,112	17,192	324,596	10,005	14,571	24,576	2,352	-1,555	349,969
	Depreciation and impairment of property, plant and equipment	2,775	7,583	522	10,880	332	1,847	2,179	642	0	13,700
	Other operating expenses	1,741	2,241	192	4,174	0	0	0	0	0	4,174
	Total operating expenses	107,807	213,937	17,907	339,650	10,336	16,418	26,754	2,994	-1,555	367,843
	Profit before impairment charges on loans	61,000	8,080	9,116	78,196	10,224	3,450	13,673	1,347	0	93,216
	Impairment charges on loans and advances etc.	32,683	43,291	5,182	81,156	0	94	94	2	0	81,253
	Profit before tax	28,317	-35,211	3,934	-2,960	10,224	3,356	13,579	1,344	0	11,964
	Loans and advances	6,176,623	4,410,414	842,672	11,429,709	0	0	0	0	0	11,429,709
	Holdings in associates	32,586	0	0	32,586	0	27,482	27,482	0	-27,482	32,586
	Other assets	5,159,068	3,756,854	72,259	8,988,180	193,531	383,879	577,410	51,865	-3,203,600	6,413,856
	Total assets	11,368,277	8,167,267	914,931	20,450,475	193,531	411,361	604,892	51,865	-3,231,081	17,876,151
	Deposits	5,383,898	7,412,017	570,789	13,366,704	0	0	0	0	-104,492	13,262,212
	Other liabilities	4,926,679	0	199,840	5,126,519	96,162	310,769	406,931	12,860	-2,889,624	2,656,687
	Shareholders equity	1,057,701	755,250	144,301	1,957,252	97,369	100,592	197,961	39,004	-236,966	1,957,252
	Total liabilities and equity	11,368,277	8,167,267	914,931	20,450,475	193,531	411,361	604,892	51,865	-3,231,081	17,876,151
	Internal interest income/expense allocated to operating segments	4.0%	4.0%	4.0%	4.0%						
	Cost/income ratio (%)	83.2%	115.9%	85.4%	100.7%	50.3%	83.1%	66.4%	69.0%		97.4%
	Cost/income ratio (excl. value adjustments and impairments on loans and advances etc.) (%)	66.8%	96.4%	66.3%	82.7%	49.8%	93.8%	69.9%	71.8%		81.5%

BankNordik Group - Geographical revenue information

	Total income		Non-current assets		Additions on material assets		Additions on immaterial assets	
	H1 2013	H1 2012	H1 2013	H1 2012	H1 2013	H1 2012	H1 2013	H1 2012
Faroe Islands	214,987	185,837	307,403	297,330	-30,815	-207		
Denmark	212,000	222,017	679,210	753,061	747	-2,623	-3,571	50,871
Iceland	26,310	26,183	12,527	33,584	376	2,441	232	0
Greenland	24,881	27,023	170,959	172,666	3,386	0		
Total	478,177	461,060	1,170,098	1,256,641	-26,306	-389	-3,339	50,871

Income from external customers are divided into activities related to the customers's domicil. 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	H1 2013	H1 2012
Banking	428,192	416,292
Insurance products	48,061	40,428
Other	1,924	4,341
Total revenue	478,177	461,060

The Groupe'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	H1 2013	H1 2012	Full Year 2012
3	Interest income			
	Credit institutions and central banks	2,562	4,700	8,098
	Loans and advances	349,755	390,061	758,423
	Bonds	31,503	26,468	57,464
	Total derivatives of which:	-9,076	-11,576	-12,637
	<i>Currency contracts</i>	0	0	115
	<i>Interest rate contracts</i>	-9,076	-11,576	-12,752
	<i>Other transactions</i>			
	Other interest income	2,913	2,902	4,139
	Total interest income	377,657	412,555	815,486
4	Interest expenses			
	Credit institutions and central banks	-504	197	342
	Deposits	48,251	68,516	126,875
	Issued Bonds	0	-56	0
	Subordinated debt	31,167	35,772	70,722
	Other interest expenses	845	2,354	4,282
	Total interest expenses	79,759	106,782	202,221
5	Net fee and commission income			
	Fee and commission income			
	Securities trading and custody accounts	19,646	12,996	21,084
	Credit transfers	14,779	15,589	32,194
	Loan commissions	4,998	5,420	12,192
	Guarantee commissions	11,644	11,718	23,450
	Other fees and commissions	46,231	50,852	110,144
	Total fee and commission income	97,298	96,576	199,065
	Fee and commissions paid			
	Securities trading and custody accounts	11,665	6,185	14,172
	Net fee and commission income	85,633	90,390	184,893
6	Market value adjustments			
	Loans and advances	-23,325	1,710	245
	Bonds	-12,711	-6,375	-9,996
	Shares	14,174	16,816	28,616
	Investment properties	-3,500	-7,712	-11,400
	Foreign exchange	1,058	4,134	4,555
	Total derivatives of which:	25,441	-8,648	-3,078
	<i>Currency Swaps</i>	0	0	16,548
	<i>Interest Swaps</i>	20,622	-10,593	-21,014
	<i>Other contracts</i>	4,819	1,945	1,388
	<i>Other obligations</i>	5,239	9,743	10,374
	Assets linked to pooled schemes	0	-4	-7,230
	Deposits in pooled schemes			7,283
	Total market value adjustments	6,375	9,665	19,369

Note	DKK 1,000	H1 2013	H1 2012	Full Year 2012
7	Other operating income			
	Profit/loss on sale of investment and corporate properties and temporary properties	18.177	0	625
	Profit on sale of operating equipment	270	0	0
	Reversals of acquired OEL impairments	17.324	16.073	33.002
	Other income	5.548	1.855	5.403
	Total other operating income	41.320	17.928	39.029
8	Staff costs and administrative expenses			
	Staff costs:			
	Salaries	136.438	162.597	307.104
	Pensions	16.528	16.820	34.234
	Social security expenses	19.671	19.401	38.449
	Total staff costs	172.638	198.819	379.787
	Administrative expenses:			
	IT	83.114	81.836	129.577
	Marketing etc	12.822	10.269	21.547
	Education etc	4.032	2.615	5.893
	Advisory services	2.412	4.497	8.541
	Other expenses	14.109	63.927	111.110
	Total administrative expenses	116.490	163.144	276.668
	Total staff costs	172.638	198.818	379.787
	Employee exp. incl. under the item "Claims, net of reinsurance"	-8.551	-11.994	-15.156
	Total administrative expenses	116.490	163.144	276.668
	Total staff costs and administrative expenses	280.576	349.969	641.300
	Number of employees			
	Average number of full-time employees in the period	526	610	567
	Executive remuneration:			
	Board of Directors	855	765	1.620
	Executive Board:			
	Salaries	2.243	2.154	4.488
	Pension	344	261	658
	Total executive remuneration	3.442	3.181	6.765
	DKK 1,000			
9	Impairment charges on loans and advances etc.			
	Due from credit institutions and central banks			
	Loans and advances at amortised cost	77.438	76.011	111.826
	Loans and advances at fair value	2.746	0	11.352
	Guarantees and loan commitments	11.300	2.953	15.422
	Assets held for sale	1.192	2.288	9.569
	Total	92.677	81.253	148.169
	Individual impairment charges etc.			
	New and increased impairment charges	130.931	110.111	191.215
	Reversals of impairment charges	40.497	29.842	43.226
	Write-offs charged directly to the income statement	8.241	2.570	20.091
	Received on claims previously written off	554	682	3.903
	Revaluations on Assets held for sale	41	0	0
	Interest income on impaired loans and advances etc.	8.465	7.044	14.473
	Total individual impairment charges	89.698	75.113	149.704
	Collective impairment charges			
	New and increased impairment charges	3.116	6.140	1.168
	Reversals of impairment charges	137	0	2.703
	Total collective impairment charges	2.979	6.140	-1.535
	Total impairment charges	92.677	81.253	148.169

Notes - BankNordik Group

Note	DKK 1,000	H1 2013	H1 2012	Full Year 2012
10	Due from credit institutions etc. specified by maturity			
	On demand	731,869	315,529	839,116
	3 months and below			
	3 months to 1 year	24,616	0	0
	Total	756,485	315,529	839,116
11	Impairment charges, loans and advances			
	Individual impairment charges etc.			
	At 1 January	332,417	316,798	316,798
	New and increased impairment charges	118,643	101,148	190,913
	Reversals of impairment charges	38,113	28,409	39,649
	Written-off, previously impaired	19,429	75,952	135,647
	Foreign currency translation	0	1	2
	Total	393,519	313,586	332,417
	Collective impairment charges			
	At 1 January	23,602	25,137	25,137
	New and increased impairment charges	3,116	6,140	1,168
	Reversals of impairment charges	137	0	2,703
	Total	26,581	31,276	23,602
	Total	420,100	344,862	356,019
12	Assets held for sale			
	Total purchase price, at 1 January	34,025	207,464	207,464
	Additions	2,049	24,916	6,606
	Disposals and write off	7,923	4,036	46,029
	Reclassification to Investment property	0	127,160	134,016
	Total purchase price	28,151	101,184	34,025
	Depreciation and impairment, at 1 January	8,214	38,483	38,483
	Impairment charges for the year	1,192	2,288	7,614
	Revaluation recognized in the income statement	41	0	0
	Reversal of impairment on revaluations during the year	2,220	0	0
	Reversal of impairment on disposals during the year	0	0	-37,883
	Total depreciation and impairment	7,227	40,772	8,214
	Total assets held for sale	20,924	60,412	25,811
13	Contingent liabilities			
	Guarantees			
	Financial guarantees	126,508	116,968	127,824
	Mortgage finance guarantees	434,755	549,876	507,446
	Registration and remortgaging guarantees	305,226	611,381	439,846
	Other guarantees	971,316	726,767	705,283
	Total	1,837,804	2,004,992	1,780,400

14 **Assets deposited as collateral**

At June 30 2013 the Group had deposited bonds at a total market value of DKK 378m with Danmarks Nationalbank (the Danish Central Bank) in connection with clearing (H1 2012: 184m). Furthermore at June 30 2013 the Group has deposited a total of DKK 1.5 bn of the Groups loan portfolio in connection with the Groups borrowing of DKK 1bn from Danmarks Nationalbank (H1 2012 1.6bn). Deposits of bonds to others in total have at market value of 50m.

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 2012. The Annual Report 2012 provides a full description of the Bank's significant accounting policies.

Income statement - P/F BankNordik

Note	DKK 1,000	H1 2013	H1 2012	Full year 2012
1	Interest income	371,867	407,525	805,081
2	Interest expenses	80,124	107,503	203,360
	Net interest income	291,743	300,022	601,721
	Dividends from shares and other investments	2,536	1,550	2,000
3	Fee and commission income	96,293	95,619	198,240
3	Fee and commissions paid	6,735	2,740	7,987
	Net interest and fee income	383,837	394,452	793,974
4	Market value adjustments	5,960	7,326	14,431
5	Other operating income	39,782	16,069	34,891
6	Staff costs and administrative expenses	254,792	324,596	589,620
	Depreciation and impairment of property, plant and equipment	10,393	10,880	22,491
	Other operating expenses	16,247	4,174	10,832
7	Impairment charges on loans and advances etc.	92,703	81,156	148,460
	Income from associated and subsidiary undertakings	17,236	12,156	41,284
	Profit before tax	72,679	9,196	113,176
	Tax	7,198	-1,114	10,078
	Net profit	65,481	10,310	103,099

Statement of comprehensive income - P/F BankNordik

DKK 1,000	H1 2013	H1 2012	Full year 2012
Net profit	65,481	10,310	103,099
Other comprehensive income			
Translation of non-Faroese subsidiaries	7,217	246	-4,723
Revaluation reserve	10,756	0	0
Tax on other comprehensive income	-1,936	-1,183	0
Total other comprehensive income	16,037	-937	-4,723
Total comprehensive income	81,518	9,373	98,376

Balance Sheet - P/F BankNordik

Note	DKK 1,000	June 30 2013	June 30 2012	Dec. 31 2012
Assets				
	Cash in hand and demand deposits with central banks	420,573	668,628	586,907
8	Due from credit institutions and central banks	731,869	284,920	815,856
9	Loans and advances at fair value	839,441	1,078,416	1,038,103
9	Loans and advances at amortised cost	9,910,267	10,351,284	10,264,594
	Bonds at fair value	3,263,481	3,212,662	2,697,873
	Shares, etc.	278,993	190,056	287,231
	Holdings in associates	14,725	32,586	14,875
	Holdings in subsidiaries	231,786	209,484	229,890
	Assets under pooled schemes	0	134,027	0
	Intangible assets	794,207	830,835	797,779
	Total land and buildings	325,526	334,148	351,419
	investment property	170,900	139,271	175,416
	domicile property	154,626	194,877	176,003
	Other property, plant and equipment	20,679	26,295	21,491
	Current tax assets	7,579	6,501	6,846
	Deferred tax assets	32,285	4	26,333
10	Assets held for sale	20,924	60,412	25,811
	Other assets	97,394	107,868	144,678
	Prepayments	35,880	33,040	15,134
	Total assets	17,025,608	17,561,166	17,324,821

Balance Sheet - P/F BankNordik

Note	DKK 1,000	June 30 2013	June 30 2012	Dec. 31 2012
Shareholders' equity and liabilities				
Liabilities other than provisions				
	Due to credit institutions and central banks	1,387,264	1,024,008	1,288,052
	Deposits and other debt	12,436,776	13,232,677	12,861,466
	Deposits under pooled schemes	0	134,027	0
	Current tax liabilities	0	5,038	0
	Other liabilities	286,231	339,166	351,620
	Deferred income	4,175	2,987	5,015
	Total amounts due	14,114,447	14,737,902	14,506,152
Provisions for liabilities				
	Provisions for deferred tax	71,206	13,221	56,433
	Provisions for losses on guarantees	54,851	31,287	43,551
	Total provisions	126,057	44,508	99,983
Subordinated debt				
	Subordinated debt	667,583	821,503	672,431
	Total liabilities	14,908,087	15,603,914	15,278,566
Shareholders' equity				
	Share capital	200,000	200,000	200,000
	Foreign currency translation reserve	25,661	15,436	18,443
	Revaluation reserve	8,820	0	0
	Reserve, Equity Method	98,619	52,255	81,383
	Retained earnings	1,784,422	1,689,561	1,736,429
	Proposed dividends	0	0	10,000
	Total shareholders' equity	2,117,521	1,957,252	2,046,255
	Total liabilities and equity	17,025,608	17,561,166	17,324,821

Statement of capital - BankNordik P/F

Changes in shareholders' equity:

DKK 1,000	Share capital	Foreign	Revaluation reserve	Equity		Retained earnings	Total
		currency translation reserve		method reserve	Proposed dividends		
Shareholders' equity at January 1, 2013	200.000	18.443	0	81.383	10.000	1.736.429	2.046.255
Revaluation of assets			10.756				
Translation of foreign units		7.217	0				7.217
Tax on entries on income recognised as Other comprehensive income		0	-1.936				-1.936
Income recognised directly on shareholders' equity		7.217	8.820	0	0	0	16.037
Net profit				17.236	0	48.245	65.481
Total comprehensive income		7.217	8.820	17.236	0	48.245	81.518
Acquisition of own shares						-5.978	-5.978
Sale of own shares						5.725	5.725
Dividends paid					-10.000	0	-10.000
Shareholders' equity at June 30, 2013	200.000	25.661	8.820	98.619	0	1.784.422	2.117.521

DKK 1,000	Share capital	Foreign	Revaluation reserve	Equity		Retained earnings	Total
		currency translation reserve		method reserve	Proposed dividends		
Shareholders' equity at January 1, 2012	200.000	16.373	0	40.099	0	1.691.405	1.947.877
Translation of foreign units		246	0				246
Tax on entries on income recognised as Other comprehensive income		-1.183					-1.183
Income recognised directly on shareholders' equity		-937	0	0	0	0	-937
Net profit				12.156		-1.847	10.310
Total comprehensive income		-937	0	12.156	0	-1.847	9.373
Acquisition of own shares						-16.737	-16.737
Sale of own shares						16.739	16.739
Dividends paid							0
Shareholders' equity at June 30, 2012	200.000	15.436	0	52.255	0	1.689.561	1.957.252

Statement of capital - P/F BankNordik

Solvency

DKK 1,000	H1 2013	H1 2012	Full year 2012
Core capital	1,594,580	1,444,637	1,537,748
Base capital	1,824,955	1,818,123	1,764,115
Risk-weighted items not included in the trading portfolio	8,954,009	9,589,837	9,644,767
Risk-weighted items with market risk etc.	1,541,973	1,119,569	1,172,371
Risk-weighted items with operational risk	1,316,520	1,322,113	1,084,613
Total risk-weighted items	11,812,501	12,031,518	11,901,750
Core capital ratio, excl. hybrid core capital	10.2%	8.7%	9.6%
Core capital ratio	13.5%	12.0%	12.9%
Solvency ratio	15.4%	15.1%	14.8%
Core Capital and Shareholders' equity			
Share capital	200,000	200,000	200,000
Reserves	133,099	67,691	99,826
Net profit	65,481	10,310	103,099
Retained earnings, previous years	1,718,941	1,679,251	1,643,331
Shareholders' equity	2,117,521	1,957,252	2,046,255
Deduction of dividend	0	0	10,000
Deduction of net profit	0	10,310	0
Deduction of Foreign currency translation reserve	25,661	15,436	18,443
Deduction of intangible assets	794,207	830,835	797,779
Deduction of revaluation reserve	8,820	0	0
Deduction of deferred tax assets	32,285	4	26,333
Deduction of insurance subsidiaries	53,998	52,024	51,008
Core capital exclusive of hybrid core capital	1,202,550	1,048,644	1,142,692
Hybrid core capital	392,030	395,993	395,055
Core capital	1,594,580	1,444,637	1,537,748
Base capital			
Core capital	1,594,580	1,444,637	1,537,748
Addition of revaluation reserve	8,820	0	0
Subordinated loan capital	275,553	425,510	277,375
Deduction of insurance subsidiaries	53,998	52,024	51,008
Base capital	1,824,955	1,818,123	1,764,115

The external auditors have confirmed that BankNordik fulfills the requirements to recognize the H1 2013 net profit in the core capital.

Cash flow statement - P/F BankNordik

DKK 1,000	H1 2013	H1 2012	Full year 2012
Cash flow from operations			
Net profit for the period	65,481	10,310	103,099
Result from investments in subsidiaries	-17,236	-12,686	-39,568
Result from associates	0	0	-1,716
Amortisation and impairment charges for intangible assets	6,129	4,064	12,272
Depreciation of tangible assets	4,265	4,751	10,219
Impairment of loans and advances/guarantees	93,490	80,474	152,009
Other adjustments	-2,536	-4,453	-2,000
Paid tax	0	0	0
Other non-cash operating items	-5,569	-39,405	-17,468
Total	144,023	43,055	216,846
Changes in operating capital			
Tax charged to the income statement	7,198	0	10,078
Change in loans at fair value	175,337	-54,326	-15,450
Change in loans at amortised cost	257,337	317,062	329,700
Change in holding of bonds	-576,689	-842,317	-368,661
Change in holding of shares	20,367	20,799	-47,855
Acquisition of Amagerbanken	0	0	30,000
Change in deposits	-424,690	244,029	-145,738
Due to credit institutions and central banks	99,213	-105,308	-41,264
Change in other assets / liabilities	23,687	28,296	20,450
Prepayments	-21,585	-13,217	6,716
Cash flow from operations	-295,801	-361,928	-5,177
Cash flow from investing activities			
Dividends received	22,536	1,550	2,000
Acquisition of intangible assets	0	-54,935	0
Acquisition of tangible assets	-2,985	-15,090	-21,456
Sale of tangible assets	36,181	0	4,474
Cash flow from investing activities	55,732	-68,475	-14,982
Cash flow from financing activities			
Issue of bonds	0	-98,276	0
Acquisition of group undertakings and other business units/branches	0	-44,278	-55,307
Increase in loans from central banks	0	800,000	1,000,000
Change in subordinated debt	0	0	-150,000
Acquisition of own shares	-5,978	-16,737	-17,425
Sale of own shares	5,725	16,739	17,428
Payment of dividends	-10,000	0	0
Repayment of issued bonds	0	0	-98,276
Cash flow from financing activities	-10,253	657,448	696,419
Cash flow	-250,321	227,045	676,259
Cash in hand and demand deposits with central banks, and due from credit institutions, etc. at the beginning of the year	1,402,763	726,504	726,504
Foreign currency translation	0	0	0
Cash flow	-250,321	227,045	676,259
Cash and due etc.	1,152,442	953,548	1,402,763
Cash and due etc.			
Cash in hand and demand deposits with central banks	420,573	668,628	586,907
Due from credit institutions, etc.	731,869	284,920	815,856
Total	1,152,442	953,548	1,402,763

Notes - P/F BankNordik

Note	DKK 1,000	H1 2013	H1 2012	Full Year 2012
1	Interest income			
	Credit institutions and central banks	150	2,394	2,293
	Loans and advances	349,755	390,798	758,423
	Bonds	30,665	25,642	57,464
	Total derivatives of which:	-9,076	-11,576	-12,637
	<i>Currency contracts</i>			
	<i>Interest rate contracts</i>	-9,076	-11,576	-12,637
	<i>Other transactions</i>			
	Other interest income	373	266	-461
	Total interest income	371,867	407,525	805,081
2	Interest expenses			
	Credit institutions and central banks	-139	196	339
	Deposits	48,251	69,264	128,017
	Issued Bonds	0	-56	-56
	Subordinated debt	31,167	35,772	70,722
	Other interest expenses	845	2,328	4,339
	Total interest expenses	80,124	107,503	203,360
3	Net fee and commission income			
	Fee and commission income			
	Securities trading and custody accounts	19,646	12,996	21,084
	Credit transfers	14,779	15,589	32,194
	Loan commissions	4,998	5,420	12,192
	Guarantee commissions	11,644	11,718	23,450
	Other fees and commissions	45,225	49,896	109,320
	Total fee and commission income	96,293	95,619	198,240
	Fee and commissions paid			
	Securities trading and custody accounts	6,735	2,740	7,987
	Net fee and commission income	89,558	92,880	190,253
4	Market value adjustments			
	Loans and advances	-23,325	1,710	245
	Bonds	-11,081	-5,018	-10,286
	Shares	12,129	13,120	23,967
	Investment properties	-3,500	-7,712	-11,400
	Foreign exchange	1,058	4,134	4,555
	Total derivatives of which:	25,441	-8,648	-3,078
	<i>Currency Swaps</i>	0	0	16,548
	<i>Interest Swaps</i>	20,622	-10,593	-21,014
	<i>Other contracts</i>	4,819	1,945	1,388
	Assets under pooled schemes	0	-4	53
	Other obligations	5,239	9,743	10,374
	Total market value adjustments	5,960	7,326	14,431

Note	DKK 1,000	H1 2013	H1 2012	Full Year 2012
5	Other operating income			
	Profit/loss on sale of investment and corporate properties and temporary properties	18.177	0	625
	Profit on sale of operating equipment	270	0	0
	Reversals of acquired OEI impairments	17.324	16.073	33.002
	Other income	4.010	-4	1.264
	Total other operating income	39.782	16.070	34.891
6	Staff costs and administrative expenses			
	Staff costs:			
	Salaries	119.655	142.212	274.519
	Pensions	14.281	15.008	30.626
	Social security expenses	16.196	16.061	32.199
	Total staff costs	150.133	173.281	337.344
	Administrative expenses	104.660	151.315	252.276
	Total staff costs and administrative expenses	254.792	324.596	589.620
	Number of employees			
	Average number of full-time employees in the period	448	526	488
	Executive remuneration:			
	Board of Directors	855	765	1.620
	Executive Board:			
	Salaries	2.243	2.154	4.488
	Pension	344	261	567
	Total executive remuneration	3.442	3.181	6.675
	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 2012.			
7	Impairment charges on loans and advances etc.			
	Due from credit institutions and central banks			
	Loans and advances at amortised cost	77.464	75.915	112.117
	Loans and advances at fair value	2.746	0	11.352
	Guarantees and loan commitments	11.300	2.953	15.422
	Assets held for sale	1.192	2.288	9.569
	Total	92.703	81.156	148.460
	Individual impairment charges etc.			
	New and increased impairment charges	130.931	110.015	191.204
	Reversals of impairment charges	40.497	29.842	43.112
	Write-offs charged directly to the income statement	8.267	2.570	19.924
	Received on claims previously written off	554	682	3.549
	Revaluations on Assets held for sale	41	0	0
	Interest income on impaired loans and advances etc.	8.465	7.044	14.473
	Total individual impairment charges	89.724	75.017	149.995
	Collective impairment charges			
	New and increased impairment charges	3.116	6.140	1.168
	Reversals of impairment charges	137	0	2.703
	Total collective impairment charges	2.979	6.140	-1.535
	Total impairment charges	92.703	81.156	148.460

Notes - P/F BankNordik

Note	DKK 1,000	H1 2013	H1 2012	Full Year 2012
8	Due from credit institutions etc. specified by maturity			
	On demand	731,869	284,920	812,256
	3 months and below	0	0	3,600
	3 months to 1 year			
	Total	731,869	284,920	815,856
9	Impairment charges, loans and advances etc.			
	Individual impairment charges etc.			
	At 1 January	332,676	316,769	316,769
	Additions on acquisitions			
	New and increased impairment charges	118,643	103,340	191,204
	Reversals of impairment charges	38,113	28,409	39,649
	Written-off, previously impaired	19,688	75,952	135,647
	Other additions and disposals			
	Total	393,519	315,747	332,676
	Collective impairment charges			
	At 1 January	23,602	25,137	25,137
	New and increased impairment charges	3,116	6,140	1,168
	Reversals of impairment charges	137	0	2,703
	Total	26,581	31,276	23,602
	Total	420,100	347,023	356,278
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 half of 2013.

The consolidated financial statements for the first half of 2013 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 June 2013, and of the results of the Group's and the Parent Company's operations and the Group's and Parent Company's cash flows for the financial period 1 January to 30 June 2013.

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

Tórshavn, 13 August 2013

Executive Board

Janus Petersen
CEO

John Rajani
Deputy CEO

Board of Directors

Klaus Rasmussen
Chairman

Jens Erik Christensen
Vice chairman

Nils Sørensen

Niels Vestermark

Mette Dahl Christensen

Kenneth M. Samuelson

Head Office

P/F BankNordik
Húsagøta 3
P.O. Box 3048
FO-110 Tórshavn
Tel. +298 330 330
Fax +298 330 001
E-mail: info@banknordik.fo
www.banknordik.fo

P/F skr. nr. 10, Tórshavn
SWIFT: FIFB FOTX

BankNordik is a limited liability
company incorporated and
domiciled on the Faroe Islands.

The company is listed on the
Nasdaq OMX Iceland and Nasdaq
OMX Copenhagen.

IR contact

Árni Ellefsen
E-mail: arel@banknordik.fo
Tel. +298 330 330

Branches

Faroe Islands

Tórshavn
Niels Finsensgøta
100 Tórshavn
Tel. +298 330 330

Miðvágur
Jatnavegur 26
370 Miðvágur
Tel. +298 330 330

Klaksvík
Klaksvíksvegur
700 Klaksvík
Tel. +298 330 330

Saltangará
Heiðavegur 54
600 Saltangará
Tel. +298 330 330

Tvøroyri
Sjógøta 2
800 Tvøroyri
Tel. +298 330 330

Greenland

Nuuk
Quillilerfik 2
3900 Nuuk
Tel. +299 34 79 00

Denmark

Amager
Amagerbrogade 25
2300 København S
Phone: + 45 32 66 66 66

Dragør
Dragørhjørnet 2
2791 Dragør
Phone: 62 66 52 06

Kongelundsvej
Kongelundsvej 267
2770 Kastrup
Phone: 62 66 52 10

Søndre
Amagerbrogade 175
2300 København S
Phone: +45 62 66 52 04

Frederiksberg
Falkoner Allé 31
2000 Frederiksberg
Phone: +45 62 66 52 23

Hvidovre
Hvidovrevej 275
2650 Hvidovre
Phone: +45 62 66 52 30

Lyngby
Klampenborgvej 235-237
2800 Kgs. Lyngby
Phone: +45 62 66 52 26

Corporate Banking East
Amagerbrogade 25
2300 Copenhagen S
Phone: +45 32 66 61 38

Corporate Banking West
Bredgade 15
600 Kolding
Phone: +45 76 97 80 00

Customer Service
Amager Landevej 56
2770 Kastrup
Phone: +45 76 97 80 00

Østerbro
Østerbrogade 43
2100 København Ø
Phone: +45 62 66 52 22

Odense
Vestergade 67
5000 Odense C
Phone: +45 76 97 84 00

Esbjerg
Stormgade 2
6700 Esbjerg
Phone: +45 76 97 83 50

Haderslev
Nørregade 32
6100 Haderslev
Phone: +45 76 97 85 50

Horsens
Søndergade 13
8700 Horsens
Phone: +45 76 97 82 00

Kolding
Bredgade 10
6000 Kolding
Phone: +45 76 97 82 50

Vejle
Dæmningen 34
7100 Vejle
Phone: +45 76 97 81 50

Aarhus
Åboulevarden 49
8000 Aarhus C
Phone: +45 76 97 85 00

Private Banking
Amagerbrodgade 25
2300 Copenhagen S
Phone: +45 32 66 60 70

Markets
Amagerbrodgade 25
2300 Copenhagen S
Phone: +45 32 66 60 70