

Interim Report

Q1 2022

28 April 2022

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Financial review

“The positive trends continued in the first quarter, and we’re pleased to deliver solid financial results for the period. Our core operations improved by 30% over the year-earlier period. The outlook for the rest of the year is promising, but also subject to potential negative economic implications of the war in Ukraine,” said BankNordik CEO Árni Ellefsen.

“As part of our ongoing efforts to optimise the capital structure of the Group, we requested a rating by Moody’s, and in March we were assigned a good rating with low risk and a positive outlook. The rating enabled us to issue MREL bonds for SEK 300m at a very satisfactory price,” said Ellefsen.

Q1 2022 highlights

Adjusted Income statement, Group

DKKm	Q1 2022	Q4 2021	Index	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q1 2022	Q1 2021	Index
Net interest income	66	66	99	66	65	66	63	66	63	104
Net fee and commission income	22	23	96	23	19	20	17	22	17	123
Net insurance income	12	6	195	6	7	14	7	12	7	160
Other operating income (less reclassification)	11	8	140	8	8	9	9	11	9	124
Operating income	110	103	107	103	99	109	97	110	97	114
Operating costs ¹	-61	-57	107	-57	-59	-61	-59	-61	-59	104
Sector costs	0	0		0	0	0	0	0	0	122
Profit before impairment charges	49	46	106	46	40	48	38	49	38	129
Impairment charges, net	10	40	24	40	13	27	-3	10	-3	
Operating profit	59	86	68	86	53	75	34	59	34	170
Non-recurring items ²	0	6	0	6	2	4	77	0	77	
Profit before investment portfolio earnings and tax	59	93	63	93	54	79	111	59	111	53
Investment portfolio earnings ³	2	2	75	2	-1	-4	-3	2	-3	
Profit before tax, continuing operations	60	95	63	95	53	75	108	60	108	56
Profit before tax, discontinued operations	0	0		0	0	0	9	0	9	-
Profit before tax, total	60	95	63	95	53	75	117	60	117	51
Tax	12	17	70	17	11	15	24	12	24	50
Net profit	48	78	62	78	41	59	93	48	93	52
Operating cost/income, %	55	55		55	59	56	60	55	61	
Number of FTE, end of period	199	195	102	195	199	195	218	199	218	91

1 Comprises staff costs, administrative expenses and amortisation, depreciation and impairment charges (less reclassification to non-recurring items).

2 Reclassified from Other operating income, Staff costs and administrative expenses and from Amortisation, depreciation and impairment charges.

3 Incl. net income from investments accounted for under the equity method (excl. sector shares).

Income statement

The following comments relate to the adjusted figures and are generally stated relative to Q4 2021. Due to seasonal variations, comments on the insurance segment are made relative to Q1 2021.

Operating income

The BankNordik Group generated operating income of DKK 110m in Q1 2022, an increase of DKK 7m compared to Q4 2021 that was driven by increases in net insurance income and other operating income.

Net interest income

Net interest income was DKK 66m in Q1 2022, flat compared to Q4 2021.

Net fee and commission income

Net fee and commission income amounted to DKK 22m in Q1 2022, a decrease of DKK 1m compared to Q4 2021.

Net insurance income

Net insurance income was DKK 12m in Q1 2022, DKK 4m higher than in Q1 2021, driven mostly by increased premium income.

Operating and sector costs

Operating costs amounted to DKK 61m in Q1 2022, an increase of DKK 4m relative to Q4 2021.

Profit before impairment charges

Profit before impairment charges was DKK 49m in Q1 2022, DKK 3m higher than in Q4 2021.

Impairment charges

Net impairments were a reversal of DKK 10m in Q4 2022 compared to a reversal of DKK 40m in Q4 2021. The provision taken in relation to COVID-19 in 2020 is unchanged at DKK 52m.

Operating profit

As a result, operating profit came in at DKK 59m in Q1 2022 compared to DKK 86m Q4 2021.

Non-recurring items

No non-recurring items occurred in Q1 2022, whereas they amounted to an income of DKK 6m in Q4 2021.

Profit before tax

Profit before tax in Q1 2022 was DKK 60m, DKK 35m lower than in Q4 2021.

Balance sheet

BankNordik's total assets at 31 March 2022 amounted to DKK 11.9bn, up by DKK 157m compared to 31 December 2021. Loans and advances were DKK 7.7bn, DKK 67m more than at 31 December 2021. Deposits were DKK 8.0bn, up by DKK 126m compared to 31 December 2021.

Liquidity invested in bonds, primarily in Danish mortgage bonds and Danish government bonds, amounted to DKK 1.3bn, a decrease of DKK 574m compared to 31 December 2021. Liquidity invested in equities amounted to DKK 249m, a decrease of DKK 3m relative to 31 December 2021. The Group's liquidity indicator was 198.4% at 31 March 2022, well above the requirement of 100%. The Group's LCR at 31 March 2022 was 198.4%, also well above the requirement of 100%. Shareholders' equity at 31 March 2022 amounted to DKK 1,697m, down by DKK 338m compared to 31 December 2021 due to payment of dividend amounting to DKK 386m.

Capital ratios

At 31 March 2022, the Group's CET1 capital ratio was 23.8%, the core capital ratio was 26.1% and the total capital ratio was 27.5%. The total capital ratio, incl. MREL capital, was 32.9%. The net result for Q1 2022, amounting to DKK 48.2m, is not included in the capital ratios.

Compliance with the Danish FSA Supervisory Diamond

The Supervisory Diamond			
	Q1 2022	Q1 2021	FSA limit
Sum of large exposures	140.5%	117.4%	< 175%
Liquidity indicator	198.4%	214.4%	>100 %
Loan growth	3.2%	-0.1%	< 20 %
Funding ratio	0.69	0.73	< 1.0
Property exposure	12.2%	11.2%	< 25 %

At 31 March 2022, the Group was in compliance with all Supervisory Diamond requirements set by the FSA.

Credit rating

On 21 March 2022, the Group announced that it had obtained a credit rating from Moody's, which assigned both a long-term deposit rating and a long-term issuer rating at A2 with a positive outlook. The short-term deposit rating is P-1 and the baseline credit assessment is baa1. The Group is pleased to have obtained a rating that reflects its strong financial position as well as its sound business model and strategy.

Events after the balance sheet date

No events have occurred since 31 March 2022 that are deemed to have a significant impact on the Group's financial position.

Guidance for 2022

Management reconfirms the guidance for 2022 communicated in the Group's annual report for 2021. The operating net profit for the year is expected to be in the range of DKK 130-160m. Solid Q1 results indicate FY results at higher end of guidance range.

This outlook is subject to uncertainty, including impairments on loans and advances, market value adjustments, and macroeconomic developments in the markets in which the Group operates.

Adjusted results

Note	Adjusted Income statement Q1 2022, Group, DKK 1,000	Income statement	Restatement	Restated income statement
1	Net interest income	64,346	1,319	65,665
2	Net fee and commission income	21,900	-364	21,536
	Net insurance income	11,542	0	11,542
2, 5	Other operating income	2,240	9,159	11,399
	Operating income	100,027	10,114	110,141
3	Operating costs	60,640	0	60,640
	Sector costs	344	0	344
	Profit before impairment charges	39,043	10,114	49,158
	Impairment charges	-9,706	0	-9,706
	Operating profit	48,750	10,114	58,864
3, 4	Non-recurring items	0	0	0
	Profit before investment portfolio earnings and tax	48,750	10,114	58,864
1, 5	Investment portfolio earnings	11,364	-10,114	1,250
	Profit before tax, continuing operations	60,114	0	60,114
4	Profit before tax, discontinued operations	0	0	0
	Profit before tax, total	60,114	0	60,114
Note Adjusted Income statement Q1 2021, Group, DKK 1,000				
1	Net interest income	66,677	-2,954	63,723
2	Net fee and commission income	19,025	-1,587	17,438
	Net insurance income	7,202	0	7,202
2, 5	Other operating income	1,452	8,499	9,951
	Operating income	94,355	3,958	98,314
3	Operating costs	90,246	-29,978	60,268
	Sector costs	281	0	281
	Profit before impairment charges	3,828	33,936	37,764
	Impairment charges	3,382	0	3,382
	Operating profit	446	33,936	34,382
3, 4	Non-recurring items	0	76,642	76,642
	Profit before investment portfolio earnings and tax	446	110,578	111,024
1, 5	Investment portfolio earnings	1,371	-3,958	-2,587
	Profit before tax, continuing operations	1,817	106,620	108,437
4	Profit before tax, discontinued operations	115,909	-106,620	9,289
	Profit before tax, total	117,726	0	117,726
Note Restatements made to the income statement, DKK 1,000				
			Q1 2022	Q1 2021
1	Reclassification of interest income from bonds from the item Interest income to Investment portfolio earnings.		-1,319	2,954
2	Dividends reclassified from Net fee and commission income to Other operating income.		364	1,587
3	Reclassification of IT-costs, severance costs and other costs from Operating costs to Non-recurring items.		0	29,978
4	Reclassification of provenue regarding the sale of the Danish activities Non-recurring items.		0	106,620
5	Reclassification of value adjustments related to sector shares and of profit or loss from currency transactions to Other operating income.		8,795	6,912

BankNordik Group by segment

Adjusted Income statement, Banking

DKKm	Q1 2022	Q4 2021	Index	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q1 2022	Q1 2021	Index
Net interest income	66	66	99	66	64	66	63	66	63	104
Net fee and commission income	25	26	96	26	22	24	20	25	20	121
Other operating income	9	7	135	7	7	7	7	9	7	130
Operating income	100	99	101	99	94	96	91	100	91	110
Operating cost	-56	-51	110	-51	-53	-56	-54	-56	-54	104
Sector costs	0	0		0	0	0	0	0	0	122
Profit before impairment charges	44	48	90	48	40	40	37	44	37	118
Impairment charges, net	10	40	24	40	13	27	-3	10	-3	
Operating profit	53	89	60	89	53	67	34	53	34	159
Non-recurring items	0	6	0	6	2	4	77	0	77	
Profit before investment portfolio earnings and tax	53	95	56	95	54	71	110	53	110	48
Investment portfolio earnings	3	2	152	2	-1	-4	-2	3	-2	
Profit before tax, continuing operations	56	97	58	97	53	67	108	56	108	
Profit before tax, discontinued operations	0	0		0	0	0	9	0	9	-
Profit before tax, total	56	97	58	97	53	67	117	56	117	48
Loans and advances	7,684	7,624	101	7,624	7,594	7,586	7,450	7,684	7,450	103
Deposits and other debt	8,047	7,914	102	7,914	7,435	7,660	7,536	8,047	7,536	107
Mortgage credit	2,727	2,657	103	2,657	2,609	2,502	2,443	2,727	2,443	112
Operating cost/income, %	56	51		51	56	59	59	56	59	
Number of FTE, end of period	168	164	102	164	167	166	186	168	186	90

Personal Banking

The Personal Banking segment reported operating income of DKK 58m for Q1 2022, flat compared to Q4 2021.

Net interest income in Q1 2022 was flat compared to the final quarter of 2021 at DKK 34m. Net fee and commission income was DKK 2m lower than in Q4 2021 at DKK 18m. Other operating income amounted to DKK 7m in Q1 2022, DKK 2m higher than in Q4 2021.

Operating costs were DKK 44m in Q1 2022, an increase of DKK 5m compared to Q4 2021, but in line with the preceding quarters. Impairment charges amounted to a reversal of DKK 5m in Q1 2022, the same level as seen in Q4 2021.

As a result, operating profit for Q1 2022 was DKK 19m, a decrease of DKK 6m compared to the previous quarter.

Bank loans and advances to personal customers during the quarter fell by DKK 33m to DKK 3,550m, while brokered mortgage credit increased by DKK 52m to DKK 2,344m, both compared to 31 December 2021. This continues the trend seen in recent years of Faroese households increasingly embracing the traditional Danish financing model of 80% LTV mortgage funding with the residual in 2nd lien bank lending.

Deposits held by personal customers rose by DKK 158m during the quarter to DKK 5,264m at 31 March 2021.

Adjusted Income statement, Personal banking

DKKm	Q1 2022	Q4 2021	Index	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q1 2022	Q1 2021	Index
Net interest income	34	34	100	34	33	33	32	34	32	107
Net fee and commission income	18	19	92	19	15	16	14	18	14	123
Other operating income	7	5	136	5	5	5	5	7	5	141
Operating income	58	58	100	58	54	53	51	58	51	115
Operating costs	-44	-39	112	-39	-44	-45	-43	-44	-43	103
Sector costs	0	0		0	0	0	0	0	0	
Profit before impairment charges	14	19	74	19	9	8	8	14	8	183
Impairment charges, net	5	5		5	3	0	14	5	14	33
Operating profit	19	24	77	24	12	8	22	19	22	86
Non-recurring items	0	-4	0	-4	2	4	77	0	77	
Profit before investment portfolio earnings and tax	19	21	91	21	13	12	98	19	98	19
Investment portfolio earnings	2	2	96	2	-1	-3	-2	2	-2	
Profit before tax, continuing operations	21	23	91	23	13	9	97	21	97	21
Profit before tax, discontinued operations	0	0		0	0	0	9	0	9	-
Profit before tax, total	21	23	91	23	13	9	106	21	106	19
Loans and advances	3,550	3,583	99	3,583	3,603	3,584	3,559	3,550	3,559	100
Deposits and other debt	5,264	5,105	103	5,105	5,125	5,269	5,205	5,264	5,205	101
Mortgage credit	2,344	2,292	102	2,292	2,252	2,205	2,152	2,344	2,152	109
Operating cost/income, %	76	68		68	82	85	85	76	85	
Number of FTE, end of period	75	71	106	71	73	72	77	75	77	98

Corporate Banking

Corporate Banking activities reported operating income of DKK 42m in Q1 2022, DKK 1m higher than in Q4 2021.

Net interest income was flat at DKK 32m. Net fee and commission income was also flat at DKK 7m, while other operating income increased from DKK 2m in Q4 2021 to DKK 3m in Q1 2022.

Operating costs were flat in Q1 2022 relative to Q4 2021 at DKK 12m. Impairment charges during Q1 2022 were a reversal of DKK 5m, compared to a reversal of DKK 35m in Q4 2021.

As a result, operating profit for Q1 2022 amounted to DKK 35m compared to DKK 65m in Q4 2021.

Corporate loans and advances increased DKK 93m in the first quarter of 2022 to DKK 4,133m at 31 March 2022, while deposits fell by DKK 25m during the period to DKK 2,783m. Mortgage-broking services were up by DKK 18m for the quarter to DKK 383m at 31 March 2022.

Adjusted Income statement, Corporate Banking

DKKm	Q1 2022	Q4 2021	Index	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q1 2022	Q1 2021	Index
Net interest income	32	32	99	32	31	33	32	32	32	101
Net fee and commission income	7	7	110	7	7	8	6	7	6	118
Other operating income	3	2	114	2	2	2	2	3	2	108
Operating income	42	41	101	41	40	43	40	42	40	104
Operating costs	-12	-11	104	-11	-9	-11	-11	-12	-11	110
Sector costs	0	0		0	0	0	0	0	0	
Profit before impairment charges	30	30	100	30	31	32	29	30	29	102
Impairment charges, net	5	35	14	35	10	27	-17	5	-17	29
Operating profit	35	65	54	65	41	59	12	35	12	293
Non-recurring items	0	0		0	0	0	0	0	0	
Profit before investment portfolio earnings and tax	35	65	54	65	41	59	12	35	12	293
Investment portfolio earnings	1	1		1	0	-1	-1	1	-1	
Profit before tax	36	66	55	66	41	58	11	36	11	320
Loans and advances	4,133	4,041	102	4,041	3,960	3,962	3,856	4,133	3,856	107
Deposits and other debt	2,783	2,808	99	2,808	2,300	2,384	2,323	2,783	2,323	120
Mortgage credit	383	365	105	365	357	297	291	383	291	132
Operating cost/income, %	28	28		28	23	26	27	28	27	
Number of FTE, end of period	15	13	116	13	14	14	15	15	15	100

Insurance: Trygd

Trygd reported premium income of DKK 34m in Q1 2022, DKK 4m more than in Q1 2021. Claims were DKK 1m lower than in the same period of 2021 at DKK 25m. Net income from investment activities was flat in Q1 2022 compared to the same quarter a year earlier, amounting to a loss of DKK 3m. As a result, operating income was DKK 6m in Q1 2022, DKK 4m higher than in Q1 2021.

Operating costs were DKK 4m in Q1 2022, flat compared to the same quarter of 2021. As a result, Trygd reported profit before tax for the quarter of DKK 2m, compared to a loss before tax of DKK 2m in Q1 2021.

Trygd continues to strengthen its market position as a leading provider of non-life insurance in the Faroe Islands. Premium increases are seen due to an increase in market share as well as general market growth related to developments in the Faroese economy. Trygd made adjustments to its pricing structure in 2021, which along with operating costs remaining low will contribute to margin expansion.

Trygd's claims vary significantly from one period to the next due to the limited size of the Faroese insurance market as well the timing and severity of weather events, which adds volatility to the financial results.

Adjusted Income statement, Trygd

DKKm	Q1 2022	Q4 2021	Index	Q4 2021	Q3 2020	Q3 2021	Q1 2021	Q1 2022	Q1 2021	Index
Premium income, net of reinsurance	34	32	105	32	31	32	30	34	30	112
Claims, net of reinsurance	-25	-28	88	-28	-14	-28	-26	-25	-26	96
Net insurance income	9	4	231	4	16	4	4	9	4	200
Net income from investment activities	-3	-2	168	-2	-2	-2	-3	-3	-3	127
Operating income	6	2	276	2	14	1	2	6	2	297
Operating cost	-4	-5	89	-5	-4	-4	-4	-4	-4	100
Profit before tax	2	-3		-3	11	-3	-2	2	-2	-70
Combined ratio	86	102		102	58	102	99	86	99	
Claims ratio	73	88		88	46	46	85	73	85	
Number of FTE, end of period	22	22	101	22	25	25	24	22	24	90

Income statement

Note	DKK 1,000	Group		BankNordik	
		Q1 2022	Q1 2021	Q1 2022	Q1 2021
3	Interest income	71,133	73,011	70,805	72,556
	- of which interest income from deposits	10,479	9,962	10,479	9,962
4	Interest expenses	6,787	6,334	6,787	6,334
	- of which interest expenses from assets	4,101	1,335	4,101	1,335
	Net interest income	64,346	66,677	64,017	66,222
	Dividends from shares and other investments	364	505	364	505
5	Fee and commission income	22,765	21,373	26,093	24,403
5	Fee and commissions paid	1,229	2,853	1,229	2,853
	Net dividend, fee and commission income	21,900	19,025	25,228	22,055
	Net interest and fee income	86,246	85,702	89,245	88,277
	Premium income, net of reinsurance	37,087	33,720		
	Claims, net of reinsurance	25,545	26,518		
	Interest and fee income and income from insurance activities, net	97,787	92,904	89,245	88,277
6	Market value adjustments	11,364	1,371	13,055	2,531
7	Other operating income	2,240	1,452	557	-216
8	Staff costs and administrative expenses	58,812	88,627	54,177	83,786
	Amortisation, depreciation and impairment charges	1,828	1,619	1,643	1,513
	Other operating expenses	344	281	344	281
9	Impairment charges on loans and advances etc.	-9,706	3,382	-9,706	3,382
	Income from investments accounted for under the equity method	0	0	3,045	154
	Profit before tax from continuing operations	60,114	1,817	59,445	1,783
	Tax	11,887	-1,697	11,218	-1,730
	Net profit from continuing operations	48,227	3,514	48,227	3,514
10	Discontinued operations, net of tax	0	90,409	0	90,409
	Net profit	48,227	93,922	48,227	93,922
	Portion attributable to				
	Shareholders of BankNordik P/F	48,227	93,922	48,227	93,922
	Net profit	48,227	93,922	48,227	93,922
	EPS Basic for the period, discontinuing operations, DKK*	0.00	9.44	0.00	9.44
	EPS Diluted for the period, discontinuing operations, DKK*	0.00	9.44	0.00	9.44
	EPS Basic for the period, continuing operations, DKK*	5.04	0.37	5.04	0.37
	EPS Diluted for the period, continuing operations, DKK*	5.04	0.37	5.04	0.37

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

Statement of comprehensive income - BankNordik

DKK 1,000	Group		BankNordik	
	2022	2021	2022	2021
Net profit	48,227	93,922	48,227	93,922
Other comprehensive income				
Items which will not subsequently be recycled:				
Revaluation of domicile property	0	-4,000	0	-4,000
Tax on other comprehensive income	0	880	0	880
Total other comprehensive income	0	-3,120	0	-3,120
Total comprehensive income	48,227	90,802	48,227	90,802
Portion attributable to				
Shareholders of BankNordik P/F	46,488	89,063	46,488	89,063
Additional Tier 1 capital holders	1,739	1,739	1,739	1,739
Total comprehensive income	48,227	90,802	48,227	90,802

Balance Sheet

Note	DKK 1,000	Group		BankNordik	
		March 31 2022	Dec. 31 2021	March 31 2022	Dec. 31 2021
Assets					
	Cash in hand and demand deposits with central banks	1,687,249	1,291,557	1,687,178	1,291,534
11	Amounts due from credit institutions and central banks	633,201	445,411	633,201	445,411
9	Loans and advances at fair value	386,214	415,170	386,214	415,170
9	Loans and advances at amortised cost	7,304,413	7,208,922	7,304,413	7,208,922
	Bonds at fair value	1,306,122	1,880,565	1,102,500	1,683,517
	Shares, etc.	248,695	251,423	248,695	251,423
	Assets under insurance contracts	9,959	8,831	0	0
	Holdings in associates	7,822	7,822	7,822	7,822
	Holdings in subsidiaries	0	0	99,110	99,064
	Assets under pooled schemes	15,164	0	15,164	0
	Intangible assets	2,684	2,684	2,684	2,684
	Total land and buildings	138,864	140,019	136,254	137,402
	Domicile property	72,410	72,565	69,800	69,948
	Domicile property (lease asset)	66,454	67,454	66,454	67,454
	Other property, plant and equipment	9,065	9,537	8,028	8,411
	Current tax assets	14,616	7,203	14,616	7,203
	Deferred tax assets	8,207	8,207	7,648	7,648
	Other assets	159,034	80,024	155,888	77,062
	Prepayments	15,442	32,370	14,127	31,291
	Total assets	11,946,751	11,789,746	11,823,543	11,674,564

Balance Sheet

Note	DKK 1,000	Group		BankNordik		
		March 31 2022	Dec. 31 2021	March 31 2022	Dec. 31 2021	
		Shareholders' equity and liabilities				
		Liabilities other than provisions				
		Amounts due to credit institutions and central banks	846,689	838,608	846,689	838,608
		Deposits and other debt	8,025,283	7,899,659	8,046,671	7,914,185
		Deposits under pooled schemes	15,164	2	15,164	2
		Issued bonds at amortised cost	562,870	348,938	562,870	348,938
		Liabilities under insurance contracts	134,517	118,205	0	0
		Current tax liabilities	86,429	77,939	84,478	75,913
		Other liabilities	304,872	188,170	297,316	180,036
		Deferred income	4,403	5,379	3,831	4,038
		Total liabilities other than provisions	9,980,227	9,476,901	9,857,019	9,361,720
		Provisions for liabilities				
9		Provisions for losses on guarantees etc	11,481	12,186	11,481	12,186
		Provisions for other liabilities	5,346	14,320	5,346	14,320
		Total provisions for liabilities	16,826	26,505	16,826	26,505
		Subordinated debt				
		Subordinated debt	99,405	99,370	99,405	99,370
		Total liabilities	10,096,459	9,602,776	9,973,251	9,487,595
		Equity				
		Share capital	192,000	192,000	192,000	192,000
		Revaluation reserve	6,123	6,123	6,123	6,123
		Retained earnings	1,499,313	1,451,729	1,499,313	1,451,729
		Proposed dividends	0	386,000	0	386,000
		Shareholders of the Parent Company	1,697,436	2,035,853	1,697,436	2,035,853
		Additional tier 1 capital holders	152,856	151,117	152,856	151,117
		Total equity	1,850,292	2,186,970	1,850,292	2,186,970
		Total liabilities and equity	11,946,751	11,789,746	11,823,543	11,674,564

Statement of capital - BankNordik P/F

Changes in equity:

DKK 1,000	Shareholders equity						Additional tier 1	
	Share capital	Revaluation Reserve	Proposed dividends	Retained earnings	Total	capital	Total	
Shareholders' equity at January 1, 2022	192,000	6,123	386,000	1,451,729	2,035,853	151,117	2,186,970	
Net profit				46,488	46,488	1,739	48,227	
Total comprehensive income		0	0	46,488	46,488	1,739	48,227	
Dividends paid			-386,000	1,096	-384,904		-384,904	
Shareholders' equity at March 31, 2022	192,000	6,123	0	1,499,313	1,697,436	152,856	1,850,292	

DKK 1,000	Shareholders equity						Additional tier 1	
	Share capital	Revaluation Reserve	Proposed dividends	Retained earnings	Total	capital	Total	
Shareholders' equity at January 1, 2021	192,000	9,243	48,000	2,021,781	2,271,024	150,909	2,421,933	
Revaluation of assets		-4,000		0	-4,000		-4,000	
Tax on entries on income recognised as Other comprehensive income		880			880		880	
Net profit			386,000	-120,618	265,382	6,958	272,340	
Total comprehensive income		-3,120	386,000	-120,618	262,262	6,958	269,220	
Paid interest on additional tier 1 capital						-6,750	-6,750	
Acquisition of own shares				-952	-952		-952	
Dividends paid			450,000	-450,000	0		0	
Suspended dividend payment			-498,000	1,519	-496,481		-496,481	
Shareholders' equity at December 31, 2021	192,000	6,123	386,000	1,451,729	2,035,853	151,117	2,186,970	

Regarding 2021: Proposed dividend per share DKK 40,2. Dividend payed out per share DKK 51,9.

DKK 1,000	Shareholders equity						Additional tier 1	
	Share capital	Revaluation Reserve	Proposed dividends	Retained earnings	Total	capital	Total	
Shareholders' equity at January 1, 2021	192,000	9,243	48,000	2,021,781	2,271,024	150,909	2,421,933	
Revaluation of assets		-4,000		0	-4,000		-4,000	
Tax on entries on income recognised as Other comprehensive income		880			880		880	
Net profit			0	92,183	92,183	1,739	93,922	
Total comprehensive income		-3,120	0	92,183	89,063	1,739	90,802	
Sale of own shares				306	306		306	
Dividends paid			-48,000	146	-47,854		-47,854	
Shareholders' equity at March 31, 2021	192,000	6,123	0	2,114,416	2,312,540	152,649	2,465,188	

Statement of capital - BankNordik Group

Changes in equity:

DKK 1,000	Shareholders equity						
	Share capital	Revaluation Reserve	Proposed dividends	Retained earnings	Total	Additional tier 1 capital	Total
Shareholders' equity at January 1, 2022	192,000	6,123	386,000	1,451,730	2,035,853	151,117	2,186,970
Net profit			0	46,488	46,488	1,739	48,227
Total comprehensive income		0	0	46,488	46,488	1,739	48,227
Dividends paid			-386,000	1,096	-384,904		-384,904
Shareholders' equity at March 31, 2022	192,000	6,123	0	1,499,313	1,697,436	152,856	1,850,292

DKK 1,000	Shareholders equity						
	Share capital	Revaluation Reserve	Proposed dividends	Retained earnings	Total	Additional tier 1 capital	Total
Shareholders' equity at January 1, 2021	192,000	9,243	48,000	2,021,781	2,271,024	150,909	2,421,933
Revaluation of assets		-4,000		0	-4,000		-4,000
Tax on entries on income recognised as Other comprehensive income		880			880		880
Net profit			386,000	-120,618	265,382	6,958	272,340
Total comprehensive income		-3,120	386,000	-120,618	262,262	6,958	269,220
Paid interest on additional tier 1 capital				0	0	-6,750	-6,750
Acquisition of own shares				-952	-952		-952
Share-based remuneration-programme			450,000	-450,000			0
Dividends paid			-498,000	1,519	-496,481		-496,481
Shareholders' equity at December 31, 2021	192,000	6,123	386,000	1,451,730	2,035,853	151,117	2,186,970

Regarding 2021: Proposed dividend per share DKK 40,2. Dividend payed out per share DKK 51,9.

DKK 1,000	Shareholders equity						
	Share capital	Revaluation Reserve	Proposed dividends	Retained earnings	Total	Additional tier 1 capital	Total
Shareholders' equity at January 1, 2021	192,000	9,243	48,000	2,021,781	2,271,024	150,909	2,421,933
Revaluation of assets		-4,000		0	-4,000		-4,000
Tax on entries on income recognised as Other comprehensive income		880			880		880
Net profit			0	92,183	92,183	1,739	93,922
Total comprehensive income		-3,120	0	92,183	89,063	1,739	90,802
Sale of own shares				306	306		306
Dividends paid			-48,000	146	-47,854		-47,854
Shareholders' equity at March 31, 2021	192,000	6,123	0	2,114,417	2,312,540	152,649	2,465,188

Capital and Solvency - BankNordik

Solvency	March 31	Dec. 31
DKK 1,000	2022	2021
Core capital	1,772,177	1,779,869
Total capital	1,871,582	1,879,239
Risk-weighted items not included in the trading portfolio	5,902,214	5,959,209
Risk-weighted items with market risk etc.	253,400	269,125
Risk-weighted items with operational risk	644,527	612,724
Total risk-weighted items	6,800,141	6,841,058
CET 1 capital ratio	23.8%	23.8%
Core capital ratio	26.1%	26.0%
Total capital ratio	27.5%	27.5%
MREL capital ratio	32.9%	29.6%
Core Capital and Shareholders' equity		
Share capital	192,000	192,000
Reserves	6,123	6,123
Net profit	48,227	272,340
Retained earnings, previous years	1,454,559	1,569,218
Shareholders' equity, before deduction of holdings of own shares	1,700,910	2,039,681
Deduction of ordinary dividend	0	136,000
Deduction of extraordinary dividend	0	250,000
Deduction of net profit Q1	48,227	0
Deduction due to excess holdings of shares in the financial sector	18,133	8,774
Deduction of holdings of own shares	3,474	3,828
Deduction of intangible assets	2,684	2,684
Deduction of deferred tax assets	7,648	7,648
Deduction regarding prudent valuation of financial instruments	1,422	1,993
CET 1 capital	1,619,321	1,628,753
Hybrid core capital	152,856	151,117
Core capital	1,772,177	1,779,869
Total capital		
Core capital	1,772,177	1,779,869
Subordinated loan capital	99,405	99,370
Total capital	1,871,582	1,879,239
MREL capital	364,861	149,016
Total capital incl. MREL capital	2,236,443	2,028,255

Cash flow statement - BankNordik Group

DKK 1,000	Group Q1 2022	Group Full year 2021
Cash flow from operations		
Profit before tax	60,114	339,563
Amortisation and impairment charges for intangible assets	0	212
Interest expense on leasing liabilities	535	2,292
Depreciation and impairment charges of tangible assets	1,832	6,812
Impairment of loans and advances/guarantees	-7,792	-72,983
Paid tax	-743	-29,599
Other non-cash operating items	-32,561	16,177
Total	21,383	262,474
Changes in operating capital		
Change in loans at fair value	6,062	39,426
Change in loans at amortised cost	-87,699	-1,395
Change in holding of bonds	568,799	2,567,081
Change in holding of shares	7,317	76,471
Change in deposits	125,624	98,142
Due to credit institutions and central banks	8,081	810,654
Change in other assets / liabilities	73,036	-6,758
Assets/liabilities under insurance contracts	15,184	20,698
Prepayments	15,952	7,303
Cash flow from operations	753,740	3,874,096
Cash flow from investing activities		
Divestment of businesses, net of cash	0	-3,309,712
Dividends received	364	3,429
Acquisition of intangible assets	0	-225
Acquisition of tangible assets	-246	-4,692
Sale of tangible assets	19	5,207
Cash flow from investing activities	136	-3,305,992
Cash flow from financing activities		
Issued bonds at amortised cost	215,775	350,000
Change in subordinated debt	0	-125,000
Interest paid on additional tier 1 capital	0	-6,750
Acquisition of own shares	0	-952
Payment of dividends	-386,000	-498,000
Payment of dividends, own shares	1,096	1,519
Principal portion of lessee lease payments	-1,265	-5,588
Cash flow from financing activities	-170,395	-284,771
Cash flow	583,481	283,333
Cash in hand and demand deposits with central banks, and due from Credit institutions, etc. at the beginning of the year	1,736,968	1,453,635
Cash flow	583,481	283,333
Cash and due etc.	2,320,450	1,736,968
Cash and due etc.		
Cash in hand and demand deposits with central banks	1,687,249	1,291,557
Due from credit institutions, etc.	633,201	445,411
Total	2,320,450	1,736,968

Notes to the financial statements

Note 1 Significant accounting policies

The consolidated financial statements for the first three months of 2022 have 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 exchange in Copenhagen. The financial statements of the Parent Company, P/F BankNordik, have been 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 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’s significant accounting policies are consistent with those applied in the Annual Report 2021. The Annual Report 2021 provides a full description of the Group’s significant accounting policies.

Future financial reporting standards and interpretations

The 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. Please refer to the Annual Report 2021 for further information.

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 impairment of loans and advances, the fair value of unlisted financial instruments, provisions, business acquisitions etc. Estimates are based on assumptions that management considers appropriate but which are inherently uncertain.

The most significant estimates that 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 2021 and the uncertainties prevailing at that time.

Determination of fair value

The fair value of financial assets is measured on the basis of quoted market prices of financial instruments traded in active markets. If an active market exists, fair value is based on the most recently observed market price at the balance sheet date.

If a financial instrument is quoted in a market that is not active, the Group bases its measurement on the most recent transaction price. Adjustment is made for subsequent changes in market conditions, for instance by including transactions in similar financial instruments that are assumed to be motivated by normal business considerations.

If no active market for standard and simple financial instruments, such as interest rate and currency swaps and unlisted bonds, exists, generally accepted valuation techniques rely on market-based parameters for measuring fair value. The results of calculations made on the basis of valuation techniques are often estimates because exact values cannot be determined from market observations. Consequently, additional parameters, such as liquidity risk and counterparty risk, are sometimes used for measuring fair value.

Notes - BankNordik Group

Note	Operating segments Q1 2022					Non-life Insurance	Elimination	Continuing operations	Discontinued operations	Group
	Banking									
	Private	Corporate	Other	Total	Faroe Islands		Total		Total	
2 DKK 1,000										
External interest income, Net	34,020	31,932	-1,866	64,086	260		64,346		64,346	
Internal interest	0	0	0	0	0		0		0	
Net interest income	34,020	31,932	-1,866	64,086	260		64,346		64,346	
Net Fee and dividends income	18,162	7,156	-1,129	24,189	-2,289		21,900		21,900	
Premium income, net of reinsurance	0	0	4,029	4,029	33,673	-615	37,087		37,087	
Net premium income of reinsurance and claims	0	0	3,206	3,206	8,950	-615	11,542		11,542	
Other income	4,713	1,583	9,414	15,710	-1,248	-858	13,604		13,604	
Total income	56,895	40,671	9,626	107,192	5,673	-1,473	111,392		111,392	
Total operating expenses	17,422	5,375	35,541	58,338	4,120	-1,473	60,984		60,984	
<i>of which depreciation and amortisation</i>	<i>1,423</i>	<i>220</i>	<i>32</i>	<i>1,675</i>	<i>153</i>		<i>1,828</i>		<i>1,828</i>	
Profit before impairment charges on loans	39,473	35,296	-25,915	48,854	1,553		50,408		50,408	
Impairment charges	-5,197	-3,814	-696	-9,707	0		-9,707		-9,707	
Profit before tax	44,670	39,110	-25,219	58,561	1,553		60,114		60,114	
Total assets	3,826,318	4,232,878	3,692,756	11,751,952	194,799		11,946,751		11,946,751	
<i>of which Loans and advances</i>	<i>3,549,283</i>	<i>4,141,345</i>		<i>7,690,628</i>	<i>0</i>		<i>7,690,628</i>		<i>7,690,628</i>	
Total liabilities	5,263,542	2,783,129	1,912,066	9,958,737	137,722		10,096,459		10,096,459	
<i>of which Deposits</i>	<i>5,263,542</i>	<i>2,783,129</i>		<i>8,046,671</i>		<i>-21,388</i>	<i>8,025,283</i>		<i>8,025,283</i>	
<i>of which Insurance liabilities</i>			<i>5,611</i>		<i>128,906</i>		<i>134,517</i>		<i>134,517</i>	

Operating segments Q1 2021	Banking					Non-life Insurance	Elimination	Continuing operations	Discontinued operations	Group
	Private	Corporate	Other	Total	Faroe Islands					
DKK 1,000	Private	Corporate	Other	Total	Faroe Islands		Total		Total	
External interest income, Net	33,755	34,374	-1,789	66,340	337		66,677	8,554	75,231	
Internal interest	0	0	0	0	0		0	0	0	
Net interest income	33,755	34,374	-1,789	66,340	337		66,677	8,554	75,231	
Net Fee and dividends income	14,896	6,046	114	21,056	-2,031		19,025	10,807	29,832	
Premium income, net of reinsurance	0	0	4,230	4,230	30,104	-614	33,720	0	33,720	
Net premium income of reinsurance and claims	0	0	3,331	3,331	4,485	-614	7,202	0	7,202	
Other income	1,566	1,881	1,113	4,560	-882	-855	2,823	254,902	257,725	
Total income	50,217	42,301	2,769	95,287	1,909	-1,469	95,727	274,263	369,989	
Total operating expenses	14,605	4,640	68,618	87,862	4,134	-1,469	90,527	174,769	265,296	
<i>of which depreciation and amortisation</i>	<i>211</i>	<i>0</i>	<i>1,334</i>	<i>1,545</i>	<i>74</i>		<i>1,618</i>	<i>528</i>	<i>2,146</i>	
Profit before impairment charges on loans	35,612	37,662	-65,849	7,425	-2,225		5,200	99,493	104,693	
Impairment charges	-5,891	17,784	-8,510	3,383	0		3,383	-16,415	-13,033	
Profit before tax	41,503	19,878	-57,339	4,042	-2,225		1,817	115,909	117,726	
Total assets	3,763,566	3,977,107	4,052,398	11,793,071	178,086		11,971,157	0	11,971,157	
<i>of which Loans and advances</i>	<i>3,634,025</i>	<i>3,815,596</i>		<i>7,449,620</i>	<i>0</i>		<i>7,449,620</i>	<i>0</i>	<i>7,449,620</i>	
Total liabilities	5,209,250	2,327,673	1,846,630	9,383,554	122,415		9,505,968	0	9,505,968	
<i>of which Deposits</i>	<i>5,209,250</i>	<i>2,327,673</i>		<i>7,536,924</i>		<i>-24,382</i>	<i>7,512,542</i>	<i>0</i>	<i>7,512,542</i>	
<i>of which Insurance liabilities</i>			<i>3,658</i>		<i>114,028</i>		<i>117,686</i>	<i>0</i>	<i>117,686</i>	

Note 2 DKK 1,000

(cont'd) Geographical segments	Total income		Non-current assets		Additions to tangible assets		Additions to intangible assets	
	Q1 2022	Q1 2021	Q1 2022	Q1 2021	Q1 2022	Q1 2021	Q1 2022	Q1 2021
Faroe Islands	93,654	82,111	116,862	120,243	2,473	-3,268	0	59
Denmark	190	35,059	0	0	0	0	0	0
Greenland	17,547	14,643	44,896	45,295	-337	48	0	0
Total, continuing operations	111,391	131,812	161,758	165,538	2,136	-3,221	0	59
Denmark, discontinued operations	0	238,177	0	0	0	0	0	0
Total	111,391	369,989	161,758	165,538	2,136	-3,221	0	59

Geographical segments	Impairments		Investment portfolio earnings	
	Q1 2022	Q1 2021	Q1 2022	Q1 2021
Faroe Islands	2,117	-7,827	11,364	1,371
Denmark	4,008	2,920	0	0
Greenland	3,581	1,547	0	0
Total, continuing operations	9,706	-3,360	11,364	1,371
Denmark, discontinued operations	0	16,415	0	0
Total	9,706	13,056	11,364	1,371

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

Operational segments	Total income		Profit before tax		Tax		FTE	
	Q1 2022	Q1 2021	Q1 2022	Q1 2021	Q1 2022	Q1 2021	Q1 2022	Q1 2021
Faroe Islands, Banking, Other	87,981	80,202	42,981	18,147	7,802	2,392	159	173
Faroe Islands, Insurance	5,673	1,909	1,553	-2,225	280	-400	22	24
Denmark, Banking	190	35,059	3,810	-23,366	686	-6,570	0	1
Greenland, Banking	17,547	14,643	11,769	9,062	3,119	2,882	18	19
Total, continuing operations	111,391	131,812	60,114	1,618	11,887	-1,697	199	218
Denmark, Banking, discontinued operations	0	238,177	0	115,909	0	25,500	0	0
Total	111,391	369,989	60,114	117,527	11,887	23,803	199	218

Note	DKK 1.000	Group		BankNordik	
		Q1	Q1	Q1	Q1
		2022	2021	2022	2021
3	Interest income				
	Credit institutions and central banks	200	255	199	255
	Loans and advances	60,281	60,957	60,281	60,957
	Deposits	10,479	9,962	10,479	9,962
	Bonds	1,847	3,636	1,520	3,181
	Total derivatives of which:	-1,786	-1,800	-1,786	-1,800
	<i>Currency contracts</i>	62	125	62	125
	<i>Interest rate contracts</i>	-1,848	-1,925	-1,848	-1,925
	Other interest income	113	0	113	0
	Total interest income	71,133	73,011	70,805	72,556
4	Interest expenses				
	Credit institutions and central banks	3,976	1,210	3,976	1,210
	Deposits	194	1,260	194	1,260
	Subordinated debt	850	2,622	850	2,622
	Bonds	125	125	125	125
	Lease liabilities	535	556	535	556
	Other interest expenses	1,108	562	1,108	562
	Total interest expenses	6,787	6,334	6,787	6,334
5	Net fee and commission income				
	Fee and commission income				
	Securities trading and custody accounts	3,649	2,113	3,649	2,113
	Credit transfers	4,881	3,539	4,881	3,539
	Loan commissions	1,009	889	1,009	889
	Guarantee commissions	7,402	6,421	7,402	6,421
	Other fees and commissions	5,824	8,412	9,152	11,442
	Total fee and commission income	22,765	21,373	26,093	24,403
	Fee and commissions paid				
	Securities trading and custody accounts	1,229	2,853	1,229	2,853
	Net fee and commission income	21,536	18,520	24,864	21,550
6	Market value adjustments				
	Loans and advances	-22,894	-10,579	-22,894	-10,579
	Bonds	-8,140	-11,073	-6,449	-9,913
	Shares	4,590	6,889	4,590	6,889
	Foreign exchange	1,875	2,276	1,875	2,276
	Total derivatives of which:	35,934	13,859	35,934	13,859
	<i>Currency Swaps</i>	405	763	405	763
	<i>Interest Swaps</i>	34,935	13,096	34,935	13,096
	<i>Other contracts</i>	594	0	594	0
	Assets under pooled schemes	-700	0	-700	0
	Deposits in pooled schemes	700	0	700	0
	Total market value adjustments	11,364	1,371	13,055	2,531

Note	DKK 1.000	Group		BankNordik	
		Q1	Q1	Q1	Q1
		2022	2021	2022	2021
7	Other operating income				
	Profit on sale of properties	0	135	0	135
	Other income	2,240	1,317	557	-351
	Total other operating income	2,240	1,452	557	-216
8	Staff costs and administrative expenses				
	Staff costs:				
	Salaries	28,266	39,889	24,389	35,950
	Pensions	4,144	4,433	3,599	3,890
	Social security expenses	4,333	3,738	3,833	3,226
	Total staff costs	36,742	48,060	31,821	43,065
	Administrative expenses:				
	IT	14,617	27,343	13,133	25,934
	Marketing etc	1,965	2,734	1,687	2,210
	Education etc	654	388	457	286
	Advisory services	415	9,641	415	9,641
	Other expenses	6,816	2,462	6,663	2,650
	Total administrative expenses	24,467	42,569	22,356	40,720
	Total staff costs	36,742	48,060	31,821	43,065
	Employee costs included under the item "Claims, net of reinsurance"	-2,397	-2,002	0	0
	Total administrative expenses	24,467	42,569	22,356	40,720
	Total staff costs and administrative expenses	58,812	88,627	54,177	83,786
	Number of employees				
	Average number of full-time employees in the period	197	223	173	191
	Executive remuneration:				
	Board of Directors	550	600	550	600
	Executive Board:				
	Salaries	747	745	747	745
	- less fees received from directorships	0	0	0	0
	The Bank's expense, salaries	747	745	747	745
	Pension	112	112	112	112
	Total executive board	859	857	859	857
	Total executive remuneration	1,409	1,457	1,409	1,457

Note DKK 1.000

	Group		BankNordik	
	Q1	Q1	Q1	Q1
	2022	2021	2022	2021
9 Impairment charges on loans and advances and provisions for guarantees etc.				
Impairment charges and provisions at 31 December	237,705	327,822	237,705	327,822
New and increased impairment charges and provisions	52,036	61,904	52,036	61,904
Reversals of impairment charges and provisions	60,762	56,686	60,762	56,686
Written-off, previously impaired	1,914	551	1,914	551
<i>Interest income on impaired loans</i>	749	947	749	947
Total impairment charges and provisions at 31 March	227,065	332,489	227,065	332,489
Impairment charges and provisions recognised in the income statement				
Loans and advances at amortised cost	-9,001	4,371	-9,001	4,371
Loans and advances at fair value	0	0	0	0
Guarantees and loan commitments	-705	-988	-705	-988
Total individual impairment charges and provisions	-9,706	3,382	-9,706	3,382
Stage 1 impairment charges				
Stage 1 impairment charges etc. at 31 December	45,089	33,844	45,089	33,844
New and increased Stage 1 impairment charges	16,834	19,730	16,834	19,730
Reversals, net of Stage 1 impairment charges	21,073	12,075	21,073	12,075
Stage 1 impairment charges at 31 March	40,850	41,499	40,850	41,499
<i>Total net impact recognised in the income statement</i>	<i>-4,239</i>	<i>7,655</i>	<i>-4,239</i>	<i>7,655</i>
Stage 2 impairment charges				
Stage 2 impairment charges etc. at 31 December	18,468	36,509	18,468	36,509
New and increased impairment charges	18,583	12,904	18,583	12,904
Reversals, net of impairment charges	9,997	24,984	9,997	24,984
Stage 2 impairment charges at 31 March	27,054	24,429	27,054	24,429
<i>Total net impact recognised in the income statement</i>	<i>8,587</i>	<i>-12,079</i>	<i>8,587</i>	<i>-12,079</i>
Weak Stage 2				
Weak Stage 2 impairment charges etc. at 31 December	33,720	39,548	33,720	39,548
New and increased impairment charges	10,811	25,696	10,811	25,696
Reversals, net of impairment charges	20,392	12,929	20,392	12,929
Weak Stage 2 impairment charges at 31 March	24,140	52,315	24,140	52,315
<i>Total net impact recognised in the income statement</i>	<i>-9,581</i>	<i>12,767</i>	<i>-9,581</i>	<i>12,767</i>

Note	DKK 1.000	Group		BankNordik	
		Q1 2022	Q1 2021	Q1 2022	Q1 2021
9	Stage 3 impairment charges				
(cont'd)	Stage 3 impairment charges etc. at 31 December	128,243	201,906	128,243	201,906
	New and increased impairment charges	2,293	1,065	2,293	1,065
	Reversals of impairment charges	5,081	3,201	5,081	3,201
	Written-off, previously impaired	1,914	551	1,914	551
	Write-offs charged directly to the income statement	2	174	2	174
	Received on claims previously written off	232	8,963	232	8,963
	Interest income on impaired loans	749	947	749	947
	Stage 3 impairment charges at 31 March	123,540	199,219	123,540	199,219
	Total net impact recognised in the income statement	-3,768	-11,872	-3,768	-11,872
	Purchased credit-impaired assets included in stage 3 above				
	Provisions for guarantees and undrawn credit lines				
	Individual provisions at 31 December	12,186	16,015	12,186	16,015
	New and increased provisions	3,515	2,509	3,515	2,509
	Reversals of provisions	4,219	3,497	4,219	3,497
	Provisions for guarantees etc at 31 March	11,481	15,026	11,481	15,026
	Total net impact recognised in the income statement	-705	-988	-705	-988
	Provisions for guarantees and undrawn credit lines				
	Stage 1 provisions	2,267	1,170	2,267	1,170
	Stage 2 provisions	2,553	2,688	2,553	2,688
	Weak Stage 2 provisions	0	200	0	200
	Stage 3 provisions	6,662	10,968	6,662	10,968
	Provisions for guarantees etc at 31 March	11,481	15,026	11,481	15,026

Note	DKK 1.000	Group		BankNordik	
		Q1 2021	Q1 2020	Q1 2021	Q1 2020
10	Discontinued operations				
	On 22 December 2020 BankNordik entered into a conditional agreement with Spar Nord on the sale of BankNordik's Danish activities. The sale has been approved by the Danish FSA and the Danish Competition and Consumer Authority, and the acquisition was completed with 1 February 2021 as the takeover date.				
	Interest income	0	7,911	0	7,911
	- of which interest income from deposits	0	0	0	0
	Interest expenses	0	-643	0	-643
	Net interest income	0	8,554	0	8,554
	Dividends from shares and other investments	0	0	0	0
	Fee and commission income	0	10,807	0	10,807
	Fee and commissions paid	0	0	0	0
	Net dividend, fee and commission income	0	10,807	0	10,807
	Net interest and fee income	0	19,361	0	19,361
	Market value adjustments	0	-1,361	0	-1,361
	Other operating income	0	256,263	0	256,263
	Staff costs and administrative expenses	0	174,179	0	174,179
	Amortisation, depreciation and impairment charges	0	528	0	528
	Other operating expenses	0	63	0	63
	Impairment charges on loans and advances etc.	0	-16,415	0	-16,415
	Profit before tax	0	115,909	0	115,909
	Tax	0	25,500	0	25,500
	Net profit	0	90,409	0	90,409

Note	DKK 1.000	Group		BankNordik	
		March 31 2022	Dec. 31 2021	March 31 2022	Dec. 31 2021
11	Due from credit institutions etc. specified by maturity				
	On demand	419,159	445,411	419,159	445,411
	3 months and below	0	0	0	0
	3 months to 1 year	214,042	0	214,042	0
	Total due from credit institutions etc.	633,201	445,411	633,201	445,411
12	Contingent liabilities				
	Guarantees				
	Financial guarantees	240,907	222,079	240,907	222,079
	Mortgage finance guarantees	598,925	585,483	598,925	585,483
	Registration and remortgaging guarantees	172,016	158,330	172,016	158,330
	Other guarantees	646,670	649,855	646,670	649,855
	Total guarantees	1,658,518	1,615,746	1,658,518	1,615,746

13 **Assets deposited as collateral**

At March 31 2022 the Group had deposited cash amounting to DKK 36m (Q1 2021: 32m) with Danmarks Nationalbank (the Danish Central Bank) in connection with clearing. Deposits of bonds to others in total have a market value of DKK 35m (Q1 2021: 35m).

Statement by the Executive Board and the Board of Directors

We have today considered and approved P/F BankNordik's interim report for the first three months to 31 March 2022.

The consolidated financial statements for the first three months to 31 March 2022 have been prepared in accordance with IAS 34, Interim Financial Reporting as adopted 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 Nasdaq Copenhagen.

The interim financial statements have not been audited or reviewed.

We consider the accounting policies applied to be appropriate, such that the Interim Financial Report gives a true and fair view of the Group's and the Parent Company's assets, shareholders' equity and liabilities and financial position at 31 March 2022, 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 first three months ended 31 March 2022.

In addition, we 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, 28 April 2022

Executive Board

Árni Ellefsen
CEO

Board of Directors

Birita Sandberg Samuelsen
Chairman

Rúni Vang Poulsen
Vice chairman

Birgir Durhuus

Kristian Reinert Davidsen

Marjun Eystberg

Anja Rein

Kenneth M. Samuelsen

Alexandur Johansen

Contact details

Head Office

P/F BankNordik
Oknarvegur 5
P.O. Box 3048
FO-110 Tórshavn
Faroe Islands
Phone: +298 330 330
Fax: +298 330 001
E-mail: info@banknordik.fo
www.banknordik.fo

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

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

The company is listed on Nasdaq Copenhagen.

IR contact

Rúna N. Rasmussen
E-mail: rr@banknordik.fo
Tel. +298 330 330

Branches

Faroe Islands

Tórshavn
Oknarvegur 5
100 Tórshavn
Phone: +298 330 330

Miðvágur
Jatnavegur 26
370 Miðvágur
Phone: +298 330 330

Klaksvík
Við Sandin 12
700 Klaksvík
Phone: +298 330 330

Saltangará
Heiðavegur 54
600 Saltangará
Phone: +298 330 330

Tvøroyri
Sjógøta 2
800 Tvøroyri
Phone: +298 330 330

Customer Service
Oknarvegur 5
100 Tórshavn
Phone: +298 330 330

Corporate Banking
Oknarvegur 5
100 Tórshavn
Phone: +298 330 330

Markets
Oknarvegur 5
100 Tórshavn
Phone: +298 330 330

Ungdómsbankin
Oknarvegur 5
100 Tórshavn
Phone: +298 330 330

Greenland

Personal Banking
Qullilerfik 2
3900 Nuuk
Phone: +299 34 79 00

Corporate Banking
Qullilerfik 2
3900 Nuuk
Phone: +299 34 79 00