

Interim Report

Q3 2013

13 November 2013

CONTENTS

MANAGEMENT'S REPORT

• Highlights - ratios and key figures.....	3
• Financial Review.....	4
- 9M 2013 highlights	4
- Income statement.....	4
- Balance sheet.....	5
- Supervisory Diamond.....	6
- Events after the balance sheet date.....	6
• Outlook 2013	6
• Segments.....	7
- Banking.....	7
o Faroe Islands.....	7
o Denmark.....	8
o Greenland.....	9
- Insurance activities.....	10
o Trygd.....	10
o Vörður.....	10

FINANCIAL STATEMENT – BankNordik Group

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

FINANCIAL STATEMENT – P/F BankNordik

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

STATEMENT by the Executive Board and Board of Directors	33
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CONTACT DETAILS.....	34
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Highlights, ratios and key figures - BankNordik Group

Highlights	Q1-Q3	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
DKK 1,000	2013	2013	2013	2013	2012	2012	2012	2012	2011
Net interest income	440.668	142.769	151.118	146.780	154.116	153.377	150.330	155.442	160.735
Net fee and commission income	126.905	41.272	43.045	42.588	52.005	42.498	43.678	46.713	40.474
Net interest and fee income	575.637	185.370	199.003	191.264	208.052	197.435	198.425	204.641	203.021
Net insurance income	55.214	14.991	28.532	11.691	23.949	26.625	18.547	11.855	-11.351
Interest and fee income and income from insurance activities, net	630.851	200.361	227.535	202.955	232.001	224.059	216.971	216.495	191.671
Market value adjustments	22.202	15.828	-15.629	22.004	6.099	3.605	-6.988	16.653	26.533
Other operating income	52.108	10.788	30.081	11.239	14.489	6.612	13.521	4.407	11.093
Staff cost and administrative expenses	410.619	130.042	135.559	145.017	152.807	138.524	157.352	192.617	203.832
Impairment charges on loans and advances etc.	132.406	39.730	29.033	63.644	45.812	21.104	58.059	23.194	43.075
Net profit	97.656	32.175	52.281	13.200	38.237	54.527	1.104	9.206	-24.572
Loans and advances	10.586.886	10.586.886	10.749.708	10.819.582	11.302.702	11.271.249	11.429.708	11.375.544	11.768.892
Bonds at fair value	3.281.393	3.281.393	3.471.204	3.427.274	2.881.904	3.070.316	3.379.798	2.429.162	2.508.938
Intangible assets	799.567	799.567	803.929	806.295	807.268	832.968	834.424	807.341	801.957
Assets held for sale	19.826	19.826	20.924	23.439	25.811	40.199	60.412	189.490	168.980
Total assets	16.875.999	16.875.999	17.368.907	17.816.864	17.608.966	17.827.072	17.876.151	17.877.560	17.086.357
Due to credit institutions and central banks	1.302.273	1.302.273	1.387.264	1.372.950	1.288.052	1.287.746	1.024.008	1.119.571	329.316
Deposits and other debt	12.019.172	12.019.172	12.330.533	12.799.880	12.745.653	13.087.461	13.262.212	13.088.421	13.032.047
Issued bonds at amortised cost	0	0	0	0	0	0	0	98.276	98.276
Total shareholders' equity	2.155.376	2.155.376	2.124.946	2.063.488	2.053.362	2.012.716	1.957.252	1.968.803	1.957.695
Ratios and key figures									
	Sept. 30	Sept. 30	June 30	March	Dec. 31	Sept. 30	June 30	March 31	Dec. 31
	2013	2013	2013	2013	2012	2012	2012	2012	2011
Solvency									
Solvency ratio, %	14,5	14,5	15,4	14,9	14,8	13,8	15,1	14,8	15,6
Core capital ratio, %	12,5	12,5	13,5	13,0	12,9	11,9	12,0	11,9	12,4
Core capital ratio excl. hybrid core capital, end of period, %	10,4	10,4	10,2	9,7	9,6	8,6	8,7	8,7	9,1
Risk-weighted items, DKKm	11.674	11.674	11.813	11.772	11.902	11.940	12.032	12.504	12.313
Profitability									
Return on equity after tax, %	4,6	1,5	2,5	0,6	1,9	2,7	0,1	0,5	-1,2
Cost / income, %	82,4	79,2	73,8	94,3	83,2	71,3	99,0	95,9	114,3
Cost / income, % (excl. value adjustm. and impairments)	65,7	66,4	58,1	74,3	66,4	63,3	71,1	92,7	108,0
Market risk									
Interest rate risk %	4,8	4,8	1,7	3,7	1,5	3,0	2,7	2,5	2,3
Foreign exchange position %	8,7	8,7	6,4	16,9	17,3	6,3	12,8	10,8	8,7
Liquidity									
Excess cover relative to statutory liquidity requirements, %	163,1	163,1	176,2	196,3	152,6	165,6	181,4	168,8	115,3
Credit risk									
Growth in loans and advances, %	-6,3	-1,5	-0,6	-4,3	0,3	-1,4	0,5	-3,3	-1,5
Gearing of loans and advances	4,9	4,9	5,1	5,2	5,5	5,6	5,8	5,8	6,0
Impairment and provisioning ratio, end of period, %	3,9	3,9	3,6	3,5	3,0	2,8	2,7	2,7	2,7
Write-off and provisioning ratio, %	1,0	0,3	0,2	0,5	0,4	0,2	0,4	0,2	0,3
Share of amounts due on which interest rates have been reduced	1,9	1,9	1,8	1,8	1,7	1,6	1,7	1,8	1,9
Shares									
Earnings per share after tax (nom. DKK 20), DKK	9,9	3,3	5,3	1,3	3,9	5,5	0,1	0,9	-2,5
Market price per share (nom. DKK 20), DKK	132	132	96	114	76	67	69	77	79
Book value per share (nom. DKK 20), DKK	219	219	215	209	208	204	198	199	200
Other									
Number of full-time employees, end of period	517	517	529	533	550	577	583	582	612

Financial review

Highlights 9M 2013

- Profit before tax amounted to DKK 124m in 9M compared to DKK 80m in the same period of 2012.
- Operating profit before impairment charges for the 9M period was DKK 221m compared to DKK 210m in the same period of 2012.
- The Group incurred a profit before tax and value adjustments of DKK 102m in 9M 2013. The full-year guidance of a profit of DKK 130-160m expressed in the Annual Report 2012 is maintained.
- Net interest and fee income was DKK 576m in 9M 2013 compared to DKK 601m in 9M 2012.
- Income from insurance activities amounted to DKK 55m in 9M 2013 compared to DKK 57m in 9M 2012.
- Operating costs excluding non-recurring items were down by DKK 30m or 7% to DKK 418m in 9M 2013.
- Impairment charges, net, amounted to DKK 107m in 9M 2013 compared to DKK 79m in 9M 2012.
- Non-recurring items, net of DKK 8m was recognised in 9M 2013 with income items from the sale of the corporate head office in May and cost items from the rationalisation measures related to the reorganisation in January. No non-recurring items were booked in Q3.
- Sector costs amounted to DKK 20m.
- The solvency ratio was 14.5% as compared to the solvency requirement of 8.9%.
- Surplus liquidity coverage of 163%. The deposit surplus amounted to DKK 1.5bn.

Highlights Q3 2013

- Operating profit amounted to DKK 35m in Q3, which was a drop from the previous quarter due to higher impairments
- Impairment charges, net, amounted to DKK 32m in Q3 2013 compared to DKK 20m in Q2 2013
- Operating costs excluding non-recurring items were down by 6% compared to Q3 2012

Income statement

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

DKK m	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011
Operating income	204	230	206	236	224	219	217	192
Operating cost	136	142	141	143	145	153	151	157
Profit before impairment charges	68	88	65	93	79	66	66	35
Impairment charges	40	29	64	46	21	58	23	43
Reversals of acquired OEI impairments	-8	-9	-8	-11	-7	-12	-4	-6
Operating profit	35	68	10	58	65	20	46	-2
Non-recurring items	0	18	-10	-15	-1	-12	-48	-50
Sector costs	-4	-8	-8	-7	0	1	-5	-7
Profit before value adjustments and tax	31	79	-8	36	64	9	-7	-59
Market value adjustments	16	-16	22	6	4	-7	17	27
Profit before tax (as reported)	47	63	14	42	68	2	10	-33
Cost/Income (Operating cost/income), %	67	62	68	61	65	70	70	82
Number of FTE, end of period	518	529	533	550	577	583	582	612

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. There were no non-recurring items in Q3 2013.

The following comments relate to the adjusted figures and are generally stated relative to Q2 2013. Due to seasonal variations, the insurance segment is also commented relative to Q3 2012.

Operating income

BankNordik Group's operating income for Q3 2013 was DKK 204m, a DKK 24m or 11% decline from Q2 2013. The fall was mainly due to lower net interest income and insurance income.

Net interest income

Net interest income was DKK 143m in Q3 2013 compared to DKK 151m in Q2 2013. The decrease in income stemmed from a combination of lower volumes and a lower interest margin.

Net fees and commissions

Net fee and commission income was stable at DKK 41m in Q3 2013 with a stable activity level.

Insurance income, net

Income from insurance activities, net, amounted to DKK 15m in Q3 2013 i.e. DKK 12m less than in the same period of last year, because of higher claims and a decrease in insurance premiums.

Operating costs

Operating costs were DKK 136m in Q3 2013, DKK 6m or 4% less than in Q2 2013.

Profit before impairment charges

BankNordik's profit before impairment charges decreased to DKK 68m in Q3 2013 from DKK 88m in Q2 2013 and DKK 79m in Q3 2012.

Impairment charges

Net impairment charges amounted to DKK 32m in Q3 2013. The Bank expects impairment charges for the full year 2013 to be slightly higher than in 2012.

Operating profit

Operating profit fell from DKK 68m in Q2 2013 to DKK 35m in Q3 2013 mainly due to the drop in insurance income and the increase in impairment charges. This is in line with the expectations expressed in the H1 2013 interim report of improvements to the banking business, and – due to seasonal variations – improvements to the insurance business relative to the first quarter.

Balance sheet

BankNordik's total assets at 30 September 2013 amounted to DKK 16.9bn. Loans and advances were down by 2% to DKK 10.6bn at the end of Q3 2013 compared to H1 2013 mostly due to a drop in lending activity in Denmark. Deposits decreased by DKK 311m (2.5%) from DKK 12.3bn at 30 June 2013 to DKK 12.0bn at 30 September 2013. The Bank lowered its deposit rates in Q3 2013 and has not bid as aggressively on deposits based on money market rates.

Compared to Q2 2013 amounts due to credit institutions and central banks decreased DKK 85m, while

amounts due from credit institutions and central banks fell by DKK 190m. Liquidity invested in bonds amounted to DKK 3.3bn, of which DKK 150m was invested in corporate bonds, while the rest of the bond portfolio was placed in mortgage and government bonds. Liquidity invested in shares was almost unchanged at DKK 425m. The surplus liquidity at 30 September 2013 was 163% higher than the statutory requirement.

At 30 September 2013, the Group's equity had increased to DKK 2,155m.

Compliance with the Danish FSA Supervisory Diamond

	BankNordik Q3 2013	FSA Limit
Large exposures	39%	<125%
Liquidity coverage	163%	>50%
Loan growth	-6%	<20%
Funding ratio	0.67	<1.00
Lending to property sector	8.4%	<25%

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

Events after the balance sheet date

No events have occurred since 30 September 2013 which are deemed to have a significant impact on the Group's financial position.

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 a deteriorated performance in Q3 2013 with operating profit of DKK 22m relative to DKK 37m in Q2 2013 and DKK 14m in Q3 2012. Operating income decreased to DKK 76m from DKK 89m in Q2 2013, while costs were stable at DKK 44m. Impairment charges in Q3 2013 amounted to DKK 11m, which was below the average of recent quarters. Loans and advances were down by DKK 78m, while deposits decreased by DKK 158m. The lower deposit volume can be explained by the Bank's tactical decision not to bid so aggressively for deposits based on money market rates.

DKK m	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011
Operating income	76	89	80	93	82	82	79	87
Operating costs	44	45	45	46	49	53	48	52
Profit before impairment charges	33	43	34	47	33	29	31	35
Impairment charges	11	6	16	16	19	18	15	12
Operating profit	22	37	18	31	14	11	17	23
Non-recurring items	0	18	-2	-9	0	1	-6	4
Sector costs	-2	-3	-3	-3	0	0	-2	-7
Profit before value adjustments and tax	20	52	13	20	14	13	9	20
Market value adjustments	11	-8	14	5	2	-3	10	8
Profit before tax (as reported)	31	45	26	24	17	10	18	28
Loans and advances	5.904	5.982	5.969	6.044	6.070	6.177	6.106	6.329
Deposits and other debt	4.996	5.154	5.294	5.217	5.406	5.384	5.506	5.459
Cost/Income (Operating cost/income), %	57	51	57	50	60	65	60	60
Number of FTE, end of period	173	176	173	177	186	190	189	203

Banking: Denmark

The Danish banking activities reported stable profit before impairment charges of DKK 25m, an improvement from DKK 21m in Q2 2013. With impairment charges, net, of DKK 19m, operating profit amounted to DKK 6m. Operating income in Denmark improved from DKK 96m to DKK 97m due to lower funding costs. Operating costs decreased to DKK 72m relative to DKK 75m in Q2 2013 and DKK 74m in Q3 2012.

Loans and advances continued to decline in Q3 2013, but lending to corporate customers has picked up this year. Deposits declined by DKK 168m in Q3 2013, which can primarily be explained by lower deposit volumes by a few corporate clients, but also by a decrease in the volume of deposits carrying high interest rates.

	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011
DKKm								
Operating income	97	96	98	101	100	99	107	101
Operating costs	72	75	75	74	74	77	80	80
Profit before impairment charges	25	21	24	27	25	22	27	20
Impairment charges	27	22	43	30	3	38	6	35
Reversals of acquired OEI impairments	-8	-9	-8	-11	-7	-12	-4	-4
Operating profit	6	9	-11	7	29	-3	25	-11
Non-recurring items	0	0	-8	-8	-1	-11	-43	-54
Sector costs	-2	-4	-4	-4	0	1	-3	0
Profit before value adjustments and tax	3	4	-23	-4	28	-14	-21	-65
Market value adjustments	0	0	0	0	0	0	0	10
Profit before tax (as reported)	3	4	-23	-4	28	-14	-21	-55
Loans and advances	3.878	3.964	4.056	4.332	4.325	4.410	4.532	4.684
Deposits and other debt	6.658	6.826	7.085	7.127	7.233	7.412	7.080	7.204
Cost/Income (Operating cost/income), %	74	78	76	73	74	78	75	80
Number of FTE, end of period	247	254	257	269	279	281	283	297

Banking: Greenland

Operating income remained stable at DKK 12m in Q3 2013, while operating costs increased to DKK 7m compared to DKK 6m in Q2 2013. Net impairment charges of DKK 2m brought the operating profit to DKK 4m. Operating profit before impairment charges remained steady at DKK 6m. Compared to Q3 2012 the profit before impairment charges increased 1m to 6m.

Loans and advances and deposits were stable compared to Q2 2013

Income statement, Greenland

DKKm	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011
Operating income	12	12	13	13	12	13	15	14
Operating costs	7	6	8	9	7	8	9	10
Profit before impairment charges	6	6	5	4	5	5	5	4
Impairment charges	2	2	5	0	-1	3	2	-4
Reversals of acquired OEI impairments	0	0	0	0	0	0	0	-2
Operating profit	4	4	0	4	5	2	3	5
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	3	4	1	5	5	2	3	5
Market value adjustments	0	0	0	0	0	0	0	0
Profit before tax (as reported)	3	4	0	4	5	2	2	9
Loans and advances	806	804	794	927	876	843	738	756
Deposits and other debt	454	456	553	523	561	571	596	460
Cost/Income (Operating cost/income), %	55	53	61	67	62	64	64	72
Number of FTE, end of period	20	21	22	23	25	26	27	29

Insurance: Trygd (Faroe Islands)

Higher claims reduced Trygd's Q3 2013 operating profit to DKK 1m from DKK 8m in Q2 2013 and DKK 9m in Q3 2012. Operating income fell because of the lower prices on insurance products, but the launch of the Bank's customer loyalty programme has lifted the sale of insurance products significantly.

Income statement, Trygd

	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011
DKK m								
Operating income	6	12	10	9	14	9	12	-16
Operating costs	4	4	4	5	5	5	5	4
Profit before impairment charges	1	8	6	4	9	3	7	-20
Impairment charges	0	0	0	0	0	0	0	0
Operating profit	1	8	6	4	9	3	7	-20
Non-recurring items	0	0	0	-1	0	0	0	0
Profit before value adjustments and tax	1	8	6	3	9	3	7	-20
Market value adjustments	0	-1	0	0	0	0	0	0
Profit before tax (as reported)	1	7	6	3	9	3	7	-20
Combined ratio	96	66	73	82	60	86	69	84
Number of FTE, end of period	22	22	23	23	23	24	24	24

Insurance: Vørður (Iceland)

Vørður reported operating profit of DKK 3m in Q3 2013 compared to DKK 6m in Q3 2012. Positive value adjustments offset part of the drop in operating profit, bringing the profit before tax to DKK 8m.

	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011
DKK m								
Operating income	12	20	5	19	15	16	4	7
Operating costs	9	10	9	8	9	10	8	10
Profit before impairment charges	3	10	-4	11	6	6	-4	-3
Impairment charges	0	0	0	0	0	0	0	0
Operating profit	3	10	-4	11	6	6	-4	-4
Non-recurring items	0	0	0	0	0	0	0	0
Profit before value adjustments and tax	3	10	-4	11	6	6	-4	-4
Market value adjustments	5	-7	8	1	1	-1	4	9
Profit before tax (as reported)	8	3	4	12	8	5	-1	5
Combined ratio	98	86	113	86	92	96	116	101
Number of FTE, end of period	51	51	53	53	59	58	56	55

Income statement - BankNordik Group

Note	DKK 1,000	Q1-Q3 2013	Q1-Q3 2012	Full year 2012
3	Interest income	555.429	616.694	815.486
4	Interest expenses	114.761	157.545	202.221
	Net interest income	440.668	459.149	613.265
	Dividends from shares and other investments	8.064	8.463	10.394
5	Fee and commission income	143.837	143.440	199.065
5	Fee and commissions paid	16.932	10.552	14.172
	Net interest and fee income	575.637	600.500	808.552
	Premium income, net of reinsurance	219.585	211.684	281.260
	Claims, net of reinsurance	164.371	148.475	200.285
	Interest and fee income and income from insurance activities, net	630.851	663.709	889.527
6	Market value adjustments	22.202	13.270	19.369
7	Other operating income	52.108	24.540	39.029
8	Staff costs and administrative expenses	410.619	494.675	641.300
	Amortisation, depreciation and impairment charges	17.890	20.446	27.293
	Other operating expenses	20.458	4.174	11.409
9	Impairment charges on loans and advances etc.	132.406	102.357	148.169
	Income from associated undertakings	-8	0	1.716
	Income on assets temporarily acquired			
	Profit before tax	123.779	79.867	121.470
	Tax	26.124	15.031	18.396
	Net profit	97.656	64.837	103.073
	Portion attributable to			
	Shareholders of BankNordik P/F	97.656	64.837	103.073
	Non-controlling interests	0	0	0
	Net profit	97.656	64.837	103.073
	EPS Basic for the period, DKK*	9,77	6,57	10,31
	EPS Diluted for the period, DKK *	9,90	6,57	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-Q3 2013	Q1-Q3 2012	Full year 2012
Net profit	97.656	64.837	103.073
Other comprehensive income			
Translation of non-Faroese subsidiaries	6.035	0	-1.727
Revaluation reserve	10.756	0	0
Tax on other comprehensive income	-1.936	0	0
Total other comprehensive income	14.855	0	-1.727
Total comprehensive income	112.511	64.837	101.347
Portion attributable to			
Shareholders of BankNordik P/F	112.511	64.837	101.347
Non-controlling interests			
Total comprehensive income	112.511	64.837	101.347

Balance Sheet - BankNordik Group

Note	DKK 1,000	Sept. 30 2013	Sept. 30 2012	Full year 2012
Assets				
	Cash in hand and demand deposits with central banks	521.286	416.515	644.335
10	Due from credit institutions and central banks	566.952	958.657	839.116
11	Loans and advances at fair value	768.011	1.086.221	1.038.103
11	Loans and advances at amortised cost	9.818.875	10.185.029	10.264.599
	Bonds at fair value	3.281.393	3.070.316	2.881.904
	Shares, etc.	424.793	419.722	411.512
	Assets under insurance contracts	93.479	102.886	85.683
	Holdings in associates	14.725	32.586	14.875
	Intangible assets	799.567	832.968	807.268
	Assets under pooled schemes	0	124.525	0
	Total land and buildings	342.324	355.060	353.455
	investment property	162.808	160.885	158.093
	domicile property	179.517	194.175	195.362
	Other property, plant and equipment	22.170	27.000	24.296
	Current tax assets	7.592	6.505	6.846
	Deferred tax assets	44.327	19.515	43.407
12	Assets held for sale	19.826	40.199	25.811
	Other assets	116.797	115.325	150.316
	Prepayments	33.883	34.429	17.440
Total assets		16.875.999	17.827.072	17.608.966

Balance Sheet - BankNordik Group

Note	DKK 1,000	Sept. 30 2013	Sept. 30 2012	Dec. 31 2012
Shareholders' equity and liabilities				
Liabilities other than provisions				
	Due to credit institutions and central banks	1.302.273	1.287.746	1.288.052
	Deposits and other debt	12.019.172	12.962.936	12.745.653
	Deposits under pooled schemes	0	124.525	0
	Liabilities under insurance contracts	389.708	378.369	339.769
	Current tax liabilities	7.084	9.463	4.505
	Other liabilities	321.056	300.478	386.811
	Deferred income	14.766	15.392	18.400
	Total liabilities other than provisions	14.054.060	15.078.908	14.783.190
Provisions for liabilities				
	Provisions for deferred tax	81.765	23.174	56.433
	Provisions for losses on guarantees	51.638	40.503	43.551
	Total provisions for liabilities	133.403	63.678	99.983
Subordinated debt				
	Subordinated debt	533.160	671.771	672.431
	Total liabilities	14.720.623	15.814.356	15.555.604
Shareholders' equity				
	Share capital	200.000	200.000	200.000
	Foreign translation reserve	24.478	16.373	18.443
	Revaluation reserve	8.820	0	0
	Retained earnings	1.922.078	1.796.343	1.824.919
	Proposed dividends	0	0	10.000
	Total shareholders' equity	2.155.376	2.012.716	2.053.362
	Total liabilities and equity	16.875.999	17.827.072	17.608.966

Statement of capital - BankNordik Group

Changes in shareholders' equity:

	Share capital	Foreign currency translation reserve	Revaluation reserve	Proposed dividends	Retained earnings	Minority Total interests	Total
DKK 1,000							
Shareholders' equity at January 1, 2013	200.000	18.443	0	10.000	1.824.919	2.053.362	2.053.362
Revaluation of assets			10.756			10.756	10.756
Translation of foreign units		6.035			0	6.035	6.035
Tax on entries on income recognised as Other comprehensive income		0	-1.936			-1.936	-1.936
Income recognised directly on shareholders' equity		6.035	8.820	0	0	14.855	14.855
Net profit				0	97.656	97.656	0 97.656
Total comprehensive income		6.035	8.820		97.656	112.511	0 112.511
Acquisition of own shares					-12.339	-12.339	-12.339
Sale of own shares					11.840	11.840	11.840
Dividends paid				-10.000	0	-10.000	-10.000
Shareholders' equity at Sept. 30, 2013	200.000	24.478	8.820	0	1.922.076	2.155.376	0 2.155.376

	Share capital	Foreign currency translation reserve	Revaluation reserve	Proposed dividends	Retained earnings	Minority Total interests	Total
DKK 1,000							
Shareholders' equity at January 1, 2012	200.000	13.274	0	0	1.738.739	1.952.013	5.682 1.957.695
Translation of foreign units		0				0	0
Tax on entries on income recognised as Other comprehensive income		0				0	0
Income recognised directly on shareholders' equity		0			0	0	0
Net profit					64.837	64.837	0 64.837
Total comprehensive income		0	0	0	64.837	64.837	0 64.837
Purchase of minority interests in Vørður		3.099			-7.235	-4.136	-5.682 -9.818
Acquisition of own shares					-16.825	-16.825	-16.825
Sale of own shares					16.828	16.828	16.828
Dividends paid				0	0	0	0
Shareholders' equity at Sept. 30, 2012	200.000	16.373	0	0	1.796.343	2.012.716	0 2.012.716

Shares

	Q1-Q3 2013	Q1-Q3 2012	Full year 2012
DKK 1,000			
Net profit	97.656	64.837	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	9,77	6,48	10,31
Diluted net profit for the period per share, DKK	9,90	6,57	10,45

The share capital is made up of shares of a nominal value of DKK 20 each. All shares carry the same rights. Thus there is only one class of shares.

Average number of shares outstanding:

Issued shares at 1 January, numbers in 1,000	10.000	10.000	10.000
Increase in share capital	0	0	0
Issued shares at end of period	10.000	10.000	10.000
Shares outstanding at end of period	9.863	9.863	9.863
Group's average holding of own shares during the period	137	137	137
Average shares outstanding	9.863	9.863	9.863

Cash flow statement - BankNordik Group

DKK 1,000	Q1-Q3 2013	Q1-Q3 2012	Full year 2012
Cash flow from operations			
Net profit for the period	97.656	64.837	103.073
Result from associates	0	0	-2.511
Amortisation and impairment charges for intangible assets	9.193	9.193	15.077
Depreciation and impairment charges of tangible assets	8.642	11.252	11.608
Impairment of loans and advances/guarantees	133.300	101.065	152.009
Other adjustments	-8.064	-8.463	-2.000
Gains, sale of tangible assets	-17.997	0	0
Paid tax	0	0	-3.581
Other non-cash operating items	-12.189	-11.586	-47.611
Total	210.549	161.917	226.065
Changes in operating capital			
Tax charged to the income statement	26.124	6.044	18.396
Change in loans at fair value	241.612	-63.807	-15.450
Change in loans at amortised cost	308.806	480.597	329.700
Change in holding of bonds	-417.051	-546.595	-363.055
Change in holding of shares	16.040	-42.154	-35.374
Acquisition of Amagerbanken	0	0	30.000
Change in deposits	-726.481	65.192	-165.105
Due to credit institutions and central banks	14.222	-41.570	-41.264
Change in other assets / liabilities	22.650	105.125	-17.056
Assets/liabilities under insurance contracts	42.144	26.882	0
Prepayments	-19.295	-11.816	5.996
Cash flow from operations	-280.682	139.815	-27.148
Cash flow from investing activities			
Dividends received	8.064	8.463	2.000
Acquisition of intangible assets	0	-60.880	-648
Acquisition of tangible assets	-22.550	-167.269	-14.169
Sale of tangible assets	55.918	4	4.422
Cash flow from investing activities	41.432	-266.702	-8.396
Cash flow from financing activities			
Issue of bonds	0	-98.276	0
Acquisition of group undertakings and other business units/branches	0	0	0
Increase in loans from central banks	0	1.000.000	1.000.000
Change in subordinated debt	-140.420	-159.743	-150.000
Acquisition of own shares	-12.338	-16.825	-17.425
Sale of own shares	11.840	16.828	17.428
Payment of dividends	-10.000	0	0
Repayment of issued bonds	0	0	-98.276
Cash flow from financing activities	-150.917	741.983	751.726
Cash flow	-390.168	615.096	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	-5.045	-186	-2.773
Cash flow	-390.168	615.096	716.182
Cash and due etc.	1.088.238	1.375.173	1.483.451
Cash and due etc.			
Cash in hand and demand deposits with central banks	521.286	416.515	644.335
Due from credit institutions, etc.	566.952	958.657	839.116
Total	1.088.238	1.375.173	1.483.451

Note 1 Significant accounting policies

The consolidated financial statement for the first nine months of 2013 has been prepared in accordance with IAS 34 "Interim Financial Reporting" supplemented by additional Faroese disclosure requirements for quarterly reports of listed financial companies and in accordance with the financial reporting requirements of the Nasdaq OMX in Reykjavik and in Copenhagen.

The application of IAS 34 means that the disclosure of figures is less detailed than the disclosure in a full annual report and that the valuation principles laid down by the international financial reporting standards (IFRS) are applied.

The Group has not changed its significant accounting policies from those followed in the Annual Report 2012. The Annual Report 2012 provides a full description of the Group's significant accounting policies.

Future financial reporting standards and interpretations

International Accounting Standards Board (IASB) has issued a number of new accounting standards (IAS and IFRS) and interpretations (IFRIC) that have not yet entered into force. None of these are expected to have an impact on the Group's future financial reporting.

Accounting estimates

The measurement of certain assets and liabilities requires management to estimate how future events will impact on the value of such assets and liabilities. Estimates of significance to the financial reporting are made in connection with determining the impairments of loans and advances, the fair value of unlisted financial instruments, provisions, business acquisitions etc. Estimates are based on assumptions that management consider appropriate but which are uncertain by their nature.

The most significant estimates that the management makes in applying the Group's accounting policies and the most important uncertainty affecting estimates made when preparing the condensed interim report are unchanged from the estimates made in connection with the preparation of the Annual Report at 31 December 2012 and the uncertainties prevailing at that time.

BankNordik Group - segment reporting Q1-Q3 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	295.770	268.007	35.387	599.164	1.789	7.535	9.324	1	-53.060	555.429
	of which internal interest income		52.594		52.594						52.594
	Interest expense	97.398	63.617	6.805	167.820				0	-53.060	114.761
	of which internal interest expense	45.563		7.031	52.594						52.594
	Net interest income	198.371	204.390	28.582	431.344	1.789	7.533	9.323	1		440.668
	Dividends from shares and other investments	2.699	1		2.700		5.365	5.365	0		8.064
	Net fee income	39.202	85.771	7.758	132.731		-5.826	-5.826	0	0	126.905
	Premium income, net of reinsurance					61.776	158.871	220.647	0	-1.062	219.585
	Claims, net of reinsurance					35.114	129.257	164.371	0		164.371
	Market value adjustments	17.354			17.354	-1.192	6.041	4.849	0		22.202
	Income from associates								-8		-8
	Other operating income	22.824	26.242	957	50.024	-55	61	6	2.745	-667	52.108
	Total income	280.450	316.405	37.297	634.152	27.204	42.788	69.992	2.738	-1.729	705.153
	Staff costs and administrative expenses	135.379	215.394	20.935	371.707	12.451	25.676	38.127	2.513	-1.729	410.619
	Depreciation and impairment of property, plant and equipment	1.184	14.351	122	15.657	324	1.851	2.176	57		17.890
	Other operating expenses	8.455	10.986	1.017	20.458	0		0			20.458
	Total operating expenses	145.018	240.731	22.074	407.822	12.775	27.527	40.303	2.570	-1.729	448.967
	Profit before impairment charges on loans	135.432	75.674	15.223	226.330	14.429	15.260	29.689	167		256.186
	Impairment charges on loans and advances etc.	32.947	91.201	8.372	132.521		-115	-115	0		132.406
	Profit before tax	102.485	-15.527	6.851	93.809	14.429	15.375	29.804	167	0	123.779
	Loans and advances	5.903.505	3.877.502	805.879	10.586.886	0	0	0	0		10.586.886
	Holdings in associates	14.725	0	0	14.725	0	0	0	0		14.725
	Other assets	4.682.701	3.571.188	47.543	8.301.433	194.045	459.441	653.486	12.832	-2.693.363	6.274.388
	Total assets	10.600.931	7.448.690	853.422	18.903.044	194.045	459.441	653.486	12.832	-2.693.363	16.875.999
	Deposits	4.995.670	6.657.897	453.967	12.107.534		0	0		-88.361	12.019.172
	Other liabilities	4.403.371	1.376	235.387	4.640.134	94.383	332.771	427.154	1.156	-2.366.993	2.701.451
	Shareholders equity	1.201.890	789.417	164.068	2.155.376	99.662	126.670	226.332	11.677	-238.008	2.155.376
	Total liabilities and equity	10.600.931	7.448.690	853.422	18.903.044	194.045	459.441	653.486	12.832	-2.693.363	16.875.999
	Internal interest income/expense allocated to operating segments	2,5%	2,5%	2,5%	2,5%						
	Cost/income ratio (%)	63,5%	104,9%	81,6%	85,2%	47,0%	64,1%	57,4%	93,9%		82,4%
	Cost/income ratio (excl. value adjustments and impairments on loans and advances etc.) (%)	55,1%	76,1%	59,2%	66,1%	45,0%	74,9%	61,9%	93,9%		65,7%

BankNordik Group - segment reporting Q1-Q3 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	328.150	295.412	48.513	672.074	2.165	5.809	7.974	344	-63.699	616.694
	of which internal interest income		58.829		58.829			0			58.829
	Interest expense	125.287	78.275	17.679	221.241	0	0	0	2	-63.699	157.545
	of which internal interest expense	51.544		7.285	58.829			0			58.829
	Net interest income	202.863	217.137	30.834	450.834	2.165	5.809	7.974	342	0	459.149
	Dividends from shares and other investments	1.777	2		1.779		6.671	6.671	13	0	8.463
	Net fee income	39.715	88.567	8.638	136.919		-3.931	-3.931	372	-472	132.888
	Premium income, net of reinsurance					60.655	149.122	209.778	2.995	-1.089	211.684
	Claims, net of reinsurance					27.694	119.762	147.457	1.018	0	148.475
	Market value adjustments	9.608			9.608	-196	3.517	3.321	341	0	13.270
	Income from associates										0
	Other operating income	-903	22.868	118	22.083	-16	1	-15	2.889	-417	24.540
	Total income	253.061	328.573	39.589	621.224	34.913	41.427	76.340	5.932	-1.978	701.519
	Staff costs and administrative expenses	150.798	274.982	24.372	450.152	15.214	27.697	42.911	3.590	-1.978	494.675
	Depreciation and impairment of property, plant and equipment	4.159	11.401	786	16.345	472	2.669	3.141	959	0	20.446
	Other operating expenses	1.742	2.241	192	4.175			0		0	4.175
	Total operating expenses	156.699	288.624	25.350	470.672	15.686	30.366	46.052	4.550	-1.978	519.296
	Profit before impairment charges on loans	96.362	39.950	14.240	150.551	19.228	11.061	30.288	1.383		182.222
	Impairment charges on loans and advances etc.	51.284	46.418	4.655	102.356		-1	-1	1	0	102.357
	Profit before tax	45.078	-6.468	9.585	48.195	19.228	11.061	30.289	1.382		79.867
	Loans and advances	6.070.357	4.325.031	875.861	11.271.249		0	0	0		11.271.249
	Holdings in associates	32.586	0	0	32.586	0	27.365	27.365	0	-27.365	32.586
	Other assets	5.107.805	3.680.303	71.720	8.859.828	197.303	385.524	582.827	58.979	-2.978.397	6.523.237
	Total assets	11.210.748	8.153.293	947.581	20.163.663	197.303	412.889	610.192	58.979	-3.005.762	17.827.072
	Deposits	5.406.335	7.233.010	560.739	13.200.084	0	0	0	0	-112.624	13.087.461
	Other liabilities	4.720.424		230.438	4.950.863	92.550	306.552	399.102	20.180	-2.643.250	2.726.895
	Shareholders equity	1.083.989	772.324	156.403	2.012.716	104.753	106.337	211.090	38.799	-249.889	2.012.716
	Total liabilities and equity	11.210.748	8.153.293	947.581	20.163.663	197.303	412.889	610.192	58.979	-3.005.762	17.827.072
	Internal interest income/expense allocated to operating segments	4,0%	4,0%	4,0%	4,0%						
	Cost/income ratio (%)	82,2%	102,0%	75,8%	92,2%	44,9%	73,3%	60,3%	76,7%		88,6%
	Cost/income ratio (excl. value adjustments and impairments on loans and advances etc.) (%)	64,4%	87,8%	64,0%	77,0%	44,7%	80,1%	63,1%	81,4%		75,5%

BankNordik Group - Geographical revenue information

	Total income		Non-current assets		Additions on material assets		Additions on immaterial assets	
	Q3 2013	Q3 2012	Q3 2013	Q3 2012	Q3 2013	Q3 2012	Q3 2013	Q3 2012
Faroe Islands	308.663	288.362	321.109	311.782	-16.326	133.089		
Denmark	316.405	328.573	674.543	766.420	-856	-4.946	-7.419	50.080
Iceland	42.788	44.994	12.177	13.441	540	-219	-282	-19.069
Greenland	37.297	39.589	170.959	159.842	3.386	306		
Total	705.153	701.519	1.178.787	1.251.485	-13.256	128.230	-7.701	31.010

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

BankNordik Group - Revenues from external customers

Revenues from external customers	Q3 2013	Q3 2012
Banking	632.423	619.247
Insurance products	69.992	76.340
Other	2.738	5.932
Total revenue	705.153	701.519

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-Q3 2013	Q1-Q3 2012	Full Year 2012
3	Interest income			
	Credit institutions and central banks	7.468	6.081	8.098
	Loans and advances	512.477	575.135	758.423
	Bonds	45.945	43.813	57.464
	Total derivatives of which:	-11.706	-13.553	-12.637
	<i>Currency contracts</i>	0	0	115
	<i>Interest rate contracts</i>	-11.706	-13.553	-12.752
	Other interest income	1.245	5.218	4.139
	Total interest income	555.429	616.694	815.486
4	Interest expenses			
	Credit institutions and central banks	-597	231	342
	Deposits	68.040	99.793	126.875
	Issued Bonds	0	-56	0
	Subordinated debt	45.694	54.085	70.722
	Other interest expenses	1.625	3.492	4.282
	Total interest expenses	114.761	157.545	202.221
5	Net fee and commission income			
	Fee and commission income			
	Securities trading and custody accounts	30.505	22.399	21.084
	Credit transfers	21.892	23.491	32.194
	Loan commissions	7.797	8.674	12.192
	Guarantee commissions	17.127	16.504	23.450
	Other fees and commissions	66.517	72.373	110.144
	Total fee and commission income	143.837	143.440	199.065
	Fee and commissions paid			
	Securities trading and custody accounts	16.932	10.552	14.172
	Net fee and commission income	126.905	132.888	184.893
6	Market value adjustments			
	Loans and advances	-28.480	1.190	245
	Bonds	-17.358	-11.157	-9.996
	Shares	33.086	23.245	28.616
	Investment properties	-3.500	-11.400	-11.400
	Foreign exchange	94	5.966	4.555
	Total derivatives of which:	39.509	5.433	-3.078
	<i>Currency Swaps</i>	8	0	16.548
	<i>Interest Swaps</i>	28.574	0	-21.014
	<i>Other contracts</i>	10.928	5.433	1.388
	Other obligations	-1.150	0	10.374
	Assets linked to pooled schemes	0	-7	-7.230
	Deposits in pooled schemes			7.283
	Total market value adjustments	22.202	13.270	19.369

Note	DKK 1,000	Q1-Q3 2013	Q1-Q3 2012	Full Year 2012
7	Other operating income			
	Profit/loss on sale of investment and corporate properties and temporary properties	17.368	0	625
	Profit on sale of operating equipment	344	0	0
	Reversals of acquired OBI impairments	24.957	22.869	33.002
	Other income	9.438	1.671	5.403
	Total other operating income	52.108	24.540	39.029
8	Staff costs and administrative expenses			
	Staff costs:			
	Salaries	201.108	234.760	307.104
	Pensions	23.987	25.525	34.234
	Social security expenses	29.561	29.340	38.449
	Total staff costs	254.656	289.625	379.787
	Administrative expenses:			
	IT	71.910	105.467	129.577
	Marketing etc	16.592	14.399	21.547
	Education etc	5.173	4.401	5.893
	Advisory services	2.934	6.609	8.541
	Other expenses	21.968	85.834	111.110
	Total administrative expenses	118.576	216.710	276.668
	Total staff costs and administrative expenses	410.618	494.675	641.300
	Number of employees			
	Average number of full-time employees in the period	525	607	567
	Executive remuneration:			
	Board of Directors	1.305	1.215	1.620
	Executive Board:			
	Salaries	3.289	3.304	4.488
	Pension	516	433	658
	Total executive remuneration	5.110	4.953	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	121.404	93.131	111.826
	Loans and advances at fair value	1.723	0	11.352
	Guarantees and loan commitments	8.087	9.226	15.422
	Assets held for sale	1.192	0	9.569
	Total	132.406	102.357	148.169
	Individual impairment charges etc.			
	New and increased impairment charges	186.923	131.219	191.215
	Reversals of impairment charges	55.924	31.388	43.226
	Write-offs charged directly to the income statement	10.851	1.936	20.091
	Received on claims previously written off	893	1.292	3.903
	Revaluations on Assets held for sale	150	0	0
	Interest income on impaired loans and advances etc.	12.488	9.553	14.473
	Total individual impairment charges	128.620	90.923	149.704
	Collective impairment charges			
	New and increased impairment charges	3.787	11.433	1.168
	Reversals of impairment charges	0	0	2.703
	Total collective impairment charges	3.787	11.433	-1.535
	Total impairment charges	132.406	102.357	148.169

Note	DKK 1,000	30. Sept. 2013	30. Sept. 2012	Full Year 2012
10	Due from credit institutions etc. specified by maturity			
	On demand	542.450	958.657	839.116
	3 months and below	0	0	0
	3 months to 1 year	24.502	0	0
	Total	566.952	958.657	839.116
11	Impairment charges, loans and advances			
	Individual impairment charges etc.			
	At 1 January	332.417	316.798	316.798
	New and increased impairment charges	167.126	119.191	190.913
	Reversals of impairment charges	48.813	31.388	39.649
	Written-off, previously impaired	27.845	99.342	135.647
	Foreign currency translation	0	1	2
	Total	422.885	305.260	332.417
	Collective impairment charges			
	At 1 January	23.602	25.137	25.137
	New and increased impairment charges	3.787	11.433	1.168
	Reversals of impairment charges	0	0	2.703
	Total	27.389	36.570	23.602
	Total	450.274	341.830	356.019
12	Assets held for sale			
	Total purchase price, at 1 January	34.025	207.464	207.464
	Additions	2.086	42.685	6.606
	Disposals and write off	9.678	4.924	46.029
	Reclassification to Investment property	0	154.514	134.016
	Total purchase price	26.433	90.711	34.025
	Depreciation and impairment, at 1 January	8.214	38.483	38.483
	Impairment charges for the year	1.192	12.028	7.614
	Revaluation recognized in the income statement	150	0	0
	Reversal of impairment on revaluations during the year	2.949	0	0
	Reversal of impairment on disposals during the year	0	0	-37.883
	Total depreciation and impairment	6.607	50.512	8.214
	Total assets held for sale	19.826	40.199	25.811
13	Contingent liabilities			
	Guarantees			
	Financial guarantees	158.126	123.624	127.824
	Mortgage finance guarantees	428.059	523.401	507.446
	Registration and remortgaging guarantees	310.842	560.800	439.846
	Other guarantees	983.766	738.235	705.283
	Total	1.880.793	1.946.060	1.780.400
14	Assets deposited as collateral			
	At September 30 2013 the Group had deposited bonds at a total market value of DKK 322m with Danmarks Nationalbank (the Danish Central Bank) in connection with clearing (Q3 2012: 97m). Furthermore at September 30 2013 the Group has deposited a total of DKK 1.274 bn of the Groups loan portfolio in connection with the Groups borrowing of DKK 1bn from Danmarks Nationalbank (Q3 2012 1.6bn).			

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-Q3 2013	Q1-Q3 2012	Full year 2012
1	Interest income	546.570	609.246	805.081
2	Interest expenses	115.226	158.412	203.360
	Net interest income	431.344	450.834	601.721
	Dividends from shares and other investments	2.700	1.779	2.000
3	Fee and commission income	142.410	142.500	198.240
3	Fee and commissions paid	9.679	5.581	7.987
	Net interest and fee income	566.775	589.532	793.974
4	Market value adjustments	17.354	9.608	14.431
5	Other operating income	50.024	22.083	34.891
6	Staff costs and administrative expenses	371.707	450.152	589.620
	Depreciation and impairment of property, plant and equipment	15.657	16.345	22.491
	Other operating expenses	20.458	4.174	10.832
7	Impairment charges on loans and advances etc.	132.521	102.356	148.460
	Income from associated and subsidiary undertakings	23.914	25.627	41.284
	Profit before tax	117.722	73.823	113.176
	Tax	20.066	8.987	10.078
	Net profit	97.656	64.837	103.099

Statement of comprehensive income - P/F BankNordik

DKK 1,000	Q1-Q3 2013	Q1-Q3 2012	Full year 2012
Net profit	97.656	64.837	103.099
Other comprehensive income			
Translation of non-Faroese subsidiaries	5.846	0	-4.723
Revaluation reserve	10.756	0	0
Tax on other comprehensive income	-1.936	0	0
Total other comprehensive income	14.666	0	-4.723
Total comprehensive income	112.322	64.837	98.376

Balance Sheet - P/F BankNordik

Note	DKK 1,000	Sept. 30 2013	Sept. 30 2012	Dec. 31 2012
	Assets			
	Cash in hand and demand deposits w with central banks	442.461	416.515	586.907
8	Due from credit institutions and central banks	542.450	902.443	815.856
9	Loans and advances at fair value	768.011	1.086.215	1.038.103
9	Loans and advances at amortised cost	9.818.875	10.185.029	10.264.594
	Bonds at fair value	3.057.331	2.892.525	2.697.873
	Shares, etc.	299.471	262.511	287.231
	Holdings in associates	14.725	32.586	14.875
	Holdings in subsidiaries	238.008	222.137	229.890
	Assets under pooled schemes	0	124.525	0
	Intangible assets	790.360	830.044	797.779
	Total land and buildings	340.279	353.079	351.419
	investment property	180.131	160.525	175.416
	domicile property	160.148	192.554	176.003
	Other property, plant and equipment	18.875	24.299	21.491
	Current tax assets	7.592	6.505	6.846
	Deferred tax assets	29.840	4	26.333
10	Assets held for sale	19.826	40.199	25.811
	Other assets	108.199	108.701	144.678
	Prepayments	32.452	33.360	15.134
	Total assets	16.528.754	17.520.676	17.324.821

Balance Sheet - P/F BankNordik

Note	DKK 1,000	Sept. 30 2013	Sept. 30 2012	Dec. 31 2012
	Shareholders' equity and liabilities			
	Liabilities other than provisions			
	Due to credit institutions and central banks	1.302.273	1.287.746	1.288.052
	Deposits and other debt	12.107.534	13.075.559	12.861.466
	Deposits under pooled schemes	0	124.525	0
	Current tax liabilities	0	5.038	0
	Other liabilities	299.830	275.917	351.620
	Deferred income	4.475	3.726	5.015
	Total amounts due	13.714.112	14.772.512	14.506.152
	Provisions for liabilities			
	Provisions for deferred tax	81.765	23.174	56.433
	Provisions for losses on guarantees	51.638	40.503	43.551
	Total provisions	133.403	63.678	99.983
	Subordinated debt			
	Subordinated debt	533.160	671.771	672.431
	Total liabilities	14.380.675	15.507.960	15.278.566
	Shareholders' equity			
	Share capital	200.000	200.000	200.000
	Foreign currency translation reserve	24.289	16.373	18.443
	Revaluation reserve	8.820	0	0
	Reserve, Equity Method	105.296	66.250	81.383
	Retained earnings	1.809.674	1.730.093	1.736.429
	Proposed dividends	0	0	10.000
	Total shareholders' equity	2.148.080	2.012.716	2.046.255
	Total liabilities and equity	16.528.754	17.520.676	17.324.821

Statement of capital - BankNordik P/F

Changes in shareholders' equity:

	Share capital	Foreign currency translation reserve	Revaluation reserve	Equity method reserve	Proposed dividends	Retained earnings	Total
DKK 1,000							
Shareholders' equity at January 1, 2013	200.000	18.443	0	81.383	10.000	1.736.429	2.046.255
Revaluation of assets			10.756				
Translation of foreign units		5.846	0				5.846
Tax on entries on income recognised as Other comprehensive income		0	-1.936				-1.936
Income recognised directly on shareholders' equity		5.846	8.820	0	0	0	14.666
Net profit				23.914	0	73.742	97.656
Total comprehensive income		5.846	8.820	23.914	0	73.742	112.322
Acquisition of own shares						-12.338	-12.338
Sale of own shares						11.840	11.840
Dividends paid					-10.000	0	-10.000
Shareholders' equity at Sept. 30, 2013	200.000	24.289	8.820	105.296	0	1.809.674	2.148.080

	Share capital	Foreign currency translation reserve	Revaluation reserve	Equity method reserve	Proposed dividends	Retained earnings	Total
DKK 1,000							
Shareholders' equity at January 1, 2012	200.000	16.373	0	40.099	0	1.691.405	1.947.877
Translation of foreign units			0				0
Tax on entries on income recognised as Other comprehensive income							0
Income recognised directly on shareholders' equity		0	0	0	0	0	0
Net profit				25.627		39.210	64.837
Total comprehensive income		0	0	25.627	0	39.210	64.837
Acquisition of own shares						-16.825	-16.825
Sale of own shares						16.828	16.828
Dividends paid							0
Shareholders' equity at Sept. 30, 2012	200.000	16.373	0	65.726	0	1.730.618	2.012.717

Statement of capital - P/F BankNordik

Solvency

DKK 1,000	Q3 2013	Q3 2012	Full year 2012
Core capital	1.464.080	1.419.574	1.537.748
Base capital	1.697.710	1.643.527	1.764.115
Risk-weighted items not included in the trading portfolio	9.102.984	9.521.584	9.644.767
Risk-weighted items with market risk etc.	1.254.733	1.095.937	1.172.371
Risk-weighted items with operational risk	1.316.520	1.322.113	1.084.613
Total risk-weighted items	11.674.237	11.939.634	11.901.750
Core capital ratio, excl. hybrid core capital	10,4%	8,6%	9,6%
Core capital ratio	12,5%	11,9%	12,9%
Solvency ratio	14,5%	13,8%	14,8%
Core Capital and Shareholders' equity			
Share capital	200.000	200.000	200.000
Reserves	138.406	82.623	99.826
Net profit	97.656	64.837	103.099
Retained earnings, previous years	1.712.018	1.665.256	1.643.331
Shareholders' equity	2.148.080	2.012.716	2.046.255
Deduction of reserves	0	26.151	0
Deduction of dividend	0	0	10.000
Deduction of net profit	32.175	64.837	0
Deduction of Foreign currency translation reserve	24.289	16.373	18.443
Deduction of intangible assets	790.360	830.044	797.779
Deduction of revaluation reserve	8.820	0	0
Deduction of deferred tax assets	29.840	4	26.333
Deduction of insurance subsidiaries	53.433	51.776	51.008
Core capital exclusive of hybrid core capital	1.209.162	1.023.532	1.142.692
Hybrid core capital	254.917	396.042	395.055
Core capital	1.464.080	1.419.574	1.537.748
Base capital			
Core capital	1.464.080	1.419.574	1.537.748
Addition of revaluation reserve	8.820	0	0
Subordinated loan capital	278.243	275.728	277.375
Deduction of insurance subsidiaries	53.433	51.776	51.008
Base capital	1.697.710	1.643.527	1.764.115

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

Cash flow statement - P/F BankNordik

DKK 1,000	Q1-Q3 2013	Q1-Q3 2012	Full year 2012
Cash flow from operations			
Net profit for the period	97.656	64.837	103.099
Result from investments in subsidiaries	-23.914	-25.627	-39.568
Result from associates	0	0	-1.716
Amortisation and impairment charges for intangible assets	9.193	9.193	12.272
Depreciation of tangible assets	6.464	7.136	10.219
Impairment of loans and advances/guarantees	133.414	101.065	152.009
Other adjustments	-2.700	-1.779	-2.000
Gains, sale of tangible assets	-17.997	0	0
Paid tax	0	0	0
Other non-cash operating items	-17.354	-4.844	-17.468
Total	184.763	149.981	216.846
Changes in operating capital			
Tax charged to the income statement	20.066	0	10.078
Change in loans at fair value	241.612	-63.807	-15.450
Change in loans at amortised cost	308.806	480.597	329.700
Change in holding of bonds	-377.899	-555.107	-368.661
Change in holding of shares	17.082	-42.154	-47.855
Acquisition of Amagerbanken	0	0	30.000
Change in deposits	-753.932	77.409	-145.738
Due to credit institutions and central banks	14.222	-41.570	-41.264
Change in other assets / liabilities	37.460	114.523	20.450
Prepayments	-17.858	-12.798	6.716
Cash flow from operations	-325.678	107.074	-5.177
Cash flow from investing activities			
Dividends received	22.700	1.779	2.000
Acquisition of intangible assets	0	-59.273	0
Acquisition of tangible assets	-19.874	-152.089	-21.456
Sale of tangible assets	55.918	0	4.474
Cash flow from investing activities	58.744	-256.603	-14.982
Cash flow from financing activities			
Issue of bonds	0	-98.276	0
Acquisition of group undertakings and other business units/branches	0	0	-55.307
Increase in loans from central banks	0	1.000.000	1.000.000
Change in subordinated debt	-140.420	-159.743	-150.000
Acquisition of own shares	-12.338	-16.825	-17.425
Sale of own shares	11.840	16.828	17.428
Payment of dividends	-10.000	0	0
Repayment of issued bonds	0	0	-98.276
Cash flow from financing activities	-150.917	741.983	696.419
Cash flow	-417.852	592.454	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	-417.852	592.455	676.259
Cash and due etc.	984.911	1.318.958	1.402.763
Cash and due etc.			
Cash in hand and demand deposits with central banks	442.461	416.515	586.907
Due from credit institutions, etc.	542.450	902.443	815.856
Total	984.911	1.318.958	1.402.763

Notes - P/F BankNordik

Note	DKK 1,000	Q1-Q3 2013	Q1-Q3 2012	Full Year 2012
1	Interest income			
	Credit institutions and central banks	1.130	2.890	2.293
	Loans and advances	512.477	575.994	758.423
	Bonds	44.671	42.572	57.464
	Total derivatives of which:	-11.706	-13.553	-12.637
	<i>Interest rate contracts</i>	-11.706	-13.553	-12.637
	Other interest income	-1	1.343	-461
	Total interest income	546.570	609.246	805.081
2	Interest expenses			
	Credit institutions and central banks	-132	229	339
	Deposits	68.040	100.663	128.017
	Issued Bonds	0	-56	-56
	Subordinated debt	45.694	54.085	70.722
	Other interest expenses	1.625	3.491	4.339
	Total interest expenses	115.226	158.412	203.360
3	Net fee and commission income			
	Fee and commission income			
	Securities trading and custody accounts	30.505	22.399	21.084
	Credit transfers	21.892	23.491	32.194
	Loan commissions	7.797	8.674	12.192
	Guarantee commissions	17.127	16.504	23.450
	Other fees and commissions	65.089	71.433	109.320
	Total fee and commission income	142.410	142.500	198.240
	Fee and commissions paid			
	Securities trading and custody accounts	9.679	5.581	7.987
	Net fee and commission income	132.731	136.919	190.253
4	Market value adjustments			
	Loans and advances	-28.480	1.190	245
	Bonds	-18.441	-12.111	-10.286
	Shares	29.321	20.538	23.967
	Investment properties	-3.500	-11.400	-11.400
	Foreign exchange	94	5.966	4.555
	Total derivatives of which:	39.509	5.433	-3.078
	<i>Currency Swaps</i>	8	0	16.548
	<i>Interest Swaps</i>	28.574	0	-21.014
	<i>Other contracts</i>	10.928	5.433	1.388
	Assets under pooled schemes	0	-7	53
	Other obligations	-1.150	0	10.374
	Total market value adjustments	17.354	9.608	14.431

Note	DKK 1,000	Q1-Q3 2013	Q1-Q3 2012	Full Year 2012
5	Other operating income			
	Profit/loss on sale of investment and corporate properties and temporary properties	17.368	0	625
	Profit on sale of operating equipment	344	0	0
	Reversals of acquired OEI impairments	24.957	22.869	33.002
	Other income	7.355	-785	1.264
	Total other operating income	50.024	22.083	34.891
6	Staff costs and administrative expenses			
	Staff costs:			
	Salaries	175.472	203.548	274.519
	Pensions	21.164	23.077	30.626
	Social security expenses	24.101	24.215	32.199
	Total staff costs	220.736	250.840	337.344
	Administrative expenses	150.971	199.312	252.276
	Total staff costs and administrative expenses	371.707	450.152	589.620
	Number of employees			
	Average number of full-time employees in the period	447	523	488
	Executive remuneration:			
	Board of Directors	1.305	1.215	1.620
	Executive Board:			
	Salaries	3.289	3.304	4.488
	Pension	516	433	567
	Total executive remuneration	5.110	4.953	6.675
7	Impairment charges on loans and advances etc.			
	Due from credit institutions and central banks			
	Loans and advances at amortised cost	121.519	93.130	112.117
	Loans and advances at fair value	1.723	0	11.352
	Guarantees and loan commitments	8.087	9.226	15.422
	Assets held for sale	1.192	0	9.569
	Total	132.521	102.356	148.460
	Individual impairment charges etc.			
	New and increased impairment charges	186.923	131.219	191.204
	Reversals of impairment charges	55.924	31.388	43.112
	Write-offs charged directly to the income statement	10.966	1.936	19.924
	Received on claims previously written off	893	1.292	3.549
	Revaluations on Assets held for sale	150	0	0
	Interest income on impaired loans and advances etc.	12.488	9.553	14.473
	Total individual impairment charges	128.734	90.923	149.995
	Collective impairment charges			
	New and increased impairment charges	3.787	11.433	1.168
	Reversals of impairment charges	0	0	2.703
	Total collective impairment charges	3.787	11.433	-1.535
	Total impairment charges	132.521	102.356	148.460

Notes - P/F BankNordik

Note	DKK 1,000	30. Sept. 2013	30. Sept. 2012	Full Year 2012
8	Due from credit institutions etc. specified by maturity			
	On demand	542.450	902.443	812.256
	3 months and below	0	0	3.600
	Total	542.450	902.443	815.856
9	Impairment charges, loans and advances etc.			
	Individual impairment charges etc.			
	At 1 January	332.676	316.769	316.769
	Additions on acquisitions			
	New and increased impairment charges	167.126	131.219	191.204
	Reversals of impairment charges	48.813	31.388	39.649
	Written-off, previously impaired	28.104	99.342	135.647
	Total	422.885	317.258	332.676
	Collective impairment charges			
	At 1 January	23.602	25.137	25.137
	New and increased impairment charges	3.787	11.433	1.168
	Reversals of impairment charges	0	0	2.703
	Total	27.389	36.570	23.602
	Total	450.274	353.828	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 nine months of 2013.

The consolidated financial statements for the first nine months of 2013 have been prepared in accordance with IAS 34, Interim Financial Reporting as approved by the EU, while the interim financial statements of the Parent Company have been prepared in accordance with the Faroese Financial Business Act. Furthermore the Interim Report has been prepared in accordance with additional Faroese disclosure requirements for interim reports of listed financial companies and in accordance with the financial reporting requirements of the OMX Nordic Exchanges in Iceland and in Copenhagen.

The interim report has not been audited or reviewed.

We consider the accounting policies applied to be appropriate, such that the Interim Financial Report gives a true and fair view of the Group's and the Parent Company's assets, shareholders' equity and liabilities and financial position at 30 September 2013, and of the results of the Group's and the Parent Company's operations and the Group's and Parent Company's cash flows for the financial period 1 January to 30 September 2013.

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

Tórshavn, 13 November 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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