

Interim Report

Q3 2021

2 November 2021

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Financial review

“We’re pleased to present financial results for the third quarter that are better than originally expected and which made us upgrade our full-year guidance on 15 October. The positive performance was driven by improvements in our core banking operations following the divestment of the Danish business and reversals of impairment losses. The income-enhancing and cost-cutting measures implemented earlier this year have paid off, and we remain committed to running an efficient and profitable business,” said BankNordik CEO Árni Ellefsen.

“As part of our ongoing efforts to optimise the capital structure of the BankNordik Group, we have adjusted our capital adequacy target for common equity tier 1 (CET 1) from 23% to 20% for the period to 2024 and raised our ROE target from 8% to >10%. As part of this process, we also intend to distribute DKK 250m resulting from the reduced REA following from the divestment of the Danish business sooner than previously planned and expect to distribute the entire amount in 2022. Going forward, we intend to maintain our target of a 50% payout ratio supplemented by share buybacks,” said Mr Ellefsen.

Q3 2021 highlights

Adjusted Income statement, Group

DKKm	Q3 2021	Q2 2021	Index	Q1 2021	Q4 2020	Q3 2020	Q1-Q3 2021	Q1-Q3 2020
Net interest income	66	66	101	64	65	65	196	192
Net fee and commission income	19	20	93	17	16	15	57	44
Net insurance income	7	14	49	7	12	18	28	34
Other operating income (less reclassification)	8	9	91	9	8	6	26	17
Operating income	100	109	92	97	101	104	307	286
Operating costs ¹	-59	-61	96	-59	-62	-57	-179	-175
Sector costs	0	0		0	0	0	-1	0
Profit before impairment charges	41	47	87	38	38	47	127	110
Impairment charges, net	13	27	48	-3	10	-2	36	-5
Operating profit	54	74	73	35	48	44	163	106
Non-recurring items ²	2	4	38	77	0	0	82	0
Profit before investment portfolio earnings and tax	56	78	71	111	48	44	245	106
Investment portfolio earnings ³	-1	-4	28	-3	1	3	-9	-3
Profit before tax, continuing operations	54	74	73	108	49	48	237	103
Profit before tax, discontinued operations	0	0		9	1	35	9	53
Profit before tax, total	54	74	73	118	51	82	246	156
Operating cost/income, %	59	56		60	62	55	58	61
Number of FTE, end of period	199	195	102	218	228	232	199	232

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

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

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

Income statement

The following comments relate to the adjusted figures and are generally stated relative to Q2 2021. Due to seasonal variations, comments on the insurance segment are made relative to Q3 2020.

Operating income

The BankNordik Group generated operating income of DKK 100m in Q3 2021, DKK 9m lower than in Q2 2021, driven by a decrease in net insurance income.

Net interest income

Net interest income was DKK 66m in Q3 2021, up by DKK 1m compared to Q2 2021.

Net fee and commission income

Net fee and commission income amounted to DKK 19m in Q3 2021, a decrease of DKK 2m compared to Q2 2021.

Net insurance income

Net insurance income was DKK 7m in Q3 2021, DKK 11m lower than in Q3 2020, driven by larger than expected claims during the quarter.

Operating and sector costs

Operating costs amounted to DKK 59m in Q3 2021, decreasing DKK 2m relative to Q2 2021.

Profit before impairment charges

Profit before impairment charges was DKK 41m in Q3 2021, DKK 6m lower than in Q2 2021.

Impairment charges

Net impairments were a reversal of DKK 13m in Q3 2021 compared to a reversal of DKK 27m in Q2 2021. The reservation related to COVID-19 is unchanged at DKK 52m.

Operating profit

As a result, operating profit came in at DKK 54m in Q3 2021, DKK 20m lower than in Q2 2021.

Non-recurring items

Non-recurring items represented an income of DKK 2m in Q3 2021 compared to income of DKK 4m in Q2 2021.

Profit before tax

Profit before tax in Q3 2021 was DKK 54m, DKK 20m lower than in Q2 2021.

Profit before tax for the first three quarters of the year totalled DKK 246m, including DKK 9m from discontinued operations. This was significantly higher than the figure for the first three quarters of 2020 of DKK 156m, which included DKK 53m from discontinued operations. Most of the increase in profit before tax can be ascribed to non-recurring income, although operating profit was DKK 57m higher in Q1-Q3 2021 than in Q1-Q3 2020.

Balance sheet

BankNordik's total assets at 30 September 2021 amounted to DKK 11.4bn, down by DKK 584m compared to 30 June 2021. Loans and advances were DKK 7.6bn, DKK 9m lower than at 30 June 2021. Deposits were DKK 7.4bn, down by DKK 225m compared to 30 June 2021.

Liquidity invested in bonds, primarily in Danish mortgage bonds and Danish government bonds, amounted to DKK 2.2bn, a decrease of DKK 132m compared to 30 June 2020. Liquidity invested in equities amounted to DKK 245m, a decrease of DKK 18m relative to 30 June 2021. The Group's liquidity indicator was 189.1% at 30 September 2021, well above the requirement of 100%. The Group's LCR at 30 September 2021 was 185.9%, also well above the requirement of 100%. Shareholders' equity at 30 September 2021 amounted to DKK 2,410m, up by DKK 41m compared to 30 June 2021.

Capital ratios

At 30 September 2021, the Group's CET1 capital ratio was 26.1%, the core capital ratio was 28.2% and the total capital ratio was 29.6%. The total capital ratio, incl. MREL capital, was 31.7%. The net profit for H1 2021 of DKK 153m after deduction of expected dividends as per the Bank's dividend policy for 2021 amounting to DKK 77m, is included in the solvency statement. The net result in Q3 2021, amounting to DKK 43m, is not included in the capital ratios. Furthermore, the planned extraordinary dividend of DKK 450m, which was approved by the Danish FSA on 21 July 2021, has been deducted from the Bank's Q3 2021 CET1 capital.

Compliance with the Danish FSA Supervisory Diamond

The Supervisory Diamond

	<u>Q3 2021</u>	<u>Q3 2020</u>	<u>FSA limit</u>
Sum of large exposures	147.8%	129.7%	< 175%
Liquidity indicator	189.1%	236.0%	>100 %
Loan growth	1.6%	-1.5%	< 20 %
Funding ratio	0.76	0.64	< 1.0
Property exposure	11.0%	7.7%	< 25 %

At 30 Sept. 2021, the Group was in compliance with all Supervisory Diamond requirements set by the FSA.

Events after the balance sheet date

On 22 October 2021, the Groups shareholders approved the previously announced DKK 450m extraordinary dividend. The dividend was distributed to shareholders on 27 October. The event, although significant, does not affect the Group's financial position, as the planned dividend had already been subtracted from the Bank's Q3 CET1 capital upon approval from the Danish FSA on 21 July 2021.

Guidance for 2021

At the start of the year, management's full-year guidance for 2021 was for net profit in the range of DKK 150-200m. The guidance was raised on 19 July where management expected net profit for 2021 of between DKK 190m and 220m. Management again raised the guidance for net profit for 2021 on 15 October to the range DKK 230m-250m.

This outlook is subject to uncertainty, including impairments on loans and advances, market value adjustments,

and macroeconomic developments, including developments in the COVID-19 situation affecting the markets in which the Group operates.

Adjusted results

Note	Adjusted Income statement Q1-Q3 2021, Group, DKK 1,000	Income statement	Restatement	Restated income statement
1, 8	Net interest income	202,336	-6,668	195,668
2	Net fee and commission income	60,240	-3,429	56,811
	Net insurance income	27,986		27,986
2, 6	Other operating income	7,553	18,677	26,230
	Operating income	298,115	8,580	306,695
3, 7	Operating costs	193,613	-14,627	178,986
	Sector costs	1,113	0	1,113
	Profit before impairment charges	103,389	23,207	126,596
4	Impairment charges	-36,344	0	-36,344
	Operating profit	139,733	23,207	162,941
3, 4, 5	Non-recurring items	0	82,437	82,437
	Profit before investment portfolio earnings and tax	139,733	105,644	245,377
1, 6, 9	Investment portfolio earnings	-212	-8,580	-8,793
	Profit before tax, continuing operations	139,521	97,064	236,585
5, 7, 8, 9	Profit before tax, discontinued operations	106,560	-97,064	9,496
	Profit before tax, total	246,081	0	246,081
Note Adjusted Income statement Q1-Q3 2020, Group, DKK 1,000				
1, 8	Net interest income	209,327	-16,978	192,349
2	Net fee and commission income	47,185	-3,272	43,913
	Net insurance income	33,569	0	33,569
2, 6	Other operating income	3,984	12,596	16,580
	Operating income	294,065	-7,654	286,411
3, 7	Operating costs	186,197	-10,745	175,452
	Sector costs	466	0	466
	Profit before impairment charges	107,402	3,091	110,493
4	Impairment charges	4,595	0	4,595
	Operating profit	102,807	3,091	105,898
3, 4, 5	Non-recurring items	0	0	0
	Profit before investment portfolio earnings and tax	102,807	3,091	105,898
1, 6, 9	Investment portfolio earnings	-19,020	15,989	-3,031
	Profit before tax, continuing operations	83,787	19,080	102,867
5, 7, 8, 9	Profit before tax, discontinued operations	72,046	-19,080	52,966
	Profit before tax, total	155,833	0	155,833
Note Restatements made to the income statement, DKK 1,000				
		Q1-Q3 2021	Q1-Q3 2020	
1	Reclassification of interest income from bonds from the item Interest income to Investment portfolio earnings.	6,668	19,404	
2	Dividends reclassified from Net fee and commission income to Other operating income.	3,429	3,272	
3	Reclassification of IT-costs, severance costs and other costs from Operating costs to Non-recurring items.	14,627	0	
4	Reclassification of impairment charges to Non-recurring items.	0	0	
5	Reclassification of provenue regarding the sale of the Danish activities Non-recurring items.	97,064	0	
6	Reclassification of value adjustments related to sector shares and of profit or loss from currency transactions to Other operating income.	15,248	9,324	
7	Operating costs allocated to the Greenland segment	0	10,745	
8	Interests allocated to the Danish segment	0	2,426	
9	Value adjustments allocated to the Danish segment	0	5,909	

BankNordik Group by segment

Adjusted Income statement, Banking

DKKm	Q3 2021	Q2 2021	Index	Q1 2021	Q4 2020	Q3 2020	Q1-Q3 2021	Q1-Q3 2020
Net interest income	66	66	101	64	65	65	195	192
Net fee and commission income	22	24	93	20	19	18	66	52
Other operating income	7	7	108	7	7	5	21	14
Operating income	95	96	99	91	91	87	283	259
Operating cost	-54	-56	95	-54	-58	-52	-164	-161
Sector costs	0	0		0	0	0	-1	0
Profit before impairment charges	41	39	105	37	33	35	118	97
Impairment charges, net	13	27	48	-3	10	-2	36	-5
Operating profit	54	66	82	34	43	32	154	93
Non-recurring items	2	4	38	77	0	0	82	0
Profit before investment portfolio earnings and tax	56	70	79	111	43	32	236	93
Investment portfolio earnings	-1	-4	23	-2	2	4	-7	-2
Profit before tax, continuing operations	55	66	82	108	44	36	229	91
Profit before tax, discontinued operations	0	0		9	1	35	9	53
Profit before tax, total	55	66	82	118	46	71	238	144
Loans and advances	7,594	7,586	100	7,450	7,608	7,501	7,594	7,501
Deposits and other debt	7,435	7,660	97	7,536	7,756	7,531	7,435	7,531
Mortgage credit	2,609	2,502	104	2,443	2,375	2,284	2,609	2,284
Operating cost/income, %	56	59		59	63	60	58	62
Number of FTE, end of period	167	166	101	186	196	199	167	199

Personal Banking

The Personal Banking segment reported operating income of DKK 54m for Q3 2021, DKK 1m more than in Q2 2021.

Net interest income came in at DKK 34m, DKK 1m higher than in Q2 2021. Net fee and commission income was DKK 1m lower than in Q2 2021 at DKK 15m. Other operating income was flat at DKK 5m in Q3 2021.

Operating costs were DKK 44m in Q3 2021, a decrease of DKK 1m compared to Q2 2021. Impairment charges amounted to a reversal of DKK 3m in Q3 2021 compared to no impairment charge in Q2 2021.

As a result, operating profit for Q3 2021 was DKK 12m, a increase of DKK 5m compared to the previous quarter. Operating profit for the first three quarters of the year totalled DKK 41m, DKK 31m more than during the same period in 2020.

Bank loans and advances to personal customers during the quarter rose by DKK 19m to DKK 3,603m, and brokered mortgage credit increased by DKK 48m to DKK 2,252m, both compared to 30 June 2021. This is a continuation of the trend seen in recent years of Faroese households increasingly embracing the traditional Danish financing model of 80% LTV mortgage funding with the residual in 2nd lien bank lending.

Deposits held by personal customers fell by DKK 143m during the quarter to DKK 5,125m at 30 September 2021.

Adjusted Income statement, Personal banking

DKKm	Q3 2021	Q2 2021	Index	Q1 2021	Q4 2020	Q3 2020	Q1-Q3 2021	Q1-Q3 2020
Net interest income	34	33	103	32	32	32	98	95
Net fee and commission income	15	16	96	14	14	14	46	40
Other operating income	5	5	110	5	5	4	15	12
Operating income	54	53	101	51	51	49	158	147
Operating costs	-44	-45	98	-43	-46	-42	-133	-128
Sector costs	0	0		0	0	0	-1	0
Profit before impairment charges	9	8	123	8	5	7	25	19
Impairment charges, net	3	0		14	5	-4	17	-8
Operating profit	12	8	160	22	10	3	41	10
Non-recurring items	2	4	38	77	0	0	82	0
Profit before investment portfolio earnings and tax	14	12	116	98	10	3	124	10
Investment portfolio earnings	-1	-3	23	-2	1	3	-5	-1
Profit before tax, continuing operations	13	9	146	97	11	6	119	10
Profit before tax, discontinued operations	0	0		9	1	35	9	53
Profit before tax, total	13	9	146	106	12	40	128	63
Loans and advances	3,603	3,584	101	3,559	3,587	3,581	3,603	3,581
Deposits and other debt	5,125	5,269	97	5,205	5,140	5,144	5,125	5,144
Mortgage credit	2,252	2,205	102	2,152	2,074	2,003	2,252	2,003
Operating cost/income, %	82	85		85	90	85	84	87
Number of FTE, end of period	73	72	101	77	80	79	73	79

Corporate Banking

Corporate Banking activities reported operating income of DKK 41m in Q3 2021, down by DKK 1m compared to Q2 2021.

Net interest income fell by DKK 1m in Q3 2021 compared to Q2 to DKK 32m. Net fee and commission income also fell by DKK 1m to DKK 7m, while other operating income was flat at DKK 2m compared to the previous quarter.

Operating costs fell by DKK 2m to DKK 9m in Q3 2021 compared to Q2 2021. Impairment charges during Q3 2021 were a reversal of DKK 10m, compared to a reversal of DKK 27m in Q2 2021.

As a result, operating profit for Q3 2021 amounted to DKK 42m compared to DKK 58m in Q2 2021. Operating profit for the first three quarters of 2021 was DKK 113m, DKK 30m higher than during the same period in 2020 during which the Corporate Banking segment saw an operating profit of DKK 82m.

Corporate loans and advances fell by DKK 2m in the third quarter of 2021 to DKK 3,960m at 30 September 2021, while deposits fell by DKK 84m in the same period to DKK 2,300m.

Adjusted Income statement, Corporate Banking

DKKm	Q3 2021	Q2 2021	Index	Q1 2021	Q4 2020	Q3 2020	Q1-Q3 2021	Q1-Q3 2020
Net interest income	32	33	98	32	33	33	98	97
Net fee and commission income	7	8	88	6	5	4	20	12
Other operating income	2	2	101	2	2	1	6	2
Operating income	41	43	97	41	40	38	124	111
Operating costs	-9	-11	86	-11	-12	-10	-31	-32
Sector costs	0	0		0	0	0	0	0
Profit before impairment charges	32	32	100	30	28	28	93	79
Impairment charges, net	10	27	38	-17	5	2	20	4
Operating profit	42	58	71	12	33	30	113	82
Non-recurring items	0	0		0	0	0	0	0
Profit before investment portfolio earnings and tax	42	58	71	12	33	30	113	82
Investment portfolio earnings	0	-1		-1	0	1	-2	-1
Profit before tax	42	57	72	12	33	31	111	81
Loans and advances	3,960	3,962	100	3,856	3,974	3,847	3,960	3,847
Deposits and other debt	2,300	2,384	96	2,323	2,607	2,347	2,300	2,347
Mortgage credit	357	297	120	291	301	281	357	281
Operating cost/income, %	23	26		27	30	27	25	29
Number of FTE, end of period	14	14	100	15	16	17	14	17

Insurance: Trygd

Trygd's premium income was DKK 32m in Q3 2021, DKK 1m more than in Q3 2020. Claims were DKK 14m higher than in the same period of 2020 at DKK 28m.

Operating costs were DKK 6m in Q3 2021, flat compared to the third quarter of 2020. As a result, Trygd saw a quarterly loss before tax of DKK 3m, compared to a profit before tax of DKK 11m in Q3 2020. Profit before tax during the first three quarters of 2021 was DKK 1m, DKK 10m lower than during the same period in 2020.

Trygd continues to strengthen its market position as a leading provider of non-life insurance in the Faroe Islands. Premium increases are seen due to an increase in market share as well as general market growth related to developments in the Faroese economy. Trygd has made changes to its pricing policy to the effect that from 2021 premium increases will still follow Faroese inflation, but now at a minimum annual premium increase of 2% instead of 1%. On the costs side, operating costs have remained largely flat, thereby contributing 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 financials results.

Adjusted Income statement, Trygd

DKKm	Q3 2021	Q3 2020	Index	Q2 2021	Q1 2021	Q4 2020	Q1-Q3 2021	Q1-Q3 2020
Premium income, net of reinsurance	32	31	104	31	30	30	93	90
Claims, net of reinsurance	-28	-14	200	-19	-26	-23	-73	-61
Net insurance income	4	16	22	12	4	7	20	29
Net income from investment activities	0	0	86	0	-1	0	-1	-1
Operating income	3	16	21	12	4	7	19	28
Operating cost	-6	-6	111	-6	-6	-5	-18	-18
Profit before tax	-3	11		6	-2	2	1	11
Combined ratio	108	65		81	106	93	98	87
Claims ratio	89	46		62	85	76	79	68
Number of FTE, end of period	24	25	94	22	24	25	24	25

Income statement

Note	DKK 1,000	Group		BankNordik	
		Q1-Q3	Q1-Q3	Q1-Q3	Q1-Q3
		2021	2020	2021	2020
3	Interest income	218,370	225,544	217,440	224,467
	- of which interest income from deposits	28,009	29,699	28,009	29,699
4	Interest expenses	16,035	16,217	16,035	16,217
	- of which interest expenses from assets	4,536	2,801	4,536	2,801
	Net interest income	202,336	209,327	201,406	208,250
	Dividends from shares and other investments	3,429	3,272	3,429	3,272
5	Fee and commission income	62,354	47,529	71,468	56,097
5	Fee and commissions paid	5,544	3,615	5,544	3,615
	Net dividend, fee and commission income	60,240	47,185	69,354	55,754
	Net interest and fee income	262,576	256,512	270,760	264,004
	Premium income, net of reinsurance	105,520	101,144		
	Claims, net of reinsurance	77,534	67,575		
	Interest and fee income and income from insurance activities, net	290,562	290,081	270,760	264,004
6	Market value adjustments	-1,329	-19,357	1,107	-17,254
7	Other operating income	7,553	3,984	2,503	1,103
8	Staff costs and administrative expenses	188,869	180,273	173,838	166,131
	Amortisation, depreciation and impairment charges	4,745	5,925	4,522	5,389
	Other operating expenses	1,113	466	1,113	466
9	Impairment charges on loans and advances etc.	-36,344	4,595	-36,344	4,595
	Income from investments accounted for under the equity method	1,116	337	6,974	10,317
	Profit before tax from continuing operations	139,521	83,787	138,216	81,589
	Tax	26,819	17,084	25,514	14,886
	Net profit from continuing operations	112,702	66,703	112,702	66,703
10	Discontinued operations, net of tax	83,117	56,196	83,117	56,196
	Net profit	195,819	122,899	195,819	122,899
	Portion attributable to				
	Shareholders of BankNordik P/F	195,819	122,899	195,819	122,899
	Net profit	195,819	122,899	195,819	122,899
	EPS Basic for the period, discontinuing operations, DKK*	8.68	5.90	8.68	5.90
	EPS Diluted for the period, discontinuing operations, DKK*	8.68	5.90	8.68	5.90
	EPS Basic for the period, continuing operations, DKK*	11.78	7.00	11.78	7.00
	EPS Diluted for the period, continuing operations, DKK*	11.78	7.00	11.78	7.00

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

Statement of comprehensive income - BankNordik

	Group		BankNordik	
	Q1-Q3 2021	Q1-Q3 2020	Q1-Q3 2021	Q1-Q3 2020
DKK 1,000				
Net profit	195,819	122,899	195,819	122,899
Other comprehensive income				
Items which will not subsequently be recycled:				
Revaluation of domicile property	-4,000	0	-4,000	0
Tax on other comprehensive income	880	0	880	0
Total other comprehensive income	-3,120	0	-3,120	0
Total comprehensive income	192,699	122,899	192,699	122,899
Portion attributable to				
Shareholders of BankNordik P/F	187,481	117,733	187,481	117,733
Additional Tier 1 capital holders	5,218	5,166	5,218	5,166
Total comprehensive income	192,699	122,899	192,699	122,899

Balance Sheet

Note	DKK 1,000	Group		BankNordik	
		Sept. 30	Dec. 31	Sept. 30	Dec. 31
		2021	2020	2021	2020
	Assets				
	Cash in hand and demand deposits with central banks	563,571	208,010	563,355	207,843
11	Amounts due from credit institutions and central banks	521,897	1,177,515	521,897	1,177,515
9	Loans and advances at fair value	456,712	473,357	456,712	473,357
9	Loans and advances at amortised cost	7,135,206	7,134,544	7,135,206	7,134,544
	Bonds at fair value	2,225,511	4,472,621	2,031,843	4,255,519
	Shares, etc.	244,897	309,443	244,897	309,443
	Assets under insurance contracts	10,230	9,556	0	0
	Holdings in associates	7,822	6,706	7,822	6,706
	Holdings in subsidiaries	0	0	101,944	143,086
	Intangible assets	2,551	2,432	2,551	2,432
	Total land and buildings	141,169	144,688	138,545	142,043
	Domicile property	72,719	73,253	70,095	70,608
	Domicile property (lease asset)	68,450	71,436	68,450	71,436
	Other property, plant and equipment	8,272	7,543	7,061	6,439
	Current tax assets	14,518	13,604	14,518	13,604
	Deferred tax assets	180	195	0	0
12	Assets held for sale	3,564	4,466	3,564	4,466
	Other assets	63,809	69,190	60,658	67,297
	Prepayments	16,519	38,491	15,397	37,412
10	Assets in disposal groups classified as held for sale	0	3,217,940	0	3,217,940
	Total assets	11,416,425	17,290,303	11,305,968	17,199,646

Balance Sheet

Note	DKK 1,000	Group		BankNordik		
		Sept. 30 2021	Dec. 31 2020	Sept. 30 2021	Dec. 31 2020	
		Shareholders' equity and liabilities				
		Liabilities other than provisions				
		Amounts due to credit institutions and central banks	48,412	27,954	48,412	27,954
		Deposits and other debt	7,417,275	7,733,408	7,435,408	7,755,724
		Issued bonds at amortised cost	848,851	0	848,851	0
		Liabilities under insurance contracts	117,520	98,231	0	0
		Current tax liabilities	80,131	31,136	75,766	28,060
		Other liabilities	197,850	205,995	191,843	195,264
		Deferred income	4,784	4,198	4,086	3,263
10		Liabilities directly associated with assets in Disposal groups classified as assets held for sale	0	6,520,004	0	6,520,004
		Total liabilities other than provisions	8,714,823	14,620,926	8,604,366	14,530,269
		Provisions for liabilities				
		Provisions for deferred tax	2,213	3,093	2,213	3,093
9		Provisions for losses on guarantees etc	17,492	16,015	17,492	16,015
		Provisions for other liabilities	23,485	3,641	23,485	3,641
		Total provisions for liabilities	43,191	22,749	43,191	22,749
		Subordinated debt				
		Subordinated debt	99,335	224,695	99,335	224,695
		Total liabilities	8,857,349	14,868,370	8,746,892	14,777,713
		Equity				
		Share capital	192,000	192,000	192,000	192,000
		Revaluation reserve	6,123	9,243	6,123	9,243
		Retained earnings	2,211,576	2,021,781	2,211,576	2,021,781
		Proposed dividends	0	48,000	0	48,000
		Shareholders of the Parent Company	2,409,699	2,271,024	2,409,699	2,271,024
		Additional tier 1 capital holders	149,377	150,909	149,377	150,909
		Total equity	2,559,076	2,421,933	2,559,076	2,421,933
		Total liabilities and equity	11,416,425	17,290,303	11,305,968	17,199,646

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
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	190,601	190,601	5,218	195,819
Total comprehensive income		-3,120	0	190,601	187,481	5,218	192,699
Paid interest on additional tier 1 capital				0	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	2,211,576	2,409,699	149,377	2,559,076

DKK 1,000	Shareholders equity					Additional tier 1	
	Share capital	Revaluation Reserve	Proposed dividends	Retained earnings	Total	capital	Total
Shareholders' equity at January 1, 2020	192,000	9,243	67,200	1,843,891	2,112,335	150,754	2,263,088
Net profit			48,000	111,280	159,280	6,906	166,186
Total comprehensive income			48,000	111,280	159,280	6,906	166,186
Paid interest on additional tier 1 capital					0	-6,750	-6,750
Acquisition of own shares				-591	-591		-591
Dividends paid			-67,200	67,200	0		0
Shareholders' equity at December 31, 2020	192,000	9,243	48,000	2,021,781	2,271,024	150,909	2,421,933

Regarding 2020: Proposed dividend per share DKK 5. Dividend payed out per share DKK 0.

DKK 1,000	Shareholders equity					Additional tier 1	
	Share capital	Revaluation Reserve	Proposed dividends	Retained earnings	Total	capital	Total
Shareholders' equity at January 1, 2020	192,000	9,243	67,200	1,843,891	2,112,335	150,754	2,263,088
Net profit				117,733	117,733	5,166	122,899
Total comprehensive income				117,733	117,733	5,166	122,899
Paid interest on additional tier 1 capital						-6,750	-6,750
Sale of own shares				-368	-368		-368
Dividends paid			-67,200	67,200	0		0
Shareholders' equity at September 30, 2020	192,000	9,243	0	2,028,456	2,229,699	149,170	2,378,869

Statement of capital - BankNordik P/F

Changes in equity:

DKK 1,000	Shareholders equity						Additional tier 1	
	Share capital	Revaluation Reserve	Proposed dividends	Retained earnings	Total	capital	Total	
Shareholders' equity at January 1, 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	190,601	190,601	5,218	195,819	
Total comprehensive income		-3,120	0	190,601	187,481	5,218	192,699	
Paid interest on additional tier 1 capital				0	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	2,211,576	2,409,699	149,377	2,559,076	

DKK 1,000	Shareholders equity						Additional tier 1	
	Share capital	Revaluation Reserve	Proposed dividends	Retained earnings	Total	capital	Total	
Shareholders' equity at January 1, 2020	192,000	9,243	67,200	1,843,891	2,112,335	150,754	2,263,088	
Net profit			48,000	111,280	159,280	6,906	166,186	
Total comprehensive income			48,000	111,280	159,280	6,906	166,186	
Paid interest on additional tier 1 capital						-6,750	-6,750	
Acquisition of own shares				-591	-591		-591	
Suspended dividend payment			-67,200	67,200	0		0	
Shareholders' equity at December 31, 2020	192,000	9,243	48,000	2,021,781	2,271,024	150,909	2,421,933	

Regarding 2020: Proposed dividend per share DKK 5. Dividend payed out per share DKK 0.

DKK 1,000	Shareholders equity						Additional tier 1	
	Share capital	Revaluation Reserve	Proposed dividends	Retained earnings	Total	capital	Total	
Shareholders' equity at January 1, 2020	192,000	9,243	67,200	1,843,891	2,112,335	150,754	2,263,088	
Net profit				117,733	117,733	5,166	122,899	
Total comprehensive income		0	0	117,733	117,733		122,899	
Paid interest on additional tier 1 capital					0	-6,750	-6,750	
Sale of own shares				-368	-368		-368	
Suspended dividend payment			-67,200	67,200	0		0	
Shareholders' equity at September 30, 2020	192,000	9,243	0	2,028,456	2,229,699	149,170	2,378,869	

Capital and Solvency - BankNordik

Solvency	Sept. 30	Dec. 31
DKK 1,000	2021	2020
Core capital	1,984,532	2,356,719
Total capital	2,083,867	2,581,414
Risk-weighted items not included in the trading portfolio	6,128,997	8,120,941
Risk-weighted items with market risk etc.	292,931	584,300
Risk-weighted items with operational risk	612,724	1,068,984
Total risk-weighted items	7,034,652	9,774,225
CET 1 capital ratio	26.1%	22.6%
Core capital ratio	28.2%	24.1%
Total capital ratio	29.6%	26.4%
MREL capital ratio	31.7%	26.4%
Core Capital and Shareholders' equity		
Share capital	192,000	192,000
Reserves	6,123	9,243
Net profit	195,819	166,186
Retained earnings, previous years	2,020,456	1,908,332
Shareholders' equity, before deduction of holdings of own shares	2,414,398	2,275,762
Deduction of ordinary dividend	77,000	48,000
Deduction of extraordinary dividend	450,000	0
Deduction of net profit Q3	42,658	0
Deduction of holdings of own shares	4,699	4,738
Deduction of intangible assets	2,551	12,572
Deduction regarding prudent valuation of financial instruments	2,336	4,642
CET 1 capital	1,835,155	2,205,809
Hybrid core capital	149,377	150,909
Core capital	1,984,532	2,356,719
Total capital		
Core capital	1,984,532	2,356,719
Subordinated loan capital	99,335	224,695
Total capital	2,083,867	2,581,414
MREL capital	148,945	0
Total capital incl. MREL capital	2,232,812	2,581,414

Cash flow statement - BankNordik Group

	Group Q1-Q3 2021	Group Full year 2020
DKK 1,000		
Cash flow from operations		
Profit before tax	246,081	206,441
Amortisation and impairment charges for intangible assets	106	653
Interest expense on leasing liabilities	1,737	3,299
Depreciation and impairment charges of tangible assets	5,167	17,754
Impairment of loans and advances/guarantees	-36,344	-12,241
Paid tax	0	-40,537
Other non-cash operating items	16,560	-4,796
Total	233,306	170,573
Changes in operating capital		
Change in loans at fair value	0	40,878
Change in loans at amortised cost	35,682	45,998
Change in holding of bonds	2,226,016	1,100,638
Change in holding of shares	76,440	12,519
Change in deposits	-384,242	-1,004,537
Due to credit institutions and central banks	20,459	-26,631
Change in other assets / liabilities	17,468	-7,023
Assets/liabilities under insurance contracts	18,615	1,929
Prepayments	22,559	1,946
Cash flow from operations	2,266,302	336,290
Cash flow from investing activities		
Divestment of businesses, net of cash	-3,302,064	0
Dividends received	3,429	12,559
Acquisition of intangible assets	-225	-3,268
Acquisition of tangible assets	-4,215	-4,014
Sale of tangible assets	5,207	30
Cash flow from investing activities	-3,297,867	5,307
Cash flow from financing activities		
Issued bonds at amortised cost	848,875	0
Change in subordinated debt	-125,700	0
Paid interest on additional tier 1 capital	-6,750	-6,750
Acquisition of own shares	-952	-591
Payment of dividends	-48,000	0
Payment of dividends, own shares	146	0
Principal portion of lessee lease payments	-4,222	-10,505
Cash flow from financing activities	663,397	-17,846
Cash flow	-368,168	323,751
Cash in hand and demand deposits with central banks, and due from Credit institutions, etc. at the beginning of the year	1,453,635	1,129,884
Cash flow	-368,168	323,751
Cash and due etc.	1,085,467	1,453,635
Cash and due etc.		
Cash in hand and demand deposits with central banks	563,571	223,320
Due from credit institutions, etc.	521,897	1,230,315
Total	1,085,467	1,453,635

Regarding 2020 total cash include cash from Discontinued operations, DKK 68.1m

Notes to the financial statements

Note 1 Significant accounting policies

The consolidated financial statements for the first nine months of 2021 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 2020. The Annual Report 2020 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 2020 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 2020 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 2021				Non-life Insurance	Elimination	Continuing operations	Discontinued operations	Group
	Banking								
	Private	Corporate	Other	Total	Faroe Islands		Total		Total
2	DKK 1,000								
	External interest income, Net	130,949	99,638	-29,186	201,402	934	202,336	8,554	210,889
	Internal interest	0	0	0	0	0	0	0	0
	Net interest income	130,949	99,638	-29,186	201,402	934	202,336	8,554	210,889
	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	105,520
	Net premium income of reinsurance and claims	0	0	8,715	8,715	19,997	-727	27,986	27,986
	Other income	10,775	4,327	-3,216	11,885	-1,979	-2,566	7,341	255,173
	Total income	189,534	124,585	-25,681	288,438	12,757	-3,293	297,903	274,534
	Total operating expenses	48,262	12,706	124,916	185,885	12,134	-3,293	194,726	184,390
	<i>of which depreciation and amortisation</i>	3,973	639	6	4,618	126	4,745	528	5,272
	Profit before impairment charges on loans	141,271	111,879	-150,597	102,554	623	103,177	90,144	193,321
	Impairment charges	-17,048	-4,035	-15,262	-36,344	0	-36,344	-16,415	-52,760
	Profit before tax	158,319	115,913	-135,334	138,899	623	139,522	106,560	246,081
	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>	3,617,697	3,974,221		7,591,918	0	7,591,918	0	7,591,918
	Total liabilities	5,130,279	2,305,128	1,421,941	8,857,349	0	8,857,349	0	8,857,349
	<i>of which Deposits</i>	5,130,279	2,305,128		7,435,408		-18,133	7,417,275	0
	<i>of which Insurance liabilities</i>			4,905		112,615		117,520	0

Operating segments Q1-Q3 2020	Banking				Non-life Insurance	Elimination	Continuing operations	Discontinued operations	Group
	Banking								
	Private	Corporate	Other	Total	Faroe Islands		Total		Total
	DKK 1,000								
	External interest income, Net	102,584	102,392	3,255	208,230	1,097	209,327	76,624	285,951
	Internal interest	0	0	0	0	0	0	0	0
	Net interest income	102,584	102,392	3,255	208,230	1,097	209,327	76,624	285,951
	Net Fee and dividends income	43,117	12,637	-2,697	53,057	-5,872	47,185	113,670	160,855
	Premium income, net of reinsurance	0	0	11,379	11,379	90,457	-692	101,144	101,144
	Net premium income of reinsurance and claims	0	0	5,024	5,024	29,237	-692	33,569	33,569
	Other income	6,948	2,376	-19,719	-10,396	-1,900	-2,741	-15,036	2,168
	Total income	152,648	117,404	-14,137	255,916	22,562	-3,433	275,045	192,462
	Total operating expenses	-14,984	13,650	179,527	178,193	11,903	-3,433	186,663	131,288
	<i>of which depreciation and amortisation</i>	2,339	0	3,260	5,599	325	5,925	6,397	12,322
	Profit before impairment charges on loans	167,632	103,754	-193,664	77,722	10,660	88,382	61,174	149,556
	Impairment charges	7,687	-4,243	1,151	4,595	0	4,595	-10,873	-6,277
	Profit before tax	159,945	107,997	-194,815	73,127	10,660	0	83,787	155,833
	Total assets	6,118,735	3,946,274	6,469,219	16,534,228	212,764	16,746,992	0	16,746,992
	<i>of which Loans and advances</i>	5,952,480	3,876,531		9,829,011	0	9,829,011	0	9,829,011
	Total liabilities	10,539,259	2,352,833	1,363,260	14,255,353	112,770	14,368,123	0	14,368,123
	<i>of which Deposits</i>	10,539,259	2,352,833		12,892,092		-24,675	12,867,417	0
	<i>of which Insurance liabilities</i>			4,472		102,605		107,076	0

BankNordik Group - Geographical revenue information

Geographical segments	Total income		Non.current assets		Additions to tangible assets		Additions to intangible assets	
	Q1-Q3 2021	Q1-Q3 2020	Q3 2021	Q3 2020	Q3 2021	Q3 2020	Q3 2021	Q3 2020
Faroe Islands	246,047	232,571	117,987	121,137	-3,827	1,151	119	414
Denmark	5,124	-3,355	0	76,455	0	2,809	0	1,726
Greenland	46,732	45,829	45,150	45,356	155	-37	0	0
Total, continuing operations	297,903	275,045	163,137	242,948	-3,672	3,923	119	2,139
Denmark, discontinued operations	274,534	192,462	0	0	0	0	0	0
Total	572,437	467,507	163,137	242,948	-3,672	3,923	119	2,139

Geographical segments	Impairments		Investment portfolio earnings	
	Q1-Q3 2021	Q1-Q3 2020	Q1-Q3 2021	Q1-Q3 2020
Faroe Islands	6,969	-13,320	-212	-19,020
Denmark	28,425	20,753	0	0
Greenland	951	-12,029	0	0
Total, continuing operations	36,344	-4,595	-212	-19,020
Denmark, discontinued operations	16,415	10,873	0	0
Total	52,760	6,277	-212	-19,020

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 2021	Q1-Q3 2020	Q1-Q3 2021	Q1-Q3 2020	Q1-Q3 2021	Q1-Q3 2020	Q3 2021	Q3 2020
Faroe Islands, Banking, Other	233,290	210,009	71,220	54,249	12,819	8,327	156	186
Faroe Islands, Insurance	12,757	22,562	623	10,660	128	1,925	24	25
Denmark, Banking	5,124	-3,355	40,039	5,775	5,082	4,474	1	1
Greenland, Banking	46,732	45,829	27,641	13,104	8,790	2,359	18	20
Total, continuing operations	297,903	275,045	139,522	83,787	26,819	17,084	199	232
Denmark, Banking, discontinued operations	274,534	192,462	106,560	72,046	23,443	15,850	0	130
Total	572,437	467,507	246,081	155,833	50,262	32,934	199	361

Note	DKK 1.000	Group		BankNordik	
		Q1-Q3	Q1-Q3	Q1-Q3	Q1-Q3
		2021	2020	2021	2020
3	Interest income				
	Credit institutions and central banks	1,096	382	1,096	382
	Loans and advances	183,883	186,002	183,883	186,002
	Deposits	28,009	24,650	28,009	24,650
	Bonds	10,797	22,048	9,868	20,971
	Total derivatives of which:	-5,398	-7,391	-5,398	-7,391
	<i>Currency contracts</i>	296	0	296	0
	<i>Interest rate contracts</i>	-5,694	-7,391	-5,694	-7,391
	Other interest income	-18	-148	-18	-148
	Total interest income	218,370	225,544	217,440	224,467
4	Interest expenses				
	Credit institutions and central banks	4,411	1,134	4,411	1,134
	Deposits	1,859	2,175	1,859	2,175
	Subordinated debt	7,374	9,154	7,374	9,154
	Bonds	125	1,667	125	1,667
	Lease liabilities	1,667	1,649	1,667	1,727
	Other interest expenses	600	438	600	361
	Total interest expenses	16,035	16,217	16,035	16,217
5	Net fee and commission income				
	Fee and commission income				
	Securities trading and custody accounts	7,795	4,012	7,795	4,012
	Credit transfers	12,051	10,840	12,051	10,840
	Loan commissions	2,915	3,563	2,915	3,563
	Guarantee commissions	20,730	15,779	20,730	15,779
	Other fees and commissions	18,864	13,336	27,978	21,905
	Total fee and commission income	62,354	47,529	71,468	56,097
	Fee and commissions paid				
	Securities trading and custody accounts	5,544	3,615	5,544	3,615
	Net fee and commission income	56,811	43,913	65,925	52,482
6	Market value adjustments				
	Loans and advances	-16,646	6,281	-16,646	6,281
	Bonds	-23,691	-26,502	-21,255	-24,399
	Shares	11,894	2,674	11,894	2,674
	Foreign exchange	5,575	4,602	5,575	4,602
	Total derivatives of which:	21,540	-6,412	21,540	-6,412
	<i>Currency Swaps</i>	732	690	732	690
	<i>Interest Swaps</i>	18,194	-3,723	18,194	-3,723
	<i>Other contracts</i>	2,614	-3,380	2,614	-3,380
	Total market value adjustments	-1,329	-19,357	1,107	-17,254

Note	DKK 1.000	Group		BankNordik	
		Q1-Q3	Q1-Q3	Q1-Q3	Q1-Q3
		2021	2020	2021	2020
7	Other operating income				
	Profit on sale of properties	1,964	167	1,964	167
	Other income	5,589	3,816	539	935
	Total other operating income	7,553	3,984	2,503	1,103
8	Staff costs and administrative expenses				
	Staff costs:				
	Salaries	90,305	92,198	78,119	80,538
	Pensions	13,100	12,994	11,532	11,476
	Social security expenses	13,719	15,024	12,174	13,527
	Total staff costs	117,125	120,216	101,825	105,541
	Administrative expenses:				
	IT	41,464	40,250	38,015	36,991
	Marketing etc	6,107	4,374	4,929	3,896
	Education etc	1,372	1,356	1,141	1,288
	Advisory services	10,021	455	9,972	455
	Other expenses	18,554	19,901	17,956	17,961
	Total administrative expenses	77,517	66,336	72,013	60,590
	Total staff costs	117,125	120,216	101,825	105,541
	Employee costs included under the item "Claims, net of reinsurance"	-5,774	-6,279	0	0
	Total administrative expenses	77,517	66,336	72,013	60,590
	Total staff costs and administrative expenses	188,869	180,273	173,838	166,131
	Number of employees				
	Average number of full-time employees in the period	210	228	179	199
	Executive remuneration:				
	Board of Directors	1,700	1,925	1,700	1,925
	Executive Board:				
	Salaries	2,236	1,987	2,236	1,987
	- less fees received from directorships	37	242	37	242
	The Bank's expense, salaries	2,199	1,746	2,199	1,746
	Pension	335	298	335	298
	Total executive board	2,535	2,044	2,535	2,044
	Total executive remuneration	4,235	3,969	4,235	3,969

Note	DKK 1.000	Group		BankNordik	
		Q1-Q3	Q1-Q3	Q1-Q3	Q1-Q3
		2021	2020	2021	2020
9	Impairment charges on loans and advances and provisions for guarantees etc.				
	Impairment charges and provisions at 31 December	327,822	345,770	327,822	345,770
	New and increased impairment charges and provisions	79,071	76,522	79,071	76,522
	Reversals of impairment charges and provisions	110,090	61,503	110,090	61,503
	Written-off, previously impaired	12,878	24,690	12,878	24,690
	<i>Interest income on impaired loans</i>	<i>2,914</i>	<i>3,687</i>	<i>2,914</i>	<i>3,687</i>
	Total impairment charges and provisions at 30 Sept.	283,924	336,099	283,924	336,099
	Impairment charges and provisions recognised in the income statement				
	Loans and advances at amortised cost	-37,822	4,834	-37,822	4,834
	Loans and advances at fair value	0	0	0	0
	Guarantees and loan commitments	1,477	-239	1,477	-239
	Total individual impairment charges and provisions	-36,344	4,595	-36,344	4,595
	<i>Reversal of impairment charges in the discontinued activities amounted to DKK 16.4m in Q1-Q3 2021</i>				
	Stage 1 impairment charges				
	Stage 1 impairment charges etc. at 31 December	33,844	7,909	33,844	7,909
	New and increased Stage 1 impairment charges	26,029	17,335	26,029	17,335
	Reversals, net of Stage 1 impairment charges	15,346	4,400	15,346	4,400
	Stage 1 impairment charges at 30 Sept.	44,527	20,844	44,527	20,844
	<i>Total net impact recognised in the income statement</i>	<i>10,683</i>	<i>12,935</i>	<i>10,683</i>	<i>12,935</i>
	Stage 2 impairment charges				
	Stage 2 impairment charges etc. at 31 December	36,509	17,191	36,509	17,191
	New and increased impairment charges	17,327	30,035	17,327	30,035
	Reversals, net of impairment charges	31,234	11,416	31,234	11,416
	Stage 2 impairment charges at 30 Sept.	22,601	35,810	22,601	35,810
	<i>Total net impact recognised in the income statement</i>	<i>-13,908</i>	<i>18,619</i>	<i>-13,908</i>	<i>18,619</i>
	Weak Stage 2				
	Weak Stage 2 impairment charges etc. at 31 December	39,548	35,664	39,548	35,664
	New and increased impairment charges	24,115	21,912	24,115	21,912
	Reversals, net of impairment charges	19,415	13,241	19,415	13,241
	Weak Stage 2 impairment charges at 30 Sept.	44,247	44,335	44,247	44,335
	<i>Total net impact recognised in the income statement</i>	<i>4,700</i>	<i>8,671</i>	<i>4,700</i>	<i>8,671</i>

Note	DKK 1.000	Group		BankNordik	
		Q1-Q3 2021	Q1-Q3 2020	Q1-Q3 2021	Q1-Q3 2020
9	Stage 3 impairment charges				
(cont'd)	Stage 3 impairment charges etc. at 31 December	201,907	269,674	201,907	269,674
	New and increased impairment charges	5,709	3,755	5,709	3,755
	Reversals of impairment charges	39,681	33,522	39,681	33,522
	Written-off, previously impaired	12,878	24,690	12,878	24,690
	<i>Write-offs charged directly to the income statement</i>	192	469	192	469
	<i>Received on claims previously written off</i>	2,604	2,406	2,604	2,406
	<i>Interest income on impaired loans</i>	2,914	3,687	2,914	3,687
	Stage 3 impairment charges at 30 Sept.	155,057	215,218	155,057	215,218
	<i>Total net impact recognised in the income statement</i>	-39,296	-35,391	-39,296	-35,391
	Purchased credit-impaired assets included in stage 3 above				
	Provisions for guarantees and undrawn credit lines				
	Individual provisions at 31 December	16,015	15,333	16,015	15,333
	New and increased provisions	5,891	3,485	5,891	3,485
	Reversals of provisions	4,414	3,724	4,414	3,724
	Provisions for guarantees etc at 30 Sept.	17,492	15,094	17,492	15,094
	<i>Total net impact recognised in the income statement</i>	1,477	-239	1,477	-239
	Provisions for guarantees and undrawn credit lines				
	Stage 1 provisions	1,836	1,473	1,836	1,473
	Stage 2 provisions	2,689	2,189	2,689	2,189
	Weak Stage 2 provisions	200	200	200	200
	Stage 3 provisions	12,766	11,231	12,766	11,231
	Provisions for guarantees etc at 30 Sept.	17,492	15,094	17,492	15,094

Note	DKK 1.000	Group		BankNordik	
		Q1-Q3	Q1-Q3	Q1-Q3	Q1-Q3
		2021	2020	2021	2020
10	Discontinued operations				
	On 22 December 2020 BankNordik entered into a conditional agreement with Spar Nord on the sale of BankNordik's Danish activities. The sale has been approved by the Danish FSA and the Danish Competition and Consumer Authority, and the acquisition was completed with 1 February 2021 as the takeover date.				
	Interest income	7,911	71,588	7,911	71,588
	- of which interest income from deposits	0		0	
	Interest expenses	-643	-5,037	-643	-5,037
	Net interest income	8,554	76,624	8,554	76,624
	Dividends from shares and other investments	0	9,282	0	9,282
	Fee and commission income	10,807	110,421	10,807	110,421
	Fee and commissions paid	0	6,033	0	6,033
	Net dividend, fee and commission income	10,807	113,670	10,807	113,670
	Net interest and fee income	19,361	190,294	19,361	190,294
	Market value adjustments	-1,361	841	-1,361	841
	Other operating income	256,535	759	256,535	759
	Staff costs and administrative expenses	183,799	124,324	183,799	124,324
	Amortisation, depreciation and impairment charges	528	6,397	528	6,397
	Other operating expenses	63	0	63	0
	Impairment charges on loans and advances etc.	-16,415	-10,873	-16,415	-10,873
	Profit before tax	106,560	72,046	106,560	72,046
	Tax	23,443	15,850	23,443	15,850
	Net profit	83,117	56,196	83,117	56,196

Note	Group		BankNordik	
	Sept. 30	Dec. 31	Sept. 30	Dec. 31
10 Assets	2021	2020	2021	2020
(cont'd) Cash in hand and demand deposits with central banks	0	15,310	0	15,310
Amounts due from credit institutions and central banks	0	52,800	0	52,800
Loans and advances at amortised cost	0	2,230,722	0	2,230,722
Assets under pooled schemes	0	800,402	0	800,402
Intangible assets	0	10,141	0	10,141
Total land and buildings	0	59,386	0	59,386
Other property, plant and equipment	0	6,544	0	6,544
Other assets	0	15,537	0	15,537
Prepayments	0	27,100	0	27,100
Total assets	0	3,217,940	0	3,217,940
Liabilities other than provisions				
Amounts due to credit institutions and central banks	0	338	0	338
Deposits and other debt	0	5,629,740	0	5,629,740
Deposits under pooled schemes	0	800,402	0	800,402
Current tax liabilities	0	1,158	0	1,158
Other liabilities	0	83,380	0	83,380
Deferred income	0	1,154	0	1,154
Total liabilities other than provisions	0	6,516,171	0	6,516,171
Provisions for liabilities				
Provisions for losses on guarantees etc	0	2,556	0	2,556
Provisions for other liabilities	0	1,277	0	1,277
Total provisions for liabilities	0	3,833	0	3,833
Total liabilities	0	6,520,004	0	6,520,004
Cash flow statement				
Cash flow from operations		9,138		9,138
Cash flow from investing activities		4,199		4,199
Cash flow from financing activities		-5,556		-5,556
Cash flow		7,781		7,781

Note	DKK 1.000	Group		BankNordik	
		Sept. 30 2021	Dec. 31 2020	Sept. 30 2021	Dec. 31 2020
11	Due from credit institutions etc. specified by maturity				
	On demand	307,855	377,256	307,855	377,256
	3 months and below	0	800,259	0	800,259
	3 months to 1 year	214,042	0	214,042	0
	Total due from credit institutions etc.	521,897	1,177,515	521,897	1,177,515
12	Assets held for sale				
	Total purchase price, at 1 January	4,466	5,112	4,466	5,112
	Additions	0	3,564	0	3,564
	Reclassification from domicile properties	0	902	0	902
	Disposals	902	5,112	902	5,112
	Total purchase price	3,564	4,466	3,564	4,466
	Depreciation and impairment, at 1 January	0	3,612	0	3,612
	Reversal of impairment on disposals during the year	0	3,612	0	3,612
	Total depreciation and impairment	0	0	0	0
	Total assets held for sale	3,564	4,466	3,564	4,466
13	Contingent liabilities				
	Guarantees				
	Financial guarantees	231,771	285,623	231,771	285,623
	Mortgage finance guarantees	777,288	676,508	777,288	676,508
	Registration and remortgaging guarantees	233,962	241,742	233,962	241,742
	Other guarantees	656,681	271,696	656,681	271,696
	Total guarantees	1,899,702	1,475,570	1,899,702	1,475,570

14 **Assets deposited as collateral**

At September 30 2021 the Group had deposited cash amounting to DKK 44m (Q3 2020: 31m) with Danmarks Nationalbank (the Danish Central Bank) in connection with clearing. Deposits of bonds to others in total have a market value of DKK 62m (Q3 2020: 71m).

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 2021.

The consolidated financial statements for the first nine months to 30 September 2021 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 2021, 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 2021.

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 2021

Executive Board

Árni Ellefsen
CEO

Board of Directors

Jóhanna Lava Køtlum
Chairman

Jógvan Jespersen
Vice chairman

Ben Arabo

Sverre Bjerkeli

Michael Ahm

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Rúna Hentze

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

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