

Interim Report

Q3 2022

3 November 2022

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Financial review

“The positive trend of recent quarters in our core banking operations continued in the third quarter, and we’re pleased to note that our operating profit before impairment charges improved by 15% in the first nine months of the year. The third quarter was marked by a high level of customer activity, rising interest and fee income, reversed impairment charges and increased employee costs during a transition period. The positive developments in the insurance business were offset by a high claims ratio for the quarter, but we continue to see good growth potential for the business area,” said BankNordik CEO Árni Ellefsen.

“The turbulence in the financial markets had a negative impact on our investment portfolio during the third quarter, and we responded in October by lowering our FY net profit guidance from DKK 160-190m to DKK 140-170m. We have a well-diversified and financially strong customer portfolio, but in light of the generally uncertain economic environment, we have decided to maintain the management estimated provision of DKK 52m,” said Ellefsen.

Q3 2022 highlights

Adjusted Income statement, Group (Note: Other operating income in Q1 2022 has been corrected negatively by DKK 1.1m)

DKK m	Q3 2022	Q2 2022	Index	Q1 2022	Q4 2021	Q3 2021	Q1-Q3 2022	Q1 - Q3 2021	Index
Net interest income	67	65	103	66	66	65	197	194	102
Net fee and commission income	22	22	102	22	23	19	65	57	115
Net insurance income	11	15	71	12	6	7	38	28	135
Other operating income (less reclassification)	11	9	123	10	8	8	29	26	112
Operating income	110	111	100	109	103	99	330	305	108
Operating costs ¹	-62	-62	100	-61	-57	-59	-185	-178	104
Sector costs	0	0		0	0	0	-1	-1	83
Profit before impairment charges	48	48	100	48	46	40	144	125	115
Impairment charges, net	12	22	54	10	40	13	43	36	
Operating profit	60	70	86	57	86	53	187	161	116
Non-recurring items ²	0	0		0	6	2	0	82	
Profit before investment portfolio earnings and tax	60	70	86	57	93	54	187	244	77
Investment portfolio earnings ³	-36	-16		2	2	-1	-50	-9	
Profit before tax, continuing operations	24	54	45	59	95	53	136	235	58
Profit before tax, discontinued operations	0	0		0	0	0	0	9	-
Profit before tax, total	24	54	45	59	95	53	136	245	56
Tax	4	10	36	12	17	11	26	50	52
Net profit	20	43	47	47	78	41	111	194	57
Operating cost/income, %	56	56		56	55	59	56	59	
Number of FTE, end of period	201	203	99	199	195	199	201	199	101

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 are generally stated relative to Q2 2022. Due to seasonal variations, comments provided on the insurance segment relate to Q3 2021.

Operating income

The BankNordik Group generated operating income of DKK 110m in Q3 2022, DKK 1m less than in Q2 2022, mainly driven by a quarter-to-quarter decrease in net insurance income.

Net interest income

Net interest income was DKK 67m in Q3 2022, an increase of DKK 2m compared to Q2 2022.

Net fee and commission income

Net fee and commission income amounted to DKK 22m in Q3 2022, flat relative to Q2 2022.

Net insurance income

Net insurance income was DKK 11m in Q3 2022, DKK 4m higher than in Q3 2021.

Operating and sector costs

Operating costs amounted to DKK 62m in Q3 2022, flat compared to Q2 2022.

Profit before impairment charges

Profit before impairment charges was DKK 48m in Q3 2022, flat compared to Q2 2022.

Impairment charges

Net impairments were a reversal of DKK 12m in Q3 2022 compared to a reversal of DKK 22m in Q2 2022. The provision taken in relation to COVID-19 in 2020 is unchanged at DKK 52m due to continued economic uncertainty.

Operating profit

The resulting operating profit for the third quarter was DKK 60m in Q3 2022 compared to DKK 70m in Q2 2022.

Non-recurring items

No non-recurring items occurred in the first nine months of 2022.

Investment portfolio earnings

Investment portfolio earnings yielded a negative return of DKK DKK 36m in Q3 2022 compared to a negative return of DKK 16m in Q2 2022.

Profit before tax

Profit before tax in Q3 2022 was DKK 24m, DKK 30m less than the pre-tax profit of DKK 54m reported for Q2 2022.

Profit before tax for the first nine months of the year totalled DKK 136m compared to DKK 245m in the same period in 2021. The main reason for the large difference was non-recurring income of DKK 92m Q1 2021 as well as a difference of DKK 42m in investment portfolio earnings between the two periods.

Balance sheet

BankNordik's total assets at 30 September 2022 amounted to DKK 12.2bn, up by DKK 419m compared to 31 December 2021. Loans and advances were DKK 8.0bn, DKK 353m more than at 31 December 2021. Deposits were DKK 8.2bn, up by DKK 311m compared to 31 December 2021.

Liquidity invested in bonds, primarily in Danish mortgage bonds and Danish government bonds, amounted to

DKK 1.6bn, a decrease of DKK 266m compared to 31 December 2021. Liquidity invested in equities amounted to DKK 298m, an increase of DKK 46m relative to 31 December 2021. The Group's liquidity indicator was 225.8% at 30 September 2022, well above the requirement of 100%. The Group's LCR at 30 September 2022 was 225.8%, also well above the requirement of 100%. Shareholders' equity at 30 September 2022 amounted to DKK 1,756m, down by DKK 280m compared to 31 December 2021 due to the payment of dividend amounting to DKK 386m.

Capital ratios

At 30 September 2022, the Group's CET1 capital ratio was 22.9%, the core capital ratio was 25.0% and the total capital ratio was 26.4%. The total capital ratio, incl. MREL capital, was 31.4%. The net result for the 9M 2022 period, amounting to DKK 110.5m, is not included in the calculation of the capital ratios.

Compliance with the Danish FSA Supervisory Diamond

The Supervisory Diamond			
	Q3 2022	Q3 2021	FSA limit
Sum of large exposures	149.1%	147.8%	< 175%
Liquidity indicator	225.8%	189.1%	>100 %
Loan growth	5.1%	1.6%	< 20 %
Funding ratio	0.70	0.76	< 1.0
Property exposure	13.1%	11.0%	< 25 %

At 30 September 2022, the Group was in compliance with all Supervisory Diamond requirements set by the FSA.

Events after the balance sheet date

No events have occurred since 30 September 2022 that are deemed to have a significant impact on the Group's financial position.

Guidance for 2022

On 17 October 2022, the Bank lowered its financial guidance for its 2022 net profit from DKK 160-190m to DKK 140-170m. The adjustment was driven by the impact the uncertainty currently prevailing financial markets has had on the Group's market value adjustments.

The guidance 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-Q3 2022, Group, DKK 1,000	Income statement	Restatement	Restated income statement
1	Net interest income	194,349	2,838	197,187
2	Net fee and commission income	71,704	-6,475	65,229
	Net insurance income	37,896	0	37,896
2, 5	Other operating income	5,021	24,347	29,368
	Operating income	308,970	20,710	329,680
3	Operating costs	185,033	0	185,033
	Sector costs	974	0	974
	Profit before impairment charges	122,963	20,710	143,673
	Impairment charges	-43,251	0	-43,251
	Operating profit	166,214	20,710	186,924
3, 4	Non-recurring items	0	0	0
	Profit before investment portfolio earnings and tax	166,214	20,710	186,924
1, 5	Investment portfolio earnings	-29,769	-20,710	-50,479
	Profit before tax, continuing operations	136,445	0	136,445
4	Profit before tax, discontinued operations	0	0	0
	Profit before tax, total	136,445	0	136,445
Note Adjusted Income statement Q3 2021, Group, DKK 1,000				
1	Net interest income	200,285	-6,668	193,617
2	Net fee and commission income	60,240	-3,429	56,811
	Net insurance income	27,986	0	27,986
2, 5	Other operating income	7,553	18,677	26,230
	Operating income	296,064	8,580	304,644
3	Operating costs	192,972	-14,627	178,345
	Sector costs	1,113	0	1,113
	Profit before impairment charges	101,979	23,207	125,187
	Impairment charges	-36,344	0	-36,344
	Operating profit	138,324	23,207	161,531
3, 4	Non-recurring items	0	82,437	82,437
	Profit before investment portfolio earnings and tax	138,324	105,644	243,968
1, 5	Investment portfolio earnings	-212	-8,580	-8,793
	Profit before tax, continuing operations	138,111	97,064	235,175
4	Profit before tax, discontinued operations	106,560	-97,064	9,496
	Profit before tax, total	244,671	0	244,671
Note Restatements made to the income statement, DKK 1,000				
1	Reclassification of interest income related to bonds from the item Interest income to Investment portfolio earnings.		2,838	6,668
2	Dividends reclassified from Net fee and commission income to Other operating income.		6,475	3,429
3	Reclassification of IT-costs, severance costs and other costs from Operating costs to Non-recurring items.		0	14,627
4	Reclassification of provenue regarding the sale of the Danish activities Non-recurring items.		0	97,064
5	Reclassification of value adjustments related to sector shares and of profit or loss from currency transactions to Other operating income.		17,872	15,248

BankNordik Group by segment

Adjusted Income statement, Banking (Note: Other operating income in Q1 2022 has been corrected negatively by DKK 1.1m)

DKK m	Q3 2022	Q2 2022	Index	Q1 2022	Q4 2021	Q3 2021	Q1-Q3 2022	Q1 - Q3 2021	Index
Net interest income	67	65	103	66	66	64	197	193	102
Net fee and commission income	26	25	102	25	26	22	75	66	114
Other operating income	10	8	134	8	7	7	26	21	123
Operating income	102	97	105	99	99	94	299	281	106
Operating cost	-57	-57	101	-56	-51	-53	-170	-163	104
Sector costs	0	0		0	0	0	-1	-1	83
Profit before impairment charges	45	40	112	43	48	40	128	116	110
Impairment charges, net	12	22	54	10	40	13	43	36	
Operating profit	57	62	92	52	89	53	171	153	112
Non-recurring items	0	0		0	6	2	0	82	
Profit before investment portfolio earnings and tax	57	62	92	52	95	54	171	235	73
Investment portfolio earnings	-32	-12		3	2	-1	-41	-7	
Profit before tax, continuing operations	25	50	50	55	97	53	130	228	
Profit before tax, discontinued operations	0	0		0	0	0	0	9	-
Profit before tax, total	25	50	50	55	97	53	130	237	55
Loans and advances	7,977	7,724	103	7,684	7,624	7,594	7,977	7,594	105
Deposits and other debt	8,225	8,897	92	8,047	7,914	7,435	8,225	7,435	111
Mortgage credit	2,652	2,730	97	2,727	2,657	2,609	2,652	2,609	102
Operating cost/income, %	56	58		57	51	56	57	58	
Number of FTE, end of period	170	173	98	168	164	167	170	167	101

Personal Banking

The Personal Banking segment reported operating income of DKK 60m for Q3 2022, an increase of DKK 3m compared to the previous quarter. Net interest income was up by DKK 1m in Q3 2022 compared to Q2 2022 to DKK 34m. Net fee and commission income was DKK 19m in Q3 2022, flat compared to Q2 2022. Other operating income amounted to DKK 8m in Q3 2022, an increase of DKK 2m relative to Q2 2022.

Operating costs were DKK 49m in Q3 2022, DKK 5m higher than in Q2 2022. Impairment charges amounted to a reversal of DKK 6m in Q3 2022 compared to a reversal of DKK 7m in Q2 2022.

As a result, operating profit for Q3 2022 was DKK 17m, DKK 3m less than in the previous quarter.

Investment portfolio earnings posted to the personal banking segment amounted to a loss of DKK 23m in Q3 2022 compared to a loss of DKK 13m in Q2 2022.

The result before tax was a loss of DKK 6m in Q3 2022, a decline of DKK 13m from the profit before tax of DKK 7m reported for Q2 2022. Profit before tax for the nine months of 2022 amounted to DKK 21m, which was markedly lower than the profit before tax of DKK 128m recorded for the first nine months of 2021. As mentioned in the financial review, this difference was mainly due to non-recurring items, profit from discontinued operations and a negative return on the investment portfolio.

Loans and advances to personal customers during the quarter rose by DKK 50m to DKK 3,626m, while brokered mortgage credit fell by DKK 16m to DKK 2,328m, both compared to 30 June 2022. Although the trend in recent years has been for Faroese households to increasingly embrace the traditional Danish financing model of 80% LTV mortgage funding with the residual in 2nd lien bank lending, interest rate conditions in the past nine months of 2022 have slightly affected the type of loans taken out by customers. The Bank does not expect the trend to reverse in coming quarters. Deposits held by personal customers fell by DKK 22m during the quarter to DKK 5,388m at 30 September 2022.

Adjusted Income statement, Personal banking (Note: Other operating income in Q1 2022 has been corrected negatively by DKK 0.55m)

DKKm	Q3 2022	Q2 2022	Index	Q1 2022	Q4 2021	Q3 2021	Q1-Q3 2022	Q1 - Q3 2021	Index
Net interest income	34	33	103	34	34	33	101	97	104
Net fee and commission income	19	18	103	18	19	15	54	46	119
Other operating income	8	6	136	6	5	5	20	15	132
Operating income	60	57	106	58	58	54	175	158	111
Operating costs	-49	-44	112	-44	-39	-44	-137	-133	104
Sector costs	0	0		0	0	0	-1	-1	
Profit before impairment charges	11	13	86	13	19	9	37	24	152
Impairment charges, net	6	7		5	5	3	18	17	110
Operating profit	17	20	85	18	24	12	55	41	135
Non-recurring items	0	0		0	-4	2	0	82	
Profit before investment portfolio earnings and tax	17	20	85	18	21	13	55	123	45
Investment portfolio earnings	-23	-13	180	2	2	-1	-34	-5	
Profit before tax, continuing operations	-6	7	-80	20	23	13	21	118	18
Profit before tax, discontinued operations	0	0		0	0	0	0	9	-
Profit before tax, total	-6	7	-80	20	23	13	21	128	17
Loans and advances	3,626	3,576	101	3,550	3,583	3,603	3,626	3,603	101
Deposits and other debt	5,388	5,410	100	5,264	5,105	5,125	5,388	5,125	105
Mortgage credit	2,328	2,344	99	2,344	2,292	2,252	2,328	2,252	103
Number of FTE, end of period	74	76	98	75	71	73	74	73	102

Corporate Banking

Corporate Banking activities saw operating income of DKK 42m in Q3 2022, an increase of DKK 1m relative to Q2 2022. Net interest income increased by DKK 1m to DKK 33m. Net fee and commission income was flat at DKK 7m, and other operating income was also flat at DKK 2m.

Operating costs increased by DKK 2m in Q3 2022 to DKK 9m relative to Q2 2022. Impairment charges during Q3 2022 were a reversal of DKK 6m compared to a reversal of DKK 14m in Q2 2022.

Operating profit for Q3 2022 amounted to DKK 38m, down DKK 9m relative to Q2 2022.

Investment portfolio earnings posted to the corporate banking segment in Q3 2022 amounted to a loss of DKK 9m, following a loss in Q2 2022 of DKK 5m.

The resulting profit before tax for the quarter was DKK 29m, DKK 13m less than in Q2 2022. The profit before tax for the first nine months of 2022 was DKK 107m compared to DKK 110m in the first nine months of 2021.

Corporate loans and advances increased by DKK 203m in the third quarter of 2022 to DKK 4,351m at 30 September 2022, while deposits decreased by DKK 650m during the period to DKK 2,837m. Brokered mortgage credit fell by DKK 58m in the quarter to DKK 324m at 30 September 2022.

Adjusted Income statement, Corporate Banking (Note: Other operating income in Q1 2022 has been corrected negatively by DKK 0.55m)

DKKm	Q3 2022	Q2 2022	Index	Q1 2022	Q4 2021	Q3 2021	Q1-Q3 2022	Q1 - Q3 2021	Index
Net interest income	33	32	103	32	32	31	96	96	100
Net fee and commission income	7	7	101	7	7	7	21	20	104
Other operating income	2	2	116	2	2	2	6	6	100
Operating income	42	41	104	41	41	40	124	123	101
Operating costs	-9	-7	125	-12	-11	-9	-29	-30	94
Sector costs	0	0		0	0	0	0	0	
Profit before impairment charges	33	33	99	29	30	31	95	92	103
Impairment charges, net	6	14	40	5	35	10	25	20	127
Operating profit	38	47	81	34	65	41	120	112	107
Non-recurring items	0	0		0	0	0	0	0	
Profit before investment portfolio earnings and tax	38	47	81	34	65	41	120	112	107
Investment portfolio earnings	-9	-5		1	1	0	-13	-2	
Profit before tax	29	42	69	35	66	41	107	110	97
Loans and advances	4,351	4,148	105	4,133	4,041	3,960	4,351	3,960	110
Deposits and other debt	2,837	3,487	81	2,783	2,808	2,300	2,837	2,300	123
Mortgage credit	324	382	85	383	365	357	324	357	91
Number of FTE, end of period	15	15	100	15	13	14	15	14	107

Insurance: Trygd

Trygd reported premium income of DKK 36m for Q3 2022, DKK 4m more than for Q3 2021. Claims were DKK 3m less than in the same period of 2021 at DKK 26m. Net income from investment activities amounted to a loss of DKK 6m in Q3 2022 compared to a loss of DKK 2m in the same quarter last year. As a result, operating income was DKK 5m in Q3 2022, DKK 4m more than in Q3 2021.

Operating costs were DKK 4m in Q3 2022, flat compared to Q3 2021. As a result, Trygd reported a profit before tax for the quarter of DKK 1m, compared to a loss before tax of DKK 3m in Q3 2021. Profit before tax during the first nine months of 2022 was DKK 5m, DKK 13m more than for the same period of 2021, in which Trygd saw a loss of DKK 8m.

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, optimisation of Trygds pricing structure as well as general market growth related to developments in the Faroese economy. Along with operating costs remaining low, these developments 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	Q3 2022	Q2 2022	Index	Q1 2022	Q4 2021	Q3 2021	Q1-Q3 2022	Q1 - Q3 2021	Index
Premium income, net of reinsurance	36	35	104	34	32	32	105	94	112
Claims, net of reinsurance	-26	-23	113	-25	-28	-28	-73	-82	89
Net insurance income	11	12	86	9	4	4	32	12	274
Net income from investment activities	-6	-5	106	-3	-2	-2	-15	-7	203
Operating income	5	7	70	6	2	1	17	4	390
Operating cost	-4	-4	93	-4	-5	-4	-12	-12	96
Profit before tax	1	3	37	2	-3	-3	5	-8	-66
Combined ratio	81	76		86	102	102	81	101	
Claims ratio	71	65		73	88	46	70	88	
Number of FTE, end of period	23	23	103	22	22	25	23	25	94

Income statement

Note	DKK 1,000	Group		BankNordik	
		Q1-Q3	Q1-Q3	Q1-Q3	Q1-Q3
		2022	2021	2022	2021
3	Interest income	217,404	216,319	216,401	215,389
	- of which interest income from deposits	31,515	28,009	31,515	28,009
4	Interest expenses	23,055	16,035	23,136	16,035
	- of which interest expenses from assets	10,775	4,536	10,775	4,536
	Net interest income	194,349	200,285	193,265	199,355
	Dividends from shares and other investments	6,475	3,429	6,475	3,429
5	Fee and commission income	69,817	62,354	79,988	71,468
5	Fee and commissions paid	4,588	5,544	4,588	5,544
	Net dividend, fee and commission income	71,704	60,240	81,875	69,354
	Net interest and fee income	266,053	260,525	275,141	268,709
	Premium income, net of reinsurance	116,582	105,520		
	Claims, net of reinsurance	78,686	77,534		
	Interest and fee income and income from insurance activities, net	303,949	288,510	275,141	268,709
6	Market value adjustments	-35,159	-1,329	-24,868	1,107
7	Other operating income	5,021	7,553	1,744	2,503
8	Staff costs and administrative expenses	179,394	188,227	164,793	173,196
	Amortisation, depreciation and impairment charges	5,639	4,745	5,176	4,522
	Other operating expenses	974	1,113	974	1,113
9	Impairment charges on loans and advances etc.	-43,251	-36,344	-43,251	-36,344
	Income from investments accounted for under the equity method	5,390	1,116	10,909	6,974
	Profit before tax from continuing operations	136,445	138,111	135,233	136,807
	Tax	25,903	26,819	24,691	25,514
	Net profit from continuing operations	110,542	111,292	110,542	111,292
10	Discontinued operations, net of tax	0	83,117	0	83,117
	Net profit	110,542	194,409	110,542	194,409
	Portion attributable to				
	Shareholders of BankNordik P/F	110,542	194,409	110,542	194,409
	Net profit	110,542	194,409	110,542	194,409
	EPS Basic for the period, discontinuing operations, DKK*	0.00	8.68	0.00	8.68
	EPS Diluted for the period, discontinuing operations, DKK*	0.00	8.68	0.00	8.68
	EPS Basic for the period, continuing operations, DKK*	11.55	11.63	11.55	11.63
	EPS Diluted for the period, continuing operations, DKK*	11.55	11.63	11.55	11.63

*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	110,542	194,409	110,542	194,409
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	110,542	191,289	110,542	191,289
Portion attributable to				
Shareholders of BankNordik P/F	105,324	186,071	105,324	186,071
Additional Tier 1 capital holders	5,218	5,218	5,218	5,218
Total comprehensive income	110,542	191,289	110,542	191,289

Balance Sheet

Note	DKK 1,000	Group		BankNordik	
		Sept. 30 2022	Dec. 31 2021	Sept. 30 2022	Dec. 31 2021
Assets					
	Cash in hand and demand deposits with central banks	1,456,948	1,291,557	1,456,860	1,291,534
11	Amounts due from credit institutions and central banks	381,199	445,411	381,199	445,411
9	Loans and advances at fair value	350,998	415,170	350,998	415,170
9	Loans and advances at amortised cost	7,625,909	7,208,922	7,625,909	7,208,922
	Bonds at fair value	1,614,329	1,880,565	1,448,808	1,683,517
	Shares, etc.	297,832	251,423	251,508	251,423
	Assets under insurance contracts	13,633	8,831	0	0
	Holdings in associates	11,839	7,822	11,839	7,822
	Holdings in subsidiaries	0	0	101,583	99,064
	Assets under pooled schemes	21,758	0	21,758	0
	Intangible assets	2,567	2,684	2,567	2,684
	Total land and buildings	136,555	140,019	133,959	137,402
	Domicile property	72,102	72,565	69,506	69,948
	Domicile property (lease asset)	64,454	67,454	64,454	67,454
	Other property, plant and equipment	8,970	9,537	8,101	8,411
	Current tax assets	16,250	7,203	16,250	7,203
	Deferred tax assets	7,886	8,207	7,648	7,648
	Other assets	146,264	80,024	144,591	77,062
	Prepayments	6,765	32,370	5,547	31,291
	Total assets	12,099,703	11,789,746	11,969,125	11,674,564

Balance Sheet

Note	DKK 1,000	Group		BankNordik		
		Sept. 30 2022	Dec. 31 2021	Sept. 30 2022	Dec. 31 2021	
		Shareholders' equity and liabilities				
		Liabilities other than provisions				
		Amounts due to credit institutions and central banks	857,703	838,608	857,703	838,608
		Deposits and other debt	8,210,426	7,899,659	8,225,388	7,914,185
		Deposits under pooled schemes	21,758	2	21,758	2
		Issued bonds at amortised cost	551,868	348,938	551,868	348,938
		Liabilities under insurance contracts	136,794	118,205	0	0
		Current tax liabilities	100,055	77,939	97,916	75,913
		Other liabilities	200,620	188,170	193,832	180,036
		Deferred income	4,151	5,379	4,332	4,038
		Total liabilities other than provisions	10,083,374	9,476,901	9,952,797	9,361,720
		Provisions for liabilities				
9		Provisions for losses on guarantees etc	4,850	12,186	4,850	12,186
		Provisions for other liabilities	6,146	14,320	6,146	14,320
		Total provisions for liabilities	10,996	26,505	10,996	26,505
		Subordinated debt				
		Subordinated debt	99,475	99,370	99,475	99,370
		Total liabilities	10,193,846	9,602,776	10,063,268	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	1,558,149	1,451,729	1,558,149	1,451,729
		Proposed dividends	0	386,000	0	386,000
		Shareholders of the Parent Company	1,756,273	2,035,853	1,756,273	2,035,853
		Additional tier 1 capital holders	149,585	151,117	149,585	151,117
		Total equity	1,905,858	2,186,970	1,905,858	2,186,970
		Total liabilities and equity	12,099,703	11,789,746	11,969,125	11,674,564

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	105,324	105,324	5,218	110,542
Total comprehensive income		0	0	105,324	105,324	5,218	110,542
Paid interest on additional tier 1 capital				0	0	-6,750	-6,750
Dividends paid			-386,000	1,096	-384,904		-384,904
Shareholders' equity at September 30, 2022	192,000	6,123	0	1,558,149	1,756,273	149,585	1,905,858

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
Extraordinary dividend			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	189,191	189,191	5,218	194,409
Total comprehensive income		-3,120	0	189,191	186,071	5,218	191,289
Paid interest on additional tier 1 capital					0	-6,750	-6,750
Acquisition of own shares				-952	-952		-952
Dividends paid			-48,000	146	-47,854		-47,854
Shareholders' equity at September 30, 2021	192,000	6,123	0	2,210,166	2,408,289	149,377	2,557,667

Statement of capital - BankNordik P/F

Changes in equity:

DKK 1,000	Shareholders equity						Additional tier 1 capital	Total
	Share capital	Revaluation Reserve	Proposed dividends	Retained earnings	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				105,324	105,324	5,218	110,542	
Total comprehensive income		0	0	105,324	105,324	5,218	110,542	
Paid interest on additional tier 1 capital				0	0	-6,750	-6,750	
Dividends paid			-386,000	1,096	-384,904		-384,904	
Shareholders' equity at September 30, 2022	192,000	6,123	0	1,558,149	1,756,273	149,585	1,905,858	

DKK 1,000	Shareholders equity						Additional tier 1 capital	Total
	Share capital	Revaluation Reserve	Proposed dividends	Retained earnings	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	
Extraordinary dividend			450,000	-450,000	0		0	
Dividends paid			-498,000	1,519	-496,481		-496,481	
Shareholders' equity at December 31, 2021	192,000	6,123	386,000	1,451,729	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 capital	Total
	Share capital	Revaluation Reserve	Proposed dividends	Retained earnings	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	189,191	189,191	5,218	194,409	
Total comprehensive income		-3,120	0	189,191	186,071	5,218	191,289	
Paid interest on additional tier 1 capital					0	-6,750	-6,750	
Acquisition of own shares				-952	-952		-952	
Dividends paid			-48,000	146	-47,854		-47,854	
Shareholders' equity at September 30, 2021	192,000	6,123	0	2,210,166	2,408,289	149,377	2,557,667	

Capital and Solvency - BankNordik

Solvency DKK 1,000	Sept. 30 2022	Dec. 31 2021
Core capital	1,773,101	1,779,869
Total capital	1,872,576	1,879,239
Risk-weighted items not included in the trading portfolio	5,910,526	5,959,209
Risk-weighted items with market risk etc.	540,674	269,125
Risk-weighted items with operational risk	644,527	612,724
Total risk-weighted items	7,095,727	6,841,058
CET 1 capital ratio	22.9%	23.8%
Core capital ratio	25.0%	26.0%
Total capital ratio	26.4%	27.5%
MREL capital ratio	31.4%	29.6%
Core Capital and Shareholders' equity		
Share capital	192,000	192,000
Reserves	6,123	6,123
Net profit	110,542	272,340
Retained earnings, previous years	1,450,872	1,569,218
Shareholders' equity, before deduction of holdings of own shares	1,759,538	2,039,681
Deduction of ordinary dividend	0	136,000
Deduction of extraordinary dividend	0	250,000
Deduction of net profit Q1	110,542	0
Deduction due to excess holdings of shares in the financial sector	10,156	8,774
Deduction of holdings of own shares	3,265	3,828
Deduction of intangible assets	2,567	2,684
Deduction of deferred tax assets	7,648	7,648
Deduction regarding prudent valuation of financial instruments	1,843	1,993
CET 1 capital	1,623,517	1,628,753
Hybrid core capital	149,585	151,117
Core capital	1,773,101	1,779,869
Total capital		
Core capital	1,773,101	1,779,869
Subordinated loan capital	99,475	99,370
Total capital	1,872,576	1,879,239
MREL capital	354,387	149,016
Total capital incl. MREL capital	2,226,964	2,028,255

Cash flow statement - BankNordik Group

DKK 1,000	Q1-Q3 2022	Full year 2021
Cash flow from operations		
Profit before tax	136,445	339,563
Amortisation and impairment charges for intangible assets	159	212
Interest expense on leasing liabilities	1,604	2,292
Depreciation and impairment charges of tangible assets	5,494	6,812
Impairment of loans and advances/guarantees	-41,137	-72,983
Paid tax	-779	-29,599
Other non-cash operating items	-18,450	16,177
Total	83,336	262,474
Changes in operating capital		
Change in loans at fair value	6,062	39,426
Change in loans at amortised cost	-375,850	-1,395
Change in holding of bonds	207,704	2,567,081
Change in holding of shares	-47,686	76,471
Change in deposits	310,766	98,142
Due to credit institutions and central banks	19,095	810,654
Change in other assets / liabilities	37,820	-6,758
Assets/liabilities under insurance contracts	13,787	20,698
Prepayments	24,377	7,303
Cash flow from operations	279,412	3,874,096
Cash flow from investing activities		
Divestment of businesses, net of cash	0	-3,309,712
Dividends received	6,475	3,429
Acquisition of intangible assets	-41	-225
Acquisition of tangible assets	-1,277	-4,692
Sale of tangible assets	19	5,207
Cash flow from investing activities	5,176	-3,305,992
Cash flow from financing activities		
Issued bonds at amortised cost	212,041	350,000
Change in subordinated debt	0	-125,000
Interest paid on additional tier 1 capital	-6,750	-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	-3,796	-5,588
Cash flow from financing activities	-183,409	-284,771
Cash flow	101,178	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	101,178	283,333
Cash and due etc.	1,838,147	1,736,968
Cash and due etc.		
Cash in hand and demand deposits with central banks	1,456,948	1,291,557
Due from credit institutions, etc.	381,199	445,411
Total	1,838,147	1,736,968

Notes to the financial statements

Note 1 Significant accounting policies

The consolidated financial statements for the first nine 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. Regarding the implementation of IFRS 17 'Insurance contracts' as of 1. January 2023 the management has estimated that the impact will not be significant on the result and equity.

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-Q3 2022				Banking		Non-life Insurance	Elimination	Continuing operations	Discontinued operations	Group
	DKK 1,000	Private	Corporate	Other	Total	Faroe Islands		Total		Total	
	External interest income, Net	99,668	93,967	-214	193,421	928		194,349		194,349	
	Internal interest	0	0	0	0	0		0		0	
	Net interest income	99,668	93,967	-214	193,421	928		194,349		194,349	
	Net Fee and dividends income	60,322	21,821	-3,379	78,764	-7,061		71,704		71,704	
	Premium income, net of reinsurance	0	0	12,490	12,490	104,921	-829	116,582		116,582	
	Net premium income of reinsurance and claims	0	0	6,865	6,865	31,860	-829	37,896		37,896	
	Other income	12,908	4,319	-30,922	-13,694	-8,480	-2,574	-24,748		-24,748	
	Total income	172,899	120,107	-27,649	265,357	17,247	-3,402	279,201		279,201	
	Total operating expenses	54,560	14,395	108,532	177,486	11,923	-3,402	186,007		186,007	
	<i>of which depreciation and amortisation</i>	<i>4,531</i>	<i>705</i>	<i>23</i>	<i>5,259</i>	<i>380</i>		<i>5,639</i>		<i>5,639</i>	
	Profit before impairment charges on loans	118,338	105,712	-136,181	87,870	5,324		93,194		93,194	
	Impairment charges	-13,194	-20,700	-9,357	-43,251	0		-43,251		-43,251	
	Profit before tax	131,532	126,413	-126,824	131,121	5,324		136,445		136,445	
	Total assets	3,553,317	4,442,286	4,014,565	12,010,168	198,726		12,208,894		12,208,894	
	<i>of which Loans and advances</i>	<i>3,621,393</i>	<i>4,355,514</i>		<i>7,976,907</i>			<i>7,976,907</i>		<i>7,976,907</i>	
	Total liabilities	5,388,428	2,836,960	1,939,091	10,164,479	138,557		10,303,036		10,303,036	
	<i>of which Deposits</i>	<i>5,388,428</i>	<i>2,836,960</i>		<i>8,225,388</i>		<i>-14,962</i>	<i>8,210,426</i>		<i>8,210,426</i>	
	<i>of which Insurance liabilities</i>			<i>5,944</i>		<i>130,850</i>		<i>136,794</i>		<i>136,794</i>	

Operating segments Q1-Q3 2021	Banking				Non-life Insurance	Elimination	Continuing operations	Discontinued operations	Group	
	DKK 1,000	Private	Corporate	Other	Total	Faroe Islands	Total	Total	Total	
	External interest income, Net	128,898	99,638	-29,186	199,351	934	200,285	8,554	208,838	
	Internal interest	0	0	0	0	0	0	0	0	
	Net interest income	128,898	99,638	-29,186	199,351	934	200,285	8,554	208,838	
	Net Fee and dividends income	47,810	20,621	-1,994	66,436	-6,196	60,240	10,807	71,047	
	Premium income, net of reinsurance	0	0	12,890	12,890	93,357	-727	105,520	0	105,520
	Net premium income of reinsurance and claims	0	0	8,715	8,715	19,997	-727	27,986	0	27,986
	Other income	10,775	4,327	-3,216	11,885	-1,979	-2,566	7,341	255,173	262,514
	Total income	187,483	124,585	-25,681	286,387	12,757	-3,293	295,852	274,534	570,385
	Total operating expenses	47,622	12,706	124,916	185,245	12,134	-3,293	194,086	184,390	378,476
	<i>of which depreciation and amortisation</i>	<i>3,973</i>	<i>639</i>	<i>6</i>	<i>4,618</i>	<i>126</i>		<i>4,745</i>	<i>528</i>	<i>5,272</i>
	Profit before impairment charges on loans	139,860	111,879	-150,597	101,143	623		101,766	90,144	191,910
	Impairment charges	-17,048	-4,035	-15,262	-36,344	0		-36,344	-16,415	-52,760
	Profit before tax	156,908	115,913	-135,334	137,488	623	0	138,111	106,560	244,671
	Total assets	3,801,466	4,194,214	3,239,323	11,235,004	181,422		11,416,425	0	11,416,425
	<i>of which Loans and advances</i>	<i>3,617,697</i>	<i>3,974,221</i>		<i>7,591,918</i>	<i>0</i>		<i>7,591,918</i>	<i>0</i>	<i>7,591,918</i>
	Total liabilities	5,130,279	2,305,128	1,298,510	8,733,918	123,431		8,857,349	0	8,857,349
	<i>of which Deposits</i>	<i>5,130,279</i>	<i>2,305,128</i>		<i>7,435,408</i>		<i>-18,133</i>	<i>7,417,275</i>	<i>0</i>	<i>7,417,275</i>
	<i>of which Insurance liabilities</i>			<i>4,905</i>		<i>112,615</i>		<i>117,520</i>	<i>0</i>	<i>117,520</i>

BankNordik Group - Geographical revenue information

Note 2 DKK 1,000 (cont'd) Geographical segments	Total income		Non-current assets		Additions to tangible assets		Additions to intangible assets	
	Q3 2022	Q3 2021	Q3 2022	Q3 2021	Q3 2022	Q3 2021	Q3 2022	Q3 2021
Faroe Islands	222,010	243,996	118,612	117,987	3,418	-3,827	-118	119
Denmark	15,134	5,124	0	0	0	0	0	0
Greenland	42,057	46,732	44,896	45,150	-84	155	0	0
Total, continuing operations	279,201	295,852	163,508	163,137	3,334	-3,672	-118	119
Denmark, discontinued operations	0	19,534	0	0	0	0	0	0
Total	279,201	315,386	163,508	163,137	3,334	-3,672	-118	119

Geographical segments	Impairments		Investment portfolio earnings	
	Q3 2022	Q3 2021	Q3 2022	Q3 2021
Faroe Islands	18,277	6,969	-29,769	-212
Denmark	19,593	28,425	0	0
Greenland	5,381	951	0	0
Total, continuing operations	43,251	36,344	-29,769	-212
Denmark, discontinued operations	0	16,415	0	0
Total	43,251	52,760	-29,769	-212

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	
	Q3 2022	Q3 2021	Q3 2022	Q3 2021	Q3 2022	Q3 2021	Q3 2022	Q3 2021
Faroe Islands, Banking, Other	204,763	231,239	75,597	69,809	16,393	12,819	160	157
Faroe Islands, Insurance	17,247	12,757	5,324	623	959	128	23	24
Denmark, Banking	15,134	5,124	35,226	40,039	2,934	5,082	0	0
Greenland, Banking	42,057	46,732	20,297	27,641	5,617	8,790	17	18
Total, continuing operations	279,201	295,852	136,445	138,111	25,903	26,819	201	199
Denmark, Banking, discontinued operations	0	19,534	0	106,560	0	23,443	0	0
Total	279,201	315,386	136,445	246,081	25,903	50,262	201	199

Notes

Note	DKK 1,000	Group		BankNordik	
		Q1-Q3	Q1-Q3	Q1-Q3	Q1-Q3
		2022	2021	2022	2021
3	Interest income				
	Credit institutions and central banks	572	1,096	571	1,096
	Loans and advances	182,457	181,832	182,457	181,832
	Deposits	31,515	28,009	31,515	28,009
	Bonds	6,586	10,797	5,585	9,868
	Total derivatives of w hich:	-3,823	-5,398	-3,823	-5,398
	<i>Currency contracts</i>	365	296	365	296
	<i>Interest rate contracts</i>	-4,188	-5,694	-4,188	-5,694
	Other interest income	96	-18	96	-18
	Total interest income	217,404	216,319	216,401	215,389
4	Interest expenses				
	Credit institutions and central banks	10,775	4,411	10,775	4,411
	Deposits	1,444	1,859	1,525	1,859
	Issued bonds	4,986	0	4,986	0
	Subordinated debt	4,256	7,374	4,256	7,374
	Bonds	0	125	0	125
	Lease liabilities	1,069	1,667	1,069	1,667
	Other interest expenses	525	600	525	600
	Total interest expenses	23,055	16,035	23,136	16,035
5	Net fee and commission income				
	Fee and commission income				
	Securities trading and custody accounts	11,430	7,795	11,430	7,795
	Credit transfers	16,339	12,051	16,339	12,051
	Loan commissions	3,606	2,915	3,606	2,915
	Guarantee commissions	23,055	20,730	23,055	20,730
	Other fees and commissions	15,387	18,864	25,558	27,978
	Total fee and commission income	69,817	62,354	79,988	71,468
	Fee and commissions paid				
	Securities trading and custody accounts	4,588	5,544	4,588	5,544
	Net fee and commission income	65,229	56,811	75,400	65,925
6	Market value adjustments				
	Loans and advances	-58,111	-16,646	-58,111	-16,646
	Bonds	-75,492	-23,691	-65,201	-21,255
	Shares	-1,276	11,894	-1,276	11,894
	Foreign exchange	5,848	5,575	5,848	5,575
	Total derivatives of w hich:	93,871	21,540	93,871	21,540
	<i>Currency Swaps</i>	85	732	85	732
	<i>Interest Swaps</i>	63,352	18,194	63,352	18,194
	<i>Other contracts</i>	30,434	2,614	30,434	2,614
	Assets under pooled schemes	-2,786	0	-2,786	0
	Deposits in pooled schemes	2,786	0	2,786	0
	Total market value adjustments	-35,159	-1,329	-24,868	1,107

Note	DKK 1,000	Group		BankNordik	
		Q1-Q3	Q1-Q3	Q1-Q3	Q1-Q3
		2022	2021	2022	2021
7	Other operating income				
	Profit on sale of properties	0	1,964	0	1,964
	Other income	5,021	5,589	1,744	539
	Total other operating income	5,021	7,553	1,744	2,503
8	Staff costs and administrative expenses				
	Staff costs:				
	Salaries	87,287	90,305	75,215	78,119
	Pensions	12,790	13,100	11,137	11,532
	Social security expenses	13,524	13,719	11,984	12,174
	Total staff costs	113,600	117,125	98,335	101,825
	Administrative expenses:				
	IT	41,789	41,464	38,118	38,015
	Marketing etc	5,649	6,107	4,939	4,929
	Education etc	2,052	1,372	1,759	1,141
	Advisory services	1,228	10,021	1,228	9,972
	Other expenses	22,242	17,913	20,413	17,314
	Total administrative expenses	72,960	76,875	66,458	71,371
	Total staff costs	113,600	117,125	98,335	101,825
	Employee costs included under the item "Claims, net of reinsurance"	-7,166	-5,774	0	0
	Total administrative expenses	72,960	76,875	66,458	71,371
	Total staff costs and administrative expenses	179,394	188,227	164,793	173,196
	Number of employees				
	Average number of full-time employees in the period	201	210	170	179
	Executive remuneration:				
	Board of Directors	1,450	1,700	1,450	1,700
	Executive Board:				
	Salaries	3,508	2,236	3,508	2,236
	- less fees received from directorships	40	37	40	37
	The Bank's expense, salaries	3,467	2,199	3,467	2,199
	Pension	525	335	525	335
	Total executive board	3,992	2,535	3,992	2,535
	Total executive remuneration	5,442	4,235	5,442	4,235

Note	DKK 1,000	Group		BankNordik	
		Q1-Q3	Q1-Q3	Q1-Q3	Q1-Q3
		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	65,389	79,071	65,389	79,071
	Reversals of impairment charges and provisions	105,672	110,090	105,672	110,090
	Written-off, previously impaired	5,954	12,878	5,954	12,878
	<i>Interest income on impaired loans</i>	<i>2,040</i>	<i>2,914</i>	<i>2,040</i>	<i>2,914</i>
	Total impairment charges and provisions at 30 September	191,468	283,924	191,468	283,924
	Impairment charges and provisions recognised in the income statement				
	Loans and advances at amortised cost	-35,915	-37,822	-35,915	-37,822
	Loans and advances at fair value	0	0	0	0
	Guarantees and loan commitments	-7,336	1,477	-7,336	1,477
	Total individual impairment charges and provisions	-43,251	-36,344	-43,251	-36,344
	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	27,105	26,029	27,105	26,029
	Reversals, net of Stage 1 impairment charges	28,216	15,346	28,216	15,346
	Stage 1 impairment charges at 30 September	43,979	44,527	43,979	44,527
	<i>Total net impact recognised in the income statement</i>	<i>-1,110</i>	<i>10,683</i>	<i>-1,110</i>	<i>10,683</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	15,421	17,327	15,421	17,327
	Reversals, net of impairment charges	11,164	31,234	11,164	31,234
	Stage 2 impairment charges at 30 September	22,724	22,601	22,724	22,601
	<i>Total net impact recognised in the income statement</i>	<i>4,257</i>	<i>-13,908</i>	<i>4,257</i>	<i>-13,908</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	12,193	24,115	12,193	24,115
	Reversals, net of impairment charges	27,350	19,415	27,350	19,415
	Weak Stage 2 impairment charges at 30 September	18,563	44,247	18,563	44,247
	<i>Total net impact recognised in the income statement</i>	<i>-15,158</i>	<i>4,700</i>	<i>-15,158</i>	<i>4,700</i>

Note	DKK 1,000	Group		BankNordik	
		Q1-Q3 2022	Q1-Q3 2021	Q1-Q3 2022	Q1-Q3 2021
9	Stage 3 impairment charges				
(cont'd)	Stage 3 impairment charges etc. at 31 December	128,243	201,907	128,243	201,907
	New and increased impairment charges	7,664	5,709	7,664	5,709
	Reversals of impairment charges	28,600	39,681	28,600	39,681
	Written-off, previously impaired	5,954	12,878	5,954	12,878
	<i>Write-offs charged directly to the income statement</i>	1,186	192	1,186	192
	<i>Received on claims previously written off</i>	2,114	2,604	2,114	2,604
	<i>Interest income on impaired loans</i>	2,040	2,914	2,040	2,914
	Stage 3 impairment charges at 30 September	101,353	155,057	101,353	155,057
	<i>Total net impact recognised in the income statement</i>	-23,904	-39,296	-23,904	-39,296
	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	3,006	5,891	3,006	5,891
	Reversals of provisions	10,342	4,414	10,342	4,414
	Provisions for guarantees etc at 30 September	4,850	17,492	4,850	17,492
	<i>Total net impact recognised in the income statement</i>	-7,336	1,477	-7,336	1,477
	Provisions for guarantees and undrawn credit lines				
	Stage 1 provisions	1,386	1,836	1,386	1,836
	Stage 2 provisions	1,424	2,689	1,424	2,689
	Weak Stage 2 provisions	0	200	0	200
	Stage 3 provisions	2,040	12,766	2,040	12,766
	Provisions for guarantees etc at 30 September	4,850	17,492	4,850	17,492
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
	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	256,535	0	256,535
	Staff costs and administrative expenses	0	183,799	0	183,799
	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	106,560	0	106,560
	Tax	0	23,443	0	23,443
	Net profit	0	83,117	0	83,117

Note	DKK 1,000	Group		BankNordik	
		Sept. 30 2022	Dec. 31 2021	Sept. 30 2022	Dec. 31 2021
11	Due from credit institutions etc. specified by maturity				
	On demand	381,199	445,411	381,199	445,411
	3 months and below	0	0	0	0
	3 months to 1 year	0	0	0	0
	Total due from credit institutions etc.	381,199	445,411	381,199	445,411
12	Contingent liabilities				
	Guarantees				
	Financial guarantees	280,491	222,079	280,491	222,079
	Mortgage finance guarantees	598,237	585,483	598,237	585,483
	Registration and remortgaging guarantees	138,124	158,330	138,124	158,330
	Other guarantees	612,001	649,855	612,001	649,855
	Total guarantees	1,628,852	1,615,746	1,628,852	1,615,746
13	Assets deposited as collateral				
	At September 30 2022 the Group had deposited cash amounting to DKK 42m (Dec. 31 2021: 35m) w ith Danmarks Nationalbank (the Danish Central Bank) in connection w ith clearing. Deposits of cash to others in total amounting to DKK 12m (Dec. 31 2021: 75m).				

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 nine months to 30 September 2022.

The consolidated financial statements for the first nine months to 30 September 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 30 September 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 nine months ended 30 September 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, 3 November 2022

Executive Board

Árni Ellefsen
CEO

Turið F. Arge

Heini Thomsen

Board of Directors

Birita Sandberg Samuelsen
Chairman

Rúni Vang Poulsen
Vice chairman

Birgir Durhuus

Kristian Reinert Davidsen

Marjun Eystberg

Anja Rein

Kenneth M. Samuelsen

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

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