

Interim Report

Q3 2013

13 November 2013

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MANAGEMENT'S REPORT

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FINANCIAL STATEMENT – P/F BankNordik

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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 | |
| Net interest income | | 440.668 | 142.769 | 151.118 | 146.780 | 154.116 | 153.377 | 150.330 | 160.735 | |
| Net fee and commission income | | 126.905 | 41.272 | 43.045 | 42.588 | 52.005 | 42.498 | 43.678 | 40.474 | |
| Net interest and fee income | | 575.637 | 185.370 | 199.003 | 191.264 | 208.052 | 197.435 | 198.425 | 203.021 | |
| Net insurance income | | 55.214 | 14.991 | 28.532 | 11.691 | 23.949 | 26.625 | 18.547 | -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 | 191.671 | |
| Market value adjustments | | 22.202 | 15.828 | -15.629 | 22.004 | 6.099 | 3.605 | -6.988 | 26.533 | |
| Other operating income | | 52.108 | 10.788 | 30.081 | 11.239 | 14.489 | 6.612 | 13.521 | 11.093 | |
| Staff cost and administrative expenses | | 410.619 | 130.042 | 135.559 | 145.017 | 152.807 | 138.524 | 157.352 | 203.832 | |
| Impairment charges on loans and advances etc. | | 132.406 | 39.730 | 29.033 | 63.644 | 45.812 | 21.104 | 58.059 | 43.075 | |
| Net profit | | 97.656 | 32.175 | 52.281 | 13.200 | 38.237 | 54.527 | 1.104 | -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 | 11.768.892 | |
| 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 | 2.508.938 | |
| Intangible assets | | 799.567 | 799.567 | 803.929 | 806.295 | 807.268 | 832.968 | 834.424 | 801.957 | |
| Assets held for sale | | 19.826 | 19.826 | 20.924 | 23.439 | 25.811 | 40.199 | 60.412 | 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 | 17.086.357 | |
| 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 | 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 | 13.032.047 | |
| Issued bonds at amortised cost | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 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 | 1.957.695 | |
| 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:

| | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
| DKKm | 2013 | 2013 | 2013 | 2012 | 2012 | 2012 | 2012 | 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.

| DKKm | 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 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 |
|--|-----------|-----------|------------|-----------|-----------|------------|------------|------------|
| DKKm | 2013 | 2013 | 2013 | 2012 | 2012 | 2012 | 2012 | 2011 |
| 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

| | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 |
|--|----------|----------|----------|----------|----------|----------|----------|----------|
| DKKm | 2013 | 2013 | 2013 | 2012 | 2012 | 2012 | 2012 | 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 |
|--|------------|------------|------------|------------|------------|------------|------------|------------|
| DKKm | | | | | | | | |
| 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 |
|--|------------|------------|------------|------------|------------|------------|------------|------------|
| DKKm | | | | | | | | |
| 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:

| DKK 1,000 | Share capital | Foreign currency | | Proposed dividends | Retained earnings | Total | Minority interests | Total |
|---|----------------|---------------------|---------------------|--------------------|-------------------|------------------|--------------------|------------------|
| | | translation reserve | Revaluation reserve | | | | | |
| 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 |

| DKK 1,000 | Share capital | Foreign currency | | Proposed dividends | Retained earnings | Total | Minority interests | Total |
|---|----------------|---------------------|---------------------|--------------------|-------------------|------------------|--------------------|------------------|
| | | translation reserve | Revaluation reserve | | | | | |
| 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 | 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 Vörður | | 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

| DKK 1,000 | Q1-Q3 2013 | Q1-Q3 2012 | Full year 2012 |
|--|--------------|--------------|----------------|
| 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

| | Q1-Q3 2013 | Q1-Q3 2012 | Full year 2012 |
|--|------------------|------------------|-------------------|
| DKK 1,000 | | | |
| 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 | 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 | | 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 |
| | <i>Other obligations</i> | -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 OEI 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 | 254.656 | 289.625 | 379.787 |
| | Employee exp. incl. under the item "Claims, net of reinsurance" | -12.640 | -11.659 | -15.156 |
| | Total administrative expenses | 168.603 | 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 portefolio 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 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:

| DKK 1,000 | Share capital | Foreign currency | | Equity method reserve | Proposed dividends | Retained earnings | Total |
|---|----------------|---------------------|---------------------|-----------------------|--------------------|-------------------|------------------|
| | | translation reserve | Revaluation reserve | | | | |
| 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 payed | | | | | -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 |

| DKK 1,000 | Share capital | Foreign currency | | Equity method reserve | Proposed dividends | Retained earnings | Total |
|---|----------------|---------------------|---------------------|-----------------------|--------------------|-------------------|------------------|
| | | translation reserve | Revaluation reserve | | | | |
| 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 payed | | | | | | | 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. Samuelsen

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

The company is listed on the
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OMX Copenhagen.

IR contact

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