

Interim Report

Q1 2013

15 May 2013

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Highlights, ratios and key figures - BankNordik Group

Highlights	Q1	Q4	Q3	Q2	Q1	Q4	Q3
	2013	2012	2012	2012	2012	2011	2011
DKK 1,000							
Net interest income	146,780	154,116	153,377	150,330	155,442	160,735	155,636
Dividends from shares and other investments	1,896	1,931	1,560	4,417	2,487	1,812	598
Net fee and commission income	42,588	52,005	42,498	43,678	46,713	40,474	47,972
Net interest and fee income	191,264	208,052	197,435	198,425	204,641	203,021	204,206
Net insurance income	11,691	23,949	26,625	18,547	11,855	-11,351	23,745
Interest and fee income and income from insurance activities, net	202,955	232,001	224,059	216,971	216,495	191,671	227,952
Market value adjustments	22,004	6,099	3,605	-6,988	16,653	26,533	4,744
Other operating income	11,239	14,489	6,612	13,521	4,407	11,093	387
Staff cost and administrative expenses	145,017	152,807	138,524	157,352	192,617	203,832	184,217
Depreciation and impairment of property, plant and equipment	6,050	6,848	6,745	7,020	6,680	8,160	3,162
Other operating expenses	8,117	7,235	0	-1,180	5,354	6,823	-3,373
Impairment charges on loans and advances etc.	63,644	45,812	21,104	58,059	23,194	43,075	18,856
Profit before tax	13,370	41,603	67,903	2,253	9,710	-32,708	30,219
Net profit	13,200	38,237	54,527	1,104	9,206	-24,572	27,535
Loans and advances	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	3,427,274	2,881,904	3,070,316	3,379,798	2,429,162	2,508,938	2,424,773
Intangible assets	806,295	807,268	832,968	834,424	807,341	801,957	761,893
Assets held for sale	23,439	25,811	40,199	60,412	189,490	168,980	174,111
Total assets	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	1,372,950	1,288,052	1,287,746	1,024,008	1,119,571	329,316	181,904
Deposits and other debt	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	98,276	98,276	701,927
Total shareholders' equity	2,063,488	2,053,362	2,012,716	1,957,252	1,968,803	1,957,695	2,008,376
	March 31	Dec. 31	Sept. 30	June 30	March 31	Dec. 31	Sept. 30
	2013	2012	2012	2012	2012	2011	2011
Ratios and key figures							
Solvency							
Solvency ratio, %	14.9	14.8	13.8	15.1	14.8	15.6	14.7
Core capital ratio, %	13.0	12.9	11.9	12.0	11.9	12.4	11.7
Core capital ratio excl. hybrid core capital, end of period, %	9.7	9.6	8.6	8.7	8.7	9.1	8.7
Risk-weighted items, DKK mill	11,772	11,902	11,940	12,032	12,504	12,313	13,068
Profitability							
Return on equity after tax, %	0.6	1.9	2.7	0.1	0.5	-1.2	1.4
Cost / income, %	94.3	83.2	71.3	99.0	95.9	114.3	87.0
Cost / income, % (excl. value adjustm. and impairments)	74.3	66.4	63.3	71.1	92.7	108.0	80.6
Market risk							
Interest rate risk %	3.7	1.5	3.0	2.7	2.5	2.3	1.2
Foreign exchange position %	16.9	17.3	6.3	12.8	10.8	8.7	9.8
Liquidity							
Excess cover relative to statutory liquidity requirements, %	196.3	152.6	165.6	181.4	168.8	115.3	148.6
Credit risk							
Growth on loans and advances, %	-4.3	0.3	-1.4	0.5	-3.3	-1.5	41.5
Gearing of loans and advances	5.2	5.5	5.6	5.8	5.8	6.0	5.9
Impairment and provisioning ratio, end of period, %	3.5	3.0	2.8	2.7	2.7	2.7	2.5
Write-off and provisioning ratio, %	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	1.8	1.7	1.6	1.7	1.8	1.9	2.1
Shares							
Earnings per share after tax (nom. DKK 20), DKK	1.3	3.9	5.5	0.1	0.9	-2.5	2.8
Market price per share (nom. DKK 20), DKK	114	76	67	69	77	79	74
Book value per share (nom. DKK 20), DKK	209	208	204	198	199	200	205
Other							
Number of full-time employees, end of period	533	550	577	583	582	612	604

Financial review

Highlights Q1 2013

- Profit before impairment charges and non-recurring items was DKK 65m in Q1 2013, which was in line with the Q1 2012 figure but lower than in Q4 2012.
- The Group incurred a loss before tax and value adjustments of DKK 8m in Q1 2013. The full-year forecast of a profit of DKK 130-160m expressed in the Annual Report 2012 is maintained.
- Net interest and fee income was DKK 192m in Q1 2013, compared to DKK 208m in Q4 2012. The decrease was driven by seasonal variations in fee and insurance income, but also by lower loan volumes.
- Income from insurance activities amounted to DKK 12m in Q1 2013 i.e. on the same level as in Q1 2012.
- Operating costs excluding non-recurring items were down by 1.4% q/q from DKK 143m in Q4 2012 to DKK141m in Q1 2013.
- Impairment charges, net, amounted to DKK 56m in Q1 2013 compared to DKK 35m in Q4 2012.
- Non-recurring costs of DKK 10m were recognised in Q1 2013 for rationalisation measures related to the reorganisation in January.
- Sector costs amounted to DKK 8m and included an extra payment in connection with the winding up of Fjordbank Mors.
- Profit before tax amounted to DKK 14m in Q1 2013.
- The solvency ratio was 14.9% as compared to the solvency requirement of 8.6%.
- Surplus liquidity coverage of 196%. The deposit surplus amounted to DKK 1.9bn.

Income statement

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

	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011
DKKm								
Operating income	206	236	224	219	217	192	232	173
Operating cost	141	143	145	153	151	157	152	107
Profit before impairment charges	65	93	79	66	66	35	80	66
Impairment charges	64	46	21	58	23	43	19	11
Reversals of acquired OEI impairments	-8	-11	-7	-12	-4	-6	-2	-3
Operating profit	10	58	65	20	46	-2	63	58
Non-recurring items	-10	-15	-1	-12	-48	-50	-41	-13
Sector costs	-8	-7	0	1	-5	-7	3	-17
Profit before value adjustments and tax	-8	36	64	9	-7	-59	25	28
Market value adjustments	22	6	4	-7	17	27	5	-5
Profit before tax (as reported)	14	42	68	2	10	-33	30	23
Cost/Income (Operating cost/income), %	68	61	65	70	70	82	66	62
Number of FTE, end of period	533	550	577	583	582	612	604	421

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 amounted to DKK 10m in Q1 2013 and related to rationalisation and redundancy costs.

The following comments relate to the adjusted figures and are generally stated relative to Q4 2012. Due to seasonal variations, the insurance segment is also presented relative to Q1 2012.

Operating income

BankNordik Group's operating income decreased by 13% relative to Q4 2012 to stand at DKK 206m in Q1 2013. The fall was mainly driven by seasonal variations in fee and insurance income, but also by lower loan volumes.

Net interest income

Net interest income was DKK 147m in Q1 2013 compared to DKK 154m in Q4 2012. The decrease was due to lower interest income from lower loan volumes.

Net fees and commissions

Net fee and commission income decreased 18% to DKK 43m in Q1 2013 from DKK 52m in Q4 2012. The activity level remains stable, but there is a seasonal variation as some of the fees are only paid in the fourth quarter.

Insurance income net

Income from insurance activities, net amounted to DKK 12m in Q1 2013 i.e. on the same level as the same period last year. Compared to Q1 2012 premium income increased by 3% while claims increased by 4%.

Operating costs

Operating costs decreased by 1% to DKK 141m in Q1 2013 compared to DKK 143m in Q4 2012. Operating costs had been expected to drop relative to Q4 2012 due to cost-saving measures introduced in Q4 2012 and the continuing focus on cost savings.

Profit before impairment charges

BankNordik's profit before impairment charges decreased to DKK 65m in Q1 2013 from DKK 66m in Q1 2012 and DKK 93m in Q4 2012. The combination of lower operational income and marginally lower operating costs drove the change.

Impairment charges

Net individual impairment charges amounted to DKK 53m in Q1 2013, while collective impairments amounted to DKK 3m. Total impairment and provisioning account now amounts to 3.5% of all loans and guarantees. The impairments in Q1 2013 are almost entirely related to the retail portfolio. The organisational changes in January 2013 implied major changes in the field of responsibility for customer portfolios in the branches, and therefore provided an opportunity to perform an extraordinary review of the portfolios leading to higher impairment charges in the retail segment in Q1. Furthermore, the bank has observed a general trend that a higher number of retail customers especially in Denmark are having financial difficulties. This is also reflected in an increasing number of customers being registered in RKI (the public Danish registry for debtors). The impairment charges in the retail segment are expected to decrease in the rest of the year. The bank now expects the impairment charges in 2013 as a whole to remain at the same level as in 2012.

Operating profit

Operating profit decreased from DKK 58m in Q4 2012 to DKK 10m in Q1 2013 mainly due to the increase in

impairment charges. The banking business is expected to improve in the coming quarters by way of lower impairment charges. Due to seasonal variations, the insurance business is expected to improve relative to the first quarter.

Balance sheet

BankNordik's total assets at 31 March 2013 amounted to DKK 17.8bn. Loans and advances were down by DKK 483m (-4%) to DKK 10.8bn in Q1 2013 mostly due to lower lending activity in Denmark and Greenland. Deposits increased by DKK 54m from DKK 12.7bn at the end of 2012 to DKK 12.8bn at the end of Q1 2013.

Compared to year-end 2012, amounts due to credit institutions and central banks increased by DKK 85m, while the amount due from credit institutions and central banks increased by DKK 64m. Liquidity invested in bonds increased to DKK 3.4bn, of which DKK 150m has now been invested in corporate bonds, while the rest of the bond portfolio is placed in mortgage and government bonds. Liquidity invested in shares was almost unchanged at DKK 420m. The surplus liquidity at the end of Q1 2013 was 196% higher than the statutory requirement. Subordinated debt now amounts to DKK 671m.

At the end of Q1 2013, the Group's equity had increased to DKK 2,063m.

Compliance with Danish FSA focus points

	BankNordik Q1 2013	FSA Limit
Large exposures	37%	<125%
Liquidity coverage	196%	>50%
Loan growth	-4.8%	<20%
Funding ratio	0.66	<1.00
Lending to property sector	7.2%	<25%

At the end of March 2013 the Group fulfills all requirements set by the Danish FSA in the Supervisory diamond.

Events after the balance sheet date

There have been no 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 Q1 2013 with profit before tax of DKK 26m relative to DKK 24m in Q4 2012, while operating profit was driven lower by the top line decreasing faster (-14%) than costs (-2%). Operating income was DKK 80m, remaining at the level of Q1 2012 but below the level seen in Q4 2012, while costs were down by 2% to DKK 45m. Impairment charges in Q1 2013 amounted to DKK 16m, which was in line with the Q4 2012 figure. Loans and advances were down by DKK 75m (-1%) while deposits were up by DKK 77m (1%).

DKKm	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011
Operating income	80	93	82	82	79	87	91	100
Operating costs	45	46	49	53	48	52	48	55
Profit before impairment charges	34	47	33	29	31	35	43	45
Impairment charges	16	16	19	18	15	12	6	-6
Operating profit	18	31	14	11	17	23	37	51
Non-recurring items	-2	-9	0	1	-6	4	-5	-9
Sector costs	-3	-3	0	0	-2	-7	3	-17
Profit before value adjustments and tax	13	20	14	13	9	20	35	25
Market value adjustments	14	5	2	-3	10	8	1	0
Profit before tax (as reported)	26	24	17	10	18	28	37	25
Loans and advances	5.969	6.044	6.070	6.177	6.106	6.329	6.328	6.306
Deposits and other debt	5.294	5.217	5.406	5.384	5.506	5.459	5.864	5.583
Cost/Income (Operating cost/income), %	57	50	60	65	60	60	52	55
Number of FTE, end of period	173	177	186	190	189	203	203	209

Banking: Denmark

The Danish banking activities reported stable profit before impairment charges of DKK 24m, which was similar to the average for 2012. However, relatively high net impairment charges of DKK 35m led to an operating loss of DKK 11m. Operating income in Denmark decreased from DKK 101m to DKK 98m due to lower loan volumes. Operating costs were stable at DKK 75m relative to DKK 74m in Q4 2012 and DKK 80m in Q1 2012.

Loans and advances continued to decline in Q1 2013. The relatively large DKK 276m decrease (-6%) can be partly explained by a single corporate customer having drawn his credit for a few days around year-end 2012. Deposits declined by DKK 42m in Q1 2013.

DKKm	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011
Operating income	98	101	100	99	107	101	104	30
Operating costs	75	74	74	77	80	80	79	25
Profit before impairment charges	24	27	25	22	27	20	25	5
Impairment charges	43	30	3	38	6	35	14	16
Reversals of acquired OEI impairments	-8	-11	-7	-12	-4	-4	0	-2
Operating profit	-11	7	29	-3	25	-11	12	-9
Non-recurring items	-8	-8	-1	-11	-43	-54	-35	-6
Sector costs	-4	-4	0	1	-3	0	0	0
Profit before value adjustments and tax	-23	-4	28	-14	-21	-65	-23	-14
Market value adjustments	0	0	0	0	0	10	1	-2
Profit before tax (as reported)	-23	-4	28	-14	-21	-55	-22	-16
Loans and advances	4.056	4.332	4.325	4.410	4.532	4.684	4.899	1.437
Deposits and other debt	7.085	7.127	7.233	7.412	7.080	7.204	7.624	2.657
Cost/Income (Operating cost/income), %	76	73	74	78	75	80	76	83
Number of FTE, end of period	257	269	279	281	283	297	292	106

Banking: Greenland

Operating income remained stable at DKK 13m in Q1 2013, while operating costs decreased to DKK 8m compared to DKK 9m in Q4 2012. Net impairment charges of DKK 5m brought the operating profit to zero. Operating profit before impairment charges remained steady at DKK 5m for the fifth consecutive quarter. Compared to Q1 2012 operating income was down by DKK 1m (-8%) while operating costs declined by 11%. Consolidating all the Bank's Greenland activities in Nuuk in March 2012 has had a positive effect on staff costs and administrative expenses.

Loans and advances decreased by DKK 133m (14%) while deposits increased by DKK 30m (6%).

DKKm	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011
Operating income	13	13	12	13	15	14	12	12
Operating costs	8	9	7	8	9	10	10	12
Profit before impairment charges	5	4	5	5	5	4	2	1
Impairment charges	5	0	-1	3	2	-4	1	1
Reversals of acquired OEI impairments	0	0	0	0	0	-2	-2	0
Operating profit	0	4	5	2	3	5	4	0
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 tax	1	5	5	2	3	5	4	0
Market value adjustments	0	0	0	0	0	0	1	-2
Profit before tax (as reported)	0	4	5	2	2	9	5	-1
Loans and advances	794	927	876	843	738	756	722	702
Deposits and other debt	553	523	561	571	596	460	577	513
Cost/Income (Operating cost/income), %	61	67	62	64	64	72	82	93
Number of FTE, end of period	22	23	25	26	27	29	30	28

Insurance: Trygd (FO)

Lower claims levels lifted Trygd's Q1 2013 operating profit to DKK 6m from DKK 4m in Q4 2012. Operating income was up from DKK 9m in Q4 2012 to DKK 10m, while operating costs were lower at DKK 4m. The corresponding quarter in 2012 delivered a net profit of DKK 7m.

DKKm	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011
Operating income	10	9	14	9	12	-16	14	14
Operating costs	4	5	5	5	5	4	5	5
Profit before impairment charges	6	4	9	3	7	-20	9	10
Impairment charges	0	0	0	0	0	0	0	0
Operating profit	6	4	9	3	7	-20	9	10
Non-recurring items	0	-1	0	0	0	0	0	0
Profit before value adjustments and tax	6	3	9	3	7	-20	9	10
Market value adjustments	0	0	0	0	0	0	0	0
Profit before tax (as reported)	6	3	9	3	7	-20	10	10
Combined ratio	73	82	60	86	69	84	61	57
Number of FTE, end of period	23	23	23	24	24	24	23	22

Insurance: Vørður (IS)

Vørður incurred a Q1 2013 operating loss of DKK 4m, which was unchanged from Q1 2012. Claims are usually higher in the winter season, and operating income fell to DKK 5m from DKK 19m in Q4 2012. Positive value adjustments of DKK 8m turned the operating loss in to a profit before tax of DKK 4m.

DKKm	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011
Operating income	5	19	15	16	4	7	10	17
Operating costs	9	8	9	10	8	10	8	11
Profit before impairment charges	-4	11	6	6	-4	-3	2	6
Impairment charges	0	0	0	0	0	0	0	0
Operating profit	-4	11	6	6	-4	-4	2	6
Non-recurring items	0	0	0	0	0	0	0	0
Profit before value adjustments and tax	-4	11	6	6	-4	-4	2	6
Market value adjustments	8	1	1	-1	4	9	2	-2
Profit before tax (as reported)	4	12	8	5	-1	5	5	4
Combined ratio	113	86	92	96	116	101	95	90
Number of FTE, end of period	53	53	59	58	56	55	54	52

Income statement - BankNordik Group

Note	DKK 1,000	Q1 2013	Q1 2012	Full year 2012
3	Interest income	189,037	207,440	815,486
4	Interest expenses	42,257	51,999	202,221
	Net interest income	146,780	155,441	613,265
	Dividends from shares and other investments	1,896	2,487	10,394
5	Fee and commission income	48,367	49,832	199,065
5	Fee and commissions paid	5,779	3,119	14,172
	Net interest and fee income	191,264	204,640	808,552
	Premium income, net of reinsurance	68,437	66,208	281,260
	Claims, net of reinsurance	56,746	54,353	200,285
	Interest and fee income and income from insurance activities, net	202,955	218,556	889,527
6	Market value adjustments	22,004	16,653	19,369
7	Other operating income	11,239	4,407	39,029
8	Staff costs and administrative expenses	145,017	192,617	641,300
	Amortisation, depreciation and impairment charges	6,050	6,680	27,293
	Other operating expenses	8,117	5,354	11,409
9	Impairment charges on loans and advances etc.	63,644	23,194	148,169
	Income from associated undertakings	0	0	1,716
	Income on assets temporarily acquired			
	Profit before tax	13,370	9,710	121,470
	Tax	170	505	18,396
	Net profit	13,200	9,206	103,073
	Portion attributable to			
	Shareholders of BankNordik P/F	13,200	9,118	103,073
	Non-controlling interests	0	88	0
	Net profit	13,200	9,206	103,073
	EPS Basic for the period, DKK*	1.32	0.92	10.31
	EPS Diluted for the period, DKK *	1.34	0.93	10.45

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

Statement of comprehensive income - BankNordik Group

DKK 1,000	Q1 2013	Q1 2012	Full year 2012
Net profit	13,200	9,206	103,073
Other comprehensive income			
Translation of non-Faroese subsidiaries	7,177	-4,783	-1,727
Corrections			
Tax on other comprehensive income	0	-518	0
Total other comprehensive income	7,177	-5,301	-1,727
Total comprehensive income	20,376	3,905	101,347
Portion attributable to			
Shareholders of BankNordik P/F	20,376	4,149	101,347
Non-controlling interests	0	-244	0
Total comprehensive income	20,376	3,905	101,347

Balance Sheet - BankNordik Group

Note	DKK 1,000	March 31 2013	March 31 2012	Full year 2012
Assets				
	Cash in hand and demand deposits with central banks	679,370	1,746,151	644,335
10	Due from credit institutions and central banks	903,058	301,563	839,116
11	Loans and advances at fair value	854,757	1,220,181	1,038,103
11	Loans and advances at amortised cost	9,964,825	10,155,364	10,264,599
	Bonds at fair value	3,427,274	2,429,162	2,881,904
	Shares, etc.	419,993	378,460	411,512
	Assets under insurance contracts	115,704	113,452	85,683
	Holdings in associates	16,256	32,586	14,875
	Intangible assets	806,295	807,341	807,268
	Assets under pooled schemes	0	132,073	0
	Total land and buildings	355,138	217,251	353,455
	investment property	157,580	2,500	158,093
	domicile property	197,558	214,751	195,362
	Other property, plant and equipment	29,441	30,188	24,296
	Current tax assets	7,403	6,410	6,846
	Deferred tax assets	49,768	20,898	43,407
12	Assets held for sale	23,439	189,490	25,811
	Other assets	123,505	68,484	150,316
	Prepayments	40,638	28,507	17,440
	Total assets	17,816,864	17,877,560	17,608,966

Balance Sheet - BankNordik Group

Note	DKK 1,000	March 31 2013	March 31 2012	Dec. 31 2012
Shareholders' equity and liabilities				
Liabilities other than provisions				
	Due to credit institutions and central banks	1,372,950	1,119,571	1,288,052
	Deposits and other debt	12,799,880	12,956,348	12,745,653
	Deposits under pooled schemes	0	132,073	0
	Issued bonds at amortised cost	0	98,276	0
	Liabilities under insurance contracts	398,745	368,492	339,769
	Current tax liabilities	5,575	7,388	4,505
	Other liabilities	384,672	343,095	386,811
	Deferred income	16,002	15,153	18,400
	Total liabilities other than provisions	14,977,824	15,040,397	14,783,190
Provisions for liabilities				
	Provisions for deferred tax	61,112	14,223	56,433
	Provisions for losses on guarantees	43,434	37,071	43,551
	Total provisions for liabilities	104,545	51,293	99,983
Subordinated debt				
	Subordinated debt	671,006	817,066	672,431
	Total liabilities	15,753,376	15,908,757	15,555,604
Shareholders' equity				
	Share capital	200,000	200,000	200,000
	Foreign translation reserve	25,620	15,505	18,443
	Retained earnings	1,837,868	1,753,298	1,824,919
	Proposed dividends	0	0	10,000
	Total shareholders' equity	2,063,488	1,968,803	2,053,362
	Shareholders of the Parent Company	2,063,488	1,957,563	2,053,362
	Minority interests	0	11,239	0
	Total shareholders' equity	2,063,488	1,968,803	2,053,362
	Total liabilities and equity	17,816,864	17,877,560	17,608,966

Statement of capital - BankNordik Group

Changes in shareholders' equity:

DKK 1,000	Share capital	Foreign currency translation reserve	Proposed dividends	Retained earnings	Total	Minority interests	Total
Shareholders' equity at January 1, 2013	200,000	18,443	10,000	1,824,919	2,053,362		2,053,362
Translation of foreign units		7,177		0	7,177		7,177
Tax on entries on income recognised as Other comprehensive income		0			0		0
Income recognised directly on shareholders' equity		7,177	0	0	7,177		7,177
Net profit			0	13,200	13,200	0	13,200
Total comprehensive income		7,177		13,200	20,376	0	20,376
Acquisition of own shares				-2,423	-2,423		-2,423
Sale of own shares				2,172	2,172		2,172
Dividends paid			-10,000	0	-10,000		-10,000
Shareholders' equity at March 31, 2013	200,000	25,620	0	1,837,868	2,063,487	0	2,063,488

DKK 1,000	Share capital	Foreign currency translation reserve	Proposed dividends	Retained earnings	Total	Minority interests	Total
Shareholders' equity at January 1, 2012	200,000	13,274	0	1,738,739	1,952,013	5,682	1,957,695
Translation of foreign units		2,231			2,231	-332	1,899
Tax on entries on income recognised as Other comprehensive income							0
Income recognised directly on shareholders' equity		2,231		0	2,231	-332	1,899
Net profit				9,118	9,118	88	9,206
Total comprehensive income		2,231	0	9,118	11,349	-244	11,105
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	15,505	0	1,747,860	1,963,365	5,438	1,968,803

Shares

DKK 1,000	Q1 2013	Q1 2012	Full year 2012
Net profit	13,200	9,206	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	1.32	0.92	10.31
Diluted net profit for the period per share, DKK	1.34	0.93	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

	Q1 2013	Q1 2012	Full year 2012
DKK 1,000			
Cash flow from operations			
Net profit for the period	13,200	9,206	103,073
Result from associates	0	0	-2,511
Amortisation and impairment charges for intangible assets	3,064	4,049	15,077
Depreciation and impairment charges of tangible assets	2,807	2,720	11,608
Impairment of loans and advances/guarantees	64,060	22,687	152,009
Other adjustments	-666	-2,219	-2,000
Paid tax	0	0	-3,581
Other non-cash operating items	-12,643	-87,973	-47,611
Total	69,822	-51,531	226,065
Changes in operating capital			
Tax charged to the income statement	705	1,225	18,396
Change in loans at fair value	184,939	-197,768	-15,450
Change in loans at amortised cost	235,710	571,060	329,700
Change in holding of bonds	-543,429	103,718	-363,055
Change in holding of shares	-20,682	23,671	-35,374
Acquisition of Amagerbanken	0	0	30,000
Assets held for sale	0	-20,510	0
Change in deposits	54,227	63,189	-165,105
Due to credit institutions and central banks	84,898	-9,745	-41,264
Change in other assets / liabilities	24,573	41,867	-17,056
Assets/liabilities under insurance contracts	29,351	27,134	0
Prepayments	-13,411	-6,132	5,996
Cash flow from operations	106,703	546,180	-27,148
Cash flow from investing activities			
Acquisition of group undertakings and other business units/branches	0	-39,451	0
Dividends received	666	2,487	2,000
Acquisition of intangible assets	0	-22,618	-648
Acquisition of tangible assets	-519	-778	-14,169
Sale of tangible assets	354	4	4,422
Cash flow from investing activities	501	-60,357	-8,396
Cash flow from financing activities			
Acquisition of group undertakings and other business units/branches	0	0	0
Increase in loans from central banks	0	800,000	1,000,000
Change in subordinated debt	-1,424	0	-150,000
Acquisition of own shares	-2,423	-3,405	-17,425
Sale of own shares	2,172	3,408	17,428
Payment of dividends	-10,000	0	0
Repayment of issued bonds	0	0	-98,276
Cash flow from financing activities	-11,675	800,003	751,726
Cash flow	95,529	1,285,825	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	760,263	770,042
Foreign currency translation	3,448	-2,520	-2,773
Cash flow	95,529	1,289,970	716,182
Cash and due etc.	1,582,428	2,047,714	1,483,451
Cash and due etc.			
Cash in hand and demand deposits with central banks	679,227	1,746,151	644,335
Due from credit institutions, etc.	903,200	301,563	839,116
Total	1,582,428	2,047,714	1,483,451

Note 1 Significant accounting policies

The consolidated financial statement for the first quarter 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 2011 and the uncertainties prevailing at that time.

BankNordik Group - segment reporting Q1 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	99,357	92,074	12,149	203,579		598	2,601	3,199	0	-17,742	189,037
	of which internal interest income		17,531		17,531							17,531
	Interest expense	33,314	24,120	2,562	59,995					3	-17,742	42,257
	of which internal interest expense	15,188		2,344	17,531							17,531
	Net interest income	66,044	67,954	9,587	143,584	598	2,601	3,199	-3			146,780
	Dividends from shares and other investments	666	1		666		1,230	1,230	0			1,896
	Net fee income	11,410	29,881	2,917	44,208		-1,620	-1,620	0	0		42,588
	Premium income, net of reinsurance					21,249	47,921	69,169	0	-733		68,437
	Claims, net of reinsurance					11,479	45,267	56,746	0			56,746
	Market value adjustments	13,819			13,819	-281	8,466	8,185	0			22,004
	Income from associates								0			0
	Other operating income	1,441	8,481	299	10,220	-9	156	147	1,011	-139		11,239
	Total income	93,379	106,315	12,803	212,497	10,077	13,488	23,565	1,008	-871		236,198
	Staff costs and administrative expenses	47,119	77,919	7,642	132,680	3,919	8,464	12,383	825	-871		145,017
	Depreciation and impairment of property, plant and equipment	453	4,688	178	5,319	89	612	701	30			6,050
	Other operating expenses	3,385	4,359	373	8,117	0		0				8,117
	Total operating expenses	50,957	86,966	8,193	146,116	4,008	9,076	13,084	855	-871		159,185
	Profit before impairment charges on loans	42,422	19,349	4,610	66,381	6,069	4,412	10,480	152			77,014
	Impairment charges on loans and advances etc.	16,031	42,888	4,805	63,724		-80	-80	0			63,644
	Profit before tax	26,391	-23,539	-195	2,657	6,069	4,492	10,561	152	0		13,370
	Loans and advances	5,969,112	4,056,270	794,200	10,819,582	0	0	0	0			10,819,582
	Holdings in associates	16,256	0	0	16,256	0	0	0	0			16,256
	Other assets	5,311,030	3,796,164	47,301	9,154,495	192,447	456,962	649,409	22,003	-2,844,882		6,981,025
	Total assets	11,296,399	7,852,434	841,501	19,990,334	192,447	456,962	649,409	22,003	-2,844,882		17,816,864
	Deposits	5,293,757	7,054,952	552,819	12,901,529		0	0		-101,649		12,799,880
	Other liabilities	4,864,225	23,878	137,214	5,025,317	99,524	337,187	436,711	10,345	-2,518,877		2,953,496
	Shareholders equity	1,138,416	773,603	151,468	2,063,487	92,923	119,775	212,699	11,658	-224,356		2,063,487
	Total liabilities and equity	11,296,399	7,852,434	841,501	19,990,334	192,447	456,962	649,409	22,003	-2,844,882		17,816,864
	Internal interest income/expense allocated to operating segments	2.5%	2.5%	2.5%	2.5%							
	Cost/income ratio (%)	71.7%	122.1%	101.5%	98.7%	39.8%	66.7%	55.2%	84.9%			94.3%
	Cost/income ratio (excl. value adjustments and impairments on loans and advances etc.) (%)	64.0%	81.8%	64.0%	73.5%	38.7%	180.7%	85.1%	84.9%			74.3%

Banking activities returned a pre-tax profit of DKK 3m compared to a pre-tax profit of DKK 1m in Q1 2012. Banking in the Faroe Islands rendered a pre-tax profit of DKK 26m compared to a profit of DKK 17m in Q1 2012. The main reason is higher core income and lower expenses compared to Q1 2012. Due to increased impairments banking in Denmark rendered a pre-tax loss of DKK -23m compared to DKK -18m at the end of Q1 2012. In Denmark core earnings increased significantly compared to Q1 2012. Banking in Greenland rendered a profit before tax of DKK 0m compared to 2m same period last year mainly due to lower core earnings.

Insurance activities returned a pre-tax profit of DKK 11m compared to DKK 6m the same period last year. In Faroe Islands the pre-tax result for insurance in Faroe Islands was DKK 6m compared to DKK 7m the same period last year. In Iceland the insurance activities rendered a pre-tax profit of DKK 4m compared to DKK -1m for the same period last year.

Other operations returned a pre tax profit of DKK -1m compared to a pre tax profit of DKK 4m the same period in 2012.

BankNordik Group - segment reporting Q1 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	107,427	103,988	15,467	226,882	930	2,090	3,020	95	-22,558	207,440
	of which internal interest income	0	22,178	0	22,178	0	0	0	0	0	22,178
	Interest expense	43,684	25,221	5,386	74,291	0	0	0	266	-22,558	51,999
	of which internal interest expense	19,640	0	2,539	22,178	0	0	0	0	0	22,178
	Net interest income	63,743	78,767	10,081	152,591	930	2,090	3,020	-170	0	155,441
	Dividends from shares and other investments	-48	20	0	-28	0	2,514	2,514	0	0	2,487
	Net fee income	13,882	31,223	3,029	48,134	0	-1,355	-1,355	34	-100	46,713
	Premium income, net of reinsurance	0	0	0	0	19,681	46,205	65,886	1,031	-709	66,208
	Claims, net of reinsurance	0	0	0	0	8,631	45,413	54,044	309	0	54,353
	Market value adjustments	9,859	0	0	9,859	-203	3,679	3,476	3,318	0	16,653
	Income from associates	0	0	0	0	0	0	0	0	0	0
	Other operating income	-814	4,179	0	3,365	-5	1	-4	1,186	-139	4,407
	Total income	86,622	114,189	13,110	213,920	11,771	7,721	19,492	5,089	-947	237,555
	Staff costs and administrative expenses	49,664	122,828	7,607	180,099	5,039	7,246	12,285	1,180	-947	192,617
	Depreciation and impairment of property, plant and equipment	1,359	3,765	262	5,386	1	985	986	309	0	6,680
	Other operating expenses	2,235	2,877	242	5,354	0	0	0	0	0	5,354
	Total operating expenses	53,259	129,470	8,111	190,839	5,040	8,231	13,271	1,488	-947	204,651
	Profit before impairment charges on loans	33,363	-15,281	4,999	23,081	6,731	-510	6,221	3,601	0	32,903
	Impairment charges on loans and advances etc.	14,865	5,752	2,500	23,117	0	75	75	2	0	23,194
	Profit before tax	18,498	-21,033	2,499	-36	6,731	-585	6,146	3,599	0	9,709
	Loans and advances	6,105,879	4,531,768	737,892	11,375,540	0	0	0	0	0	11,375,540
	Holdings in associates	32,586	0	0	32,586	0	3,343	3,343	0	-3,343	32,586
	Other assets	4,101,057	3,621,524	172,344	7,894,926	193,619	366,744	560,363	31,860	-2,017,714	6,469,434
	Total assets	10,239,522	8,153,293	910,236	19,303,052	193,619	370,087	563,706	31,860	-2,021,058	17,877,560
	Deposits	5,506,371	7,079,695	595,577	13,181,643	0	0	0	0	-93,223	13,088,421
	Other liabilities	3,679,729	296,060	188,055	4,163,845	99,113	286,230	385,344	3,811	-1,732,663	2,820,336
	Shareholders equity	1,053,422	777,537	126,604	1,957,563	94,506	83,857	178,362	28,049	-195,172	1,968,803
	Total liabilities and equity	10,239,522	8,153,293	910,236	19,303,052	193,619	370,087	563,706	31,860	-2,021,058	17,877,560
	Internal interest income/expense allocated to operating segments	4.0%	4.0%	4.0%	4.0%						
	Cost/income ratio (%)	78.6%	118.4%	80.9%	100.0%	42.8%	107.6%	68.5%	29.3%		95.9%
	Cost/income ratio (excl. value adjustments and impairments on loans and advances etc.) (%)	69.4%	113.4%	61.9%	93.5%	42.1%	203.6%	82.9%	84.1%		92.6%

BankNordik Group - Geographical revenue information

	Total income		Non-current assets		Additions on material assets		Additions on immaterial assets	
	Q1 2013	Q1 2012	Q1 2013	Q1 2012	Q1 2013	Q1 2012	Q1 2013	Q1 2012
Faroe Islands	103,592	96,571	337,159	177,832	-2,014	0	0	0
Denmark	106,315	114,189	683,283	721,151	4,834	994	-1,082	9,513
Iceland	13,488	13,685	12,369	26,760	341	0	109	
Greenland	12,803	13,110	174,318	172,666	3,666	0		
Total	236,198	237,555	1,207,129	1,098,408	6,827	994	-973	9,513

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	Q1 2013	Q1 2012
Banking	211,626	212,974
Insurance products	23,565	19,492
Other	1,008	5,089
Total revenue	236,198	237,555

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	Q1 2013	Q1 2012	Full Year 2012
3	Interest income			
	Credit institutions and central banks	2,485	2,458	8,098
	Loans and advances	177,672	199,497	758,423
	Bonds	13,852	10,428	57,464
	Total derivatives of which:	-5,090	-5,624	-12,637
	<i>Currency contracts</i>	0	0	115
	<i>Interest rate contracts</i>	-5,090	-5,624	-12,752
	<i>Other transactions</i>			
	Other interest income	118	681	4,139
	Total interest income	189,037	207,440	815,486
4	Interest expenses			
	Credit institutions and central banks	-360	166	342
	Deposits	26,323	33,392	126,875
	Issued Bonds	0	-91	0
	Subordinated debt	16,198	17,321	70,722
	Other interest expenses	96	1,211	4,282
	Total interest expenses	42,257	51,999	202,221
5	Net fee and commission income			
	Fee and commission income			
	Securities trading and custody accounts	9,008	8,691	21,084
	Credit transfers	7,098	7,171	32,194
	Loan commissions	3,173	2,712	12,192
	Guarantee commissions	5,074	7,641	23,450
	Other fees and commissions	24,014	23,617	110,144
	Total fee and commission income	48,367	49,832	199,065
	Fee and commissions paid			
	Securities trading and custody accounts	5,779	3,119	14,172
	Net fee and commission income	42,588	46,713	184,893
6	Market value adjustments			
	Loans and advances	1,593	20	245
	Bonds	-74	1,726	-9,996
	Shares	18,799	13,313	28,616
	Investment properties	-3,500	0	-11,400
	Foreign exchange	4,273	-619	4,555
	Total derivatives of which:	-708	2,471	-3,078
	<i>Currency Swaps</i>	615	0	16,548
	<i>Interest Swaps</i>	-865	-4,348	-21,014
	<i>Other contracts</i>	-458	6,819	1,388
	<i>Other obligations</i>	1,620	0	10,374
	Assets linked to pooled schemes	0	-257	-7,230
	Deposits in pooled schemes			7,283
	Total market value adjustments	22,004	16,653	19,369

Note	DKK 1,000	Q1 2013	Q1 2012	Full Year 2012
7	Other operating income			
	Profit/loss on sale of investment and corporate properties and temporary properties	84	0	625
	Profit on sale of operating equipment	102	0	0
	Reversals of acquired OEI impairments	8,207	3,861	33,002
	Other income	2,846	546	5,403
	Total other operating income	11,239	4,407	39,029
8	Staff costs and administrative expenses			
	Staff costs:			
	Salaries	72,211	81,671	307,104
	Pensions	8,734	8,415	34,234
	Social security expenses	9,067	8,925	38,449
	Total staff costs	90,012	99,012	379,787
	Administrative expenses:			
	IT	25,786	48,262	129,577
	Marketing etc	5,543	5,359	21,547
	Education etc	2,477	2,393	5,893
	Advisory services	1,969	2,604	8,541
	Other expenses	23,203	36,611	111,110
	Total administrative expenses	58,978	95,229	276,668
	Total staff costs	90,012	99,012	379,787
	Employee exp. incl. under the item "Claims, net of reinsurance"	-3,973	-1,623	-15,156
	Total administrative expenses	58,978	95,229	276,668
	Total staff costs and administrative expenses	145,017	192,617	641,300
	Number of employees			
	Average number of full-time employees in the period	534	610	567
	Executive remuneration:			
	Board of Directors	405	405	1,620
	Executive Board:			
	Salaries	1,074	1,047	4,488
	Pension	172	105	658
	Total executive remuneration	1,651	1,556	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	59,959	23,194	111,826
	Loans and advances at fair value	2,376	0	11,352
	Guarantees and loan commitments	117	0	15,422
	Assets held for sale	1,192	0	9,569
	Total	63,644	23,194	148,169
	Individual impairment charges etc.			
	New and increased impairment charges	71,086	23,094	191,215
	Reversals of impairment charges	9,089	2,240	43,226
	Write-offs charged directly to the income statement	3,066	2,257	20,091
	Received on claims previously written off	336	430	3,903
	Interest income on impaired loans and advances etc.	4,200	2,944	14,473
	Total individual impairment charges	60,528	19,737	149,704
	Collective impairment charges			
	New and increased impairment charges	3,116	3,457	1,168
	Reversals of impairment charges	0	0	2,703
	Total collective impairment charges	3,116	3,457	-1,535
	Total impairment charges	63,644	23,194	148,169

Note	DKK 1,000	March 31 2013	March 31 2012	Full Year 2012
10	Due from credit institutions etc. specified by maturity			
	On demand	878,750	301,563	839,116
	3 months and below			
	3 months to 1 year	24,308	0	0
	Total	903,058	301,563	839,116
11	Impairment charges, loans and advances			
	Individual impairment charges etc.			
	At 1 January	332,676	316,798	316,798
	New and increased impairment charges	70,740	23,094	190,913
	Reversals of impairment charges	8,625	2,240	39,649
	Written-off, previously impaired	10,458	27,532	135,647
	Foreign currency translation	0	2	2
	Total	384,333	310,121	332,417
	Collective impairment charges			
	At 1 January	23,602	25,137	25,137
	New and increased impairment charges	3,116	3,457	1,168
	Reversals of impairment charges	0	0	2,703
	Total	26,718	28,594	23,602
	Total	411,051	338,715	356,019
12	Assets held for sale			
	Total purchase price, at 1 January	34,025	207,464	207,464
	Additions	690	23,457	6,606
	Disposals and write off	2,629	2,947	46,029
	Reclassification to Investment property	0	0	134,016
	Total purchase price	32,086	227,974	34,025
	Depreciation and impairment, at 1 January	8,214	38,483	38,483
	Impairment charges for the year	1,192	0	7,614
	Negative changes in value recognized in the income statement			
	Reversal of impairment on revaluations during the year	759	0	0
	Reversal of impairment on disposals during the year	0	0	-37,883
	Total depreciation and impairment	8,647	38,483	8,214
	Total assets held for sale	23,439	189,490	25,811
13	Contingent liabilities			
	Guarantees			
	Financial guarantees	113,303	107,442	127,824
	Mortgage finance guarantees	470,072	579,224	507,446
	Registration and remortgaging guarantees	389,388	345,871	439,846
	Other guarantees	765,568	701,089	705,283
	Total	1,738,330	1,733,626	1,780,400
14	Assets deposited as collateral			
	At March 31 2013 the Group had deposited bonds at a total market value of DKK 165m with Danmarks Nationalbank (the Danish Central Bank) in connection with clearing (Q1 2012: 124m). Furthermore at March 31 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 (Q1 2012 1.6bn). Deposits of bonds to others in total have at market value of 60m.			

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	Q1 2013	Q1 2012	Full year 2012
1	Interest income	186,048	204,703	805,081
2	Interest expenses	42,464	52,112	203,360
	Net interest income	143,584	152,591	601,721
	Dividends from shares and other investments	666	-28	2,000
3	Fee and commission income	47,751	49,351	198,240
3	Fee and commissions paid	3,543	1,218	7,987
	Net interest and fee income	188,458	200,697	793,974
4	Market value adjustments	13,819	9,859	14,431
5	Other operating income	10,220	3,365	34,891
6	Staff costs and administrative expenses	132,680	180,099	589,620
	Depreciation and impairment of property, plant and equipment	5,319	5,386	22,491
	Other operating expenses	8,117	5,354	10,832
7	Impairment charges on loans and advances etc.	63,724	23,117	148,460
	Income from associated and subsidiary undertakings	9,494	5,765	41,284
	Profit before tax	12,151	5,730	113,176
	Tax	-1,048	-721	10,078
	Net profit	13,200	6,451	103,099

Statement of comprehensive income - P/F BankNordik

DKK 1,000	Q1 2013	Q1 2012	Full year 2012
Net profit	13,200	6,451	103,099
Other comprehensive income			
Translation of non-Faroese subsidiaries	6,953	-3,449	-4,723
Tax on other comprehensive income	0	-518	0
Total other comprehensive income	6,953	-3,967	-4,723
Total comprehensive income	20,153	2,484	98,376

Balance Sheet - P/F BankNordik

Note	DKK 1,000	March 31 2013	March 31 2012	Dec. 31 2012
Assets				
	Cash in hand and demand deposits with central banks	621,145	1,746,151	586,907
8	Due from credit institutions and central banks	878,750	256,803	815,856
9	Loans and advances at fair value	854,757	1,220,181	1,038,103
9	Loans and advances at amortised cost	9,964,825	10,155,359	10,264,594
	Bonds at fair value	3,225,191	2,282,618	2,697,873
	Shares, etc.	283,755	221,967	287,231
	Holdings in associates	16,256	32,586	14,875
	Holdings in subsidiaries	224,356	191,828	229,890
	Assets under pooled schemes	0	132,073	0
	Intangible assets	796,696	797,270	797,779
	Total land and buildings	353,092	215,268	351,419
	investment property	174,903	19,974	175,416
	domicile property	178,189	195,294	176,003
	Other property, plant and equipment	26,332	27,229	21,491
	Current tax assets	7,403	6,410	6,846
	Deferred tax assets	32,061	4	26,333
10	Assets held for sale	23,439	189,490	25,811
	Other assets	116,545	62,344	144,678
	Prepayments	39,522	26,445	15,134
	Total assets	17,464,126	17,564,026	17,324,821

Balance Sheet - P/F BankNordik

Note	DKK 1,000	March 31 2013	March 31 2012	Dec. 31 2012
Shareholders' equity and liabilities				
Liabilities other than provisions				
	Due to credit institutions and central banks	1,372,950	1,119,571	1,288,052
	Deposits and other debt	12,901,529	13,049,571	12,861,466
	Deposits under pooled schemes	0	132,073	0
	Issued bonds at amortised cost	0	98,276	0
	Current tax liabilities	0	5,222	0
	Other liabilities	354,040	330,429	351,620
	Deferred income	3,898	2,960	5,015
	Total amounts due	14,632,417	14,738,102	14,506,152
Provisions for liabilities				
	Provisions for deferred tax	61,112	14,223	56,433
	Provisions for losses on guarantees	43,434	37,071	43,551
	Total provisions	104,545	51,293	99,983
Subordinated debt				
	Subordinated debt	671,006	817,066	672,431
	Total liabilities	15,407,969	15,606,462	15,278,566
Shareholders' equity				
	Share capital	200,000	200,000	200,000
	Foreign currency translation reserve	25,397	19,606	18,443
	Reserve, Equity Method	90,877	45,864	81,383
	Retained earnings	1,739,884	1,692,093	1,736,429
	Proposed dividends	0	0	10,000
	Total shareholders' equity	2,056,157	1,957,563	2,046,255
	Total liabilities and equity	17,464,126	17,564,026	17,324,821

Statement of capital - BankNordik P/F

Changes in shareholders' equity:

	Share capital	Foreign currency translation reserve	Equity method reserve	Proposed dividends	Retained earnings	Total
DKK 1,000						
Shareholders' equity at January 1, 2013	200,000	18,443	81,383	10,000	1,736,429	2,046,255
Translation of foreign units		6,953				6,953
Tax on entries on income recognised as Other comprehensive income		0				0
Income recognised directly on shareholders' equity		6,953	0	0	0	6,953
Net profit			9,494	0	3,705	13,200
Total comprehensive income		6,953	9,494	0	3,705	20,153
Acquisition of own shares					-2,423	-2,423
Sale of own shares					2,172	2,172
Dividends payed				-10,000	0	-10,000
Shareholders' equity at March 31, 2013	200,000	25,397	90,877	0	1,739,884	2,056,157

	Share capital	Foreign currency translation reserve	Equity method reserve	Proposed dividends	Retained earnings	Total
DKK 1,000						
Shareholders' equity at January 1, 2012	200,000	16,373	40,099	0	1,691,405	1,947,877
Translation of foreign units		3,232				3,232
Tax on entries on income recognised as Other comprehensive income						0
Income recognised directly on shareholders' equity		3,232	0	0	0	3,232
Net profit			5,765		686	6,451
Total comprehensive income		3,232	5,765	0	686	9,683
Acquisition of own shares					-3,405	-3,405
Sale of own shares					3,408	3,408
Dividends payed						0
Shareholders' equity at March 31, 2012	200,000	19,605	45,864	0	1,692,094	1,957,563

Statement of capital - P/F BankNordik

Solvency

DKK 1,000	Q1 2013	Q1 2012	Full year 2012
Core capital	1,530,618	1,487,821	1,537,748
Base capital	1,755,153	1,847,681	1,764,115
Risk-weighted items not included in the trading portfolio	9,033,365	10,021,209	9,644,767
Risk-weighted items with market risk etc.	1,421,733	1,160,757	1,172,371
Risk-weighted items with operational risk	1,316,520	1,322,113	1,084,613
Total risk-weighted items	11,771,618	12,504,079	11,901,750
Core capital ratio, excl. hybrid core capital	9.7%	8.7%	9.6%
Core capital ratio	13.0%	11.9%	12.9%
Solvency ratio	14.9%	14.8%	14.8%
Core Capital and Shareholders' equity			
Share capital	200,000	200,000	200,000
Reserves	116,274	65,470	99,826
Net profit	13,200	6,451	103,099
Retained earnings, previous years	1,726,684	1,685,642	1,643,331
Shareholders' equity	2,056,157	1,957,563	2,046,255
Deduction of dividend	0	0	10,000
Deduction of net profit	13,200	6,451	0
Deduction of Foreign currency translation reserve	25,397	19,606	18,443
Deduction of intangible assets	796,696	797,270	797,779
Deduction of deferred tax assets	32,061	4	26,333
Deduction of insurance subsidiaries	52,329	51,820	51,008
Core capital exclusive of hybrid core capital	1,136,476	1,082,412	1,142,692
Hybrid core capital	394,142	405,409	395,055
Core capital	1,530,618	1,487,821	1,537,748
Base capital			
Core capital	1,530,618	1,487,821	1,537,748
Subordinated loan capital	276,864	411,680	277,375
Deduction of insurance subsidiaries	52,329	51,820	51,008
Base capital	1,755,153	1,847,681	1,764,115

Cash flow statement - P/F BankNordik

	Q1 2013	Q1 2012	Full year 2012
DKK 1,000			
Cash flow from operations			
Net profit for the period	13,200	6,451	103,099
Result from investments in subsidiaries	-9,494	-5,247	-39,568
Result from associates	0	0	-1,716
Amortisation and impairment charges for intangible assets	3,064	3,064	12,272
Depreciation of tangible assets	2,255	2,321	10,219
Impairment of loans and advances/guarantees	64,060	22,687	152,009
Other adjustments	-666	295	-2,000
Paid tax	0	0	0
Other non-cash operating items	-9,869	-79,223	-17,468
Total	62,549	-49,651	216,846
Changes in operating capital			
Tax charged to the income statement	-1,048	0	10,078
Change in loans at fair value	184,939	-197,768	-15,450
Change in loans at amortised cost	235,710	571,060	329,700
Change in holding of bonds	-525,658	95,241	-368,661
Change in holding of shares	-8,724	23,671	-47,855
Acquisition of Amagerbanken	0	0	30,000
Change in deposits	40,063	56,006	-145,738
Due to credit institutions and central banks	84,898	-9,745	-41,264
Change in other assets / liabilities	30,554	52,587	20,450
Prepayments	-15,505	-6,649	6,716
Cash flow from operations	87,778	534,753	-5,177
Cash flow from investing activities			
Sale of group undertakings and other business units	0	-39,451	0
Dividends received	20,666	-28	2,000
Acquisition of intangible assets	0	-21,978	0
Acquisition of tangible assets	0	-994	-21,456
Sale of tangible assets	363	0	4,474
Cash flow from investing activities	21,029	-62,451	-14,982
Cash flow from financing activities			
Acquisition of group undertakings and other business units/branches	0	0	-55,307
Increase in loans from central banks	0	800,000	1,000,000
Change in subordinated debt	-1,424	0	-150,000
Acquisition of own shares	-2,423	-3,405	-17,425
Sale of own shares	2,172	3,408	17,428
Payment of dividends	-10,000	0	0
Repayment of issued bonds	0	0	-98,276
Cash flow from financing activities	-11,675	800,003	696,419
Cash flow	97,132	1,272,305	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	97,132	1,276,450	676,259
Cash and due etc.	1,499,895	2,002,954	1,402,763
Cash and due etc.			
Cash in hand and demand deposits with central banks	621,145	1,746,151	586,907
Due from credit institutions, etc.	878,750	256,803	815,856
Total	1,499,895	2,002,954	1,402,763

Notes - P/F BankNordik

Note	DKK 1,000	Q1 2013	Q1 2012	Full Year 2012
1	Interest income			
	Credit institutions and central banks	-116	1,228	2,293
	Loans and advances	177,285	199,486	758,423
	Bonds	13,852	9,877	57,464
	Total derivatives of which:	-5,090	-5,624	-12,637
	<i>Currency contracts</i>			
	<i>Interest rate contracts</i>	-5,090	-5,624	-12,637
	<i>Other transactions</i>			
	Other interest income	118	-264	-461
	Total interest income	186,048	204,703	805,081
2	Interest expenses			
	Credit institutions and central banks	-153	166	339
	Deposits	26,323	33,771	128,017
	Issued Bonds	0	-91	-56
	Subordinated debt	16,198	17,321	70,722
	Other interest expenses	96	945	4,339
	Total interest expenses	42,464	52,112	203,360
3	Net fee and commission income			
	Fee and commission income			
	Securities trading and custody accounts	9,008	8,691	21,084
	Credit transfers	7,098	7,171	32,194
	Loan commissions	3,173	2,712	12,192
	Guarantee commissions	5,074	7,641	23,450
	Other fees and commissions	23,398	23,136	109,320
	Total fee and commission income	47,751	49,351	198,240
	Fee and commissions paid			
	Securities trading and custody accounts	3,543	1,218	7,987
	Net fee and commission income	44,208	48,134	190,253
4	Market value adjustments			
	Loans and advances	1,593	20	245
	Bonds	-1,660	1,269	-10,286
	Shares	12,201	6,975	23,967
	Investment properties	-3,500	0	-11,400
	Foreign exchange	4,273	-619	4,555
	Total derivatives of which:	-708	2,471	-3,078
	<i>Currency Swaps</i>	615	0	16,548
	<i>Interest Swaps</i>	-865	-4,348	-21,014
	<i>Other contracts</i>	-458	6,819	1,388
	Assets under pooled schemes	0	-257	53
	Other obligations	1,620	0	10,374
	Total market value adjustments	13,819	9,859	14,431

Note	DKK 1,000	Q1 2013	Q1 2012	Full Year 2012
5	Other operating income			
	Profit/loss on sale of investment and corporate properties and temporary properties	84	0	0
	Profit on sale of operating equipment	102	0	0
	Reversals of acquired OEI impairments	8,207	3,861	33,002
	Other income	1,827	-497	1,264
	Total other operating income	10,220	3,365	34,891
6	Staff costs and administrative expenses			
	Staff costs:			
	Salaries	64,197	76,100	274,519
	Pensions	7,221	7,477	30,626
	Social security expenses	7,512	7,304	32,199
	Total staff costs	78,930	90,881	337,344
	Administrative expenses	53,751	89,219	252,276
	Total staff costs and administrative expenses	132,680	180,099	589,620
	Number of employees			
	Average number of full-time employees in the period	453	527	488
	Executive remuneration:			
	Board of Directors	405	405	1,620
	Executive Board:			
	Salaries	1,074	1,047	4,488
	Pension	172	105	567
	Total executive remuneration	1,651	1,556	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	62,532	22,517	112,117
	Loans and advances at fair value	0	0	11,352
	Guarantees and loan commitments	0	0	15,422
	Assets held for sale	1,192	600	9,569
	Total	63,724	23,117	148,460
	Individual impairment charges etc.			
	New and increased impairment charges	71,086	23,017	191,204
	Reversals of impairment charges	9,089	2,240	43,112
	Write-offs charged directly to the income statement	3,146	2,257	19,924
	Received on claims previously written off	336	430	3,549
	Interest income on impaired loans and advances etc.	4,200	2,944	14,473
	Total individual impairment charges	60,608	19,660	149,995
	Collective impairment charges			
	New and increased impairment charges	3,116	3,457	1,168
	Reversals of impairment charges	0	0	2,703
	Total collective impairment charges	3,116	3,457	-1,535
	Total impairment charges	63,724	23,117	148,460

Note	DKK 1,000	March 2013	March 2012	Full Year 2012
8	Due from credit institutions etc. specified by maturity			
	On demand	878,750	256,803	812,256
	3 months and below	0	0	3,600
	3 months to 1 year			
	Total	878,750	256,803	815,856
9	Impairment charges, loans and advances etc.			
	Individual impairment charges etc.			
	At 1 January	332,676	316,769	316,769
	New and increased impairment charges	70,740	23,017	191,204
	Reversals of impairment charges	8,625	2,240	39,649
	Written-off, previously impaired	10,458	27,532	135,647
	Total	384,333	310,013	332,676
	Collective impairment charges			
	At 1 January	23,602	25,137	25,137
	New and increased impairment charges	3,116	3,457	1,168
	Reversals of impairment charges	0	0	2,703
	Total	26,718	28,594	23,602
	Total	411,051	338,607	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 quarter of 2013.

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

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BankNordik is a limited liability
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The company is listed on the
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