

## Inspection of BankNordik by the Danish FSA

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### Announcement no. 16/2020

BankNordik has received the Danish FSA's report following the FSA's routine inspection of the Bank's operations conducted in September 2020. The inspection consisted of a review of selected loans to Faroese and Greenlandic commercial customers, whereas the Bank's portfolio of personal customers was not subject to review.

The inspection led the FSA to issue certain orders which the Bank has taken note of. In that connection, BankNordik wishes to emphasise the following:

- According to the inspection, BankNordik does not need to take additional impairment charges, which was also the case in 2017 when the FSA last performed a routine inspection of the Bank.
- BankNordik must increase its solvency requirement by 0.9 percentage points at 30 June 2020, which the Bank has already done in its Q3 2020 interim financial report.
- The Bank also adjusted its capital adequacy targets: common equity tier 1 (CET 1) to 19.5% and total capital ratio to 23% in connection with the presentation of the Q3 2020 interim report.
- The Bank has taken note of the remaining orders and will take the necessary measures to comply with them.

"We're pleased the FSA inspection shows that we don't need to take additional loan impairment charges despite the challenges COVID-19 has presented to several of the customers reviewed by the FSA. This shows that basically we have a sound and balanced credit portfolio in all our markets and that the public stimulus packages have largely had the intended effects. This makes us confident about the future, and obviously we will do what is necessary to comply with any of the FSA's orders that we haven't already taken action on," said BankNordik CEO Árni Ellefsen.

### For additional information, please contact:

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**BankNordik** has banking activities in Denmark, Greenland and the Faroe Islands and insurance activities in the Faroe Islands. Founded in the Faroe Islands more than a century ago, the Group has total assets of DKK 16.7bn and 360 employees. The Bank is subject to the supervision of the Danish Financial Supervisory Authority and is listed on Nasdaq Copenhagen.

### Attachments

- [Endelig redegørelse 2020-12.pdf](#)