

Interim Report

Q1 2021

28 April 2021

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Financial highlights and ratios - BankNordik Group

Highlights	Q1	Q1	Index	Q1	Q4	Q3	Q2	Q1	
	DKK 1,000	2021		2020	2021	2020	2020	2020	2020
Net interest income		66,677	69,321	96	66,677	68,893	69,392	70,614	69,321
Dividends from shares and other investments		505	793	64	505	0	0	2,479	793
Net fee and commission income		18,520	15,671	118	18,520	15,979	14,819	13,423	15,671
Net interest and fee income		85,702	85,785	100	85,702	84,872	84,211	86,516	85,785
Net insurance income		7,202	3,551	203	7,202	11,583	18,325	11,693	3,551
Interest and fee income and income from insurance activities, net		92,904	89,336	104	92,904	96,455	102,536	98,209	89,336
Market value adjustments		1,371	-17,763		1,371	2,389	45,312	-46,905	-17,763
Other operating income		256,452	383		256,452	3,103	1,456	2,145	383
Staff costs and administrative expenses		244,907	60,849	402	244,907	64,063	58,715	60,709	60,849
Impairment charges on loans and advances etc.		-4,518	17,956		-4,518	-9,557	2,298	-15,660	17,956
Net profit continuing operations		86,677	-8,244		86,677	36,448	68,233	6,714	-8,244
Net profit discontinued operations		7,245	-16,029		7,245	6,839	-3,379	75,604	-16,029
Net profit		93,922	-24,272		93,922	43,287	64,853	82,318	-24,272
Loans and advances		7,449,620	7,458,026	100	7,449,620	7,607,901	7,470,650	7,479,595	7,458,026
Bonds at fair value		2,835,773	4,952,913	57	2,835,773	4,472,621	4,080,854	4,461,308	4,952,913
Intangible assets		2,491	10,818	23	2,491	2,432	12,096	11,326	10,818
Assets held for sale		3,564	2,514	142	3,564	4,466	2,363	2,405	2,514
Assets in disposals groups classified as held for sale		0	0		0	3,217,940	0	0	0
Total assets		11,971,157	16,940,493	71	11,971,157	17,290,303	16,746,992	16,868,303	16,940,493
Amounts due to credit institutions and central banks		1,263,398	482,266	262	1,263,398	27,954	47,148	51,963	482,266
Deposits and other debt		7,512,542	7,491,785	100	7,512,542	7,733,408	7,476,585	7,578,031	7,491,785
Liabilities directly associated with assets in disposal groups classified as held for sale		0	0		0	6,520,004	0	0	0
Total shareholders' equity		2,312,540	2,086,980	111	2,312,540	2,271,024	2,229,699	2,167,057	2,086,980
		March 31	March 31		March 31	Dec. 31	Sept. 30	June 30	March 31
		2021	2020		2021	2020	2020	2020	2020
Ratios and key figures									
Solvency									
Total capital ratio, %		36.2	23.4		36.2	26.4	24.9	24.0	23.4
Core capital ratio, %		33.1	21.3		33.1	24.1	22.6	21.8	21.3
CET 1 capital		31.0	19.8		31.0	22.6	21.1	20.3	19.8
Risk-weighted Items, DKK mill		7,147	10,405		7,147	9,774	9,883	10,286	10,405
Profitability									
Return on shareholders' equity after tax, %		4.1	-1.2		4.1	1.9	3.0	3.9	-1.2
Cost / income, %		69.1	112.7		69.1	55.3	42.0	88.3	112.7
Cost / income, % (excl. value adjustm. and impairments)		70.6	70.3		70.6	66.2	58.1	62.7	70.3
Return on assets		0.8	-0.1		0.8	0.3	0.4	0.5	-0.1
Market risk									
Interest rate risk, %		0.4	1.0		0.4	0.5	0.4	1.6	1.0
Foreign exchange position, %		0.7	1.2		0.7	1.0	1.1	1.5	1.2
Foreign exchange risk, %		0.0	0.0		0.0	0.0	0.0	0.0	0.0
Liquidity									
Liquidity Coverage Ratio (LCR), %		211.7	177.7		211.7	231.1	227.3	232.6	177.7
Credit risk									
Change in loans and advances, %		-2.1	-24.7		-2.1	1.8	-0.1	0.3	-24.7
Gearing of loans and advances		3.2	3.6		3.2	3.3	3.4	3.5	3.6
Impairment and provisioning ratio, end of period, %		3.6	4.0		3.6	5.1	3.8	4.0	4.0
Write-off and provisioning ratio, %		0.0	0.2		0.0	-0.1	0.0	-0.2	0.2
Share of amounts due on which interest rates have been reduced, end of period, %		0.7	0.8		0.7	0.7	0.7	0.7	0.8
Shares									
Earnings per share after tax (nom. DKK 20), DKK		9.8	-2.5		9.8	4.5	6.8	8.6	-2.5
Market price per share (nom. DKK 20), DKK		156.0	99.0		156.0	152.0	110.0	101.0	99.0
Book value per share (nom. DKK 20), DKK		241.6	218.9		241.6	237.3	233.5	227.3	218.9
Other									
Number of full-time employees, end of period		218	359		218	352	361	363	359

Financial review

“We sold our Danish business effective 1 February, finalising the satisfactory agreement we entered into with Spar Nord in December of last year. The sales process proceeded as planned, and we expect the handover of the divested customer base to be completed by 19 June. Considering the reduced REA resulting from the sale, we expect to distribute DKK 700m in extraordinary dividends to our shareholders during 2021-2023, provided such payout would be in compliance with the regulatory guidelines in place at the time of distribution,” said BankNordik CEO Árni Ellefsen.

“Following the divestment, we’ve made changes to our group organisation in order to ensure that our operations remain cost efficient. Our focus going forward is to retain our strong market positions in the Faroese banking market and also to build profitable growth in Greenland and in our insurance business. We aim to do that by offering good customer experiences and competitive products. We saw high customer activity and rising income flows in both markets in the first quarter of the year, and we further developed our portfolio of green products intended to encourage and support our customers in making sustainable choices,” said Ellefsen.

Income statement

Income statement, Group

DKKm	Index			Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
	Q1 2021	Q1 2020	21/20					
Net interest income	64	63	101	64	65	65	65	63
Net fee and commission income	17	16	111	17	16	15	13	16
Net insurance income	7	4	203	7	12	18	12	4
Other operating income (less reclassification)	9	5	169	9	8	6	5	5
Operating income	97	87	111	97	101	104	95	87
Operating costs ¹	-59	-59	99	-59	-62	-57	-59	-59
Sector costs	0	0		0	0	0	0	0
Profit before impairment charges	38	28	136	38	38	47	36	28
Impairment charges, net	-3	-18	19	-3	10	-2	16	-18
Operating profit	35	10	347	35	48	44	52	10
Non-recurring items ²	77	0		77	0	0	0	0
Profit before investment portfolio earnings and tax	111	10	1,109	111	48	44	52	10
Investment portfolio earnings ³	-3	-21		-3	1	3	15	-21
Profit before tax, continuing operations	108	-11	957	108	49	48	66	-11
Profit before tax, discontinued operations	9	-18	51	9	1	35	37	-18
Profit before tax, total	118	-30	397	118	51	82	103	-30
Tax	24	-5	442	24	7	17	21	-5
Net profit	94	-24	387	94	43	65	82	-24
Operating cost/income, %	60	68		60	62	55	62	68
Number of FTE, end of period	218	228	96	218	228	232	228	228

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).

The following comments relate to the adjusted figures and are generally stated relative to Q4 2020. Due to seasonal variations, comments on the insurance segment are made relative to Q1 2020.

Operating income

The BankNordik Group generated operating income of DKK 97m in Q1 2021, a decrease of DKK 3m compared to Q4 2020.

Net interest income

Net interest income was DKK 64m in Q1 2021, DKK 1m lower than in Q4 2020.

Net fee and commission income

Net fee and commission income amounted to DKK 17m in Q1 2021, an increase of 1m compared to Q4 2020.

Net insurance income

Net insurance income amounted to DKK 7m in Q1 2021, DKK 4m higher than in Q1 2020.

Operating and sector costs

Operating costs amounted to DKK 59m in Q1 2021, down by DKK 3m relative to Q4 2020 and continuing the downward trend seen in each quarter since the organisational changes implemented in Q4 2019.

Profit before impairment charges

Profit before impairment charges was DKK 38m in Q1 2021, flat relative to Q4 2020.

Impairment charges

Net impairment came in at DKK 3m in Q1 2021, compared to a reversal of DKK 10m in Q4 2020.

Operating profit

As a result, operating profit came in at DKK 35m in Q1 2021 compared to DKK 48m in Q4 2020.

Non-recurring items

Due to sale of BankNordik's Danish business being finalised in Q1 2021, non-recurring income of DKK 77m was realised in the quarter.

Profit before tax

Due to the one-off income of DKK 77m from the sale of the Bank's Danish business, profit before tax increased by DKK 59m quarter on quarter to DKK 108m in Q1 2021 for the Group's continuing operations. A further DKK 9m of the sale proceeds was attributed to the Group's discontinued operations, and therefore the Group's profit before tax increased by DKK 67m in Q1 2021 relative to Q4 2020 to DKK 118m.

Balance sheet

BankNordik's total assets at 31 March 2021 amounted to DKK 12.0bn. Loans and advances were DKK 7.4bn, i.e. down by DKK 158m compared to 31 December 2020. Deposits were DKK 7.5bn, a decrease of DKK 221m compared to 31 December 2020.

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

DKK 2.8bn, a decrease of DKK 1.6bn compared to 31 December 2020. Liquidity invested in equities amounted to DKK 273m, a decrease of DKK 37m relative to 31 December 2020. The Group's liquidity indicator was 214.4% at 31 March 2021, well above the requirement of 100%. The Group's LCR at 31 March 2021 was 211.7%, also well above the requirement of 100%. Shareholder's equity at 31 March 2021 amounted to DKK 2,313m, up by DKK 42m compared to 31 December 2020.

Capital ratios

At 31 March 2021, the Group's CET1 capital ratio was 31.0%, the core capital ratio was 33.1% and the total capital ratio was 36.2%. The net profit for the Q1 2021 period is not reflected in the solvency statement.

Compliance with the Danish FSA Supervisory Diamond

The Supervisory Diamond			
	Q1 2021	Q1 2020	FSA limit
Sum of large exposures	117.4%	132.9%	< 175%
Liquidity indicator	214.4%	214.4%	>100 %
Loan growth	-0.1%	-0.2%	< 20 %
Funding ratio	0.73	0.65	< 1.0
Property exposure	11.2%	7.6%	< 25 %

At 31 March 2021, the Group was in compliance with all Supervisory Diamond requirements set by the Danish FSA.

Events after the balance sheet date

No events have occurred since 31 March 2021 that are deemed to have a significant impact on the Group's financial position.

Outlook 2021

Management reconfirms the FY2021 guidance of operating net profit in the range of DKK 150-200m.

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	Income statement Q1 2021, Group, DKK 1,000	Income statement	Restatement	Restated income statement
1, 8	Net interest income	66,677	-2,954	63,723
2	Net fee and commission income	19,025	-1,587	17,438
	Net insurance income	7,202		7,202
2, 5, 6	Other operating income	256,452	-247,583	8,869
	Operating income	349,355	-252,124	97,232
3, 7	Operating costs	246,526	-187,812	58,714
	Sector costs	281	0	281
	Profit before impairment charges	102,548	-64,312	38,236
4	Impairment charges	-4,518	7,877	3,359
	Operating profit	107,066	-72,189	34,877
3, 4, 5	Non-recurring items	0	76,619	76,619
	Profit before investment portfolio earnings and tax	107,066	4,430	111,496
1, 6, 9	Investment portfolio earnings	1,371	-4,430	-3,059
	Profit before tax, continuing operations	108,437	0	108,437
7, 8, 9	Profit before tax, discontinued operations	9,289	0	9,289
	Profit before tax, total	117,726	0	117,726
Note Income statement Q1 2020, Group, DKK 1,000				
1, 8	Net interest income	69,321	-6,410	62,911
2	Net fee and commission income	16,464	-793	15,671
	Net insurance income	3,551	0	3,551
2, 5, 6	Other operating income	383	4,853	5,236
	Operating income	89,719	-2,350	87,369
3, 7	Operating costs	62,796	-3,582	59,214
	Sector costs	314	-173	141
	Profit before impairment charges	26,609	1,405	28,014
4	Impairment charges	17,956	0	17,956
	Operating profit	8,653	1,405	10,058
3, 4, 5	Non-recurring items	0	0	0
	Profit before investment portfolio earnings and tax	8,653	1,405	10,058
1, 6, 9	Investment portfolio earnings	-17,763	-3,619	-21,382
	Profit before tax, continuing operations	-9,111	-2,214	-11,325
7, 8, 9	Profit before tax, discontinued operations	-20,549	2,214	-18,335
	Profit before tax, total	-29,660	0	-29,660
Note Restatements made to the income statement, DKK 1,000				
		Q1 2021	Q1 2020	
1	Reclassification of interest income from bonds from the item Interest income to Investment portfolio earnings.	2,954	7,547	
2	Dividends reclassified from Net fee and commission income to Other operating income.	505	793	
3	Reclassification of IT-costs, severance costs and other costs from Operating costs to Non-recurring items.	186,258	0	
4	Reclassification of impairment charges to Non-recurring items.	7,877	0	
5	Reclassification of goodwill payment from Other operating income to Non-recurring items.	255,000	0	
6	Reclassification of value adjustments related to sector shares and of profit or loss from currency transactions to Other operating income.	6,912	4,060	
7	Operating costs allocated to the Greenland segment	0	3,582	
8	Interests allocated to the Danish segment	0	1,137	
9	Value adjustments allocated to the Danish segment	0	7,106	

BankNordik Group by segment

Note that the financial results as presented in the item Investment portfolio earnings along with other operating costs than direct costs are not recognised under the business segments Corporate Banking and Personal Banking. From and including the Q3 2021 interim report we aim at include other costs than direct costs under the business segments Corporate Banking and Personal Banking.

Income statement, Banking

DKKm	Q1	Q1 2020	Index	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
	2021		21/20					
Net interest income	64	63	102	64	65	65	65	63
Net fee and commission income	20	18	111	20	19	18	16	18
Other operating income	7	5	148	7	7	5	4	5
Operating income	91	86	106	91	91	87	85	86
Operating cost	-54	-55	97	-54	-58	-52	-53	-55
Sector costs	0	0		0	0	0	0	0
Profit before impairment charges	37	31	122	37	33	35	32	31
Impairment charges, net	-3	-18	19	-3	10	-2	16	-18
Operating profit	34	13	269	34	43	32	48	13
Non-recurring items	77	0		77	0	0	0	0
Profit before investment portfolio earnings and tax	111	13	873	111	43	32	48	13
Investment portfolio earnings	-2	-20		-2	2	4	15	-20
Profit before tax, continuing operations	108	-8		108	44	36	62	-8
Profit before tax, discontinued operations	9	-18	51	9	1	35	37	-18
Profit before tax, total	118	-26	449	118	46	71	99	-26
Loans and advances	7,450	7,416	100	7,450	7,608	7,501	7,479	7,416
Deposits and other debt	7,536	7,468	101	7,536	7,756	7,531	7,581	7,468
Mortgage credit	2,443	2,057	119	2,443	2,375	2,284	2,121	2,057
Operating cost/income, %	59	64		59	63	60	62	64
Number of FTE, end of period	186	195	95	186	196	199	197	195

Personal Banking

The Personal Banking segment reported operating income of DKK 52m in Q1 2021, DKK 1m lower than in Q4 2020.

Net interest income and operating income were unchanged compared to the previous quarter at DKK 34m and DKK 4m, respectively. Net fee and commission income in Q1 2021 fell by DKK 2m quarter on quarter.

Operating costs were DKK 37m in Q1 2021, a fall of DKK 1m compared to Q4 2020. Impairment charges amounted to a reversal of DKK 6m in Q1 2021 compared to a reversal of DKK 3m in Q4 2020.

As a result, operating profit in the quarter was DKK 43m in Q1 2021, an increase of DKK 2m over the previous quarter.

Bank loans and advances to personal customers during the quarter fell by DKK 28m to DKK 3,559m, whereas mortgage-broking services increased by DKK 78m to DKK 2,152m, both compared to 31 December 2020. 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 increased by DKK 65m during the quarter to DKK 5,205m at 31 March 2021.

Income statement, Personal banking

DKK m	Index							
	Q1 2021	Q1 2020	21/20	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Net interest income	34	33	102	34	34	34	34	33
Net fee and commission income	14	13	103	14	15	17	14	13
Other operating income	4	6	66	4	4	4	2	6
Operating income	52	53	98	52	53	55	51	53
Operating costs ¹	-14	-15	96	-14	-15	-13	-16	-15
Sector costs	0	0		0	0	0	0	0
Profit before impairment charges	37	38	98	37	38	42	35	38
Impairment charges, net	6	-2	326	6	3	-4	-2	-2
Operating profit	43	36	119	43	41	38	33	36
Non-recurring items	0	0		0	0	0	0	0
Profit before investment portfolio earnings and tax	43	36	119	43	41	38	33	36
Profit before tax, continuing operations	43	36	119	43	41	38	33	36
Profit before tax, discontinued operations	9	28	34	9	32	48	39	28
Profit before tax, total	52	64	82	52	73	86	72	64
Loans and advances	3,559	3,628	98	3,559	3,587	3,581	3,636	3,628
Deposits and other debt	5,205	4,625	113	5,205	5,140	5,144	5,112	4,625
Mortgage credit	2,152	1,861	116	2,152	2,074	2,003	1,872	1,861
Operating cost/income, %	28	28		28	28	24	31	28
Number of FTE, end of period	77	79	97	77	80	79	82	79

1) Other costs than direct costs are not included.

Corporate Banking

Corporate Banking activities reported operating income of DKK 42m in Q1 2020, up by DKK 1m compared to Q4 2020.

Net interest income fell by DKK 1m in Q1 2021 compared to the previous quarter. Net fee and commission income and other operating income both increased by DKK 1m to DKK 6m and DKK 2m, respectively, compared to the previous quarter.

Operating costs were flat at DKK 5m in Q1 2021 compared to Q4 2020. Impairment charges for Q1 2021 came in at DKK 18m, a rather significant increase on the previous quarter, which saw a reversal of DKK 4m.

As a result, operating profit in Q1 2021 halved to DKK 20m compared to Q4 2020.

Corporate loans and advances fell by DKK 118m in the first quarter of 2021 to DKK 3,856m at 31 March 2021, while deposits fell by DKK 284m in the same period to DKK 2,323m.

Income statement, Corporate Banking

DKKm	Index							
	Q1 2021	Q1 2020	21/20	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Net interest income	34	33	103	34	35	34	35	33
Net fee and commission income	6	4	142	6	5	4	4	4
Other operating income	2	1	186	2	1	1	1	1
Operating income	42	38	110	42	41	40	39	38
Operating costs ¹	-5	-4	105	-5	-5	-4	-5	-4
Sector costs	0	0		0	0	0	0	0
Profit before impairment charges	38	34	110	38	36	36	34	34
Impairment charges, net	-18	-15	116	-18	4	2	17	-15
Operating profit	20	19	106	20	40	38	51	19
Non-recurring items	0	0		0	0	0	0	0
Profit before investment portfolio earnings and tax	20	19	106	20	40	38	51	19
Profit before tax	20	19	106	20	40	38	51	19
Loans and advances	3,856	3,819	101	3,856	3,974	3,847	3,831	3,819
Deposits and other debt	2,323	2,892	80	2,323	2,607	2,347	2,469	2,892
Mortgage credit	291	196	148	291	301	281	249	196
Operating cost/income, %	11	11		11	12	10	13	11
Number of FTE, end of period	15	17	88	15	16	17	17	17

1) Other costs than direct costs are not included.

Insurance: Trygd

Trygd's premium income was DKK 30m in Q1 2021, flat compared to Q1 2020. Claims fell by DKK 4m in Q1 2021 compared to the same period last year to DKK 26m.

Operating costs were DKK 6m in Q1 2021, flat compared to the first quarter of 2020. As a result, Trygd saw a quarterly loss before tax of DKK 2m compared to a quarterly loss of DKK 6m in Q1 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 cost 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, which adds volatility to the financials results.

Income statement, Trygd

DKKm	Index			Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
	Q1 2021	Q1 2020	21/20					
Premium income, net of reinsurance	30	30	100	30	30	31	30	30
Claims, net of reinsurance	-26	-29	88	-26	-23	-14	-18	-29
Net insurance income	4	1	465	4	7	16	12	1
Net income from investment activities	-1	-1		-1	0	0	0	-1
Operating income	4	0	1,156	4	7	16	12	0
Operating cost	-6	-6	106	-6	-5	-6	-6	-6
Profit before tax	-2	-6	40	-2	2	11	6	-6
Combined ratio	106	116		106	93	65	81	116
Claims ratio	85	97		85	76	46	60	97
Number of FTE, end of period	24	25	98	24	25	25	24	25

Income statement

Note	DKK 1,000	Group		BankNordik	
		Q1 2021	Q1 2020	Q1 2021	Q1 2020
3	Interest income	72,981	75,397	72,526	74,898
	- of which interest income from deposits	9,932	7,869	9,932	7,869
4	Interest expenses	6,304	6,076	6,304	6,063
	- of which interest expenses from assets	1,335	1,194	1,335	1,194
	Net interest income	66,677	69,321	66,222	68,835
	Dividends from shares and other investments	505	793	505	793
5	Fee and commission income	21,373	16,928	24,403	19,747
5	Fee and commissions paid	2,853	1,257	2,853	1,257
	Net dividend, fee and commission income	19,025	16,464	22,055	19,284
	Net interest and fee income	85,702	85,785	88,277	88,119
	Premium income, net of reinsurance	33,720	33,325		
	Claims, net of reinsurance	26,518	29,773		
	Interest and fee income and income from insurance activities, net	92,904	89,336	88,277	88,119
6	Market value adjustments	1,371	-17,763	2,531	-16,493
7	Other operating income	256,452	383	254,784	5
8	Staff costs and administrative expenses	244,907	60,849	240,066	57,210
	Amortisation, depreciation and impairment charges	1,619	1,947	1,513	1,753
	Other operating expenses	281	314	281	314
9	Impairment charges on loans and advances etc.	-4,518	17,956	-4,518	17,956
	Income from investments accounted for under the equity method	0	0	154	-2,876
	Profit before tax from continuing operations	108,437	-9,111	108,403	-8,479
	Tax	21,760	-867	21,726	-236
	Net profit from continuing operations	86,677	-8,244	86,677	-8,244
10	Discontinued operations, net of tax	7,245	-16,029	7,245	-16,029
	Net profit	93,922	-24,272	93,922	-24,272
	Portion attributable to				
	Shareholders of BankNordik P/F	93,922	-24,272	93,922	-24,272
	Net profit	93,922	-24,272	93,922	-24,272
	EPS Basic for the period, discontinuing operations, DKK*	0.76	-1.68	0.76	-1.68
	EPS Diluted for the period, discontinuing operations, DKK*	0.76	-1.68	0.76	-1.68
	EPS Basic for the period, continuing operations, DKK*	9.06	-0.86	9.06	-0.86
	EPS Diluted for the period, continuing operations, DKK*	9.06	-0.86	9.06	-0.86

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

Statement of comprehensive income - BankNordik

DKK 1,000	Group		BankNordik	
	Q1 2021	Q1 2020	Q1 2021	Q1 2020
Net profit	93,922	-24,272	93,922	-24,272
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	90,802	-24,272	90,802	-24,272
Portion attributable to				
Shareholders of BankNordik P/F	89,063	-25,985	89,063	-25,985
Additional Tier 1 capital holders	1,739	1,713	1,739	1,713
Total comprehensive income	90,802	-24,272	90,802	-24,272

Balance Sheet

Note	DKK 1,000	Group		BankNordik	
		March 31 2021	Dec. 31 2020	March 31 2021	Dec. 31 2020
Assets					
	Cash in hand and demand deposits with central banks	933,800	208,010	933,573	207,843
11	Amounts due from credit institutions and central banks	138,466	1,177,515	138,466	1,177,515
9	Loans and advances at fair value	462,927	473,357	462,927	473,357
9	Loans and advances at amortised cost	6,986,693	7,134,544	6,986,693	7,134,544
	Bonds at fair value	2,835,773	4,472,621	2,650,305	4,255,519
	Shares, etc.	272,522	309,443	272,522	309,443
	Assets under insurance contracts	9,906	9,556	0	0
	Holdings in associates	6,706	6,706	6,706	6,706
	Holdings in subsidiaries	0	0	99,240	143,086
	Assets under pooled schemes	868	0	868	0
	Intangible assets	2,491	2,432	2,491	2,432
	Total land and buildings	144,441	144,688	141,803	142,043
	Domicile property	74,001	73,253	71,363	70,608
	Domicile property (lease asset)	70,440	71,436	70,440	71,436
	Other property, plant and equipment	8,629	7,543	7,605	6,439
	Current tax assets	13,738	13,604	13,738	13,604
	Deferred tax assets	195	195	0	0
12	Assets held for sale	3,564	4,466	3,564	4,466
	Other assets	132,124	69,190	129,392	67,297
	Prepayments	18,314	38,491	17,279	37,412
10	Assets in disposal groups classified as held for sale	0	3,217,940	0	3,217,940
Total assets		11,971,157	17,290,303	11,867,173	17,199,646

Balance Sheet

Note	DKK 1,000	Group		BankNordik		
		March 31 2021	Dec. 31 2020	March 31 2021	Dec. 31 2020	
		Shareholders' equity and liabilities				
		Liabilities other than provisions				
		Amounts due to credit institutions and central banks	1,263,398	27,954	1,263,398	27,954
		Deposits and other debt	7,512,542	7,733,408	7,536,924	7,755,724
		Deposits under pooled schemes	868	0	868	0
		Liabilities under insurance contracts	117,686	98,231	0	0
		Current tax liabilities	54,991	31,136	51,882	28,060
		Other liabilities	299,443	205,995	292,236	195,264
		Deferred income	4,865	4,198	4,501	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	9,253,793	14,620,926	9,149,809	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	20,270	16,015	20,270	16,015
		Provisions for other liabilities	4,845	3,641	4,845	3,641
		Total provisions for liabilities	27,328	22,749	27,328	22,749
		Subordinated debt				
		Subordinated debt	224,848	224,695	224,848	224,695
		Total liabilities	9,505,969	14,868,370	9,401,984	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	2,114,416	2,021,781	2,114,416	2,021,781
		Proposed dividends	0	48,000	0	48,000
		Shareholders of the Parent Company	2,312,540	2,271,024	2,312,540	2,271,024
		Additional tier 1 capital holders	152,649	150,909	152,649	150,909
		Total equity	2,465,188	2,421,933	2,465,188	2,421,933
		Total liabilities and equity	11,971,157	17,290,303	11,867,173	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	92,183	92,183	1,739	93,922
Total comprehensive income		-3,120	0	92,183	89,063	1,739	90,802
Sale of own shares				306	306		306
Dividends paid			-48,000	146	-47,854		-47,854
Shareholders' equity at March 31, 2021	192,000	6,123	0	2,114,417	2,312,540	152,649	2,465,188

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 7. 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				-25,985	-25,985	1,713	-24,272
Total comprehensive income				-25,985	-25,985	1,713	-24,272
Sale of own shares				631	631		631
Dividends paid			-67,200	67,200	0		0
Shareholders' equity at March 31, 2020	192,000	9,243	0	1,885,737	2,086,980	152,466	2,239,447

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	92,183	92,183	1,739	93,922
Total comprehensive income		-3,120	0	92,183	89,063	1,739	90,802
Sale of own shares				306	306		306
Dividends paid			-48,000	146	-47,854		-47,854
Shareholders' equity at March 31, 2021	192,000	6,123	0	2,114,416	2,312,540	152,649	2,465,188

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 7. 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				-25,985	-25,985	1,713	-24,272
Total comprehensive income		0	0	-25,985	-25,985		-24,272
Sale of own shares				631	631		631
Suspended dividend payment			-67,200	67,200	0		0
Shareholders' equity at March 31, 2020	192,000	9,243	0	1,885,106	2,086,980	152,466	2,239,447

Capital and Solvency - BankNordik

Solvency DKK 1,000	March 31 2021	Dec. 31 2020
Core capital	2,365,741	2,356,719
Total capital	2,590,589	2,581,414
Risk-weighted items not included in the trading portfolio	6,115,338	8,120,941
Risk-weighted items with market risk etc.	419,185	584,300
Risk-weighted items with operational risk	612,724	1,068,984
Total risk-weighted items	7,147,247	9,774,225
CET 1 capital ratio	31.0%	22.6%
Core capital ratio	33.1%	24.1%
Total capital ratio	36.2%	26.4%
Core Capital and Shareholders' equity		
Share capital	192,000	192,000
Reserves	6,123	9,243
Net profit	93,922	166,186
Retained earnings, previous years	2,025,061	1,908,332
Shareholders' equity, before deduction of holdings of own shares	2,317,107	2,275,762
Deduction of dividend	0	48,000
Deduction of net profit	93,922	0
Deduction of holdings of own shares	4,567	4,738
Deduction of intangible assets	2,491	12,572
Deduction regarding prudent valuation of financial instruments	3,034	4,642
CET 1 capital	2,213,093	2,205,809
Hybrid core capital	152,649	150,909
Core capital	2,365,741	2,356,719
Total capital		
Core capital	2,365,741	2,356,719
Subordinated loan capital	224,848	224,695
Total capital	2,590,589	2,581,414

Cash flow statement - BankNordik Group

	Group Q1 2021	Group Full year 2020
DKK 1,000		
Cash flow from operations		
Profit before tax	117,726	206,441
Amortisation and impairment charges for intangible assets	53	653
Interest expence on leasing liabilities	556	3,299
Depreciation and impairment charges of tangible assets	1,566	17,754
Impairment of loans and advances/guarantees	-4,518	-12,241
Paid tax	0	-40,537
Other non-cash operating items	-472	-4,796
Total	114,910	170,573
Changes in operating capital		
Change in loans at fair value	0	40,878
Change in loans at amortised cost	152,368	45,998
Change in holding of bonds	1,626,179	1,100,638
Change in holding of shares	43,810	12,519
Change in deposits	-288,976	-1,004,537
Due to credit institutions and central banks	1,235,445	-26,631
Change in other assets / liabilities	46,765	-7,023
Assets/liabilities under insurance contracts	19,104	1,929
Prepayments	20,845	1,946
Cash flow from operations	2,970,450	336,290
Cash flow from investing activities		
Divestment of businesses, net of cash	-3,302,064	0
Dividends received	505	12,559
Acquisition of intangible assets	-112	-3,268
Acquisition of tangible assets	-1,348	-4,014
Sale of tangible assets	0	30
Cash flow from investing activities	-3,303,019	5,307
Cash flow from financing activities		
Paid interest on additional tier 1 capital	0	-6,750
Acquisition of own shares	0	-591
Sale of own shares	306	0
Payment of dividends	-48,000	0
Payment of dividends, own shares	146	0
Principal portion of lessee lease payments	-1,253	-10,505
Cash flow from financing activities	-48,800	-17,846
Cash flow	-381,369	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	-381,369	323,751
Cash and due etc.	1,072,266	1,453,635
Cash and due etc.		
Cash in hand and demand deposits with central banks	933,800	223,320
Due from credit institutions, etc.	138,466	1,230,315
Total	1,072,266	1,453,635

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

Note 1 Significant accounting policies

The consolidated financial statements for the first three 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 2021				Banking		Non-life Insurance	Elimination	Continuing operations	Discontinued operations	Group
	Private	Corporate	Other	Total	Faroe Islands			Total		Total	
2	DKK 1,000										
	External interest income, Net	33,755	34,374	-1,789	66,340	337		66,677	8,554	75,231	
	Internal interest	0	0	0	0	0		0	0	0	
	Net interest income	33,755	34,374	-1,789	66,340	337		66,677	8,554	75,231	
	Net Fee and dividends income	14,896	6,046	114	21,056	-2,031		19,025	10,807	29,832	
	Premium income, net of reinsurance	0	0	4,230	4,230	30,104	-614	33,720	0	33,720	
	Net premium income of reinsurance and claims	0	0	3,331	3,331	4,485	-614	7,202	0	7,202	
	Other income	1,566	1,881	256,113	259,560	-882	-855	257,823	-98	257,725	
	Total income	50,217	42,301	257,769	350,287	1,909	-1,469	350,727	19,263	369,989	
	Total operating expenses	14,605	4,640	224,898	244,143	4,134	-1,469	246,807	18,489	265,296	
	<i>of which depreciation and amortisation</i>	<i>211</i>	<i>0</i>	<i>1,334</i>	<i>1,545</i>	<i>74</i>		<i>1,618</i>	<i>528</i>	<i>2,146</i>	
	Profit before impairment charges on loans	35,612	37,662	32,871	106,144	-2,225		103,920	773	104,693	
	Impairment charges	-5,891	17,784	-16,410	-4,517	0		-4,517	-8,515	-13,033	
	Profit before tax	41,503	19,878	49,281	110,662	-2,225		108,437	9,289	117,726	
	Total assets	3,763,566	3,977,107	4,057,030	11,797,703	178,086		11,975,789	0	11,975,789	
	<i>of which Loans and advances</i>	<i>3,634,025</i>	<i>3,815,596</i>		<i>7,449,620</i>	<i>0</i>		<i>7,449,620</i>	<i>0</i>	<i>7,449,620</i>	
	Total liabilities	5,209,250	2,327,673	1,948,651	9,485,575	0		9,485,575	0	9,485,575	
	<i>of which Deposits</i>	<i>5,209,250</i>	<i>2,327,673</i>		<i>7,536,924</i>		<i>-24,382</i>	<i>7,512,542</i>	<i>0</i>	<i>7,512,542</i>	
	<i>of which Insurance liabilities</i>			<i>3,658</i>		<i>114,028</i>		<i>117,686</i>	<i>0</i>	<i>117,686</i>	

Operating segments Q1 2020	Banking				Non-life Insurance	Elimination	Continuing operations	Discontinued operations	Group	
	Private	Corporate	Other	Total	Faroe Islands		Total		Total	
	DKK 1,000									
	External interest income, Net	33,567	33,226	2,145	68,939	382		69,321	25,423	94,743
	Internal interest	0	0	0	0	0		0	0	0
	Net interest income	33,567	33,226	2,145	68,939	382		69,321	25,423	94,743
	Net Fee and dividends income	15,032	4,251	-891	18,393	-1,928		16,464	38,709	55,174
	Premium income, net of reinsurance	0	0	3,798	3,798	30,128	-601	33,325	0	33,325
	Net premium income of reinsurance and claims	0	0	3,188	3,188	965	-601	3,551	0	3,551
	Other income	41,979	1,012	-58,027	-15,035	-1,006	-1,340	-17,380	-32,986	-50,366
	Total income	90,579	38,490	-53,584	75,484	-1,587	-1,941	71,956	31,146	103,102
	Total operating expenses	-5,491	4,394	62,234	61,136	3,915	-1,941	63,110	45,996	109,106
	<i>of which depreciation and amortisation</i>	<i>1,476</i>	<i>0</i>	<i>339</i>	<i>1,815</i>	<i>132</i>		<i>1,947</i>	<i>2,754</i>	<i>4,701</i>
	Profit before impairment charges on loans	96,069	34,096	-115,818	14,348	-5,502		8,846	-14,850	-6,004
	Impairment charges	1,813	15,347	796	17,956	0		17,956	5,700	23,656
	Profit before tax	94,256	18,749	-116,614	-3,609	-5,502	0	-9,111	-20,549	-29,660
	Total assets	6,354,201	3,907,242	6,469,555	16,730,998	209,494		16,940,493	0	16,940,493
	<i>of which Loans and advances</i>	<i>6,151,830</i>	<i>3,818,781</i>		<i>9,970,611</i>	<i>0</i>		<i>9,970,611</i>	<i>0</i>	<i>9,970,611</i>
	Total liabilities	10,006,810	2,896,123	1,675,366	14,578,299	122,747		14,701,046	0	14,701,046
	<i>of which Deposits</i>	<i>10,006,810</i>	<i>2,896,123</i>		<i>12,902,933</i>		<i>-32,084</i>	<i>12,870,849</i>	<i>0</i>	<i>12,870,849</i>
	<i>of which Insurance liabilities</i>			<i>3,159</i>		<i>112,867</i>		<i>116,026</i>	<i>0</i>	<i>116,026</i>

BankNordik Group - Geographical revenue information

Geographical segments	Total income		Non.current assets		Additions to tangible assets		Additions to intangible assets	
	Q1 2021	Q1 2020	Q1 2021	Q1 2020	Q1 2021	Q1 2020	Q1 2021	Q1 2020
Faroe Islands	82,111	53,158	120,243	123,534	-3,268	416	59	131
Denmark	35,059	7,500	0	76,538	0	243	0	731
Greenland	14,643	11,298	45,295	45,731	48	113	0	0
Total, continuing operations	131,812	71,956	165,538	245,803	-3,221	772	59	861
Denmark, discontinued operations	19,263	31,146	0	0	0	0	0	0
Total	151,075	103,102	165,538	245,803	-3,221	772	59	861

Geographical segments	Impairments		Investment portfolio earnings	
	Q1 2021	Q1 2020	Q1 2021	Q1 2020
Faroe Islands	-7,827	-11,373	1,371	-17,763
Denmark	2,920	738	0	0
Greenland	1,547	-7,322	0	0
Total, continuing operations	-3,360	-17,956	1,371	-17,763
Denmark, discontinued operations	8,515	-5,700	0	0
Total	5,156	-23,656	1,371	-17,763

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 2021	Q1 2020	Q1 2021	Q1 2020	Q1 2021	Q1 2020	Q1 2021	Q1 2020
Faroe Islands, Banking, Other	80,202	54,745	18,147	-5,125	2,392	249	173	183
Faroe Islands, Insurance	1,909	-1,587	-2,225	-5,502	-400	-990	24	25
Denmark, Banking	35,059	7,500	127,711	4,217	16,886	360	1	1
Greenland, Banking	14,643	11,298	9,062	-2,700	2,882	-486	19	19
Total, continuing operations	131,812	71,956	152,695	-9,111	21,760	-867	218	228
Denmark, Banking, discontinued operations	19,263	31,146	9,289	-20,549	2,044	-4,521	0	131
Total	151,075	103,102	161,984	-29,660	23,803	-5,388	218	359

Notes

Note	DKK 1.000	Group		BankNordik	
		Q1 2021	Q1 2020	Q1 2021	Q1 2020
3	Interest income				
	Credit institutions and central banks	255	68	255	68
	Loans and advances	60,957	61,947	60,957	61,947
	Deposits	9,932	7,869	9,932	7,869
	Bonds	3,636	8,698	3,181	8,199
	Total derivatives of which:	-1,800	-3,092	-1,800	-3,092
	<i>Currency contracts</i>	125	-127	125	-127
	<i>Interest rate contracts</i>	-1,925	-2,965	-1,925	-2,965
	Other interest income	0	-94	0	-94
	Total interest income	72,981	75,397	72,526	74,898
4	Interest expenses				
	Credit institutions and central banks	1,210	160	1,210	160
	Deposits	830	1,418	830	1,405
	Subordinated debt	3,396	3,041	3,396	3,041
	Bonds	125	1,034	125	1,034
	Lease liabilities	556	825	556	825
	Other interest expenses	187	-402	187	-402
	Total interest expenses	6,304	6,076	6,304	6,063
5	Net fee and commission income				
	Fee and commission income				
	Securities trading and custody accounts	2,113	1,825	2,113	1,825
	Credit transfers	3,539	3,800	3,539	3,800
	Loan commissions	889	1,393	889	1,393
	Guarantee commissions	6,421	5,993	6,421	5,993
	Other fees and commissions	8,412	3,917	11,442	6,736
	Total fee and commission income	21,373	16,928	24,403	19,747
	Fee and commissions paid				
	Securities trading and custody accounts	2,853	1,257	2,853	1,257
	Net fee and commission income	18,520	15,671	21,550	18,490
6	Market value adjustments				
	Loans and advances	-10,579	2,874	-10,579	2,874
	Bonds	-11,073	-21,843	-9,913	-20,572
	Shares	6,889	1,674	6,889	1,674
	Foreign exchange	2,276	1,651	2,276	1,651
	Total derivatives of which:	13,859	-2,119	13,859	-2,119
	<i>Currency Swaps</i>	763	7	763	7
	<i>Interest Swaps</i>	13,096	-2,587	13,096	-2,587
	<i>Other contracts</i>	0	461	0	461
	Total market value adjustments	1,371	-17,763	2,531	-16,493

Note	DKK 1.000	Group		BankNordik	
		Q1	Q1	Q1	Q1
		2021	2020	2021	2020
7	Other operating income				
	Profit on sale of properties	135	0	135	0
	- of which assets held for sale	0	0	0	0
	Other income	256,317	383	254,649	5
	Total other operating income	256,452	383	254,784	5
8	Staff costs and administrative expenses				
	Staff costs:				
	Salaries	39,889	30,503	35,950	26,827
	Pensions	4,433	4,292	3,890	3,827
	Social security expenses	3,738	4,953	3,226	4,427
	Total staff costs	48,060	39,748	43,065	35,081
	Administrative expenses:				
	IT	183,624	13,270	182,215	12,103
	Marketing etc	2,734	1,218	2,210	1,001
	Education etc	388	700	286	646
	Advisory services	9,641	74	9,641	74
	Other expenses	2,462	7,728	2,650	8,306
	Total administrative expenses	198,849	22,989	197,001	22,129
	Total staff costs	48,060	39,748	43,065	35,081
	Employee costs included under the item "Claims, net of reinsurance"	-2,002	-1,889	0	0
	Total administrative expenses	198,849	22,989	197,001	22,129
	Total staff costs and administrative expenses	244,907	60,849	240,066	57,210
	Number of employees				
	Average number of full-time employees in the period	223	368	191	336
	Executive remuneration:				
	Board of Directors	600	725	600	725
	Executive Board:				
	Salaries	745	662	745	662
	- less fees received from directorships	0	113	0	113
	The Bank's expense, salaries	745	549	745	549
	Pension	112	99	112	99
	Total executive board	857	649	857	649
	Total executive remuneration	1,457	1,374	1,457	1,374

Note	DKK 1.000	Group		BankNordik	
		Q1	Q1	Q1	Q1
		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	348,094	327,822	348,094
	New and increased impairment charges and provisions	67,148	48,123	67,148	48,123
	Reversals of impairment charges and provisions	56,686	26,832	56,686	26,832
	Written-off, previously impaired	551	10,584	551	10,584
	<i>Interest income on impaired loans</i>	947	1,443	947	1,443
	Total impairment charges and provisions at 31 March	337,732	358,800	337,732	358,800
	Impairment charges and provisions recognised in the income statement				
	Loans and advances at amortised cost	-8,773	18,309	-8,773	18,309
	Loans and advances at fair value	0	-29	0	-29
	Guarantees and loan commitments	4,255	-324	4,255	-324
	Total individual impairment charges and provisions	-4,518	17,956	-4,518	17,956
	<i>Reversal of impairment charges of discontinued activities amounted to 8.5 m DKK in Q1 2021</i>				
	Stage 1 impairment charges				
	Stage 1 impairment charges etc. at 31 December	33,844	7,878	33,844	7,878
	New and increased Stage 1 impairment charges	19,730	4,738	19,730	4,738
	Reversals, net of Stage 1 impairment charges	12,075	3,289	12,075	3,289
	Stage 1 impairment charges at 31 March	41,499	9,326	41,499	9,326
	<i>Total net impact recognised in the income statement</i>	<i>7,655</i>	<i>1,449</i>	<i>7,655</i>	<i>1,449</i>
	Stage 2 impairment charges				
	Stage 2 impairment charges etc. at 31 December	36,509	17,160	36,509	17,160
	New and increased impairment charges	12,904	14,933	12,904	14,933
	Reversals, net of impairment charges	24,984	7,985	24,984	7,985
	Stage 2 impairment charges at 31 March	24,429	24,107	24,429	24,107
	<i>Total net impact recognised in the income statement</i>	<i>-12,079</i>	<i>6,947</i>	<i>-12,079</i>	<i>6,947</i>
	Weak Stage 2				
	Weak Stage 2 impairment charges etc. at 31 December	39,548	35,663	39,548	35,663
	New and increased impairment charges	25,696	25,144	25,696	25,144
	Reversals, net of impairment charges	12,929	6,391	12,929	6,391
	Weak Stage 2 impairment charges at 31 March	52,315	54,417	52,315	54,417
	<i>Total net impact recognised in the income statement</i>	<i>12,767</i>	<i>18,754</i>	<i>12,767</i>	<i>18,754</i>

Note	DKK 1.000	Group		BankNordik	
		Q1 Group	Q1 2020	Q1 BankNordik	Q1 2020
9	Stage 3 impairment charges				
(cont'd)	Stage 3 impairment charges etc. at 31 December	201,906	272,060	201,906	272,060
	New and increased impairment charges	1,065	2,077	1,065	2,077
	Reversals of impairment charges	3,201	7,611	3,201	7,611
	Written-off, previously impaired	551	10,584	551	10,584
	<i>Write-offs charged directly to the income statement</i>	174	122	174	122
	<i>Received on claims previously written off</i>	14,206	2,014	14,206	2,014
	<i>Interest income on impaired loans</i>	947	1,443	947	1,443
	Stage 3 impairment charges at 31 March	199,219	255,941	199,219	255,941
	<i>Total net impact recognised in the income statement</i>	-17,115	-8,869	-17,115	-8,869
	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	7,753	1,232	7,753	1,232
	Reversals of provisions	3,497	1,556	3,497	1,556
	Provisions for guarantees etc at 31 March	20,270	15,009	20,270	15,009
	<i>Total net impact recognised in the income statement</i>	4,255	-324	4,255	-324
	Provisions for guarantees and undrawn credit lines				
	Stage 1 provisions	1,170	1,183	1,170	1,183
	Stage 2 provisions	2,688	2,550	2,688	2,550
	Weak Stage 2 provisions	200	1,200	200	1,200
	Stage 3 provisions	16,212	10,076	16,212	10,076
	Provisions for guarantees etc at 31 March	20,270	15,009	20,270	15,009

Note	DKK 1.000	Group		BankNordik	
		Q1	Q1	Q1	Q1
		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	8,941	24,833	8,941	24,833
	Interest expenses	387	-590	387	-590
	Net interest income	8,554	25,423	8,554	25,423
	Dividends from shares and other investments	0	62	0	62
	Fee and commission income	10,807	40,838	10,807	40,838
	Fee and commissions paid	0	2,191	0	2,191
	Net dividend, fee and commission income	10,807	38,709	10,807	38,709
	Net interest and fee income	19,361	64,132	19,361	64,132
	Market value adjustments	-1,361	-33,371	-1,361	-33,371
	Other operating income	1,263	385	1,263	385
	Staff costs and administrative expenses	17,898	43,242	17,898	43,242
	Amortisation, depreciation and impairment charges	528	2,754	528	2,754
	Other operating expenses	63	0	63	0
	Impairment charges on loans and advances etc.	-8,515	5,700	-8,515	5,700
	Profit before tax	9,289	-20,549	9,289	-20,549
	Tax	2,044	-4,521	2,044	-4,521
	Net profit	7,245	-16,029	7,245	-16,029

Note		Group		BankNordik	
		March 31 2021	Dec. 31 2020	March 31 2021	Dec. 31 2020
10	Assets				
(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	
		March 31 2021	Dec. 31 2020	March 31 2021	Dec. 31 2020
11	Due from credit institutions etc. specified by maturity				
	On demand	138,466	377,256	138,466	377,256
	3 months and below	0	800,259	0	800,259
	Total due from credit institutions etc.	138,466	1,177,515	138,466	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	275,496	285,623	275,496	285,623
	Mortgage finance guarantees	714,518	676,508	714,518	676,508
	Registration and remortgaging guarantees	167,699	241,742	167,699	241,742
	Other guarantees	568,439	271,696	568,439	271,696
	Total guarantees	1,726,152	1,475,570	1,726,152	1,475,570

14 **Assets deposited as collateral**

At March 31 2021 the Group had deposited bonds at a total market value of DKK 32m (Q1 2020: 440m) with Danmarks Nationalbank (the Danish Central Bank) in connection with clearing. Deposits of bonds and cash to others in total have a market value of DKK 67m (Q1 2020: 61m).

Statement by the Executive Board and the Board of Directors

We have today considered and approved P/F BankNordik's interim report for the first three months to 31 March 2021.

The consolidated financial statements for the first three months to 31 March 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 31 March 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 three months ended 31 March 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, 28 April 2021

Executive Board

Árni Ellefsen
CEO

Board of Directors

Sverre Bjerkeli
Chairman

Jóhanna Lava Køtlum
Vice chairman

Ben Arabo

Jógvan Jespersen

Michael Ahm

Kenneth M. Samuelson

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BankNordik is a limited liability
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