

BANKNORDIK

Interim Report

H1 2010

16 August 2010

Table of contents**BankNordik Group:**

Summary	3
Financial Highlights	4
Management's Report	5
Macroeconomic update	11
Outlook 2010	11
Financial Highlights – 5-years summary, BankNordik Group	12
Statement by the Executive Board and the Board of Directors	14
Income Statement – BankNordik Group	15
Balance Sheet – BankNordik Group	17
Statement of capital – BankNordik Group	19
Cash Flow Statement – BankNordik Group	20
Notes – BankNordik Group	21

P/F BankNordik:

Interim Financial Statements – P/F BankNordik	31
Financial Highlights – 5-years summary – P/F BankNordik	32
Income Statement – P/F BankNordik	34
Balance Sheet – P/F BankNordik	35
Statement of capital – P/F BankNordik	37
Cash Flow Statement – P/F BankNordik	39
Notes – P/F BankNordik	40
Additional Information	43

BankNordik • First half 2010

H1 highlights:

- Pre-tax profit of DKK 458m, up from DKK 88m in H1 2009
- Contribution from acquired branches amounted to DKK 22m in H1 2010
- Core earnings fell relative to H1 2009 due to shrinking lending volumes in the Faroes and high excess liquidity
- Impairments of DKK 35m compared to DKK 56m in H1 2009; Impairments are back to normal at the average level for the last 15 years of about 0.5% of exposures yearly and expected to decrease further in 2011 and onwards
- Solvency ratio of 18%; calculated solvency requirement at less than 8%
- Liquidity ratio 288% higher than statutory requirement and loans/deposits ratio well-balanced
- Integration of acquired branches progressing according to plan and new IT platform implemented
- Credit quality in acquired branches as expected
- Economic recovery increases likelihood of growth in lending
- 2010 outlook maintained

“The profit of DKK 458m in the first half of 2010 is satisfactory. BankNordik is a strong and well positioned banking and insurance group active in four Nordic markets with a core solvency ratio of 18%, a balancing deposit ratio and liquidity three times higher than the statutory requirement. Short term, the Group will benefit from lower expenses after the expiry of the First Bank Package and from an expected normalisation of loan losses in the coming quarters.”

“The integration of the activities acquired in Denmark, Iceland and Greenland is progressing to plan and contributes positively to the Group’s performance improving the future growth potential“
– Janus Petersen, CEO.

Highlights, ratios and key figures - BankNordik Group

Highlights	H1	H1	Index	Q2	Q2	Index	Q1	Q4	Q3	Full year
	DKK 1,000	2010	2009	10 / 09	2010	2009	10 / 09	2010	2009	2009
Net interest and fee income	287,417	224,646	128	136,688	112,200	122	150,729	113,113	117,291	455,049
Interest and fee income and income from insurance activities, net	308,322	241,881	127	149,033	118,317	126	159,289	125,834	129,212	496,928
Market value adjustments	25,643	24,703	104	10,027	15,944	63	15,615	-12,015	11,227	23,915
Other operating income	380,915	-1,325		-395	-604	65	381,310	-8,738	-693	-10,756
Staff cost and administrative expenses	194,872	103,376	189	112,208	54,019	208	82,664	53,750	53,652	210,778
Impairment charges on loans and advances etc.	34,578	56,419	61	-1,506	33,836	-4	36,084	52,201	19,543	128,162
Net profit	371,804	71,186	522	22,657	28,882	78	349,147	-7,680	47,541	111,047
Loans and advances	8,792,778	7,304,651	120	8,792,778	7,304,651	120	8,909,786	6,937,560	7,178,824	6,937,560
Bonds at fair value	2,195,992	1,067,046	206	2,195,992	1,067,046	206	955,522	1,252,056	1,122,733	1,252,056
Intangible assets	434,724	0		434,724	0		409,496	39,312	0	39,312
Assets held for sale	156,545	132,911	118	156,545	132,911	118	157,160	175,908	138,178	175,908
Total assets	14,984,424	9,567,598	157	14,984,424	9,567,598	157	14,169,848	10,267,021	9,819,192	10,267,021
Due to credit institutions and central banks	624,462	1,769,518	35	624,462	1,769,518	35	869,480	1,498,499	1,863,685	1,498,499
Deposits and other debt	8,712,760	5,485,810	159	8,712,760	5,485,810	159	8,918,231	5,496,550	5,378,065	5,496,550
Issued bonds at amortised cost	2,699,843	499,717	540	2,699,843	499,717	540	1,498,248	999,843	499,654	999,843
Total shareholders' equity	2,048,729	1,569,034	131	2,048,729	1,569,034	131	2,022,716	1,663,122	1,620,315	1,663,122
Ratios and key figures										
	June 30	June 30		June 30	June 30		March 31	Dec. 31	Sept. 30	Full year
	2010	2009		2010	2009		2010	2009	2009	2009
Solvency										
Solvency ratio, %	17.7	22.1		17.7	22.1		18.3	26.2	25.3	26.2
Core capital ratio, %	17.9	22.2		17.9	22.2		18.5	26.6	25.4	26.6
Risk-weighted Items, DKK mill	9,737	6,805		9,737	6,805		9,480	6,648	6,763	6,648
Profitability										
Return on equity after tax, %	20.0	4.6		1.1	1.9		18.4	-0.5	3.0	7.0
Cost / income, %	35.7	66.6		80.1	72.4		25.9	110.3	58.5	73.4
Cost / income, % (excl. value adjustm. and impairments)	32.0	49.7		86.7	53.0		17.3	54.4	48.5	50.5
Liquidity										
Excess cover relative to statutory liquidity requirements, %	288.1	196.8		288.1	196.8		134.6	275.7	234.2	275.7
Credit risk										
Growth on loans and advances, %	26.7	-4.0		-1.3	-2.2		28.4	-3.4	-1.6	-9.0
Gearing of loans and advances	4.3	4.7		4.3	4.7		4.4	4.2	4.4	4.2
Shares										
Earnings per share after tax (nom. DKK 20), DKK	38.2	7.4		2.3	3.0		34.7	-0.8	4.9	11.5
Market price per share (nom. DKK 20), DKK	142	122		142	122		159	131	144	131
Book value per share (nom. DKK 20), DKK	209	163		209	163		206	172	168	172
Other										
Number of full-time employees, end of period	424	231		424	231		420	288	237	288

Management's Report

BankNordik's pre-tax profit for the first half of 2010 was DKK 458m compared to DKK 88m in H1 2009. Net of the one-off income from the sale of Bakkafrøst Holding in Q1 2010, the profit in H1 2010 was DKK 77m.

Q2 2010 was the first quarter in which the branches acquired in Denmark and Greenland were consolidated for a full reporting period. The Q2 2010 pre-tax profit was DKK 31m, DKK 5m lower than in Q2 2009.

The H1 2010 profit was record high due to the one-off income from the divestment of Bakkafrøst Holding in Q1 2010. However the Group's core earnings – defined as interest, fee and insurance income less staff and administrative expenses - decreased by 18% to DKK 113m in the first half of 2010 compared to DKK 139m in H1 2009.

The main reason for the decrease in core earnings was lower lending volumes in the Faroese market and costs related to a sharp increase in BankNordik's liquidity buffer. On the positive side, income from the newly acquired activities in Denmark, Greenland and Iceland partly offset the decrease in earnings.

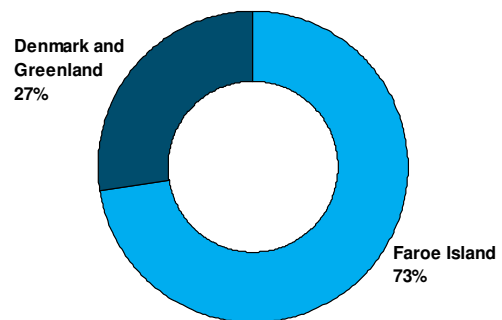
A lower level of activity in the Faroese economy reduced the demand for lending and accelerated loan repayment in the Faroese market. The slowing demand for lending was driven by very strong earnings in the salmon farming industry, which enabled companies to repay large parts of their debts. Furthermore, many retail customers have converted their mortgage loans to DLR bond loans, moving around DKK 250m of the bank's mortgage portfolio off balance sheet. Overall, BankNordik's loan portfolio was reduced by DKK 800m compared to 30 June 2009.

The strong repayment of loans demonstrates the general financial health of BankNordik's customers, the low risk and losses on its loan book. On the other hand, the fall in lending reduced net interest income by more than

DKK 20m in H1 2010 compared to H1 in 2009.

The branches taken over in Denmark and Greenland more than offset the decrease in income in the Faroese market, contributing DKK 22m to the profit during the five month period since they were acquired in February 2010.

Net interest and fee income on markets



The Group has strengthened its liquidity buffer by DKK 3bn relative to 30 June 2009 through a DKK 0.8bn decrease in lending in the Faroese market, a DKK 1.2bn deposit surplus in Denmark, a net amount of DKK 0.8bn of senior funding and DKK 0.2bn in subordinated debt.

The prudent funding is a deliberate choice made in order to eliminate any doubt about BankNordik's ability to maintain a comfortable liquidity position when the First Bank Package expires. It comes at a cost, however. The hybrid loan caused net interest expenses to increase by DKK 10m in H1 2010 compared to H1 2009. The deposit surplus in Denmark and the proceeds from new funding have been placed in the money market and the short-term bond market at low interest. Thus the loss from holding excess liquidity was around 1-1.5% in H1 2010. This lifted interest expenses by more than DKK 12m in H1 2010 compared to H1 2009.

However, in light of current economic developments and the present outlook - the performance is acceptable and stands to

improve over the next couple of quarters.

The Group's cost level is likely to decrease in 2011. The expiry of the First Bank Package will help to reduce costs by around DKK 39m on an annual basis. On the other hand, a fee of 0.95% on the government guarantee on external funding will be payable from 1 October 2010 onwards. However, the effect will be reduced by a planned reduction of the Group's excess liquidity buffer.

Another positive factor is the decreasing loan losses. Loan losses are now back to normal levels around 0.5% of exposures in average for the last 15 years and are expected to decrease further in 2011 and onwards.

Additionally, a limited increase in lending volumes is likely in the coming years given the expansion of the Bank's market, and the currently stable economic outlook in the Faroe Islands and Denmark.

Strong balance sheet

With a tier 1 solvency ratio of 18%, the BankNordik Group is amongst the best consolidated banking groups in the Nordic region. Loan losses are on average levels for the Bank and are expected to decrease further in H2 2010 and into 2011.

Thus the Group is well positioned to face the challenges when the unlimited government guarantee for deposits (First Bank Package) expires on 30 September 2010. In order to be able to withstand even the highly unlikely scenario in which all uncovered deposits were to be withdrawn, the Bank has built up a solid liquidity buffer of DKK 5.4bn or 288% relative to statutory requirements.

Given the uncertainty of depositor behaviour after 30 September 2010, the Group will maintain a prudent liquidity ratio throughout the autumn.

However, bearing in mind its financial strength, the high spread of deposits and its loyal customer base, the Group considers any major outflow of deposits to be highly unlikely. On the contrary, an inflow of deposits would be a more likely scenario.

Provided these assumptions hold, the Group plans to reduce the excess liquidity buffer considerably after September 2010.

Acquired branches performing as expected

The acquired branches in Denmark and Greenland have performed as expected following the transaction with Sparbank.

Since the acquisition in February 2010, the Bank has taken over the customers involved. All depositors above € 100,000 were asked to accept moving their deposits from Sparbank to BankNordik, and practically all did. Thus the branch network in Denmark and Greenland maintain an attractive deposit ratio with deposits exceeding lending by DKK1.2 bn.

In June, all accounts were converted from Sparbank's systems to BankNordik's banking system. The operation went as planned, and very few customers experienced any difficulties in connection with the transaction.

The bank has established a credit department in Kolding to handle risk management in Denmark. All the necessary back-office facilities and support functions are now in place at the regional office in Kolding. The credit department in the Faroe Islands handles risk management relating to Greenland.

Emphasis has also been on HR development, creating a corporate identity that will facilitate synergies across geographic, cultural and business boundaries. In June, the Group hosted an integration event in the Faroe Islands attended by all Group employees. The event was very well received and has boosted the corporate spirit.

The integration in Denmark and Greenland is progressing as planned and BankNordik is experiencing high customer and employee loyalty in the acquired branches.

In February 2010, prior to the acquisition of the Danish and Greenland branches, BankNordik performed a thorough credit due diligence. The exposures were tested for

impairment in accordance with the Group's credit policy. A limited number of exposures not previously impairment charged were assessed for impairment.

The Bank reviewed all exposures in Denmark and Greenland during the first half of 2010, making impairments of DKK 35m on the portfolio. The amount is lower than the due-diligence estimate. Since the Group was aware of the need for further impairment charges prior to the transaction, this amount forms part of the goodwill payment for the branches and accordingly, it has been recognised in the H1 2010 financial statements. As this exercise was unfortunately not performed in the Q1 2010 report, an impairment of DKK 15m relating to Q1 has been reversed and recognised as goodwill.

Drop in core earnings

The Group's core earnings fell by 18% to DKK 113m in the first half of 2010 from DKK 139m in H1 2009.

In H1 2010 net interest income increased by 16% or DKK 33m from DKK 201m in H1 2009 to DKK 234m in H1 2010. The cause is found in interest income increasing by 5% while interest expenses fell by 14%. During the period, the loan portfolio increased by 20%.

Net fee and commission income increased considerably, from DKK 21m in H1 2009 to DKK 47m at 30 June 2010. The increase was mainly attributable to the newly acquired branches, but also to the sale of Bakkafrost Holding and the growing trend in the Faroes of financing mortgages through bonds. The increase in dividends in Q1 2010 was due exclusively to Bakkafrost.

In the outlook provided in the Q1 2010 Interim Report, the Group revised the projected growth in net interest and fee income to 25-35%, mainly due to lower-than-expected lending. The new guidance is confirmed by the performance year to date.

The net contribution to BankNordik's core net income from insurance activities increased by 21% to DKK 21m compared to the H1 2009 figure of DKK 17m. The Icelandic insurance activities were acquired after the end of H1 2009.

Net interest, fee and insurance income in H1 2010 was DKK 308m, a 27% increase from DKK 241m in H1 2009. The insurance activities in the Faroes performed in line with expectations while the Icelandic activities were a bit below expectations. Projections for the full year are unchanged, however.

Transitional costs as expected

As projected in the Annual Report 2009, the profit for 2010 is influenced by the consolidation and transitional expenses, such as costs from the integration of the newly acquired activities and the transfer of the Group's IT systems to SDC.

Most of the costs related to the change of IT system have been recognised in the balance sheet and will be amortised in future years.

However transitional cost of DKK 15m mainly related to the change of IT and to the acquisition in Denmark and Greenland are considered to have had a direct effect on the H1 2010 profit.

Increase in costs

Staff costs and administrative expenses increased by 89% from DKK 103m in H1 2009 to DKK 195m in H1 2010. In Q2 where the transition to SDC took place the expenses increased by 108% amounting to DKK 112m compared to DKK 54m in Q2 2009.

Staff costs represent DKK 110m of the DKK 195m mentioned above and have likewise increased by 89% since H1 2009. The higher costs primarily in Q2 reflect the increase in staff numbers (FTE) from 231 at the end of H1 2009 to 424 employees at the end of June 2010 resulting from the acquisitions in Denmark, Greenland and Iceland.

Administrative expenses, which are made up

by IT, marketing, education, advisory services and especially other costs cover the smaller half of the DKK 195m and amounted to DKK 96m – an increase of 102% from the DKK 47m in H1 2009. It is especially here that the bulk of transitional expenses are materialized.

It is especially other costs that have increased much from DKK 18m in H1 2009 to DKK 47m in H1 2010 corresponding to 267%. A large part of the costs appear in the form of advisory services, travelling, intermediary administration etc. as described above under transitional costs.

Impairments back to normal level

Impairments on loans decreased by 39% from DKK 56m in H1 2009 to DKK 35m in H1 2010. This is DKK 1m less than the corrected figure of DKK 36m reported in the first quarter of 2010.

Since impairments in the second half of 2009 were DKK 72m, it is a positive trend in impairments indicating a more favourable business climate.

Part of the explanation for the improved impairments is a correction to the Q1 Interim Report 2010. Impairment charges in Denmark amounting to DKK 16m in Q1 2010 were recognised in the income statement, but as the impairment charges related to events prior to the acquisition they should have been recognised as an increase in goodwill. The relevant adjustments have been made in the H1 2010 financial statements and the comparative figures for Q1 2010 have been restated accordingly.

When BankNordik acquired the Sparbank branches, the Bank also acquired loans amounting to DKK 2.5bn. Sparbank's impairment charges on the acquired loans amounting to DKK 46m were taken over. Based on the due diligence performed in conjunction with the acquisition, additional impairment charges of DKK 35m have been made, which is slightly less than expected. Therefore, DKK 81m of the Bank's total impairment charges relate to the acquired loans from Sparbank.

BankNordik's total impairments at the end of H1 2010 amounted to DKK 434m corresponding to 4.1% of total loans and guarantees.

The write-off and impairments ratio is 0,3% and is thus back to the normal average level for the last 15 years of about 0.5% of exposures yearly. Of the impairments DKK 6m relates to payments to the Danish State Contingency fund and less than DKK 30m to the Banks customers.

The management expects the impairment level to decrease further in 2011 and in the coming years.

Positive market value adjustments

Market value adjustments from the Group's investment portfolio were DKK 26m in H1 2010, which is DKK 1m or 4% higher than in H1 2009.

The portfolio is mainly invested in Danish government and mortgage bonds, amounting to around DKK 2.2bn and DKK 150m in shares.

Lower net profit

The H1 2010 profit after tax amounted to DKK 372m compared to DKK 71m last year, but on a quarterly basis the profit was DKK 23m compared to DKK 29m in Q2 2009.

As a result, the H1 2010 ROE after tax was 20%.

Balance sheet growing

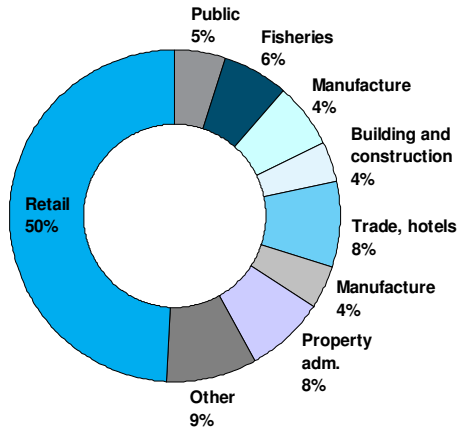
At 30 June 2010, BankNordik's balance sheet approached DKK 15bn which was 57% higher than a year earlier and 6% higher than at 31 March 2010.

The increase in the balance sheet total since 31 March 2010 is basically a result of the DKK 1.2bn funding facility drawn in May 2010.

The banks funding situation is very comfortable after the takeover of the branches in Denmark and Greenland. At 30 June 2010, total deposits amounted to DKK

8.7bn, largely matching total lending of DKK 8.8bn. The strategic goal of funding loans by deposits set in 2009 has thus been reached.

Gross loans and guarantees (sectors and segments)

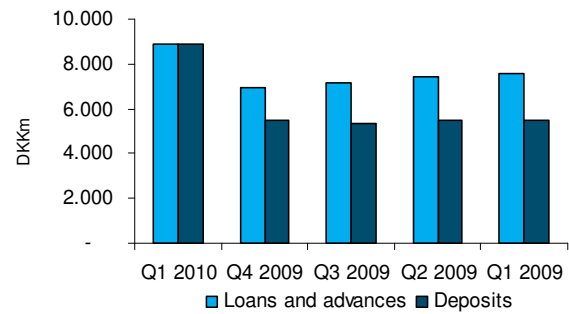


The expansion to Denmark and Greenland increased lending by DKK 2.3bn and increased the geographical dispersion of the already diversified loan portfolio. No single segment now accounts for more than 8% and the portfolio is split evenly between private and corporate customers.

The statutory liquidity requirement of close to DKK 1.4bn is more than covered by the Group's equity of more than DKK 2bn. The Group's target of holding excess liquidity of around 100% is mostly covered by external funding.

At DKK 8.7bn, deposits decreased by 2% during the second quarter. This is due to a small number of Sparbank customers that opted not to stay with the Bank after the takeover.

Loans and advances increased by 27% in the first half of 2010 but decreased by 1% in the second quarter.



The Group's portfolio of guarantees amounted to DKK 1.4bn at 30 June 2010, mostly reflecting the activities acquired in the Danish market, but also the trend in the Faroese market of moving housing finance from regular bank loans to bond-backed loans.

Strong liquidity position

BankNordik's liquidity position at 30 June 2010 is very good. The Group held liquidity reserves corresponding to 288% of the statutory requirement.

In addition to equity and externally funded liquidity the buffer contains a DKK 800m line from the Danish central bank. The drawing right which will expire in February 2011 is based on the Group's excess solvency.

	Loan date	Due date	Mill. DKK
RZB	June 2008	June 2011	75
Schuldschein II	Dec. 2007	June 2011	164
Nykredit*	Dec. 2008	Dec. 2011	250
Nykredit*	Dec. 2008	Jan. 2012	250
Bond loan (ST)	Dec. 2009	Nov. 2012	500
NIB	Dec. 2007	Dec. 2012	75
Bond loan (ST)	March 2010	March 2013	500
Bond loan (ST)**	May 2010	May 2013	1.200
Total			3.014

*) Lender has option to call every third month.

***) Borrower can call each quarter from 2 November 2010.

DKK 239m in external funding will mature over the next 12 months, but the Bank also has a DKK 500m bond loan which the lender has an option to call every three months.

In addition, BankNordik has an option every third month starting from November 2010 to repay the DKK 1.2bn bond loan raised in May 2010.

The strong liquidity situation has come at a cost affecting the net interest income

negatively. As the government guarantee on all unsubordinated debt expires in September 2010, the Group faces paying an additional 0.95% or DKK 21m annually in costs for the individually guaranteed amount of DKK 2.2bn.

The Group's deposits are expected to be positively influenced by the change, but there is some uncertainty as to what will happen. Unless the Bank experiences a severe decline in deposits, the Group intends to reduce its liquidity to a level closer to the aspired surplus liquidity by repaying loans.

Rating under review

The Bank's A3 rating from Moody's has been stable since the initial rating in May 2008.

In February 2010, Moody's placed the Bank under review for a possible downgrade in conjunction with the acquisition of the branches in Denmark and Greenland, due to potential negative effects from the transaction and the challenges in relation to the integration.

However, several factors have improved since Moody's placed the Bank under review. The Bank has improved its equity by nearly DKK 400m to DKK 2bn - an increase of nearly 25% or roughly the same as this year's 27% increase in the loan portfolio. Consequently, the Bank's solvency ratio is now 18% compared to a calculated solvency requirement of less than 8% and the Bank has improved its deposit ratio from 80% to 100%. Furthermore, the integration of the new branches is progressing as planned and the Bank's impairments on the acquired portfolio have proved to be lower than initially estimated at the same time as impairments in general are back to average levels for the last 15 years - expected to decrease even further.

Moody's Aa2 country rating of the Faroe Islands was confirmed with stable outlook in June 2010 and in July Moody's announced that the review of the Bank it expected to be concluded by September 2010.

Systemic measures changing

As mentioned, the general government guarantee for all unsubordinated debt provided to participants of Denmark's First Bank Package, will expire on 30 September 2010. The scheme will be replaced by individual government guarantees.

Under the individual guarantee BankNordik has received approval to issue bonds for up to DKK 4bn till the end of 2010. So far issues have been made for DKK 2.2bn. Guaranteed issues will start to draw interest of 0.95% from the beginning of October 2010.

Equity remains comfortable

At the beginning of the year, BankNordik held equity of DKK 1.7bn. With the accumulated surplus so far in 2010, equity has increased beyond DKK 2bn.

The Group also holds hybrid capital of DKK 204m provided by the Danish State in September 2009. The Danish State charges 10.5% p.a. and the annual interest expense of DKK 22m thus substantially contributes to the lower net interest income.

Although the statutory minimum solvency has been set at 8%, Danish banks are required to calculate their minimum solvency needs on an individual basis. BankNordik's internally calculated solvency requirement at 30 June 2010 was below the minimum of 8%.

Events after the balance sheet date

There have been no material events with significant influence on the Group's activities after the balance sheet date.

Macroeconomic update

Developments in the international economy indicate a recovery, with economic activity slowly picking up in the major economies. This is also reflected in the demand for the Faroese export goods through a significant increase in world market fish prices, which have more than compensated for the drop in the volumes caught in the first half of 2010.

The unemployment rate was stable at around 6% in Q2, while the unemployment rate in the previous quarters rose from 2% in Q1 2009 to 6% in Q1 2010. Activity in the housing market has also picked up in 2010 and housing prices have stabilised.

In Denmark, the economic outlook has also improved somewhat this year, as reflected in rising house prices in Q2 and a stabilisation of the unemployment rate at 4.2%.

In Greenland, the local economy has been shielded from negative effects of the international financial crisis, but the regions outside the capital of Nuuk experienced rising unemployment in 2009. The unemployment rate in Nuuk remained at a very low level of around 2%.

Given the slightly positive economic outlook for BankNordik markets, demand for lending from both corporate and retail customers is expected to pick up in the coming quarters.

Outlook 2010 maintained

The net profit in the first half of 2010 was in line with the guidance provided in the Q1 2010 interim report.

With respect to the budget for the rest of the year and the performance year to date, the Group retain its previous guidance.

Including the capital gains from the sale of Bakkafrøst Holding, the full-year profit guidance provided in the Q1 2010 interim report for pre-tax profit before value adjustments was in the range of DKK 470-510 million. With the H1 2010 pre-tax profit of DKK 458m, the Q2 2010 contribution of DKK 30m and the improving general economic outlook, there is a good probability that the full-year financial results for 2010 will be within the current guidance.

Substantial transitional costs have been incurred in the year to date, but the amount is expected to decrease in the second half year.

Lending volume weakened by DKK 117m in the second quarter as more housing finance was transferred to bond-backed mortgage credit (DLR) and demand for new lending is weak.

As all markets with BankNordik branch

activity are seemingly experiencing improving economic conditions for the coming year, lending volumes are not expected to deteriorate further.

The outlook for net interest and fee income is maintained in the range of 25%–35%.

Premium income, net of reinsurance is also expected to remain at 25%–40% of overall income from net insurance activities in 2010.

The Group also maintains the projections from Q1 2010 that costs will increase by 70%–75% during 2010.

A more positive economic climate will benefit the level of impairments. The Group now projects impairments in 2010 to be in the range of DKK 70-80m including impairments from the Group's participation in the Danish government guarantee scheme. Impairments in 2011 are expected to be below the average level the last 15 years – corresponding to 0.5% of exposures.

Impairments from the Group's participation in the Danish government guarantee scheme are expected to remain at the level of 2009, provided the collective losses do not exceed DKK 10bn.

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

Highlights				BankNordik P/F Previous GAAP		Full year 2009
	H1 2010	H1 2009	H1 2008	H1 2007	H1 2006	
DKK 1,000						
Net interest and fee income	287,417	224,646	176,179	155,723	129,280	455,049
Interest and fee income and income from insurance activities, net	308,322	241,881	178,774	155,723	129,280	496,928
Market value adjustments	25,643	24,703	-40,775	11,111	-13,991	23,915
Other operating income	380,915	-1,325	-1,847	-2,108	-1,604	-10,756
Staff cost and administrative expenses	194,872	103,376	104,988	91,375	70,886	210,778
Impairment charges on loans and advances etc.	34,578	56,419	86,037	-21,983	-1,446	128,162
Net profit	371,804	71,186	-59,184	84,192	37,690	111,047
Loans and advances	8,792,778	7,304,651	7,681,117	6,240,863	4,671,686	6,937,560
Bonds at fair value	2,195,992	1,067,046	960,081	858,548	1,046,641	1,252,056
Intangible assets	434,724	0	0	0	0	39,312
Assets held for sale	156,545	132,911	23,859	0	0	175,908
Total assets	14,984,424	9,567,598	9,629,829	7,775,828	6,369,713	10,267,021
Due to credit institutions and central banks	624,462	1,769,518	2,529,267	1,488,681	290,498	1,498,499
Deposits and other debt	8,712,760	5,485,810	5,490,474	4,849,648	4,872,456	5,496,550
Issued bonds at amortised cost	2,699,843	499,717	0	0	0	999,843
Total shareholders' equity	2,048,729	1,569,034	1,386,255	1,329,711	1,123,800	1,663,122

Ratios and key figures

	June 30 2010	June 30 2009	June 30 2008	June 30 2007	June 30 2006	Full year 2009
Solvency						
Solvency ratio, %	17.7	22.1	18.7	20.8	25.1	26.2
Core capital ratio, %	17.9	22.2	18.8	20.9	25.2	26.6
Risk-weighted Items, DKK mill	9,737	6,805	7,328	5,925	4,296	6,648
Profitability						
Return on equity before tax, %	24.7	5.7	-3.9	7.9	4.1	8.5
Return on equity after tax, %	20.0	4.6	-4.1	6.5	3.4	7.0
Income / Cost ratio	2.80	1.50	0.72	2.39	1.63	1.36
Cost / income, % (excl. value adjustm. and impairments)	32.0	49.7	60.1	58.2	56.0	50.5
Market risk						
Interest rate risk, %	3.7	1.4	2.2	2.40	1.7	1.3
Foreign exchange position, %	18.5	1.3	18.7	7.20	10.9	1.5
Liquidity						
Loans and advances plus impairment charges as % of deposits	105.2	141.5	144.8	134.4	103.5	131.4
Excess cover relative to statutory liquidity requirements, %	288.1	196.8	85.3	51.0	103.4	275.7
Credit risk						
Large exposures as % of capital base	10.7	68.0	103.9	162.7	100.5	22.8
Impairment and provisioning ratio, %	4.1	4.2	3.2	4.0	7.0	3.8
Write-off and impairments ratio, %	0.3	0.7	1.0	-0.3	0.0	1.4
Growth on loans and advances, %	26.7	-4.0	1.8	15.4	14.7	-9.0
Gearing of loans and advances	4.3	4.7	5.5	4.7	4.2	4.2
Shares nom. DKK 100)						
Earnings per share after tax (nom. DKK 100), DKK	190.8	37.0	-29.8	42.1	18.8	57.3
Book value per share (nom. DKK 100), DKK	1,047	815	698	665	562	859
Market price per share (nom. DKK 100), DKK	711	609	740	1,182	N/A	657
Market price / earnings per share DKK	3.7	16.5	-24.8	28.1	N/A	11.5
Market price / book value per share DKK	0.68	0.75	1.06	1.78	N/A	0.76
Other						
Number of full-time employees, end of period	424	231	251	260	220	288

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 2010.

The consolidated financial statements for the first half of 2010 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. The independent auditor's have ensured that the requirements for the net income in the first quarter 2010 to be recognized in the core capital are fulfilled

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 2010, and of the results of the Group's and the Parent Company's operations and the Group's consolidated cash flows for the financial period 1 January to 30 June 2010.

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, 16 August 2010

Executive Board

Janus Petersen

Súni Schwartz Jacobsen

Board of Directors

Klaus Rasmussen
Chairman

Jens Erik Christensen
Vice chairman

Nils Sørensen

Keld Søndergaard Holm

Mette Dahl Christensen

Kenneth M. Samuelsen

Income statement - BankNordik Group

Note	DKK 1,000	H1 2010	H1 2009	Q2 2010	Q2 2009	Full year 2009
3	Interest income	332,820	316,029	171,508	147,185	593,087
4	Interest expenses	98,472	114,756	54,774	47,681	182,916
	Net interest income	234,348	201,273	116,734	99,505	410,172
	Dividends from shares and other investments	6,499	2,653	326	2,616	2,669
5	Fee and commission income	49,921	20,856	21,527	10,132	42,498
5	Fee and commissions paid	3,351	137	1,899	53	289
	Net interest and fee income	287,417	224,646	136,688	112,200	455,049
	Premium income, net of reinsurance	116,278	39,890	59,355	20,176	96,190
	Claims, net of reinsurance	95,374	22,655	47,010	14,059	54,312
	Interest and fee income and income from insurance activities, net	308,322	241,881	149,033	118,317	496,928
6	Market value adjustments	25,643	24,703	10,027	15,944	23,915
7	Other operating income	380,915	-1,325	-395	-604	-10,756
8	Staff costs and administrative expenses	194,872	103,376	112,208	54,019	210,778
	Amortisation, depreciation and impairment charges	8,436	1,496	5,640	750	4,742
	Other operating expenses	15,799	13,210	7,993	5,885	28,583
9	Impairment charges on loans and advances etc.	34,578	56,419	-1,506	33,836	128,162
	Income from associated and subsidiary undertakings	-3,519	-3,193	-3,519	-3,193	-3,021
	Profit before tax	457,676	87,565	30,811	35,975	134,799
	Tax	85,872	16,379	8,153	7,093	23,752
	Net profit	371,804	71,186	22,657	28,882	111,047
	Portion attributable to					
	Shareholders of BankNordik P/F	370,165	71,186	21,332	28,882	110,661
	Minority interests	1,638	0	1,325	0	386
	Net profit	371,804	71,186	22,657	28,882	111,047
	EPS Basic for the period, DKK*	38.16	7.34	2.32	2.91	11.47
	EPS Diluted for the period, DKK *	38.16	7.34	2.32	2.91	11.47

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

Statement of comprehensive income - BankNordik Group

DKK 1,000	H1 2010	H1 2009	Q2 2010	Q2 2009	Full year 2009
Net profit	371,804	71,186	22,657	28,882	111,047
Other comprehensive income					
Translation of non-Faroese subsidiaries	5,029	0	2,384	0	35
Deferred tax on tangible assets recognised at deemed cost at the transition to IFRS	0	75	0	0	122
Total other comprehensive income	5,029	75	2,384	0	157
Total comprehensive income	376,833	71,261	25,041	28,882	111,204
Portion attributable to					
Shareholders of BankNordik P/F	382,735	71,261	32,682	28,882	110,798
Minority interests	-5,902	0	-7,641	0	406
Total comprehensive income	376,833	71,261	25,041	28,882	111,204

Balance Sheet - BankNordik Group

Note	DKK 1,000	June 30 2010	June 30 2009	Full year 2009
Assets				
	Cash in hand and demand deposits with central banks	1,942,761	601,775	1,095,956
	Due from credit institutions and central banks	905,824	154,969	259,763
10	Loans and advances at fair value	899,692	882,723	866,668
11	Loans and advances at amortised cost	7,893,085	6,421,927	6,070,892
	Bonds at fair value	2,195,992	1,067,046	1,252,056
	Shares, etc.	150,363	72,360	175,321
	Assets under insurance contracts	100,805	10,600	88,196
	Holdings in associates	21,306	24,653	24,825
	Intangible assets	434,724	0	39,312
	Assets under pooled schemes	38,939	0	0
	Total land and buildings	141,227	136,696	139,881
	investment property	2,500	2,500	2,500
	domicile property	138,727	134,196	137,381
	Other property, plant and equipment	10,248	6,571	9,165
	Deferred tax assets	23,341	15,236	21,038
12	Assets held for sale	156,545	132,911	175,908
	Other assets	68,626	31,209	40,506
	Prepayments	946	8,922	7,534
	Total assets	14,984,424	9,567,598	10,267,021

Balance Sheet - BankNordik Group

Note	DKK 1,000	June 30 2010	June 30 2009	Full year 2009
Shareholders' equity and liabilities				
Liabilities other than provisions				
	Due to credit institutions and central banks	624,462	1,769,518	1,498,499
	Deposits and other debt	8,712,760	5,485,810	5,496,550
	Deposits under pooled schemes	38,872	0	0
	Issued bonds at amortised cost	2,699,843	499,717	999,843
	Liabilities under insurance contracts	330,000	56,610	255,399
	Current tax liabilities	90,418	43,873	9,050
	Other liabilities	184,384	117,965	94,046
	Deferred income	9,325	14,104	14,070
	Total liabilities other than provisions	12,690,064	7,987,596	8,367,458
Provisions for liabilities				
	Provisions for deferred tax	14,642	10,968	10,920
	Provisions for losses on guarantees	27,750	0	22,236
	Total provisions for liabilities	42,392	10,968	33,157
Subordinated debt				
	Subordinated debt	203,240	0	203,285
	Total liabilities	12,935,696	7,998,564	8,603,899
Shareholders' equity				
	Share capital	200,000	200,000	200,000
	Foreign translation reserve	5,063	0	35
	Retained earnings	1,843,665	1,369,034	1,463,087
	Total shareholders' equity	2,048,729	1,569,034	1,663,122
	Shareholders of the Parent Company	2,010,754	1,569,034	1,619,245
	Minority interests	37,975	0	43,877
	Total shareholders' equity	2,048,729	1,569,034	1,663,122
	Total liabilities and equity	14,984,424	9,567,598	10,267,021

Statement of capital - BankNordik Group

Changes in shareholders' equity:	Shareholders of BankNordik P/F (the Parent Company)					
	Share capital	Foreign currency translation reserve	Retained earnings	Total	Minority interests	Total
DKK 1,000						
Shareholders' equity at January 1, 2010	200,000	14	1,419,230	1,619,245	43,877	1,663,122
Total comprehensive income		12,569	370,165	382,735	-5,902	376,833
Acquisition of own shares			-168,703	-168,703		-168,703
Sale of own shares			177,478	177,478		177,478
Shareholders' equity at June 30, 2010	200,000	12,584	1,798,170	2,010,754	37,975	2,048,729

DKK 1,000	Share capital	Foreign currency translation reserve	Retained earnings	Total	Minority interests	Total
	Shareholders' equity at January 1, 2009	200,000	0	1,324,042	1,524,042	0
Total comprehensive income for the period			71,261	71,261		71,261
Acquisition of own shares			-41,178	-41,178		-41,178
Sale of own shares			14,908	14,908		14,908
Shareholders' equity at June 30, 2009	200,000	0	1,369,034	1,569,034	0	1,569,034

Shares

DKK 1,000	H1 2010	H1 2009	Full year 2009
Net profit	371,804	71,186	111,047
Average number of shares outstanding	9,744	9,698	9,682
Number of dilutive shares issued	0	0	0
Average number of shares outstanding, including dilutive shares diluted	9,744	9,698	9,682
Earnings per share, DKK	38.16	7.34	11.47
Diluted net profit for the period per share, DKK	38.16	7.34	11.47

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	9,784	9,632	9,711
Group's average holding of own shares during the period	256	302	318
Average shares outstanding	9,744	9,698	9,682

Cash flow statement - BankNordik Group

DKK 1,000	H1 2010	H1 2009	Full year 2009
Cash flow from operations			
Net profit for the period	371,804	71,186	111,047
Adjustment of non-cash operating items	21,464	47,659	98,946
Changes in operating capital	-243,609	-397,999	-573,246
Cash flow from operations	149,659	-279,154	-363,254
Cash flow from investing activities			
Acquisition/sale of group undertakings and other business units	-325,150	0	0
Acquisition/sale of own shares	8,775	-26,270	-15,595
Acquisition of intangible assets	-24,828	0	-10,617
Acquisition/sale of tangible assets	-24,698	166	-5,900
Cash flow from investing activities	-365,901	-26,104	-32,113
Issue of bonds	1,700,000		499,843
Increase in subordinated debt	0	0	203,285
Payment of long term loan	-145	0	-51
Cash flow from financing activities	1,699,855	0	703,077
Cash flow	1,483,612	-305,258	307,710
Cash in hand and demand deposits with central banks, and due from credit institutions, etc. at the beginning of the year	1,355,719	1,062,001	1,048,009
Foreign currency translation	9,253	0	0
Cash flow	1,483,612	-305,258	307,710
Cash and due etc.	2,848,585	756,744	1,355,719
Cash and due etc.			
Cash in hand and demand deposits with central banks	1,942,761	601,775	1,095,956
Due from credit institutions, etc.	905,824	154,969	259,763
Total	2,848,585	756,744	1,355,719

Note 1 Significant accounting policies

The consolidated financial statement for the first half of 2010 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 2009, except in the instances mentioned below. The Annual Report 2009 provides a full description of the Group's significant accounting policies.

Impairment of loans acquired from Sparbank

BankNordik acquired a number of branches from Sparbank in February 2010. The acquired net assets are disclosed in note 15. Regarding loans and advances at amortised cost the impairment charges DKK 81m made by Sparbank are taken over by BankNordik. According to IAS 39, reversals of these impairment charges are not reversals of impairment charges but other income. In practice, it is almost impossible to calculate the amount of these reversals. The system can not manage to disclose if a subsequent reversal of an impairment charge is impairment charges taken over from Sparbank and/or an impairment charge made by BankNordik. Furthermore there is an impairment charge on a material number of loans.

Impairments at the beginning of the period and reversals of impairment charges therefore include impairment charges taken over from Sparbank.

In the Q1 Interim Financial Statement, impairment charges in Denmark amounting to DKK 16m were recognised in the income statement but as the impairment charges related to events prior to the acquisition they should have been recognised as an increase in goodwill. This has been adjusted in H1 2010. Consequently the net profit, goodwill and shareholder's equity increases with DKK 16m. The comparative figures in Q1 2010 are restated.

Assets and deposits under pooled schemes

In Q2 2010 the Group has introduced pooled schemes to the customers. Assets under pooled schemes that are earmarked for customer savings are measured at fair value and recognised under Assets under pooled schemes. Similarly deposits made by customers are recognised under Deposits under pooled schemes. These deposits are recognised at the value of savings.

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 2009 and the uncertainties prevailing at that time.

BankNordik Group - segment reporting H1 2010

Operating segments	Banking					Elimination	BankNordik Group
	Denmark/						
Note 2DKK 1,000	Faroe Island	Greenland	BankNordik	Insurance	Other		
Interest income	244,194	87,533	331,727	6,507	189	-5,602	332,820
Interest expense	78,859	25,100	103,959	109	7	-5,602	98,472
Net interest income	165,335	62,434	227,768	6,398	182		234,348
Dividends from shares and other investments	6,499		6,499				6,499
Net fee income	25,669	20,332	46,001	527	135	-93	46,570
Premium income, net of reinsurance				116,097	1,093	-912	116,278
Claims, net of reinsurance				94,867	507		95,374
Market value adjustments	13,113	994	14,107	11,132	404		25,643
Income from associates	5,115		5,115			-8,635	-3,519
Other operating income	-1,481	304	-1,177	624	381,774	-306	380,915
Total income	214,250	84,064	298,314	39,911	383,081		711,360
Staff costs and administrative expenses	116,459	56,156	172,615	22,071	1,497	-1,311	194,872
Depreciation and impairment of property, plant and equipment	3,999		3,999	3,999	438		8,436
Other operating expenses	13,879	36	13,915	1,883			15,799
Total operating expenses	134,337	56,192	190,530	27,953	1,935		219,107
Profit before impairment charges on loans	79,913	27,871	107,784	11,957	381,146		492,253
Impairment charges on loans and advances etc.	34,578		34,578				34,578
Profit before tax	45,335	27,871	73,207	11,957	381,146		457,676
Loans and advances	6,543,289	2,248,633	8,791,922	856			8,792,778
Holdings in associates	21,306		21,306	3,292			24,597
Other assets	4,641,415	1,249,785	5,891,200	503,993	27,921	-256,066	6,167,049
Total assets	11,206,010	3,498,418	14,704,428	508,141	27,921		14,984,424
Deposits	5,456,278	3,406,020	8,862,297			-110,666	8,751,631
Other liabilities	5,749,732	92,399	5,842,131	508,141	27,921	-145,400	6,232,793
Total liabilities and equity	11,206,010	3,498,418	14,704,428	508,141	27,921		14,984,424
Internal interest income/expense allocated to operating segment	1%	1%	1%				
Cost/income ratio (%)	78.8%	66.8%	75.5%		0.5%		35.7%
Cost/income ratio (excl. value adjustments and impairments on loans and advances etc.) (%)	66.8%	67.6%	67.0%		0.5%		32.0%

Banking shows a decline in the pre-tax profit in H1 2010 compared to the same period last year. The reason being lower net interest income as a consequence of a decrease in loans and advances and the Groups holding of a high excess liquidity and due to higher staff and administrative expenses as a consequence of the Groups expansion to Denmark, Iceland and Greenland. Insurance activities shows a decline in pre tax profit compared to last year result. The insurance in 2009 includes a unusual good result. Other show a sharp increase in H1 2010 compared to same period last year due to divestment of Bakkafrost.

BankNordik Group - Geographical revenue information

	Total income		Non.current assets	
	Q1 2010	Q1 2009	June 30 2010	June 30 2010
Faroe Islands	599,472	251,653	599,030	201,629
Other countries	111,889	10,413	77,100	0
Total	711,360	262,066	676,130	201,629

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

The geographical information is an IFRS requirement. At the end of H1 2010 the Management thus not consider this information to give a sufficient overview of the groups activities. Instead the Management considers the business segments to be the best description of the Group's activities.

BankNordik Group - segment reporting H1 2009

Operating segments

Note	DKK 1,000	Faroe Island	Insurance	Other	Elimination	BankNordik Group
2	Interest income	315,098	2,648	40	-1,757	316,029
	Interest expense	116,458		55	-1,757	114,755
	Net interest income	198,640	2,648	-15		201,273
	Dividends from shares and other investments		2,653			2,653
	Net fee income	20,653			67	20,720
	Premium income, net of reinsurance		40,927		-1,037	39,890
	Claims, net of reinsurance		22,655			22,655
	Market value adjustments	24,109	594			24,703
	Income from associates	7,207				7,207
	Other operating income	-1,610	-70	668	-10,713	-11,725
	Total income	251,653	21,444	653		262,066
	Staff costs and administrative expenses	95,302	8,461	898	-1,284	103,376
	Depreciation and impairment of property, plant and equipment	1,494	2			1,496
	Other operating expenses	13,210				13,210
	Total operating expenses	110,005	8,463	898		118,082
	Profit before impairment charges on loans	141,648	12,981	-245		143,984
	Impairment charges on loans and advances etc.	56,419		0		56,419
	Profit before tax	85,229	12,981	-245		87,565
	Loans and advances	7,419,643		0		7,419,643
	Holdings in associates	24,653		0		24,653
	Other assets	2,143,861	155,105	500	-182,512	2,116,954
	Total assets	9,588,157	155,105	500		9,561,251
	Deposits	5,583,902		0	-98,092	5,485,810
	Other liabilities	4,004,256	155,105	500	-84,420	4,075,441
	Total liabilities and equity	9,588,157	155,105	500		9,561,251
	Internal interest income/expense allocated to operating segments					
	Cost/income ratio (%)	66.1%				66.6%
	Cost/income ratio (excl. value adjustments and impairments on loans and advances etc.) (%)	48.3%				49.7%

Notes - BankNordik Group

Note	DKK 1,000	H1 2010	H1 2009	Full Year 2009
3	Interest income			
	Credit institutions and central banks	14,491	9,185	11,270
	Loans and advances	308,075	292,189	554,214
	Bonds	21,430	23,585	48,026
	Total derivatives of which:	-12,683	-8,930	-21,069
	<i>Currency contracts</i>	0	0	-12,095
	<i>Interest rate contracts</i>	-12,683	-1,214	-8,974
	<i>Other transactions</i>	0	-7,717	0
	Other interest income	1,508	0	646
	Total interest income	332,820	316,029	593,087
	Of which accounted for by income from genuine sale and repurchase transactions:			
	Credit institutions and central banks	0	0	0
4	Interest expenses			
	Credit institutions and central banks	8,460	34,816	46,405
	Deposits	62,466	69,478	115,947
	Issued Bonds	17,029	10,461	14,844
	Subordinated debt	10,406	0	5,719
	Other interest expenses	111	0	0
	Total interest expenses	98,472	114,756	182,916
	Of which interest expenses on genuine sale and repurchase transactions are carried under:			
	Credit institutions and central banks	18	0	0
5	Net fee and commission income			
	Fee and commission income			
	Securities trading and custody accounts	5,879	784	1,455
	Credit transfers	9,466	5,584	11,217
	Loan commissions	12,654	6,572	14,509
	Guarantee commissions	8,741	2,750	6,016
	Life insurance	135	0	18
	Other fees and commissions	13,046	5,166	9,284
	Total fee and commission income	49,921	20,856	42,498
	Fee and commissions paid			
	Securities trading and custody accounts	3,351	137	289
	Net fee and commission income	46,570	20,720	42,209
	Other fees and commissions includes DKK 9m, which is the fee for divesting Bakkafrost.			
6	Market value adjustments			
	Loans and advances	4,583	11,249	-1,767
	Bonds	17,603	12,202	15,119
	Shares	1,100	6,500	7,124
	Investment properties			
	Foreign exchange	6,111	6,876	7,787
	Total derivatives of which:	-3,752	-12,124	-4,347
	<i>Currency Swaps</i>	0	-1,521	108
	<i>Interest Swaps</i>	-3,752	-10,603	-4,456
	Assets linked to pooled schemes	-2	0	0
	Total market value adjustments	25,643	24,703	23,915

Note	DKK 1,000	H1 2010	H1 2009	Full Year 2009
7	Other operating income			
	Profit/loss on sale of shares and equity investments in associates and group enterprises	380,575	0	-10,659
	Profit/loss on sale of investment and corporate properties and temporary properties	0	0	1,365
	Profit on sale of operating equipment	1	0	0
	Other income	339	-1,325	-1,463
	Total other operating income	380,915	-1,325	-10,756
	DKK 380m concerns the divestment of Bakkafrost			
8	Staff costs and administrative expenses			
	Staff costs:			
	Salaries	91,294	50,581	101,790
	Pensions	8,147	4,243	9,125
	Social security expenses	10,945	3,542	8,223
	Total staff costs	110,387	58,366	119,138
	Other administrative expenses:			
	IT	28,809	20,777	42,876
	Marketing etc	13,183	3,864	8,431
	Education etc	2,845	1,576	5,924
	Advisory services	5,425	3,191	8,615
	Other expenses	45,285	17,717	30,962
	Total administrative expenses	95,546	47,126	96,808
	Total staff costs	110,387	58,366	119,138
	Employee exp. incl. under the item "Claims, net of reinsurance"	-9,608	-2,115	-5,167
	Other administrative expenses	94,094	47,126	96,808
	Total staff costs and administrative expenses	194,872	103,376	210,778
	Number of employees			
	Average number of full-time employees in the period	400.5	230.1	281.10
	Executive remuneration:			
	Board of Directors	765	810	1,620
	Executive Board:			
	Salaries	2,257	2,257	4,448
	Pension	329	329	657
	Total executive remuneration	3,350	3,395	6,725

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 2009.

Note	DKK 1,000	H1 2010	H1 2009	Full Year 2009
9	Impairment charges on loans and advances etc.			
	Due from credit institutions and central banks	0	0	0
	Loans and advances at amortised cost	17,230	54,122	92,967
	Loans and advances at fair value	8,413	2,295	1,595
	Private Contingency Association (Det private beredskab)	6,216	0	17,715
	Guarantees and loan commitments	0	0	702
	Assets held for sale	2,719	0	15,182
	Total	34,578	56,417	128,162
	Individual impairment charges etc.			
	New and increased impairment charges	39,014	99,543	170,869
	Reversals of impairment charges	11,700	31,446	42,435
	Write-offs charged directly to the income statement	1,995	81	12,321
	Received on claims previously written off	1,908	183	571
	Total individual impairment charges	27,401	67,995	140,184
	Collective impairment charges			
	New and increased impairment charges	7,176	2,354	8,466
	Reversals of impairment charges	0	13,932	20,487
	Total collective impairment charges	7,176	-11,578	-12,022
	Total impairment charges	34,578	56,417	128,162

Notes - BankNordik Group

Note	DKK 1,000	June 30 2010	June 30 2009	Full Year 2009
10	Due from credit institutions etc. specified by maturity			
	On demand	872,838	154,969	259,763
	3 months and below	14,502	0	0
	3 months to 1 year	18,483	0	0
	Total	905,824	154,969	259,763
	Of which DKK 1.2 bn is due from Sparbank			
11	Impairment charges, loans and advances at amortised cost			
	Individual impairment charges etc.			
	At 1 January	258,827	192,916	192,916
	Additions on acquisitions	74,810	0	1,135
	New and increased impairment charges	21,667	97,248	146,376
	Reversals of impairment charges	11,700	31,446	42,435
	Written-off, previously impaired	9,781	81	39,030
	Foreign currency translation	135	0	-134
	Total	333,958	258,637	258,827
	Collective impairment charges			
	At 1 January	17,000	29,022	29,022
	Additions on acquisitions	9,828		
	New and increased impairment charges	7,176	2,354	8,466
	Reversals of impairment charges	0	13,932	20,487
	Total	34,004	17,444	17,000
	Total	367,962	276,081	275,827
12	Assets held for sale			
	Total purchase price, at 1 January	241,090	184,769	184,769
	Additions	34,657	14,714	80,885
	Disposals	51,301	16,572	24,564
	Total purchase price	224,446	182,911	241,090
	Depreciation and impairment, at 1 January	65,182	50,000	50,000
	Impairment charges for the year	2,719		15,182
	Negative changes in value recognized in the income statement			
	Reversal of impairment on revaluations during the year			
	Reversal of impairment on disposals during the year			
	Total depreciation and impairment	67,901	50,000	65,182
	Total assets held for sale	156,545	132,911	175,908

Note	DKK 1,000	June 30 2010	June 30 2009	Full Year 2009
13	Contingent liabilities			
	The Group uses a variety of loan-related financial instruments to meet the financial requirements of its customers. These include loan offers and other credit facilities, guarantees and instruments that are not recognised on the balance sheet.			
	Guarantees			
	Financial guarantees	982,468	11,063	11,063
	Loss guarantee for the Private Contingency Association	46,250	73,677	55,962
	Other guarantees	405,334	354,646	362,465
	Total	1,434,052	439,386	429,490

Of which DKK 1bn is acquired from Sparbank.

Together with the majority of Danish banks, BankNordik is participating through the Private Contingency Association in the Danish state guarantee under the Act on Financial Stability adopted by the Danish parliament on 10 October 2008. The scheme runs from 5 October 2008 to 30 September 2010 and includes an unconditional state guarantee for the obligations of Danish banks, except for subordinated debt and covered bonds.

Each bank's share of the state guarantee commission and the commitment to cover losses is calculated on the basis of the part of the bank's capital base that can be allocated to activities covered by the guarantee. BankNordik's share is 0,37% of the total amount, or a total guarantee commission of around DKK 46m remaining at 30 June 2010. Of the remaining amount DKK 37m is payable only if the Danish financial sector's need for capital exceeds DKK 10bn.

According to the acquisition agreement regarding Vörður Tryggingar hf, BankNordik is obligated in the first half of 2012 to purchase additional 416,500,000 shares in the company at an amount in the range of ISK 1,100,000,000 and ISK 1,600,000,000. The purchase price depends on the net profit in Vörður Tryggingar hf in the financial years 2010 and 2011. Translated in to DKK using closing rate at year end 2009, the purchase price will be in the range of DKK 45,5m and DKK 66,2m. Following the transaction, BankNordik will hold 100% of the shares in Vörður Tryggingar hf.

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

14 **Assets deposited as collateral**

At 30 June 2010 the Group had deposited bonds at a total market value of DKK 65m with Danmarks Nationalbank (the Danish Central Bank) in connection with clearing. (2009: 63m).

15 **Group enterprise / Branches acquired**

On 5 February 2010, BankNordik P/F concluded an agreement regarding the acquisition of 12 of Sparbank's branches in Jutland, on Funen and in Greenland. The acquisition date was 1 February 2010. Upon acquisition BankNordik payed DKK 335m in cash.

At the acquisition date the purchase price was preliminary allocated between the fair value of net assets and goodwill acquired.

DKK 1,000	1 February 2010
Fair value of net assets	46,191
Goodwill acquired	295,091
Total purchase price	341,282

When BankNordik acquired the Sparbank branches the Bank also acquired loans amounting to DKK 2.5bn. At the acquisition date only the largest loans were reviewed in detail, so initially the fair value of the loans were recognised corresponding to the value in Sparbank, But based on the due dilligence performed, the Banks management estimated higher impairment charges at the acquisition date.

The allocation of the purchase price is therefore adjusted with DKK 35m. The write-down of the loans increases the value of goodwill.

DKK 16m which is included in the DKK 35m is already recognised as an impairment charge in the income statement Q1 2010. The comparative figures in Q1 2010 are therefore restated. The impairment charges are decreased with DKK 16m and the goodwill is increased with the same amount. The shareholder's equity is increased with DKK 16m.

The revised allocation of the purchase price between the fair value of net assets and goodwill acquired.

DKK 1,000	1 February 2010
Fair value of net assets	11,449
Goodwill acquired	329,833
Total purchase price	341,282

According to the acquisition agreement adjustments can be made regarding customers. Therefore the acquisition of the Sparbank branches is calculated preliminary and the amounts are provisional.

Due to insufficient information about earnings prior to the acquisition, it is not possible to calculate the total income and results for 2010 with any degree of reliability in the event that the net assets had been acquired as from 1 January 2010.

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

The increase in the goodwill as a result of the revised fair value of loans is not an indicator of that the goodwill is impaired. The Management has calculated with this impairments on loans when determining the purchase price.

DKK 1,000	Revised fair value at the time of acquisition	Priiliminary fair value at the time of acquisition	Carrying amount before acquisition
Net assets acquired:			
Cash balances and demand deposits with central banks	20,084	20,084	20,084
Due from credit institutions	962,353	962,353	962,353
Loans and advances at fair value	219,673	219,673	219,673
Loans and advances at amortised cost	2,257,630	2,292,372	2,292,372
Intangible assets			
customer relations	40,000	40,000	40,000
leasehold improvements	4,549	4,549	4,549
Property, plant and equipment	1,642	1,642	1,642
Other assets	8,440	8,440	8,440
Total assets	3,514,370	3,549,112	3,549,112
Deposits and other debt	3,498,106	3,498,106	3,498,106
Other liabilities	4,815	4,815	4,815
Total liabilities	3,502,921	3,502,921	3,502,921
Net assets acquired	11,449	46,191	46,191
Purchase price	341,282	341,282	341,282
Goodwill	329,833	295,091	295,091

Interim Financial Statement – BankNordik P/F

The financial statement of the Parent Company, BankNordik P/F, 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 2009, except in the instances mentioned below. The Annual Report 2009 provides a full description of the Bank's significant accounting policies.

Impairment of loans acquired from Sparbank

BankNordik acquired a number of branches from Sparbank in February 2010. The acquired net assets are disclosed in note 15. Regarding loans and advances at amortised cost the impairment charges DKK 81m made by Sparbank are taken over by BankNordik. According to IAS 39, reversals of these impairment charges are not reversals of impairment charges but other income. In practice, it is almost impossible to calculate the amount of these reversals. The system can not manage to disclose if a subsequent reversal of an impairment charge is impairment charges taken over from Sparbank and/or an impairment charge made by BankNordik. Furthermore there is an impairment charge on a material number of loans.

Impairments at the beginning of the period and reversals of impairment charges therefore include impairment charges taken over from Sparbank.

In the Q1 Interim Financial Statement, impairment charges in Denmark amounting to DKK 16m were recognised in the income statement but as the impairment charges related to events prior to the acquisition they should have been recognised as an increase in goodwill. This has been adjusted in H1 2010. Consequently the net profit, goodwill and shareholder's equity increases with DKK 16m. The comparative figures in Q1 2010 are restated.

Assets and deposits under pooled schemes

In Q2 2010 the Bank has introduced pooled schemes to the customers. Assets under pooled schemes that are earmarked for customer savings are measured at fair value and recognised under Assets under pooled schemes. Similarly deposits made by customers are recognised under Deposits under pooled schemes. These deposits are recognised at the value of savings.

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

Highlights	BankNordik P/F					
	Previous GAAP			Full year		
DKK 1,000	H1 2010	H1 2009	H1 2008	H1 2007	H1 2006	2009
Net interest and fee income	280,269	221,946	173,190	155,723	129,280	449,235
Interest and fee income and income from insurance activities, net	280,269	221,946	173,190	155,723	129,280	449,235
Market value adjustments	14,107	24,109	-40,504	11,111	-13,991	23,009
Other operating income	379,398	-1,610	-2,201	-2,108	-1,604	-11,611
Staff cost and administrative expenses	172,615	95,302	96,626	91,375	70,886	191,534
Impairment charges on loans and advances etc.	34,578	56,419	86,037	-21,983	-1,446	128,120
Net profit	370,165	71,186	-59,184	84,192	37,690	110,661
Loans and advances	8,791,922	7,304,651	7,681,502	6,240,863	4,671,686	6,936,530
Bonds at fair value	2,056,758	1,020,749	907,676	858,548	1,046,641	1,157,063
Intangible assets	141,683	0	0	0	0	27,857
Assets held for sale	156,545	132,911	23,879	0	0	175,908
Total assets	14,704,428	9,588,157	9,637,022	7,775,828	6,369,713	10,035,538
Due to credit institutions and central banks	624,417	1,769,518	2,529,267	1,488,681	290,498	1,498,333
Deposits and other debt	8,823,426	5,583,902	5,574,375	4,849,648	4,872,456	5,597,715
Issued bonds at amortised cost	2,699,843	499,717	0	0	0	999,843
Total shareholders' equity	2,010,754	1,569,034	1,386,255	1,329,711	1,123,800	1,619,245

Ratios and key figures

	June 30 2010	June 30 2009	June 30 2008	June 30 2007	June 30 2006	Full year 2009
Solvency						
Solvency ratio, %	17.7	22.1	18.7	20.8	25.1	26.2
Core capital ratio, %	17.9	22.2	18.8	20.9	25.2	26.6
Risk-weighted Items, DKK mill	9,737	6,805	7,328	5,925	4,296	6,648
Profitability						
Return on equity before tax, %	25.0	5.5	-3.8	7.9	4.1	8.2
Return on equity after tax, %	20.4	4.6	-4.1	6.5	3.4	7.0
Income / Cost ratio	3.02	1.51	0.71	2.39	1.63	1.36
Cost / income, % (excl. value adjustm. and impairments)	28.7	48.3	58.0	58.2	56.0	48.8
Market risk						
Interest rate risk, %	3.7	1.4	2.2	2.40	1.7	1.3
Foreign exchange position, %	18.5	1.3	18.7	7.20	10.9	1.5
Liquidity						
Loans and advances plus impairment charges as % of deposits	103.8	139.0	142.7	134.4	103.5	129.0
Excess cover relative to statutory liquidity requirements, %	275.9	196.8	85.3	51.0	103.4	275.7
Credit risk						
Large exposures as % of capital base	10.7	68.0	103.9	162.7	100.5	22.8
Impairment and provisioning ratio, %	4.1	4.2	3.2	4.0	7.0	3.8
Write-off and impairments ratio, %	0.4	0.7	1.0	-0.3	0.0	1.4
Growth on loans and advances, %	26.8	-4.0	1.8	15.4	14.7	-9.1
Gearing of loans and advances	4.4	4.7	5.5	4.7	4.2	4.3
Shares nom. DKK 100)						
Earnings per share after tax (nom. DKK 100), DKK	189.9	37.0	-29.8	42.1	18.8	57.1
Book value per share (nom. DKK 100), DKK	1,028	815	698	665	562	836
Market price per share (nom. DKK 100), DKK	711	609	740	1,182	N/A	657
Market price / earnings per share DKK	3.7	16.5	-24.8	28.1	N/A	11.5
Market price / book value per share DKK	0.69	0.75	1.06	1.78	N/A	0.79
Other						
Number of full-time employees, end of period	346	206	222	226	195	210

Income statement - BankNordik P/F

Note	DKK 1,000	H1 2010	H1 2009	Full year 2009
1	Interest income	327,081	315,098	589,274
2	Interest expenses	99,313	116,458	185,430
	Net interest income	227,768	198,640	403,844
	Dividends from shares and other investments	6,499	2,653	2,669
3	Fee and commission income	49,352	20,790	43,012
3	Fee and commissions paid	3,351	137	289
	Net interest and fee income	280,269	221,946	449,235
4	Market value adjustments	14,107	24,109	23,009
5	Other operating income	379,398	-1,610	-11,611
6	Staff costs and administrative expenses	172,615	95,302	191,534
	Depreciation and impairment of property, plant and equipment	3,999	1,494	3,762
	Other operating expenses	13,915	13,210	28,583
7	Impairment charges on loans and advances etc.	34,578	56,419	128,120
	Income from associated and subsidiary undertakings	5,115	7,207	20,827
	Profit before tax	453,782	85,229	129,460
	Tax	83,617	14,042	18,799
	Net profit for the period	370,165	71,186	110,661

Balance Sheet - BankNordik P/F

Note	DKK 1,000	June 30 2010	June 30 2009	Full year 2009
Assets				
	Cash in hand and demand deposits with central banks	1,932,761	601,775	1,095,956
8	Due from credit institutions and central banks	854,305	154,891	197,495
	Loans and advances at fair value	899,692	882,723	866,668
9	Loans and advances at amortised cost	7,892,229	6,421,927	6,069,862
	Bonds at fair value	2,056,758	1,020,749	1,157,063
	Shares, etc.	87,458	72,360	119,270
	Holdings in associates	21,306	24,653	24,825
	Holdings in subsidiaries	141,683	84,152	105,736
	Assets under pooled schemes	38,939	0	0
	Intangible assets	421,791	0	27,857
	Total land and buildings	139,237	134,702	137,889
	investment property	19,823	19,823	19,823
	domicile property	119,414	114,879	118,066
	Other property, plant and equipment	6,873	5,708	6,274
	Current tax assets	0	0	0
	Deferred tax assets	4	15,219	0
10	Assets held for sale	156,545	132,911	175,908
	Other assets	54,837	28,884	44,220
	Prepayments	8	7,503	6,515
	Total assets	14,704,428	9,588,157	10,035,538

Balance Sheet - BankNordik P/F

Note	DKK 1,000	June 30 2010	June 30 2009	Full year 2009
Shareholders' equity and liabilities				
Liabilities other than provisions				
	Due to credit institutions and central banks	624,417	1,769,518	1,498,333
	Deposits and other debt	8,823,426	5,583,902	5,597,715
	Deposits under pooled schemes	38,872	0	0
	Issued bonds at amortised cost	2,699,843	499,717	999,843
	Current tax liabilities	83,617	39,464	3,721
	Other liabilities	173,969	115,555	80,236
	Deferred income	2,998	0	0
	Total amounts due	12,447,142	8,008,156	8,179,848
Provisions for liabilities				
	Provisions for deferred tax	15,542	10,968	10,924
	Provisions for losses on guarantees	27,750	0	22,236
	Total provisions	43,292	10,968	33,160
Subordinated debt				
	Subordinated debt	203,240	0	203,285
	Total liabilities	12,693,674	8,019,123	8,416,293
Shareholders' equity				
	Share capital	200,000	200,000	200,000
	Retained earnings	1,773,615	1,369,034	1,404,362
	Total shareholders' equity	2,010,754	1,569,034	1,619,245
	Total liabilities and equity	14,704,428	9,588,157	10,035,538

Statement of capital - BankNordik P/F

Changes in shareholders' equity:

	Share capital	Foreign currency translation reserve	Equity method reserve	Retained earnings	Total
DKK 1,000					
Shareholders' equity at January 1, 2010	200,000	14	14,869	1,404,362	1,619,245
Income recognised directly on shareholders' equity		12,569			12,569
Acquisition of own shares				-168,703	-168,703
Sale of own shares				177,478	177,478
Net profit			9,687	360,478	370,165
Shareholders' equity at June 30, 2010	200,000	12,584	24,556	1,773,615	2,010,754

	Share capital	Foreign currency translation reserve	Equity method reserve	Retained earnings	Total
DKK 1,000					
Shareholders' equity at January 1, 2009	200,000	0	0	1,324,042	1,524,042
Income recognised directly on shareholders' equity				75	75
Acquisition of own shares				-41,178	-41,178
Sale of own shares				14,908	14,908
Net profit				71,186	71,186
Shareholders' equity at June 30, 2009	200,000	0	0	1,369,034	1,569,034

Statement of capital - BankNordik

Solvency			
DKK 1,000	June 30 2010	June 30 2009	Full year 2009
Core capital	1,745,354	1,513,018	1,768,845
Base capital	1,719,528	1,501,103	1,743,017
Risk-weighted items not included in the trading portfolio	8,616,546	6,242,871	6,029,519
Risk-weighted items with market risk etc.	1,120,345	561,734	618,176
Total risk-weighted items	9,736,890	6,804,605	6,647,695
Core capital ratio	17.9%	22.2%	26.6%
Solvency ratio	17.7%	22.1%	26.2%
Core Capital and Shareholders' equity			
Share capital	200,000	200,000	200,000
Net profit	370,165	71,187	110,661
Retained earnings, previous years	1,440,589	1,297,848	1,308,584
Shareholders' equity	2,010,754	1,569,034	1,619,245
Deduction of net profit	21,019	28,882	0
Deduction of intangible assets	421,791	0	27,857
Deduction of deferred tax assets	4	15,219	0
Deduction of insurance subsidiaries	25,826	11,915	25,827
Core capital exclusive of hybrid core capital	1,542,114	1,513,018	1,565,560
Hybrid core capital	203,240	0	203,285
Core capital	1,745,354	1,513,018	1,768,845
Base capital			
Core capital	1,745,354	1,513,018	1,768,845
Addition of revaluation reserve			
Deduction of insurance subsidiaries	25,826	11,915	25,827
Base capital	1,719,528	1,501,103	1,743,017

Cash flow statement - BankNordik P/F

DKK 1,000	H1 2010	H1 2009	Full year 2009
Cash flow from operations			
Net profit for the period	370,165	71,186	110,661
Adjustment of non-cash operating items	19,990	37,257	75,637
Changes in operating capital	-246,309	-294,952	-480,265
Cash flow from operations	143,847	-186,509	-293,966
Cash flow from investing activities			
Acquisition/sale of undertakings and other business units	-335,150	-1,500	-32,728
Acquisition/sale of own shares	8,775	-26,270	-15,595
Acquisition of intangible assets	-20,420	0	-4,748
Acquisition/sale of tangible assets	-3,437	166	-5,855
Cash flow from investing activities	-350,232	-27,604	-58,926
Issue of bonds	1,700,000	0	499,843
Increase in subordinated debt	0	0	203,285
Cash flow from financing activities	1,700,000	0	703,128
Cash flow	1,493,614	-214,113	350,236
Cash in hand and demand deposits with central banks, and due from credit institutions, etc. at the beginning of the year	1,293,451	970,778	970,778
Cash flow	1,493,614	-214,113	322,673
Cash and due etc.	2,787,066	756,666	1,293,451
Cash and due etc.			
Cash in hand and demand deposits with central banks	1,932,761	601,775	1,095,956
Due from credit institutions, etc.	854,305	154,891	197,495
Total	2,787,066	756,666	1,293,451

Notes - BankNordik P/F

Note	DKK 1,000	H1 2010	H1 2009	Full Year 2009
1	Interest income			
	Credit institutions and central banks	11,927	6,537	10,320
	Loans and advances	308,010	293,906	554,184
	Bonds	20,576	23,585	45,831
	Total derivatives of which:	-12,683	-8,930	-21,069
	<i>Currency contracts</i>	0	0	-12,095
	<i>Interest rate contracts</i>	-12,683	-1,214	-8,974
	<i>Other transactions</i>	0	-7,717	0
	Other interest income	-749	0	8
	Total interest income	327,081	315,098	589,274
	Of which accounted for by income from genuine sale and repurchase transactions:			
	Credit institutions and central banks	0	0	0
2	Interest expenses			
	Credit institutions and central banks	9,410	34,816	48,920
	Deposits	62,466	71,180	115,947
	Issued Bonds	17,029	10,461	14,844
	Subordinated debt	10,406	0	5,719
	Other interest expenses	2	0	0
	Total interest expenses	99,313	116,458	185,430
	Of which interest expenses on genuine sale and repurchase transactions are carried under:			
	Credit institutions and central banks	18	0	0
3	Net fee and commission income			
	Fee and commission income			
	Securities trading and custody accounts	5,879	784	1,455
	Credit transfers	9,466	5,584	11,217
	Loan commissions	12,654	6,572	14,509
	Guarantee commissions	8,741	2,750	6,016
	Other fees and commissions	12,612	5,100	9,815
	Total fee and commission income	49,352	20,790	43,012
	Fee and commissions paid			
	Securities trading and custody accounts	3,351	137	289
	Net fee and commission income	46,001	20,653	42,723
4	Market value adjustments			
	Loans and advances	4,583	10,655	-1,767
	Bonds	13,114	12,202	14,213
	Shares	-5,947	6,500	7,124
	Foreign exchange	6,111	6,876	7,787
	Total derivatives of which:	-3,752	-12,124	-4,347
	<i>Currency Swaps</i>	0	-1,521	108
	<i>Interest Swaps</i>	-3,752	-10,603	-4,456
	<i>Other contracts</i>	0	0	0
	Assets linked to pooled schemes	-2	0	0
	Total market value adjustments	14,107	24,109	23,009

Note	DKK 1,000	H1 2010	H1 2009	Full Year 2009
5	Other operating income			
	Profit/loss on sale of shares and equity investments in associates and group enterprises	380,575	0	-10,659
	Profit/loss on sale of investment and corporate properties and temporary properties	0	0	1,365
	Profit on sale of operating equipment	1	0	0
	Other income	-1,178	-1,610	-2,318
	Total other operating income	379,398	-1,610	-11,611
6	Staff costs and administrative expenses			
	Staff costs:			
	Salaries	78,451	44,568	89,434
	Pensions	6,967	3,983	7,417
	Social security expenses	8,637	3,262	7,099
	Total staff costs	94,055	51,814	103,950
	Other administrative expenses	78,560	43,488	87,584
	Total staff costs and administrative expenses	172,615	95,302	191,534
	Number of employees			
	Average number of full-time employees in the period	323.2	205.3	204.9
	Executive remuneration:			
	Board of Directors	765	810	1,620
	Executive Board:			
	Salaries	2,257	2,257	4,448
	Pension	329	329	657
	Total executive remuneration	3,350	3,395	6,725
	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 2009.			
7	Impairment charges on loans and advances etc.			
	Due from credit institutions and central banks	0	0	0
	Loans and advances at amortised cost	17,230	54,122	92,925
	Loans and advances at fair value	8,413	2,295	1,595
	Private Contingency Association (Det private beredskab)	6,216	0	17,715
	Guarantees and loan commitments	0	0	702
	Assets held for sale	2,719	0	15,182
	Total	34,578	56,417	128,120
	Individual impairment charges etc.			
	New and increased impairment charges	39,014	99,543	170,827
	Reversals of impairment charges	11,700	31,446	42,426
	Write-offs charged directly to the income statement	1,995	81	12,296
	Received on claims previously written off	1,908	183	554
	Total individual impairment charges	27,401	67,995	140,142
	Collective impairment charges			
	New and increased impairment charges	7,176	2,354	8,466
	Reversals of impairment charges	0	13,932	20,487
	Total collective impairment charges	7,176	-11,578	-12,022
	Total impairment charges	34,578	56,417	128,120

Notes - BankNordik P/F

Note	DKK 1,000	June 30 2010	June 30 2009	Full Year 2009
8	Due from credit institutions etc. specified by maturity			
	On demand	854,305	154,891	197,495
	3 months and below	0	0	0
	3 months to 1 year	0	0	0
	Total	854,305	154,891	197,495
9	Impairment charges, loans and advances at amortised cost			
	Individual impairment charges etc.			
	At 1 January	257,917	192,916	192,916
	Additions on acquisitions	74,810	0	1,135
	New and increased impairment charges	21,667	97,248	146,376
	Reversals of impairment charges	11,700	31,446	42,435
	Written-off, previously impaired	9,781	81	39,030
	Foreign currency translation	0	0	-134
	Total	332,913	258,637	258,827
	Collective impairment charges			
	At 1 January	17,000	29,022	29,022
	Additions on acquisitions	9,828	0	0
	New and increased impairment charges	7,176	2,354	8,466
	Reversals of impairment charges	0	13,932	20,487
	Total	34,004	17,444	17,000
	Total	366,917	276,081	275,827
10	Assets held for sale			
	Note 12 in the consolidated financial statements contains information of the Bank's assets held for sale.			
11	Contingent liabilities			
	Note 13 in the consolidated financial statements contains information of the Bank's contingent liabilities.			
12	Assets deposited as collateral			
	Note 14 in the consolidated financial statements contains information of the Bank's assets deposited as collateral.			
13	Enterprise / Branches acquired			
	Note 15 in the consolidated financial statements contains information of the Bank's group enterprise / branches acquired.			

Additional Information

In connection with the publication of the H1 2010 results BankNordik will host a conference call for analysts and investors and publish a presentation on the website.

The conference call will take place on Thursday August 16th, at 12:30 (CET).

If you would like to participate in the audio cast, please dial the relevant number below a few minutes before the conference starts:

Danish participants dial: + 45 32 71 47 67

US participants dial: + 1 718 354 1226

International Participants dial: + 44 (0) 207 509 5139

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

Contacts

Janus Petersen, CEO

Tel.: +298 330 330

Investor Relations: ir@foroya.fo

Address

BankNordik

Húsagøta 3

FO-100 Tórshavn

Tel.: +298 330 330

Reg.No. 10

Useful links

www.foroya.fo

www.banknordik.dk

www.trygd.fo

www.skyn.fo

www.vordur.is