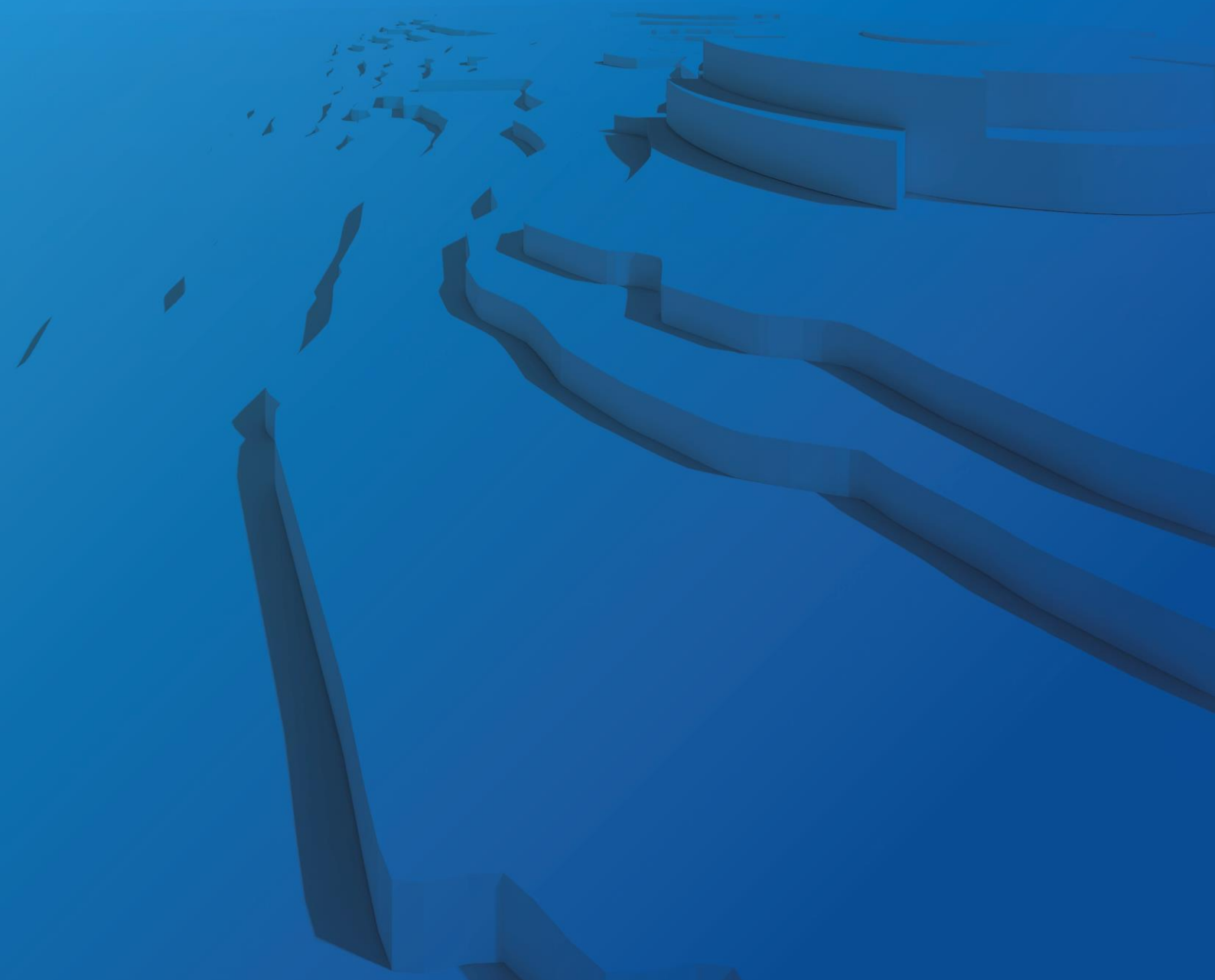


**BANKNORDIK**

# Interim Report

## Q3 2023



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## Financial Review

“We’re pleased to report solid financial results for the first nine months of the year with a profit before tax of DKK 271m, up from DKK 136m in the year-earlier period.

The favourable performance was mainly driven by an increase in central bank and market rates, increases in both deposits and lending, the return on the investment portfolio and a good performance by the insurance business during the quarter. Furthermore, the customer portfolio maintained its sound credit quality despite a generally volatile economic environment of rising interest rates and high inflation.

Prospects are generally good for the rest of the year, and as reported in a previous announcement, we have raised our net profit guidance from DKK 235-265m to the DKK 260-290m range,” said BankNordik CEO Turið F. Arge.

### Q3 2023 Highlights

#### Adjusted Income statement, Group

DKKm	Q3 2023	Q2 2023	Index	Q1 2023	Q4 2022	Q3 2022	Q1-Q3 2023	Q1-Q3 2022	Index
Net interest income	96	86	111	78	72	67	260	197	132
Net fee and commission income	19	19	103	21	23	22	60	65	91
Net insurance income	24	19	123	5	14	11	48	38	126
Other operating income (less reclassification)	9	11	84	8	8	11	28	29	96
<b>Operating income</b>	<b>148</b>	<b>135</b>	<b>110</b>	<b>112</b>	<b>117</b>	<b>110</b>	<b>395</b>	<b>330</b>	<b>120</b>
Operating costs <sup>1</sup>	-65	-64	101	-63	-58	-62	-192	-185	104
Sector costs	0	0	100	0	0	0	-1	-1	134
<b>Profit before impairment charges</b>	<b>83</b>	<b>71</b>	<b>117</b>	<b>49</b>	<b>59</b>	<b>48</b>	<b>202</b>	<b>144</b>	<b>140</b>
Impairment charges, net	0	7	-6	8	3	12	15	43	35
<b>Operating profit</b>	<b>82</b>	<b>78</b>	<b>106</b>	<b>57</b>	<b>62</b>	<b>60</b>	<b>217</b>	<b>187</b>	<b>116</b>
Non-recurring items <sup>2</sup>	0	-6	0	-3	0	0	-9	0	
<b>Profit before investment portfolio earnings and tax</b>	<b>82</b>	<b>72</b>	<b>114</b>	<b>54</b>	<b>62</b>	<b>60</b>	<b>208</b>	<b>187</b>	<b>111</b>
Investment portfolio earnings <sup>3</sup>	26	15	175	22	8	-36	63	-50	-124
<b>Profit before tax</b>	<b>108</b>	<b>87</b>	<b>124</b>	<b>75</b>	<b>70</b>	<b>24</b>	<b>271</b>	<b>136</b>	<b>198</b>
<b>Tax</b>	<b>20</b>	<b>17</b>	<b>118</b>	<b>14</b>	<b>16</b>	<b>4</b>	<b>52</b>	<b>26</b>	<b>199</b>
<b>Net profit</b>	<b>88</b>	<b>70</b>	<b>126</b>	<b>61</b>	<b>54</b>	<b>20</b>	<b>219</b>	<b>111</b>	<b>198</b>
Operating cost/income, %	44	47		56	49	56	49	56	
Number of FTE, end of period	207	203	102	203	200	201	207	201	103

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

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

<sup>3</sup> 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 2023. Due to seasonal variations, comments provided on the insurance segment relate to Q3 2022. The comments on the first nine months of 2023 are stated relative to the same period of 2022.

#### Operating income

The BankNordik Group generated operating income of DKK 148m in Q3 2023, an increase of DKK 13m compared to Q2 2023, driven by quarter-on-quarter increases in net interest income and net insurance income.

**Net interest income**

Net interest income was DKK 96m in Q3 2023, an increase of DKK 10m compared to Q2 2023.

**Net fee and commission income**

Net fee and commission income amounted to DKK 19m in Q3 2023, DKK 1m higher than in Q2 2023.

**Net insurance income**

Net insurance income was DKK 24m in Q3 2023, DKK 13m higher than in Q3 2022.

**Operating and sector costs**

Operating costs amounted to DKK 65m in Q3 2023, a slight increase of DKK 1m compared to Q2 2023.

**Profit before impairment charges**

Profit before impairment charges was DKK 83m in Q3 2023, an increase of DKK 12m compared to Q2 2023.

**Impairment charges**

Net impairments were DKK 0m in Q3 2023 compared to a reversal of DKK 7m in Q2 2023. The management provision of DKK 75m taken in relation to the ongoing economic uncertainty as well as uncertainty in relation to the Bank's impairment calculation and modelling did not change during the quarter. Management believes that the overall economic uncertainty remains a risk to the Bank's customers.

**Operating profit**

The resulting operating profit was DKK 82m in Q3 2023 compared to DKK 78m in Q2 2023.

**Non-recurring items**

Non-recurring items amounted to DKK 0m in Q3 2023. The figure in Q2 2023 was DKK 6m.

**Investment portfolio earnings**

Investment portfolio earnings amounted to DKK 26m in Q3 2023 compared to DKK 15m in Q2 2023.

**Profit before tax**

Profit before tax in Q3 2023 was DKK 108m, DKK 21m higher than the pre-tax profit of DKK 87m reported for Q2 2023.

Profit before tax for the first nine months of the year totalled DKK 271m. This was significantly higher than the figure for the first nine months of 2022, which came in at DKK 136m. The two factors driving the increased profit were net interest income, which has increased due to the changed interest rate environment, and investment portfolio earnings, for which the Bank has recorded significant income compared to the losses recorded for the same period of 2022.

**Balance sheet**

BankNordik's total assets at 30 September 2023 amounted to DKK 12.5bn, up by DKK 326m compared to 31 December 2022. Loans and advances were DKK 8.8bn, DKK 707m more than at 31 December 2022. Deposits were DKK 8.6bn, up by DKK 254m compared to 31 December 2022.

Liquidity invested in Danish mortgage bonds and Danish government bonds amounted to DKK 1.5bn, a decrease of DKK 130m compared to 31 December 2022. Liquidity invested in equities amounted to DKK 268m, a decrease of DKK 31m relative to 31 December 2022. Shareholders' equity at 30 September 2023 amounted to DKK 1,780m, down by DKK 37m compared to 31 December 2022 due to the payment of dividend in the amount of DKK 250m.

## Capital and Liquidity

At 30 September 2023, the Group's CET1 capital ratio was 21.8%, the core capital ratio was 23.9% and the total capital ratio was 25.3%. The total capital ratio, incl. MREL capital, was 30.1%. The net profit for the Q1-Q3 2023 period, amounting to DKK 219.0m, is not included in the calculation of the capital ratios. The Group's liquidity indicator was 199.0% at 30 September 2023, well above the requirement of 100%. The Group's LCR at 30 September 2023 was 196.6%, also well above the requirement of 100%. The Group's Net Stable Funding Ratio (NSFR) was 142.6% at 30 September 2023, well above the requirement of 100%.

## Compliance with the Danish FSA Supervisory Diamond

<b>The Supervisory Diamond</b>			
	<b>Q3 2023</b>	<b>Q3 2022</b>	<b>FSA limit</b>
Sum of large exposures	157.8%	149.1%	< 175%
Liquidity indicator	199.0%	225.8%	>100 %
Loan growth	8.7%	5.1%	< 20 %
Property exposure	13.3%	13.1%	< 25 %

At 30 September 2023, 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 2023 that are deemed to have a significant impact on the Group's financial position.

## Guidance for 2023

On 19 September 2023, the Bank raised its financial guidance for the third time since the initial guidance for the year provided February. The original guidance was for net profit of DKK 190-220m. This was raised to DKK 210-240m on 18 April and to DKK 235-265m on 16 June 2023. The current guidance is for net profit for 2023 in the DKK 260-290m range. The drivers of the increase in expected net profit remain rising policy and market rates and the fact that the Bank's customer remain resilient in the face of inflationary pressures, keeping impairments low. In addition, the Bank's return on its investment portfolio continues to exceed expectations.

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 2023, Group, DKK 1,000	Income statement	Restatement	Restated income statement
1	Net interest income	309,414	-49,458	259,956
2	Net fee and commission income	65,739	-6,227	59,512
	Net insurance income	47,616	0	47,616
2, 4	Other operating income	4,887	23,282	28,169
	<b>Operating income</b>	<b>427,656</b>	<b>-32,403</b>	<b>395,253</b>
3	Operating costs	201,153	-8,928	192,225
	Sector costs	1,309	0	1,309
	<b>Profit before impairment charges</b>	<b>225,193</b>	<b>-23,475</b>	<b>201,718</b>
	Impairment charges	-15,128	0	-15,128
	<b>Operating profit</b>	<b>240,321</b>	<b>-23,475</b>	<b>216,846</b>
	Non-recurring items	0	-8,928	-8,928
	<b>Profit before investment portfolio earnings and tax</b>	<b>240,321</b>	<b>-32,403</b>	<b>207,918</b>
1, 4	Investment portfolio earnings	30,213	32,403	62,616
	<b>Profit before tax</b>	<b>270,534</b>	<b>0</b>	<b>270,534</b>
<b>Note Adjusted Income statement Q1-Q3 2022, Group, DKK 1,000</b>				
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, 4	Other operating income	5,021	24,347	29,368
	<b>Operating income</b>	<b>308,970</b>	<b>20,710</b>	<b>329,680</b>
3	Operating costs	185,033	0	185,033
	Sector costs	974	0	974
	<b>Profit before impairment charges</b>	<b>122,963</b>	<b>20,710</b>	<b>143,673</b>
	Impairment charges	-43,251	0	-43,251
	<b>Operating profit</b>	<b>166,214</b>	<b>20,710</b>	<b>186,924</b>
	Non-recurring items	0	0	0
	<b>Profit before investment portfolio earnings and tax</b>	<b>166,214</b>	<b>20,710</b>	<b>186,924</b>
1, 4	Investment portfolio earnings	-29,769	-20,710	-50,479
	<b>Profit before tax</b>	<b>136,445</b>	<b>0</b>	<b>136,445</b>
<b>Note Restatements made to the income statement, DKK 1,000</b>				
			<b>Q1-Q3 2023</b>	<b>Q1-Q3 2022</b>
1	Reclassification of interest income related to bonds from the item Interest income to Investment portfolio earnings.		49,458	2,838
2	Dividends reclassified from Net fee and commission income to Other operating income.		6,227	6,475
3	Reclassification of severance costs to Non-recurring items.		8,928	0
4	Reclassification of value adjustments related to sector shares and of profit or loss from currency transactions to Other operating income.		17,055	17,872

## Segments

## Adjusted Income statement, Banking

DKKm	Q3 2023	Q2 2023	Index	Q1 2023	Q4 2022	Q3 2022	Q1-Q3 2023	Q1-Q3 2022	Index
Net interest income	96	86	111	78	72	67	260	197	132
Net fee and commission income	23	23	102	25	26	26	71	75	94
Other operating income	8	9	87	8	6	10	25	26	95
<b>Operating income</b>	<b>127</b>	<b>118</b>	<b>108</b>	<b>110</b>	<b>105</b>	<b>102</b>	<b>356</b>	<b>299</b>	<b>119</b>
Operating cost	-59	-58	102	-58	-53	-57	-175	-170	103
Sector costs	0	0	100	0	0	0	-1	-1	134
<b>Profit before impairment charges</b>	<b>68</b>	<b>60</b>	<b>113</b>	<b>51</b>	<b>52</b>	<b>45</b>	<b>180</b>	<b>128</b>	<b>141</b>
Impairment charges, net	0	7	-6	8	3	12	15	43	35
<b>Operating profit</b>	<b>68</b>	<b>67</b>	<b>101</b>	<b>60</b>	<b>55</b>	<b>57</b>	<b>195</b>	<b>171</b>	<b>114</b>
Non-recurring items	0	-6	0	-3	0	0	-9	0	
<b>Profit before investment portfolio earnings and tax</b>	<b>68</b>	<b>62</b>	<b>110</b>	<b>56</b>	<b>55</b>	<b>57</b>	<b>186</b>	<b>171</b>	<b>109</b>
Investment portfolio earnings	24	14	166	20	3	-32	58	-41	-141
<b>Profit before tax</b>	<b>92</b>	<b>76</b>	<b>120</b>	<b>76</b>	<b>58</b>	<b>25</b>	<b>244</b>	<b>130</b>	<b>188</b>
Loans and advances	8,790	8,655	102	8,354	8,083	7,977	8,790	7,977	110
Deposits and other debt	8,602	8,426	102	8,524	8,351	8,225	8,602	8,225	105
Mortgage credit	2,615	2,567	102	2,634	2,648	2,652	2,615	2,652	99
Operating cost/income, %	46	49		53	50	56	49	57	
Number of FTE, end of period	176	173	102	172	169	170	176	170	104



## Personal Banking

The Personal Banking segment reported operating income of DKK 84m for Q3 2023, an increase of DKK 12m compared to Q2 2023. Net interest income was DKK 60m in Q3 2023, up DKK 12m compared to Q2 2023. Net fee and commission income was DKK 18m in Q3 2023, DKK 2m higher than in the preceding quarter. Other operating income amounted to DKK 5m in Q3 2023, a decrease of DKK 1m relative to Q2 2023.

Operating costs were DKK 51m in Q3 2023, DKK 2m higher than in Q2 2023. Impairment charges amounted to a reversal of DKK 1m in Q3 2023, the same level as seen in Q2 2023. As a result, operating profit for Q3 2023 was DKK 33m, DKK 11m higher than in the previous quarter.

Investment portfolio earnings posted to the personal banking segment amounted to DKK 17m in Q3 2023 compared to DKK 10m in Q2 2023. Non-recurring items in the Personal Banking segment amounted to DKK 0m in Q3 2023 compared to DKK 5m in Q2 2023.

Profit before tax thus amounted to DKK 51m in Q3 2023, DKK 22m higher than the DKK 28m posted in Q2 2023.

Profit before tax for the first nine months of 2023 totalled DKK 112m. This was significantly higher than the DKK 21m posted for the same period of 2022. The drivers behind the difference were net interest income and investment portfolio earnings.

Loans and advances to personal customers in Q3 2023 rose by DKK 87m to DKK 3,859m, while brokered mortgage credit fell by DKK 81m to DKK 2,203m, both compared to 30 June 2023. 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 2<sup>nd</sup> lien bank lending, interest rate conditions of the past year or so have affected the type of loans preferred by customers. The Bank expects this trend to reverse in the longer term. Deposits held by personal customers rose by DKK 94m in Q3 2023 to DKK 5,678m at 30 September.

Adjusted Income statement, Personal banking. Note regarding Q1 and Q2 2023 - NII is adjusted due to a correction of the internal interest rate.

DKKm	Q3 2023	Q2 2023	Index	Q1 2023	Q4 2022	Q3 2022	Q1-Q3 2023	Q1-Q3 2022	Index
Net interest income	60	48	124	43	35	34	151	101	150
Net fee and commission income	18	16	114	18	19	19	52	54	96
Other operating income	5	7	79	6	5	8	18	20	94
<b>Operating income</b>	<b>84</b>	<b>71</b>	<b>117</b>	<b>67</b>	<b>60</b>	<b>60</b>	<b>222</b>	<b>175</b>	<b>127</b>
Operating costs	-51	-49	103	-47	-48	-49	-147	-137	107
Sector costs	0	0	100	0	0	0	-1	-1	135
<b>Profit before impairment charges</b>	<b>32</b>	<b>22</b>	<b>149</b>	<b>20</b>	<b>11</b>	<b>11</b>	<b>74</b>	<b>37</b>	<b>199</b>
Impairment charges, net	1	1	117	5	-3	6	7	18	39
<b>Operating profit</b>	<b>33</b>	<b>23</b>	<b>148</b>	<b>25</b>	<b>8</b>	<b>17</b>	<b>81</b>	<b>55</b>	<b>146</b>
Non-recurring items	0	-5	0	-3	0	0	-8	0	
<b>Profit before investment portfolio earnings and tax</b>	<b>33</b>	<b>18</b>	<b>187</b>	<b>22</b>	<b>8</b>	<b>17</b>	<b>73</b>	<b>55</b>	<b>132</b>
Investment portfolio earnings	17	10	166	11	6	-23	38	-34	-113
<b>Profit before tax</b>	<b>51</b>	<b>28</b>	<b>179</b>	<b>33</b>	<b>14</b>	<b>-6</b>	<b>112</b>	<b>21</b>	<b>520</b>
Loans and advances	3,859	3,771	102	3,673	3,645	3,626	3,859	3,626	106
Deposits and other debt	5,678	5,584	102	5,392	5,412	5,388	5,678	5,388	105
Mortgage credit	2,203	2,285	96	2,331	2,338	2,328	2,203	2,328	95
Number of FTE, end of period	82	74	110	74	71	74	82	74	110

## Corporate Banking

Corporate Banking activities saw operating income of DKK 44m in Q3 2023, a decrease of DKK 3m compared to Q2 2023. Net interest income fell by DKK 2m to DKK 36m. Net fee and commission income fell by DKK 2m to DKK 5m, and other operating income rose by DKK 1m to DKK 3m in Q3 2023 compared to Q2 2023.

Operating costs were DKK 8m in Q3 2023, flat compared to Q2 2023. Net impairment charges during Q3 2023 amounted to DKK 2m compared to a reversal of DKK 6m in Q2 2023.

Operating profit for Q3 2023 amounted to DKK 34m, a decrease of DKK 10m relative to Q2 2023.

Investment portfolio earnings posted to the corporate banking segment in Q3 2023 amounted to DKK 7m, DKK 3m higher than in the preceding quarter.

The resulting profit before tax for the quarter was DKK 41m, down DKK 7m relative to the second quarter of 2023.

Profit before tax for the first nine months of 2023 were DKK 133m, which compares favourably with the DKK 107m reported for the same period of 2022. The main difference between the two periods was that net interest income and investment portfolio earnings were DKK 12m and DKK 28m higher respectively in the first nine months of 2023 than in the same period of 2022. Net impairment reversals were DKK 17m lower in the first nine months of 2023 than in the same period of 2022.

Corporate loans and advances increased by DKK 48m in Q3 2023 to DKK 4,932m on 30 September 2023. Customer deposits rose by DKK 100m during the period to DKK 2,924m. Brokered mortgage credit rose by DKK 130m to DKK 412m at 30 September 2023 compared to 30 June 2023.

Adjusted Income statement, Corporate Banking. Note regarding Q1 and Q2 2023 - Nil is adjusted due to a correction of the internal interest rate.

DKKm	Q3 2023	Q2 2023	Index	Q1 2023	Q4 2022	Q3 2022	Q1-Q3 2023	Q1-Q3 2022	Index
Net interest income	36	38	95	35	37	33	109	96	113
Net fee and commission income	5	7	73	7	7	7	19	21	89
Other operating income	3	2	109	1	1	2	6	6	100
<b>Operating income</b>	<b>44</b>	<b>47</b>	<b>93</b>	<b>43</b>	<b>45</b>	<b>42</b>	<b>134</b>	<b>124</b>	<b>108</b>
Operating costs	-8	-8	91	-6	-3	-9	-22	-29	78
Sector costs	0	0	100	0	0	0	0	0	134
<b>Profit before impairment charges</b>	<b>36</b>	<b>39</b>	<b>93</b>	<b>36</b>	<b>42</b>	<b>33</b>	<b>111</b>	<b>95</b>	<b>117</b>
Impairment charges, net	-2	6	-25	3	6	6	8	25	32
<b>Operating profit</b>	<b>34</b>	<b>45</b>	<b>77</b>	<b>40</b>	<b>48</b>	<b>38</b>	<b>119</b>	<b>120</b>	<b>100</b>
Non-recurring items	0	-1		0	0	0	-1	0	
<b>Profit before investment portfolio earnings and tax</b>	<b>34</b>	<b>44</b>	<b>78</b>	<b>39</b>	<b>48</b>	<b>38</b>	<b>118</b>	<b>120</b>	<b>98</b>
Investment portfolio earnings	7	4	166	4	-3	-9	15	-13	-117
<b>Profit before tax</b>	<b>41</b>	<b>48</b>	<b>86</b>	<b>44</b>	<b>46</b>	<b>29</b>	<b>133</b>	<b>107</b>	<b>124</b>
Loans and advances	4,932	4,884	101	4,681	4,438	4,351	4,932	4,351	113
Deposits and other debt	2,924	2,824	104	3,132	2,939	2,837	2,924	2,837	103
Mortgage credit	412	282	146	302	310	324	412	324	127
Number of FTE, end of period	15	15	100	15	15	15	15	15	100

## Insurance: Trygd

Trygd reported premium income of DKK 37m in Q3 2023, DKK 1m higher than in Q3 2022. In Q3 2023 claims were DKK 17m, DKK 8m lower than in Q3 2022. Net income from investment activities amounted to DKK 2m in Q3 2023 compared to a loss of DKK 3m in Q3 2022. As a result, operating income was DKK 22m in Q3 2023, DKK 14m higher than in Q3 2022.

Operating costs were DKK 7m in Q3 2023, DKK 1m higher than in the third quarter of 2022. As a result, Trygd reported a profit before tax for the quarter of DKK 14m, compared to a profit before tax of DKK 1m in Q3 2022.

Profit before tax for the first nine months of 2023 totalled DKK 20m, significantly higher than the DKK 5m seen in the same period of 2022.

Trygd continues to consolidate its market position as a provider of non-life insurance in the Faroe Islands. An increase in market share, optimisation of Trygd's pricing structure as well as general market growth related to developments in the Faroese economy have driven an increase in premiums. As operating costs remain low, these developments contribute to margin improvements.

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 2023	Q2 2023	Index	Q1 2023	Q4 2022	Q3 2022	Q1-Q3 2023	Q1-Q3 2022	Index
Premium income, net of reinsurance	37	35	106	34	36	36	106	105	101
Claims, net of reinsurance	-17	-19	90	-32	-24	-26	-69	-73	94
<b>Net insurance income</b>	<b>20</b>	<b>16</b>	<b>125</b>	<b>2</b>	<b>12</b>	<b>11</b>	<b>38</b>	<b>32</b>	<b>118</b>
Net income from investment activities	2	0	1484	2	4	-3	4	-8	-49
<b>Operating income</b>	<b>22</b>	<b>16</b>	<b>135</b>	<b>4</b>	<b>16</b>	<b>7</b>	<b>41</b>	<b>24</b>	<b>170</b>
Operating cost	-7	-8	99	-7	-6	-6	-22	-19	114
<b>Profit before tax</b>	<b>14</b>	<b>8</b>	<b>168</b>	<b>-3</b>	<b>10</b>	<b>1</b>	<b>20</b>	<b>5</b>	<b>370</b>
Combined ratio	67	76		113	85	88	85	88	
Claims ratio	47	55		94	68	71	65	70	
Number of FTE, end of period	23	22	104	23	23	23	23	23	100

## Income statement

Note	DKK 1,000	Group		BankNordik	
		Q1-Q3	Q1-Q3	Q1-Q3	Q1-Q3
		2023	2022	2023	2022
3	Interest income	376,555	217,404	374,738	216,401
	- of which interest income from deposits	1,512	31,515	1,512	31,515
4	Interest expenses	67,141	23,055	67,287	23,136
	- of which interest expenses from assets	0	10,775	0	10,775
	<b>Net interest income</b>	<b>309,414</b>	<b>194,349</b>	<b>307,451</b>	<b>193,265</b>
	Dividends from shares and other investments	6,227	6,475	6,115	6,475
5	Fee and commission income	63,646	69,817	74,936	79,988
5	Fee and commissions paid	4,134	4,588	4,134	4,588
	<b>Net dividend, fee and commission income</b>	<b>65,739</b>	<b>71,704</b>	<b>76,918</b>	<b>81,875</b>
	<b>Net interest and fee income</b>	<b>375,153</b>	<b>266,053</b>	<b>384,369</b>	<b>275,141</b>
	Premium income, net of reinsurance	121,427	116,582		
	Claims, net of reinsurance	73,811	78,686		
	<b>Interest and fee income and income from insurance activities, net</b>	<b>422,769</b>	<b>303,949</b>	<b>384,369</b>	<b>275,141</b>
6	Market value adjustments	25,105	-35,159	22,894	-24,868
7	Other operating income	4,887	5,021	1,636	1,744
8	Staff costs and administrative expenses	195,272	179,394	178,203	164,793
	Amortisation, depreciation and impairment charges	5,882	5,639	5,441	5,176
	Other operating expenses	1,309	974	1,309	974
9	Impairment charges on loans and advances etc.	-15,128	-43,251	-15,128	-43,251
	Income from investments accounted for under the equity method	5,108	5,390	26,733	10,909
	<b>Profit before tax</b>	<b>270,534</b>	<b>136,445</b>	<b>265,806</b>	<b>135,233</b>
	Tax	51,560	25,903	46,832	24,691
	<b>Net profit</b>	<b>218,974</b>	<b>110,542</b>	<b>218,974</b>	<b>110,542</b>
	Portion attributable to				
	Shareholders of BankNordik P/F	213,756	105,324	213,756	105,324
	Owners of additional Tier 1 capital	5,218	5,218	5,218	5,218
	<b>Net profit</b>	<b>218,974</b>	<b>110,542</b>	<b>218,974</b>	<b>110,542</b>
	EPS Basic for the period, total, DKK*	22.88	11.55	22.88	11.55
	EPS Diluted for the period, total, DKK*	22.88	11.55	22.88	11.55

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

## Statement of comprehensive income - BankNordik

DKK 1,000	Group		BankNordik	
	Q1-Q3	Q1-Q3	Q1-Q3	Q1-Q3
	2023	2022	2023	2022
Net profit	218,974	110,542	218,974	110,542
Other comprehensive income				
Items which will not subsequently be recycled:				
Revaluation of domicile property	-1,656	0	-1,656	0
Tax on other comprehensive income	298	0	298	0
Total other comprehensive income	-1,358	0	-1,358	0
<b>Total comprehensive income</b>	<b>217,616</b>	<b>110,542</b>	<b>217,616</b>	<b>110,542</b>

## Balance Sheet

Note	DKK 1,000	Group		BankNordik	
		Sept. 30	Dec. 31	Sept. 30	Dec. 31
		2023	2022	2023	2022
<b>Assets</b>					
	Cash in hand and demand deposits with central banks	1,243,944	1,442,769	1,230,264	1,442,643
10	Amounts due from credit institutions and central banks	372,685	389,894	372,685	389,894
9	Loans and advances at fair value	329,924	357,641	329,924	357,641
9	Loans and advances at amortised cost	8,460,469	7,725,702	8,460,469	7,725,702
	Bonds at fair value	1,461,287	1,591,453	1,300,363	1,449,713
	Shares, etc.	267,832	298,478	184,430	228,572
	Assets under insurance contracts	7,634	6,901	0	0
	Holdings in associates	14,887	11,839	14,887	11,839
	Holdings in subsidiaries	0	0	126,051	109,426
	Assets under pooled schemes	26,864	24,078	26,864	24,078
	Intangible assets	1,780	2,402	1,780	2,402
	Total land and buildings	121,633	124,975	119,065	122,386
	Domicile property	61,180	61,522	58,612	58,933
	Domicile property (lease asset)	60,453	63,453	60,453	63,453
	Other property, plant and equipment	10,174	8,826	8,910	7,821
	Current tax assets	40,923	40,167	40,923	40,167
	Deferred tax assets	6,904	6,888	6,666	6,666
	Assets held for sale	19,000	24,200	19,000	24,200
	Other assets	122,576	118,597	119,368	117,466
	Prepayments	7,958	15,421	6,699	14,070
	<b>Total assets</b>	<b>12,516,471</b>	<b>12,190,232</b>	<b>12,368,345</b>	<b>12,074,686</b>

## Balance Sheet

Note	DKK 1,000	Group		BankNordik	
		Sept. 30 2023	Dec. 31 2022	Sept. 30 2023	Dec. 31 2022
<b>Shareholders' equity and liabilities</b>					
<b>Liabilities other than provisions</b>					
	Amounts due to credit institutions and central banks	850,685	858,172	850,685	858,172
	Deposits and other debt	8,590,082	8,335,662	8,601,618	8,351,065
	Deposits under pooled schemes	26,864	24,078	26,864	24,078
	Issued bonds at amortised cost	561,264	547,584	561,264	547,584
	Liabilities under insurance contracts	145,401	120,864	0	0
	Current tax liabilities	92,413	40,837	84,596	37,764
	Other liabilities	206,646	183,709	200,475	177,244
	Deferred income	2,828	4,774	2,554	4,227
	<b>Total liabilities other than provisions</b>	<b>10,476,183</b>	<b>10,115,679</b>	<b>10,328,057</b>	<b>10,000,133</b>
<b>Provisions for liabilities</b>					
	Provisions for losses on guarantees etc	7,758	4,353	7,758	4,353
	Provisions for other liabilities	3,339	2,699	3,339	2,699
	<b>Total provisions for liabilities</b>	<b>11,097</b>	<b>7,052</b>	<b>11,097</b>	<b>7,052</b>
<b>Subordinated debt</b>					
	Subordinated debt	99,615	99,510	99,615	99,510
	<b>Total liabilities</b>	<b>10,586,895</b>	<b>10,222,241</b>	<b>10,438,769</b>	<b>10,106,696</b>
<b>Equity</b>					
	Share capital	192,000	192,000	192,000	192,000
	Revaluation reserve	13,034	14,392	13,034	14,392
	Retained earnings	1,574,750	1,360,275	1,574,750	1,360,275
	Proposed dividends	0	250,000	0	250,000
	<b>Shareholders of the Parent Company</b>	<b>1,779,784</b>	<b>1,816,666</b>	<b>1,779,784</b>	<b>1,816,666</b>
	Additional tier 1 capital holders	149,792	151,324	149,792	151,324
	<b>Total equity</b>	<b>1,929,576</b>	<b>1,967,991</b>	<b>1,929,576</b>	<b>1,967,991</b>
	<b>Total liabilities and equity</b>	<b>12,516,471</b>	<b>12,190,232</b>	<b>12,368,345</b>	<b>12,074,686</b>

## Statement of capital - BankNordik Group

## Changes in equity:

DKK 1,000	Shareholders equity					Additional tier 1	
	Share capital	Revaluation Reserve	Proposed dividends	Retained earnings	Total	capital	Total
<b>Shareholders' equity at January 1, 2023</b>	<b>192,000</b>	<b>14,392</b>	<b>250,000</b>	<b>1,360,275</b>	<b>1,816,666</b>	<b>151,324</b>	<b>1,967,991</b>
Revaluation of assets		-1,656			-1,656		-1,656
Tax on entries on income recognised as Other comprehensive income.		298			298		298
Net profit			0	213,756	213,756	5,218	218,974
<b>Total comprehensive income</b>		<b>-1,358</b>	<b>0</b>	<b>213,756</b>	<b>212,398</b>	<b>5,218</b>	<b>217,616</b>
Paid interest on additional tier 1 capital				0	0	-6,750	-6,750
Dividends paid			-250,000	719	-249,281		-249,281
<b>Shareholders' equity at September 30, 2023</b>	<b>192,000</b>	<b>13,034</b>	<b>0</b>	<b>1,574,750</b>	<b>1,779,784</b>	<b>149,792</b>	<b>1,929,576</b>

DKK 1,000	Shareholders equity					Additional tier 1	
	Share capital	Revaluation Reserve	Proposed dividends	Retained earnings	Total	capital	Total
<b>Shareholders' equity at January 1, 2022</b>	<b>192,000</b>	<b>6,123</b>	<b>386,000</b>	<b>1,451,730</b>	<b>2,035,853</b>	<b>151,117</b>	<b>2,186,970</b>
Revaluation of assets		10,083			10,083		10,083
Tax on entries on income recognised as Other comprehensive income		-1,815			-1,815		-1,815
Net profit			250,000	-92,550	157,450	6,958	164,407
<b>Total comprehensive income</b>		<b>8,268</b>	<b>250,000</b>	<b>-92,550</b>	<b>165,718</b>	<b>6,958</b>	<b>172,675</b>
Paid interest on additional tier 1 capital				0	0	-6,750	-6,750
Dividends paid			-386,000	1,096	-384,904		-384,904
<b>Shareholders' equity at December 31, 2022</b>	<b>192,000</b>	<b>14,392</b>	<b>250,000</b>	<b>1,360,275</b>	<b>1,816,666</b>	<b>151,324</b>	<b>1,967,991</b>

DKK 1,000	Shareholders equity					Additional tier 1	
	Share capital	Revaluation Reserve	Proposed dividends	Retained earnings	Total	capital	Total
<b>Shareholders' equity at January 1, 2022</b>	<b>192,000</b>	<b>6,123</b>	<b>386,000</b>	<b>1,451,730</b>	<b>2,035,853</b>	<b>151,117</b>	<b>2,186,970</b>
Net profit			0	105,324	105,324	5,218	110,542
<b>Total comprehensive income</b>		<b>0</b>	<b>0</b>	<b>105,324</b>	<b>105,324</b>	<b>5,218</b>	<b>110,542</b>
Paid interest on additional tier 1 capital					0	-6,750	-6,750
Dividends paid			-386,000	1,096	-384,904		-384,904
<b>Shareholders' equity at September 30, 2022</b>	<b>192,000</b>	<b>6,123</b>	<b>0</b>	<b>1,558,149</b>	<b>1,756,273</b>	<b>149,585</b>	<b>1,905,858</b>



## Statement of capital - BankNordik P/F

## Changes in equity:

	Shareholders equity						Additional tier 1	
	Share capital	Revaluation Reserve	Proposed dividends	Retained earnings	Total	capital	Total	
<b>DKK 1,000</b>								
<b>Shareholders' equity at January 1, 2023</b>	<b>192,000</b>	<b>14,392</b>	<b>250,000</b>	<b>1,360,275</b>	<b>1,816,666</b>	<b>151,324</b>	<b>1,967,991</b>	
Revaluation of assets		-1,656			-1,656		-1,656	
Tax on entries on income recognised as Other comprehensive income.		298			298		298	
Net profit			0	213,756	213,756	5,218	218,974	
<b>Total comprehensive income</b>		<b>-1,358</b>	<b>0</b>	<b>213,756</b>	<b>212,398</b>	<b>5,218</b>	<b>217,616</b>	
Paid interest on additional tier 1 capital				0	0	-6,750	-6,750	
Dividends paid			-250,000	719	-249,281		-249,281	
<b>Shareholders' equity at September 30, 2023</b>	<b>192,000</b>	<b>13,034</b>	<b>0</b>	<b>1,574,750</b>	<b>1,779,784</b>	<b>149,792</b>	<b>1,929,576</b>	

	Shareholders equity						Additional tier 1	
	Share capital	Revaluation Reserve	Proposed dividends	Retained earnings	Total	capital	Total	
<b>DKK 1,000</b>								
<b>Shareholders' equity at January 1, 2022</b>	<b>192,000</b>	<b>6,123</b>	<b>386,000</b>	<b>1,451,729</b>	<b>2,035,853</b>	<b>151,117</b>	<b>2,186,970</b>	
Revaluation of assets		10,083			10,083		10,083	
Tax on entries on income recognised as Other comprehensive income		-1,815			-1,815		-1,815	
Net profit			250,000	-92,550	157,450	6,958	164,407	
<b>Total comprehensive income</b>		<b>8,268</b>	<b>250,000</b>	<b>-92,550</b>	<b>165,718</b>	<b>6,958</b>	<b>172,675</b>	
Paid interest on additional tier 1 capital						-6,750	-6,750	
Dividends paid			-386,000	1,096	-384,904		-384,904	
<b>Shareholders' equity at December 31, 2022</b>	<b>192,000</b>	<b>14,392</b>	<b>250,000</b>	<b>1,360,275</b>	<b>1,816,666</b>	<b>151,324</b>	<b>1,967,991</b>	

	Shareholders equity						Additional tier 1	
	Share capital	Revaluation Reserve	Proposed dividends	Retained earnings	Total	capital	Total	
<b>DKK 1,000</b>								
<b>Shareholders' equity at January 1, 2022</b>	<b>192,000</b>	<b>6,123</b>	<b>386,000</b>	<b>1,451,729</b>	<b>2,035,853</b>	<b>151,117</b>	<b>2,186,970</b>	
Net profit				105,324	105,324	5,218	110,542	
<b>Total comprehensive income</b>		<b>0</b>	<b>0</b>	<b>105,324</b>	<b>105,324</b>	<b>5,218</b>	<b>110,542</b>	
Paid interest on additional tier 1 capital					0	-6,750	-6,750	
Dividends paid			-386,000	1,096	-384,904		-384,904	
<b>Shareholders' equity at September 30, 2022</b>	<b>192,000</b>	<b>6,123</b>	<b>0</b>	<b>1,558,149</b>	<b>1,756,273</b>	<b>149,585</b>	<b>1,905,858</b>	

**Capital and Solvency - BankNordik**

Solvency	Sept. 30	Dec. 31
DKK 1,000	2023	2022
Core capital	1,696,024	1,705,429
Total capital	1,795,639	1,804,939
Risk-weighted items not included in the trading portfolio	5,962,783	6,044,057
Risk-weighted items with market risk etc.	480,630	506,894
Risk-weighted items with operational risk	662,873	644,527
<b>Total risk-weighted items</b>	<b>7,106,286</b>	<b>7,195,479</b>
<b>CET 1 capital ratio</b>	<b>21.8%</b>	<b>21.6%</b>
<b>Core capital ratio</b>	<b>23.9%</b>	<b>23.7%</b>
<b>Total capital ratio</b>	<b>25.3%</b>	<b>25.1%</b>
<b>MREL capital ratio</b>	<b>30.1%</b>	<b>29.9%</b>
<b>Core Capital and Shareholders' equity</b>		
Share capital	192,000	192,000
Reserves	13,034	14,392
Net profit	218,974	164,407
Retained earnings, previous years	1,360,580	1,449,624
<b>Shareholders' equity, before deduction of holdings of own shares</b>	<b>1,784,588</b>	<b>1,820,423</b>
Deduction of ordinary dividend	0	115,000
Deduction of extraordinary dividend	0	135,000
Deduction of net profit Q3	218,974	0
Deduction due to excess holdings of shares in the financial sector	4,497	0
Deduction of holdings of own shares	4,804	3,757
Deduction of intangible assets	1,780	2,402
Deduction of deferred tax assets	6,666	6,666
Deduction regarding prudent valuation of financial instruments	1,636	1,806
<b>CET 1 capital</b>	<b>1,546,231</b>	<b>1,555,792</b>
Hybrid core capital	149,792	149,637
<b>Core capital</b>	<b>1,696,024</b>	<b>1,705,429</b>
<b>Total capital</b>		
Core capital	1,696,024	1,705,429
Subordinated loan capital	99,615	99,510
<b>Total capital</b>	<b>1,795,639</b>	<b>1,804,939</b>
MREL capital	343,502	349,954
<b>Total capital incl. MREL capital</b>	<b>2,139,141</b>	<b>2,154,893</b>

The BankNordik Group holds a license to operate as a bank and is therefore subject to a capital requirement under the Faroese Financial Business Act and to CRR. The Faroese provisions on capital requirements apply to both the Parent Company and the Group. The capital requirement provisions stipulate a minimum capital of 8% of the identified risks. A detailed body of rules determines the calculation of capital as well as risks (risk-weighted items). The capital comprises CET 1 capital, hybrid core capital and subordinated loan capital. The CET 1 capital corresponds to the carrying amount of equity, after deductions of holdings of own shares, tax assets and other minor deductions.

## Cash flow statement - BankNordik Group

DKK 1,000	Group Q1-Q3 2023	Group Full year 2022
<b>Cash flow from operations</b>		
Profit before tax	270,534	206,579
Amortisation and impairment charges for intangible assets	415	364
Depreciation and impairment charges of tangible assets	5,467	3,579
Impairment of loans and advances/guarantees	-10,479	-43,940
Paid tax	0	-96,726
Other non-cash operating items	-27,184	15,231
<b>Total</b>	<b>240,291</b>	<b>85,087</b>
<b>Changes in operating capital</b>		
Change in loans at fair value	28,516	-4,401
Change in loans at amortised cost	-724,288	-472,839
Change in holding of bonds	140,889	227,637
Change in holding of shares	35,877	-47,972
Change in deposits	254,420	436,002
Due to credit institutions and central banks	-7,486	19,564
Change in other assets / liabilities	18,144	15,875
Assets/liabilities under insurance contracts	23,803	4,590
Prepayments	5,518	16,343
<b>Cash flow from operations</b>	<b>15,683</b>	<b>279,886</b>
<b>Cash flow from investing activities</b>		
Dividends received	6,115	6,475
Acquisition of intangible assets	0	-82
Acquisition of tangible assets	-3,168	-1,646
Sale of tangible assets	5,200	19
<b>Cash flow from investing activities</b>	<b>8,147</b>	<b>4,767</b>
<b>Cash flow from financing activities</b>		
Issued bonds at amortised cost	220,000	207,757
Redemption of issued bonds at amortised cost	-200,000	0
Interest paid on additional tier 1 capital	-6,750	-6,750
Payment of dividends	-250,000	-386,000
Payment of dividends, own shares	719	1,096
Principal portion of lessee lease payments	-3,834	-5,061
<b>Cash flow from financing activities</b>	<b>-239,864</b>	<b>-188,958</b>
<b>Cash flow</b>	<b>-216,034</b>	<b>95,695</b>
Cash in hand and demand deposits with central banks, and due from Credit institutions, etc. at the beginning of the year	1,832,663	1,736,968
Cash flow	-216,034	95,695
<b>Cash and due etc.</b>	<b>1,616,629</b>	<b>1,832,663</b>
<b>Cash and due etc.</b>		
Cash in hand and demand deposits with central banks	1,243,944	1,442,769
Due from credit institutions, etc.	372,685	389,894
<b>Total</b>	<b>1,616,629</b>	<b>1,832,663</b>

## Notes to the financial statements

### Note 1 Significant accounting policies

The consolidated financial statements for the first nine months of 2023 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 2022. The Annual Report 2022 provides a full description of the Group's significant accounting policies. Regarding the implementation of IFRS 17 'Insurance contracts' as of 1. January 2023 there has not been any significant impact on the income statement, assets, liabilities, and equity in prior periods or in 2023.

### 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 2022 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 2022 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 2023				Banking	Non-life Insurance	Elimination	Group
	DKK 1,000	Personal	Corporate	Other	Total	Faroe Islands		Total
	External interest income, Net	131,520	167,136	8,792	307,448	1,966		309,414
	<i>Internal interest</i>	34,255	-34,255	0	0			0
	<b>Net interest income</b>	<b>165,775</b>	<b>132,881</b>	<b>8,792</b>	<b>307,448</b>	<b>1,966</b>		<b>309,414</b>
	<b>Net Fee and dividends income</b>	<b>56,843</b>	<b>19,456</b>	<b>-3,169</b>	<b>73,130</b>	<b>-7,392</b>		<b>65,739</b>
	Premium income, net of reinsurance	0	0	16,222	16,222	106,113	-907	121,427
	<b>Net premium income of reinsurance and claims</b>	<b>0</b>	<b>0</b>	<b>10,923</b>	<b>10,923</b>	<b>37,600</b>	<b>-907</b>	<b>47,616</b>
	Other income	11,700	4,558	20,037	36,295	1,703	-2,898	35,100
	<b>Total income</b>	<b>234,318</b>	<b>156,895</b>	<b>36,582</b>	<b>427,796</b>	<b>33,877</b>	<b>-3,805</b>	<b>457,869</b>
	<b>Total operating expenses</b>	<b>58,126</b>	<b>14,289</b>	<b>119,653</b>	<b>192,068</b>	<b>14,200</b>	<b>-3,805</b>	<b>202,463</b>
	<i>of which depreciation and amortisation</i>	4,982	793	-211	5,564	318		5,882
	<b>Profit before impairment charges on loans</b>	<b>176,192</b>	<b>142,607</b>	<b>-83,071</b>	<b>235,728</b>	<b>19,678</b>		<b>255,406</b>
	Impairment charges	-3,670	-370	-11,088	-15,128	0		-15,128
	<b>Profit before tax</b>	<b>179,862</b>	<b>142,977</b>	<b>-71,982</b>	<b>250,856</b>	<b>19,678</b>		<b>270,534</b>
	<b>Total assets</b>	<b>3,875,980</b>	<b>4,967,602</b>	<b>3,437,662</b>	<b>12,281,243</b>	<b>235,228</b>		<b>12,516,471</b>
	<i>of which Loans and advances</i>	3,961,969	4,828,424		8,790,393			8,790,393
	<b>Total liabilities</b>	<b>5,677,952</b>	<b>2,923,666</b>	<b>1,832,955</b>	<b>10,434,573</b>	<b>152,322</b>		<b>10,586,895</b>
	<i>of which Deposits</i>	5,677,952	2,923,666		8,601,618		-11,537	8,590,082
	<i>of which Insurance liabilities</i>			6,575		138,825		145,401

Operating segments Q1-Q3 2022	Banking				Non-life Insurance	Elimination	Group	
	DKK 1,000	Personal	Corporate	Other	Total	Faroe Islands	Total	
	External interest income, Net	99,668	93,967	-214	193,421	928	194,349	
	<i>Internal interest</i>	0	0	0	0		0	
	<b>Net interest income</b>	<b>99,668</b>	<b>93,967</b>	<b>-214</b>	<b>193,421</b>	<b>928</b>	<b>194,349</b>	
	<b>Net Fee and dividends income</b>	<b>60,322</b>	<b>21,821</b>	<b>-3,379</b>	<b>78,764</b>	<b>-7,061</b>	<b>71,704</b>	
	Premium income, net of reinsurance	0	0	12,490	12,490	104,921	-829	116,582
	<b>Net premium income of reinsurance and claims</b>	<b>0</b>	<b>0</b>	<b>6,865</b>	<b>6,865</b>	<b>31,860</b>	<b>-829</b>	<b>37,896</b>
	Other income	12,908	4,319	-30,922	-13,694	-8,480	-2,574	-24,748
	<b>Total income</b>	<b>172,899</b>	<b>120,107</b>	<b>-27,649</b>	<b>265,357</b>	<b>17,247</b>	<b>-3,402</b>	<b>279,201</b>
	<b>Total operating expenses</b>	<b>54,560</b>	<b>14,395</b>	<b>108,532</b>	<b>177,486</b>	<b>11,923</b>	<b>-3,402</b>	<b>186,007</b>
	<i>of which depreciation and amortisation</i>	4,531	705	23	5,259	380		5,639
	<b>Profit before impairment charges on loans</b>	<b>118,338</b>	<b>105,712</b>	<b>-136,181</b>	<b>87,870</b>	<b>5,324</b>		<b>93,194</b>
	Impairment charges	-13,194	-20,700	-9,357	-43,251	0		-43,251
	<b>Profit before tax</b>	<b>131,532</b>	<b>126,413</b>	<b>-126,824</b>	<b>131,121</b>	<b>5,324</b>		<b>136,445</b>
	<b>Total assets</b>	<b>3,553,317</b>	<b>4,442,286</b>	<b>4,014,565</b>	<b>12,010,168</b>	<b>198,726</b>		<b>12,208,894</b>
	<i>of which Loans and advances</i>	3,621,393	4,355,514		7,976,907			7,976,907
	<b>Total liabilities</b>	<b>5,388,428</b>	<b>2,836,960</b>	<b>1,939,091</b>	<b>10,164,479</b>	<b>138,557</b>		<b>10,303,036</b>
	<i>of which Deposits</i>	5,388,428	2,836,960		8,225,388		-14,962	8,210,426
	<i>of which Insurance liabilities</i>			5,944		130,850		136,794

## 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	
	Q1-Q3	Q1-Q3	Q1-Q3	Q1-Q3	Q1-Q3	Q1-Q3	Q1-Q3	Q1-Q3
	2023	2022	2023	2022	2023	2022	2023	2022
Faroe Islands	392,328	222,010	111,137	118,612	3,446	3,418	-622	-118
Denmark	3,303	15,134	0	0	0	0	0	0
Greenland	62,238	42,057	37,337	44,896	0	-84	0	0
<b>Total</b>	<b>457,869</b>	<b>279,201</b>	<b>148,474</b>	<b>163,508</b>	<b>3,446</b>	<b>3,334</b>	<b>-622</b>	<b>-118</b>

Geographical segments	Impairments		Investment portfolio earnings	
	Q1-Q3	Q1-Q3	Q1-Q3	Q1-Q3
	2023	2022	2023	2022
Faroe Islands	15,052	18,277	30,213	-29,769
Denmark	11,213	19,593	0	0
Greenland	-11,136	5,381	0	0
<b>Total</b>	<b>15,128</b>	<b>43,251</b>	<b>30,213</b>	<b>-29,769</b>

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-Q3	Q1-Q3	Q1-Q3	Q1-Q3	Q1-Q3	Q1-Q3	Q1-Q3	Q1-Q3
	2023	2022	2023	2022	2023	2022	2023	2022
Faroe Islands, Banking, Other	358,451	204,763	209,525	75,597	37,938	16,393	165	160
Faroe Islands, Insurance	33,877	17,247	19,678	5,324	3,526	959	23	23
Denmark, Banking	3,303	15,134	13,992	35,226	3,058	2,934	0	0
Greenland, Banking	62,238	42,057	27,339	20,297	7,037	5,617	19	17
<b>Total</b>	<b>457,869</b>	<b>279,201</b>	<b>270,534</b>	<b>136,445</b>	<b>51,560</b>	<b>25,903</b>	<b>207</b>	<b>201</b>

Note	DKK 1,000	Group		BankNordik	
		Q1-Q3	Q1-Q3	Q1-Q3	Q1-Q3
		2023	2022	2023	2022
3	<b>Interest income</b>				
	Credit institutions and central banks	34,249	572	34,249	571
	Loans and advances	316,549	182,457	316,549	182,457
	Deposits	1,512	31,515	1,512	31,515
	Bonds	11,743	6,586	9,926	5,585
	Total derivatives of w hich:	11,619	-3,823	11,619	-3,823
	<i>Currency contracts</i>	694	365	694	365
	<i>Interest rate contracts</i>	10,926	-4,188	10,926	-4,188
	Other interest income	882	96	882	96
	<b>Total interest income</b>	<b>376,555</b>	<b>217,404</b>	<b>374,738</b>	<b>216,401</b>
4	<b>Interest expenses</b>				
	Credit institutions and central banks	22,125	10,775	22,125	10,775
	Deposits	23,251	1,444	23,398	1,525
	Issued bonds	17,345	4,986	17,345	4,986
	Subordinated debt	3,143	4,256	3,143	4,256
	Lease liabilities	1,538	1,069	1,538	1,069
	Other interest expenses	-261	525	-261	525
	<b>Total interest expenses</b>	<b>67,141</b>	<b>23,055</b>	<b>67,287</b>	<b>23,136</b>
5	<b>Net fee and commission income</b>				
	Fee and commission income				
	Securities trading and custody accounts	9,503	11,430	9,503	11,430
	Credit transfers	16,171	16,339	16,171	16,339
	Loan commissions	3,539	3,606	3,539	3,606
	Guarantee commissions	20,781	23,055	20,781	23,055
	Other fees and commissions	13,651	15,387	24,942	25,558
	<b>Total fee and commission income</b>	<b>63,646</b>	<b>69,817</b>	<b>74,936</b>	<b>79,988</b>
	Fee and commissions paid				
	Securities trading and custody accounts	4,134	4,588	4,134	4,588
	<b>Net fee and commission income</b>	<b>59,512</b>	<b>65,229</b>	<b>70,803</b>	<b>75,400</b>
6	<b>Market value adjustments</b>				
	Loans and advances	798	-58,111	798	-58,111
	Bonds	14,129	-75,492	11,918	-65,201
	Shares	5,231	-1,276	5,231	-1,276
	Foreign exchange	9,398	5,848	9,398	5,848
	Total derivatives of w hich:	-4,452	93,871	-4,452	93,871
	<i>Currency Swaps</i>	-11,473	85	-11,473	85
	<i>Interest Swaps</i>	-4,565	63,352	-4,565	63,352
	<i>Other contracts</i>	11,586	30,434	11,586	30,434
	Assets under pooled schemes	1,473	-2,786	1,473	-2,786
	Deposits in pooled schemes	-1,473	2,786	-1,473	2,786
	<b>Total market value adjustments</b>	<b>25,105</b>	<b>-35,159</b>	<b>22,894</b>	<b>-24,868</b>

Note	DKK 1,000	Group		BankNordik	
		Q1-Q3	Q1-Q3	Q1-Q3	Q1-Q3
		2023	2022	2023	2022
7	<b>Other operating income</b>				
	Profit on sale of properties	99	0	99	0
	Other income	4,788	5,021	1,537	1,744
	<b>Total other operating income</b>	<b>4,887</b>	<b>5,021</b>	<b>1,636</b>	<b>1,744</b>
8	<b>Staff costs and administrative expenses</b>				
	Staff costs:				
	Salaries	98,376	87,287	85,825	75,215
	Pensions	13,402	12,790	11,584	11,137
	Social security expenses	14,123	13,524	12,485	11,984
	<b>Total staff costs</b>	<b>125,900</b>	<b>113,600</b>	<b>109,894</b>	<b>98,335</b>
	Administrative expenses:				
	IT	45,327	41,789	41,306	38,118
	Marketing etc	6,854	5,649	5,665	4,939
	Education etc	2,067	2,052	1,487	1,759
	Other expenses	23,235	23,470	19,850	21,642
	<b>Total administrative expenses</b>	<b>77,484</b>	<b>72,960</b>	<b>68,309</b>	<b>66,458</b>
	Total staff costs	125,900	113,600	109,894	98,335
	Employee costs included under the item "Claims, net of reinsurance"	-8,112	-7,166	0	0
	Total administrative expenses	77,484	72,960	68,309	66,458
	<b>Total staff costs and administrative expenses</b>	<b>195,272</b>	<b>179,394</b>	<b>178,203</b>	<b>164,793</b>
	<b>Number of employees</b>				
	Average number of full-time employees in the period	204	201	173	170
	<b>Executive remuneration:</b>				
	Board of Directors	1,530	1,450	1,530	1,450
	Executive Board:				
	Salaries	2,960	3,508	2,960	3,508
	- less fees received from directorships	0	40	0	40
	The Bank's expense, salaries	2,960	3,467	2,960	3,467
	Pension	441	525	441	525
	<b>Total executive board</b>	<b>3,401</b>	<b>3,992</b>	<b>3,401</b>	<b>3,992</b>
	<b>Total executive remuneration</b>	<b>4,931</b>	<b>5,442</b>	<b>4,931</b>	<b>5,442</b>



Note	DKK 1,000	Group		BankNordik	
		Q1-Q3	Q1-Q3	Q1-Q3	Q1-Q3
		2023	2022	2023	2022
9	<b>Impairment charges on loans and advances and provisions for guarantees etc.</b>				
	Impairment charges and provisions at 31 December	185,981	237,705	185,981	237,705
	New and increased impairment charges and provisions	77,362	65,389	77,362	65,389
	Reversals of impairment charges and provisions	85,789	105,672	85,789	105,672
	Written-off, previously impaired	459	5,954	459	5,954
	<i>Interest income on impaired loans</i>	2,088	2,040	2,088	2,040
	<b>Total impairment charges and provisions at 30 September</b>	<b>177,096</b>	<b>191,468</b>	<b>177,096</b>	<b>191,468</b>
	<b>Impairment charges and provisions recognised in the income statement</b>				
	Loans and advances at amortised cost	-18,534	-35,915	-18,534	-35,915
	Loans and advances at fair value	0	0	0	0
	Guarantees and loan commitments	3,405	-7,336	3,405	-7,336
	<b>Total individual impairment charges and provisions</b>	<b>-15,128</b>	<b>-43,251</b>	<b>-15,128</b>	<b>-43,251</b>
	<b>Stage 1 impairment charges</b>				
	Stage 1 impairment charges etc. at 31 December	43,128	45,089	43,128	45,089
	New and increased Stage 1 impairment charges	29,578	27,105	29,578	27,105
	Reversals, net of Stage 1 impairment charges	18,352	28,216	18,352	28,216
	<b>Stage 1 impairment charges at 30 September</b>	<b>54,354</b>	<b>43,979</b>	<b>54,354</b>	<b>43,979</b>
	<i>Total net impact recognised in the income statement</i>	11,226	-1,110	11,226	-1,110
	<b>Stage 2 impairment charges</b>				
	Stage 2 impairment charges etc. at 31 December	32,535	18,468	32,535	18,468
	New and increased impairment charges	30,721	15,421	30,721	15,421
	Reversals, net of impairment charges	24,361	11,164	24,361	11,164
	<b>Stage 2 impairment charges at 30 September</b>	<b>38,895</b>	<b>22,724</b>	<b>38,895</b>	<b>22,724</b>
	<i>Total net impact recognised in the income statement</i>	6,360	4,257	6,360	4,257
	<b>Weak Stage 2</b>				
	Weak Stage 2 impairment charges etc. at 31 December	25,792	33,720	25,792	33,720
	New and increased impairment charges	4,757	12,193	4,757	12,193
	Reversals, net of impairment charges	21,630	27,350	21,630	27,350
	<b>Weak Stage 2 impairment charges at 30 September</b>	<b>8,919</b>	<b>18,563</b>	<b>8,919</b>	<b>18,563</b>
	<i>Total net impact recognised in the income statement</i>	-16,873	-15,158	-16,873	-15,158
	<b>Stage 3 impairment charges</b>				
	Stage 3 impairment charges etc. at 31 December	80,172	128,243	80,172	128,243
	New and increased impairment charges	5,274	7,664	5,274	7,664
	Reversals of impairment charges	17,819	28,600	17,819	28,600
	Written-off, previously impaired	459	5,954	459	5,954
	<i>Write-offs charged directly to the income statement</i>	36	1,186	36	1,186
	<i>Received on claims previously written off</i>	4,649	2,114	4,649	2,114
	<i>Interest income on impaired loans</i>	2,088	2,040	2,088	2,040
	<b>Stage 3 impairment charges at 30 September</b>	<b>67,169</b>	<b>101,353</b>	<b>67,169</b>	<b>101,353</b>
	<i>Total net impact recognised in the income statement</i>	-19,246	-23,904	-19,246	-23,904
	<b>Purchased credit-impaired assets included in stage 3 above</b>				
	<b>Provisions for guarantees and undrawn credit lines</b>				
	Individual provisions at 31 December	4,353	12,186	4,353	12,186
	New and increased provisions	7,033	3,006	7,033	3,006
	Reversals of provisions	3,627	10,342	3,627	10,342
	<b>Provisions for guarantees etc at 30 September</b>	<b>7,758</b>	<b>4,850</b>	<b>7,758</b>	<b>4,850</b>
	<i>Total net impact recognised in the income statement</i>	3,405	-7,336	3,405	-7,336

Note	DKK 1,000	Group		BankNordik	
		Sept. 30	Dec. 31	Sept. 30	Dec. 31
		2023	2022	2023	2022
10	<b>Due from credit institutions etc. specified by maturity</b>				
	On demand	372,685	389,894	372,685	389,894
	<b>Total due from credit institutions etc.</b>	<b>372,685</b>	<b>389,894</b>	<b>372,685</b>	<b>389,894</b>
11	<b>Contingent liabilities</b>				
	<b>Guarantees</b>				
	Financial guarantees	198,019	253,976	198,019	253,976
	Mortgage finance guarantees	568,647	607,015	568,647	607,015
	Registration and remortgaging guarantees	88,304	141,803	88,304	141,803
	Other guarantees	229,405	632,125	229,405	632,125
	<b>Total guarantees</b>	<b>1,084,375</b>	<b>1,634,919</b>	<b>1,084,375</b>	<b>1,634,919</b>

Referring to the Groups Global income tax statement for prior years, the Group has a possible and unrecognized negative correction of up to approx. DKK 20m. The Group expects to gain certainty during Q4 2023. When certain the mentioned possible negative effect will be recognized as a correction in the equity and the balance sheet (reduction of Current tax assets) for 2022.

12 **Assets deposited as collateral**

At September 30 2023 the Group had deposited cash amounting to DKK 40.3m (Dec. 31 2022: 55m) with Danmarks Nationalbank (the Danish Central Bank) in connection with clearing. Deposits of bonds to others in total amounting to DKK 0m (Dec. 31 2022: 5.6m).

## 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 2023.

The consolidated financial statements for the first nine months to 30 September 2023 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 2023, 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 2023.

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, 2 November 2023

### ***Executive Board***

Turið F. Arge  
CEO

### ***Board of Directors***

Birita Sandberg Samuelsen  
*Chairman*

Rúni Vang Poulsen  
*Vice chairman*

Birgir Durhuus

Kristian Reinert Davidsen

Marjun Eystberg

Tom Ahrenst

Rúna Hentze

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](mailto:info@banknordik.fo)  
[www.banknordik.fo](http://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

Arnhold Olsen  
E-mail: [ao@banknordik.fo](mailto:ao@banknordik.fo)  
Tel. +298 330 330

### Branches

#### Faroe Islands

**Tórshavn**  
Oknarvegur 5  
100 Tórshavn  
Phone: +298 330 330

**Miðvágur**  
Jatnavvegur 26  
370 Miðvágur  
Phone: +298 330 330

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

**Saltangará**  
Heiðavegur 13  
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**  
Quillilerfik 2  
3900 Nuuk  
Phone: +299 34 79 00

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