



spar Nord

Interim report Q1 2022
of Spar Nord

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Executive summary

Income statement

DKKm	Q1 2022	Q1 2021	Index	Q1 2022	Q4 2021	Index
Net interest income	436	414	105	436	448	97
Net fee income	438	396	110	438	401	109
Market value adjustments and dividends	7	90	8	7	110	6
Other income	35	37	94	35	18	189
Core income	915	938	98	915	977	94
Staff costs	357	353	101	357	336	106
Operating expenses	236	214	110	236	234	101
Costs and expenses	592	567	104	592	570	104
Core earnings before impairment	322	371	87	322	407	79
Impairment of loans and advances, etc.	-7	2	-	-7	-4	-
Profit/loss before tax	329	368	89	329	412	80
Tax	53	73	72	53	78	68
Profit/loss	276	295	94	276	334	83

Spar Nord had a fairly good start to the year in Q1 2022, recording a continuing increase in the volume of loans arranged, a profit of DKK 276 million after tax and a return on equity of 9.9%. Having said that, the overriding theme in Q1 was Russia's invasion of Ukraine and the resulting uncertainty with respect to economic developments. Coupled with rising inflation and lower expectations of economic growth, this resulted in losses on the Bank's bond and share portfolios. However, in spite of an increase in total management estimates relating to COVID-19 and the uncertainty attaching to the war in Ukraine, impairment charges represented a small income in Q1. We remain confident about the outlook for 2022, and we especially look forward to the opening of our branch in Hørsholm and the geographical banking areas on Lolland-Falster and in Allerød," said Lasse Nyby, CEO.

Spar Nord achieved a profit after tax of DKK 276 million in Q1 2022, which corresponds to an annualised return on equity of 9.9%. Overall, the first quarter performance is considered satisfactory.

Core income amounted to DKK 915 million, which is DKK 23 million, or 2%, lower than in the year-earlier period.

At DKK 436 million, net interest income was 5% higher than last year, while net fee income rose 10% to DKK 438 million. Market value adjustments and dividends amounted to DKK 7 million, with rising inflation and financial market reactions to the war in Ukraine triggering material negative price adjustments on the Bank's share and bond holdings. Lastly, other income amounted to DKK 35 million.

Total costs and expenses amounted to DKK 592 million, against DKK 567 million in the same period of 2021. Of this amount, payroll costs amounted to DKK 357 million, corresponding to an increase of 1%, and operating expenses amounted to DKK 236 million, which is 10% higher than in the same period of last year.

Loan impairment charges were an income of DKK 7 million in Q1 2022, against an expense of DKK 2 million in the year-earlier period. Owing to the mounting uncertainty resulting from the war in Ukraine, the Bank made another management estimate totalling DKK 194 million in Q1 2022. At the same time, Spar Nord's management estimate concerning COVID-19 was reduced by DKK 145 million to DKK 150 million.

Slight decline in business volume

The Group's total business volume (deposits, loans, advances and guarantees, facilitation of mortgage loans, customers' custodianship accounts and life annuities) amounted to DKK 344.4 billion at 31 March 2022, which was DKK 1.8 billion lower than at end-2021.

The decline is attributable to a DKK 2.8 billion decrease in custodianship account values and a DKK 1.4 billion decrease in pooled deposits. Lastly, bank deposits were also reduced by DKK 0.6 billion relative to 2021.

A continuing increase in the facilitation of mortgage loans of DKK 1.7 billion and growth in bank loans of DKK 0.6 billion had the opposite effect.

Outlook for 2022

On the basis of its financial results in Q1 2022, Spar Nord retains its financial guidance for 2022.

For 2022, Spar Nord expects core earnings before impairment to the tune of DKK 1,300-1,600 million. Owing to strong credit quality for the Bank's customers, Spar Nord continues to only expect moderate loan impairment charges, and profit after tax is expected to be in the DKK 1,000-1,250 million range.

Performance indicators and financial ratios – Group

Performance indicators

Income statement

DKKkm	Q1 2022	Q1 2021	Change in %	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Full year 2021
Net interest income	436	414	5	436	448	442	432	414	1,736
Net fee income	438	396	10	438	401	372	372	396	1,541
Market value adjustments and dividends	7	90	-92	7	110	81	126	90	407
Other income	35	37	-6	35	18	36	42	37	133
Core income	915	938	-2	915	977	931	972	938	3,818
Staff costs	357	353	1	357	336	305	352	353	1,346
Operating expenses	236	214	10	236	234	208	235	214	890
Costs and expenses	592	567	4	592	570	513	587	567	2,237
Core earnings before impairment	322	371	-13	322	407	418	385	371	1,581
Impairment of loans, advances and receivables etc.	-7	2	-	-7	-4	-15	-103	2	-120
Profit/loss before tax	329	368	-11	329	412	433	488	368	1,701
Tax	53	73	-28	53	78	85	97	73	333
Profit for the period	276	295	-6	276	334	348	391	295	1,368
Interest expenses to holders of additional tier 1 (AT1) capital	12	12	-5	12	17	16	16	12	61

Balance sheet

DKKkm									
Total assets	116,035	108,208	7	116,035	116,535	115,997	114,562	108,208	116,535
Lending	62,346	55,245	13	62,346	61,936	60,012	57,862	55,245	61,936
Lending, banking and leasing activities	49,722	46,058	8	49,722	49,086	47,472	46,551	46,058	49,086
Lending, reverse repo transactions	12,624	9,187	37	12,624	12,850	12,540	11,312	9,187	12,850
Deposits	87,834	85,360	3	87,834	89,308	88,008	88,054	85,360	89,308
Deposits, banking activities	63,183	62,787	1	63,183	63,775	63,802	64,327	62,787	63,775
Deposits, repo transactions	496	488	2	496	0	0	0	488	0
Deposits in pooled schemes	24,154	22,085	9	24,154	25,533	24,206	23,727	22,085	25,533
Issued bonds	4,817	2,651	82	4,817	4,845	4,825	4,847	2,651	4,845
Subordinated debt	1,521	1,327	15	1,521	1,523	1,529	1,334	1,327	1,523
Additional tier 1 (AT1) capital	1,200	1,407	-15	1,200	1,197	1,659	1,402	1,407	1,197
Shareholders' equity	10,685	9,870	8	10,685	10,727	10,394	10,066	9,870	10,727
Guarantees	18,187	18,400	-1	18,187	17,566	17,574	19,031	18,400	17,566
Total risk exposure amount	61,121	60,594	1	61,121	60,479	60,830	62,619	60,594	60,479
Tier 1 capital *)	10,727	10,482	2	10,727	11,045	10,774	10,741	10,482	11,045
Impairment account and discount on exposures taken over	1,627	1,781	-9	1,627	1,633	1,635	1,673	1,781	1,633
Contractual non-performing loans	250	268	-7	250	257	279	270	268	257
Business volume	344,427	326,604	5	344,427	346,189	338,616	336,437	326,604	346,189

*) Tier 1 capital for Q1 2022 is exclusive of recognition of profit/loss for the period. This also applies to tier 1 capital for Q1 2021 and Q3 2021.

Financial performance – core earnings, quarterly

Financial ratios

		Q1 2022	Q1 2021	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Full year 2021
Own funds									
Own funds ratio *)		20.0	19.5	20.0	20.8	20.2	19.3	19.5	20.8
Tier 1 capital ratio *)		17.6	17.3	17.6	18.3	17.7	17.2	17.3	18.3
Common equity tier 1 capital ratio *)		15.6	15.0	15.6	16.3	15.0	15.0	15.0	16.3
Earnings									
Return on equity before tax excl. additional tier 1 (AT1) capital p.a. **)	%	11.9	14.6	11.9	15.5	16.7	19.2	14.6	16.1
Return on equity after tax excl. additional tier 1 (AT1) capital p.a. **)	%	9.9	11.6	9.9	12.5	13.3	15.3	11.6	12.9
Cost share of core income	DKK	0.65	0.60	0.65	0.58	0.55	0.60	0.60	0.59
Cost share of core income – incl. impairment of loans, advances and receivables, etc.	DKK	0.64	0.61	0.64	0.58	0.53	0.50	0.61	0.55
Return on assets	%	0.2	0.3	0.2	0.3	0.3	0.3	0.3	1.2
Market risk and liquidity									
Interest rate risk	%	0.7	0.9	0.7	0.9	0.5	0.9	0.9	0.9
Foreign exchange position	%	0.5	0.8	0.5	0.7	0.5	1.0	0.8	0.7
Foreign exchange risk	%	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Net Stable Funding Ratio (NSFR)	%	122	-	122	125	128	129	-	125
Liquidity Coverage Ratio (LCR)	%	233	234	233	280	253	257	234	280
Bank and leasing loans relative to bank deposits	%	78.7	73.4	78.7	77.0	74.4	72.4	73.4	77.0
Credit risk									
Bank and leasing loans relative to shareholders' equity		4.7	4.7	4.7	4.6	4.6	4.6	4.7	4.6
Increase in loans and advances for the period	%	1.3	8.4	1.3	3.4	2.0	1.1	8.4	15.5
Sum of large exposures	%	94.3	81.8	94.3	81.7	89.3	81.9	81.8	81.7
Impairment ratio		0.0	0.0	0.0	0.0	0.0	-0.1	0.0	-0.1
Employees and branches									
Number of employees (full-time equivalents, end of period)		1,622	1,640	1,622	1,608	1,624	1,635	1,640	1,608
Number of branches		60	57	60	58	57	57	57	58
Spar Nord share									
DKK per share of DKK 10									
Share price, end of period		89	68	89	84	75	71	68	84
Net asset value (NAV) **)		87	80	87	87	85	82	80	87
Profit/loss for the period **)		2.2	2.3	2.2	2.6	2.7	3.1	2.3	10.6

*) Own funds for Q1 2022 are exclusive of recognition of profit/loss for the period. This also applies to own funds for Q1 2021 and Q3 2021.

**) The financial ratio has been calculated as if the additional tier (AT1) capital were treated as a liability for accounting purposes, which means that the calculation of the financial ratio has been based on the shareholders' share of profit and equity. The shareholders' share of profit and equity appears from the statement of changes in equity.

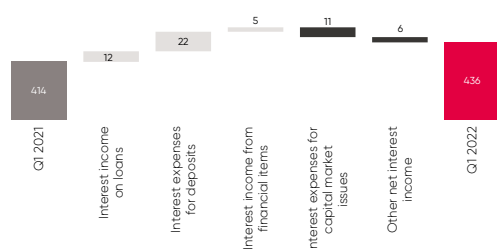
Management commentary on Q1 2022

Spar Nord achieved a profit after tax of DKK 276 million in Q1 2022, which corresponds to an annualised return on equity of 9.9%. Overall, the first quarter performance is considered satisfactory.

Income

Core income amounted to DKK 915 million in, which is DKK 23 million, or 2%, lower than in the year-earlier period.

Developments in net interest income
(DKKm)



Net interest income was DKK 436 million, against DKK 414 million in the year-earlier period.

There was an increase in net interest income both from loans and deposits in Q1 2022 compared with Q1 2021. The increase in interest income from lending was positively affected by growth in lending, while developments in the average borrowing rate had the opposite effect. Active initiatives in using negative deposit rates implemented in 2021 drove an increase in net interest income from deposits.

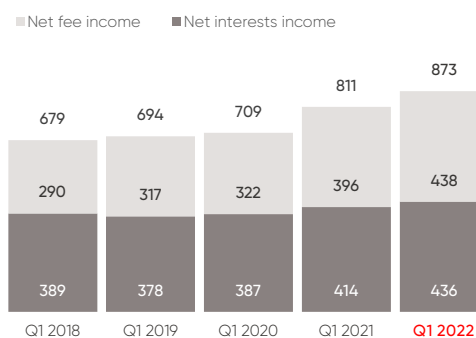
In Q1 2022, the interest margin decreased by 5 basis points relative to Q1 2021. This was driven by a decline in the average borrowing rate of 20 basis points (y/y), which was partly offset by a decline in the deposit margin of 15 basis points (y/y).

Lastly, net interest income in Q1 2022 relative to the year-earlier period was adversely affected by a DKK 11 million increase in interest expenses for capital market issues.

DKKm	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Interest income on loans	373	389	383	375	361
Interest expenses for deposits	-74	-73	-70	-60	-52
Net interest income, deposits and loans	447	462	453	435	413
Interest income from financial items	30	28	28	25	26
Interest expenses for capital market issues	26	26	25	18	15
Other net interest income	-16	-16	-15	-11	-10
Total net interest income	436	448	442	432	414

Net fee income was DKK 438 million in Q1 2022, against DKK 396 million in the same period of 2021. For the first time in Spar Nord's history, net fee income thus accounted for 50% of total net interest and fee income (Q1 2021: 49%).

Net interests income and net fee income
(DKKm)



Net fee income in Q1 2022 was positively affected by last year's strong growth in business volume in the facilitation of mortgage loans and asset management. Relative to the year-earlier period, activity-dependent fee income thus fell in Q1 2022, but the decline was more than offset by increased balance sheet-dependent fee income. Overall, net fee income in Q1 2022 was DKK 42 million higher than in the same period of last year, or an increase of 10%.

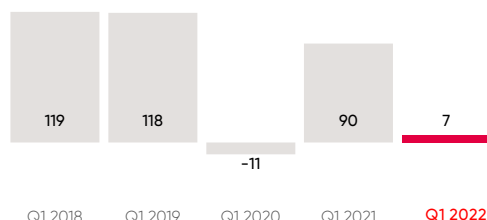
Net fee income in Q1 2022 was also positively affected by the acquisition of BankNordik's Danish business, as only two months of net fee income from the acquisition were recognised in Q1 2021.

Finally, higher net fees from payment services and cards, insurance and pension and an adjustment of the Bank's fee structure in 2021 contributed to the growth in net fee income relative to the same period of last year.

DKKm	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Mortgage fees	137	130	126	123	132
Other transaction fees	35	26	29	27	48
Securities and asset management	139	132	115	109	115
Other fees	127	113	102	113	101
Total net fee income	438	401	372	372	396

Financial review

Market value adjustments and dividends
(DKKm)



Market value adjustments and dividends amounted to only DKK 7 million, against DKK 90 million in the same period of 2021.

In Q1 2022, financial markets were strongly impacted by rising inflation and the derived effects of the war in Ukraine. Widening credit spreads and reduced estimates of economic growth thus resulted in negative market value adjustments of DKK 81 million on the Bank's share and bond portfolios in Q1 2022.

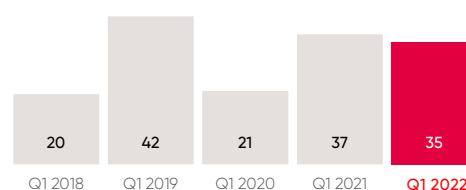
Market value adjustments and dividends on the portfolio of strategic shareholdings in the financial sector were at a satisfactory level of DKK 64 million, which is DKK 22 million higher than in the same period of 2021. Earnings were attributable to Spar Nord's holdings of shares in BI Holding (BankInvest), DLR Kredit and PRAS.

Finally, market value adjustments from currency trading and exchange rate gains were also at a satisfactory level of DKK 24 million driven by persistently high customer activity in Q1 2022.

DKKm	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Market value adjustments in Trading Division, etc.	-81	25	0	35	28
Equity investments, incl. dividends	64	63	58	71	42
Currency trading and exchange rate gains	24	22	23	21	20
Total market value adjustments and dividends	7	110	81	126	90

Other income amounted to DKK 35 million in Q1 2022, against DKK 37 million in the same period of 2021. Of total other income in Q1 2022, investments in associates amounted to DKK 24 million, which was mainly attributable to Spar Nord's holding of shares in Danske Andelskassers Bank (DAB) and Vækst-Invest Nordjylland.

Other income
(DKKm)



Costs and expenses

The Group's total costs and expenses amounted to DKK 592 million, against DKK 567 million in the same period of 2021.

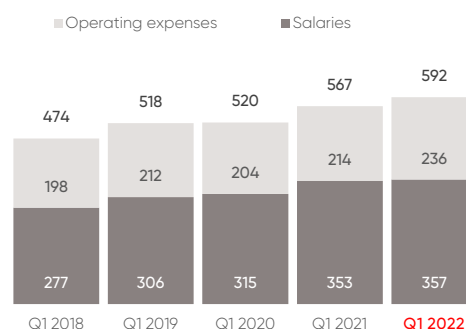
Wages and salaries accounted for DKK 357 million of total costs and expenses. Realised payroll costs were DKK 4 million higher than in the same period of last year.

A higher number of employees and pay rises under collective agreements contributed to the increase in payroll costs, while the absence of non-recurring expenses for layoffs from Q1 2021 had the opposite effect.

Payroll costs in Q1 2022 were also affected by the acquisition of BankNordik's Danish business, as only two months of payroll costs from the acquisition were recognised in Q1 2021.

At 31 March 2022, Spar Nord employed 1,622 people (FTE), which was 14 more than at 31 December 2021. The increase was mainly driven by the new branch in Hørsholm and the new geographical banking areas on Lolland-Falster and in Allerød.

Total cost and expenses
(DKKm)



Operating expenses came to DKK 236 million, which is DKK 22 million higher than Q1 2021.

The increase was to a large extent due to higher IT costs owing to the expiry of a fixed-price agreement with BEC and a greater business volume relating, among other things, to the acquisition of BankNordik's Danish business.

Financial review

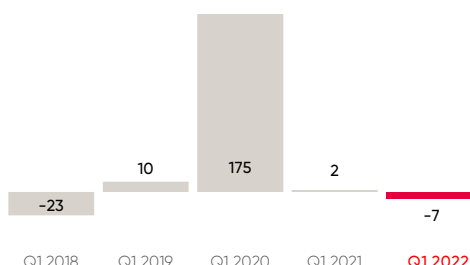
Several other cost items were also higher than in the year-earlier period, when e.g. travel and training activities were notably lower because of COVID-19.

The realised core income and costs corresponded to a Cost/Income Ratio of 0.65 (Q1 2021: 0.60).

Loan impairment

Loan impairment charges were an income of DKK 7 million in Q1 2022, against an expense of DKK 2 million in the year-earlier period.

Impairments (DKKm)



The DKK -7 million impact on profits breaks down into DKK -18 million attributable to agricultural customers, DKK 1 million to other business customers, DKK -5 million to customers in the SparXpres consumer loan business and DKK 15 million to retail customers.

Generally, the continued positive trend in loan impairment charges reflected unchanged strong credit quality for the Bank's retail and business customers.

The first quarter of 2022 resulted in major changes to Spar Nord's management estimates – most notably in the form of a new management estimate of DKK 194 million relating to uncertainty attaching to the derived effects of the war in Ukraine and a DKK 145 million reduction of the existing management estimate relating to COVID-19.

The management estimate concerning the derived effects of the war in Ukraine is supported by models and covers expectations of a general increase in loan portfolio risk resulting from the augmented uncertainty. Also, the management estimate more specifically covers retail customers who use natural gas for heating purposes.

The reduction of the model-supported management estimate concerning COVID-19 generally reflects that Q1 2022 brought more clarity about the financial consequences of the COVID-19 crisis. The remaining management estimate of DKK 150 million is thus considered adequate to cover remaining effects of the COVID-19 crisis, primarily for customers with slightly weak credit quality.

Lastly, we reduced the management estimates concerning model uncertainty, etc. and collateral value of private properties by DKK 25 million and DKK 16 million, respectively.

At 31 March 2022, Spar Nord's management estimates totalled DKK 540 million, with derived effects of the war in Ukraine accounting for DKK 194 million and COVID-19 DKK 150 million. The remaining amount of DKK 196 million breaks down into DKK 101 million concerning land prices in the agricultural sector, DKK 49 million concerning collateral value of private properties and DKK 46 million relating to model uncertainty.

DKKm	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Derived effects of the war in Ukraine	194	-	-	-	-
COVID-19	150	295	346	320	320
Land prices in the agricultural sector	101	105	125	139	144
Model uncertainty, etc.	46	71	76	97	103
Collateral value of private properties	49	65	62	-	-
Management estimates, total	540	536	610	556	566

Stage 3 impairment at 31 March 2022 amounted to DKK 991 million (year-end 2021: DKK 1,089 million), while stage 1 and 2 impairment totalled DKK 618 million (year-end 2021: DKK 502 million).

NPL ratio developments

	31.03.22	31.12.21
NPL (DKKm)	1,726	1,818
Exposure (DKKm)	66,591	65,817
NPL ratio	2.6	2.8

At the end of Q1 2022, the share of non-performing loans (NPL ratio) at Spar Nord was 2.6%.

Financial review

The Group's loans, advances and guarantees *)

Breakdown by industry	Loans, advances and guarantees		Impairment account	
Line of business, %	31.03.22	31.12.21	31.03.22	31.12.21
Public authorities	1.2	1.8	0.0	0.0
Agriculture, hunting and forestry	4.2	4.0	13.7	15.2
Fisheries	0.2	0.2	0.2	0.2
Industry and raw materials extraction	4.5	4.5	6.5	6.0
Energy supply	2.7	2.7	1.2	0.9
Building and construction	4.3	4.4	2.9	3.1
Trade	6.4	6.1	9.3	9.2
Transport, hotels and restaurants	4.2	4.2	7.2	7.7
Information and communication	0.6	0.6	0.6	0.6
Financing and insurance	6.3	6.1	11.0	11.3
Real estate	10.4	10.8	6.4	5.6
Other business areas	7.5	7.3	9.8	10.6
Business customers, total	52.5	52.7	68.8	70.4
Total retail customers	47.5	47.3	31.2	29.6
Total	100.0	100.0	100.0	100.0

*) Excl. reverse repo transactions

Profit/loss

The profit before tax was DKK 329 million, against DKK 368 million in Q1 2021. The Group's effective tax rate was 16%, bringing net profit to DKK 276 million.

Business volume

The Group's total business volume (deposits, loans, advances and guarantees, facilitated mortgage loans, customers' custodianship accounts and life annuities) amounted to DKK 344.4 billion at 31 March 2022, which was DKK 1.8 billion lower than at end-2021.

Business volume

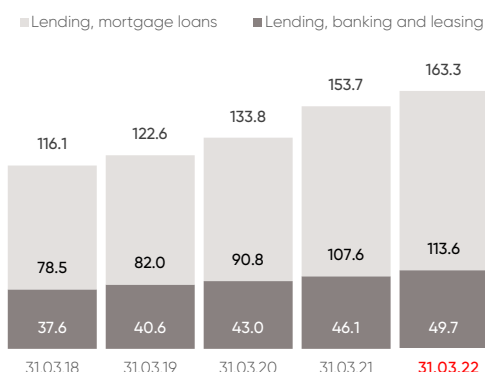
DKKbn	31.03.22	31.03.21	31.03.20	31.03.19	31.03.18
Lending, banking and leasing activities	49.7	46.1	43.0	40.6	37.6
Deposits, banking activities	63.2	62.8	51.6	51.0	47.8
Deposits in pooled schemes	24.2	22.1	16.1	15.7	15.1
Guarantees	18.2	18.4	14.6	12.4	11.4
Loans and advances, mortgage loans	113.6	107.6	90.8	82.0	78.5
Custodianship accounts	71.6	66.5	45.3	48.6	48.8
Letspension, life annuity	3.9	3.1	2.5	2.1	1.7
Total business volume	344.4	326.6	263.9	252.3	240.9

During Q1 2022, the volume of mortgage-credit loans arranged grew DKK 1.7 billion to DKK 113.6 billion, equal to 2%. In total, the volume of facilitated mortgage loans amounted to DKK 102.3 billion from Totalkredit and DKK 11.3 billion from DLR Kredit.

In Q1 2022, the Bank recorded an increase in bank and leasing loans of DKK 0.6 billion, or 1%, to DKK 49.7 billion. Loans to business customers rose by

DKK 0.5 billion, while leasing loans grew by DKK 0.4 billion. Finally, loans to retail customers rose by DKK 0.2 billion, while loans to public-sector customers declined by DKK 0.4 billion.

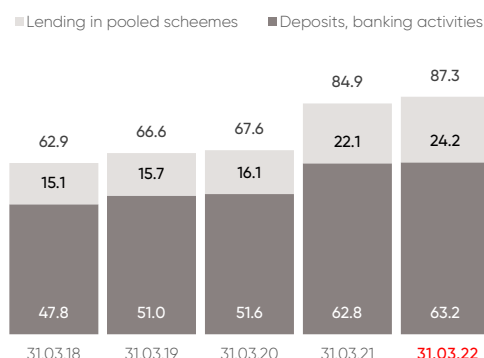
Total credits arranged (DKKbn)



In Q1 2022, deposits, banking activities decreased by DKK 0.6 billion to DKK 63.2 billion, equal to 1%. Of the decrease in deposits, retail customers accounted for a drop of DKK 0.5 billion and business customers for a drop DKK 0.1 billion.

Financial market reactions to the war in Ukraine resulted in a decline in customers' custodianship accounts in Q1 2022 of DKK 2.8 billion to DKK 71.6 billion. Deposits in pooled schemes fell by DKK 1.4 billion to DKK 24.2 billion.

Total deposits (DKKbn)



As a result of developments in deposit and lending volumes, the loan-to-deposit ratio at 31 March 2022 stood at 79.

Financial review

Capital position

Since being designated a SIFI institution, Spar Nord has pursued a goal on the capital side of having a common equity tier 1 (CET1) ratio of 13.5% and an own funds ratio of 17.5%.

	31.03.22	31.03.21	31.03.20	31.03.19	31.03.18
Common equity tier 1 capital ratio	15.6	15.0	15.3	14.2	14.0
Tier 1 capital ratio	17.6	17.3	16.7	15.8	15.6
Own funds ratio	20.0	19.5	19.0	18.2	17.8

At 31 March 2022, the common equity tier 1 (CET1) ratio was 15.6%, while the own funds ratio was 20.0%. The latter should be viewed relative to the individual solvency need calculated by Spar Nord at 9.7% plus the 3.5% combined buffer requirement, bringing the total capital requirement to 13.2%. Thus, at the end of the quarter, Spar Nord had an excess capital coverage of 6.7 percentage points, equal to DKK 4.1 billion.

Compared to the end of 2021, the Bank's capital ratio was reduced by 0.8 of a percentage point, and the common equity tier 1 capital ratio was 0.7 of a percentage point lower.

Own funds were reduced by DKK 319 million, primarily on account of provisions for dividends of the remaining DKK 2.50 per share concerning 2021. In continuation of the authorisation obtained at the annual general meeting to the Board of Directors concerning potential distribution by the end of H1 2022, the amount is now deducted from own funds. Deducting provisions for potential dividends reduced the capital ratios by 0.5 of a percentage point.

The Bank has opted not to recognise the positive result in own funds for Q1 2022. If the results for the quarter had been recognised, the common equity tier 1 capital ratio and total capital ratio would have been 0.2 of a percentage point higher.

The total risk exposure amount increased by DKK 0.6 billion in Q1 2022 because of a DKK 0.8 billion increase in credit risk, a DKK 0.5 billion decline in market risk and a DKK 0.3 billion increase in operational risk. The mounting risk exposure amount for credit risk was primarily due to growth in bank loans and leasing, while the reduced risk exposure amount for market risk was primarily driven by a decline in gross interest rate risk.

When the MREL requirement has been phased in, Spar Nord must comply with the same requirements regarding eligible liabilities (MREL requirements) as other SIFIs. Fully phased in, the requirement means that Spar Nord must have total capital of about 29% of the total risk exposure amount (REA).

The Bank expects that the MREL requirement, when fully phased-in, will lead to a total need for issuing MREL capital of around DKK 7-8 billion, including an

increase in the countercyclical buffer to 2.5 %. At 31 March 2022, Spar Nord had issued total MREL capital of DKK 4.8 billion.

Calibrated MREL requirement

%	31.03.22	01.01.24
Solvency ratio	9.7	9.7
Requirement for loss-absorption amount	9.7	9.7
Solvency ratio	9.7	9.7
Capital conservation buffer requirement	2.5	2.5
SIFI buffer requirement	1.0	1.0
Phasing in	-2.6	0.0
Requirement for recapitalisation amount	10.6	13.2
Total MREL	20.2	22.9
Capital conservation buffer requirement	2.5	2.5
Countercyclical buffer requirement	0.0	2.5
SIFI buffer requirement	1.0	1.0
Total MREL and combined buffer requirement	23.8	28.9

Excess coverage, calibrated MREL requirement

DKKbn / %	31.03.22
Own funds	12,239
Non-preferred senior capital	4,794
Other MREL-eligible liabilities	0
Total capital	17,033
Deduction – separate combined buffer requirement	2,142
Total MREL-eligible liabilities	14,891
MREL and combined buffer requirement	14,518
MREL requirement	12,376
Excess coverage, MREL requirement	2,516
MREL and combined buffer percentage	27.9
NEP (%)	24.4
Excess coverage, MREL requirement in %-points	4.1

Liquidity

Spar Nord has defined strategic liquidity as the difference between bank and leasing loans and the long-term funding (bank deposits, senior loans, issued bonds, subordinated debt and equity). Subordinated debt, additional tier 1 capital, senior loans and issued bonds with a contractual due date within 12 months do not form a part of the Bank's strategic liquidity.

Strategic liquidity

(DKKbn)	31.03.22	31.12.21	30.09.21	30.06.21	31.03.21
Deposits, banking activities	63.2	63.8	63.8	64.3	62.8
Senior loans/bond issues	4.8	4.8	4.8	4.8	2.7
Shareholders' equity and subordinated debt	13.4	13.4	13.6	12.8	12.6
Liquidity procurement	81.4	82.1	82.2	82.0	78.0
Lending, banking and leasing activities	49.7	49.1	47.5	46.6	46.1
Maturity < 1 year	0.0	0.0	0.0	0.0	0.0
Strategic liquidity total	31.7	33.0	34.7	35.4	32.0

Financial review

At the end of March 2022, Spar Nord's strategic liquidity amounted to DKK 31.7 billion, down DKK 1.3 billion compared with end-2021. The decline in strategic liquidity was driven by an increase in deposits and increase in lending.

Spar Nord's LCR ratio at 31 March 2022 was 233, while the NSFR ratio was 122 – both well above the statutory requirement of 100.

Rating

Spar Nord has an external rating with rating agency Moody's. Spar Nord has an Adjusted Base-line credit assessment of baa1 and a Banking deposit rating of A1 with a stable outlook. Spar Nord's Senior Non-Preferred issues have been assigned a rating of A3 by Moody's.

The Supervisory Diamond

Some years ago, the Danish FSA launched a model, the Supervisory Diamond, which lists a number of quantitative reference points, stipulating what can be considered a financial institution with an increased risk profile.

Failure to comply with the reference points in the Supervisory Diamond will trigger a reaction from the Danish FSA.

At 31 March 2022, Spar Nord was still comfortably within all the reference points, achieving the values shown below:

The Supervisory Diamond

		Threshold values		
			31.03.22	31.03.21
Sum of large exposures	%	<175	94.3	81.8
Growth in lending	%	<20	8.0	7.1
Property exposure	%	<25	9.4	9.6
Funding ratio		<1	-	0.5
Liquidity indicator	%	>100	248	250

Outlook for 2022

On the basis of its financial results in Q1 2022, Spar Nord retains its financial guidance for 2022.

For 2022, Spar Nord expects core earnings before impairment to the tune of DKK 1,300-1,600 million. Owing to strong credit quality for the Bank's customers, Spar Nord continues to only expect moderate loan impairment charges, and profit after tax is expected to be in the DKK 1,000-1,250 million range.

Alternative performance measures

Spar Nord's Management believes that the alternative performance measures (APMs) used in the Management's review provide valuable information to readers of the financial statements. The APMs provide a more consistent basis for comparing the results of financial periods and for assessing the performance of the Group. They are also an important aspect of the way in which Spar Nord's Management defines operating targets and monitors performance.

Throughout the Management's review, performance is assessed on the basis of the financial highlights and segment reporting, which represent the financial information regularly provided to Management. The differences between the financial highlights and the IFRS financial statements relate only to certain changes in the presentation. As there are no adjusting items, net profit is the same in the financial highlights and in the IFRS income statement.

A reconciliation of the correlation between core income in the management commentary and the IFRS financial statements is shown in note 2.1 Business segments.

Spar Nord uses core earnings as a performance measure. There is no difference between "Core earnings before impairment" in the core earnings format and "Profit/loss before loan impairments" in the IFRS financial statements.

Defined below are the additional key indicators shown on page 5 of the management commentary and in the other sections of the management commentary.

Return on equity before tax, excl. additional tier 1 (AT1) capital

Profit/loss before tax in per cent of shareholders' equity. The average equity is calculated as a simple average of the shareholders' equity at the beginning of the year and at the end of the year. Profit/loss before tax and shareholders' equity are calculated as if the additional tier 1 (AT1) capital were treated as a liability.

Return on equity after tax excl. additional tier 1 (AT1) capital

Profit/loss after tax in per cent of shareholders' equity. The average equity is calculated as a simple average of the shareholders' equity at the beginning of the year and at the end of the year. Profit/loss after tax and shareholders' equity are calculated as if the additional tier 1 (AT1) capital were treated as a liability.

Cost share of core income

Total costs/core income.

Cost share of core income – incl. impairment of loans, advances and receivables, etc.

Total costs plus impairment of loans, advances and receivables, etc./core income.

Bank and leasing loans relative to bank deposits

Bank and leasing loans as a percentage of bank deposits

Bank and leasing loans relative to shareholders' equity

Bank and leasing loans / shareholders' equity

Impairment ratio, %

Impairment for the year in per cent of loans and advances + guarantees + impairment of loans, advances and receivables etc. and provisions for unutilised credit lines

Management's statement on the interim report

The Board of Directors and the Executive Board have today discussed and adopted the Interim Financial Statements of Spar Nord Bank A/S for the period from 1 January to 31 March 2022.

The Interim Financial Statements are presented in accordance with IAS 34 "Interim Financial Reporting", as adopted by the EU.

Moreover, the Interim Financial Statements are presented in accordance with additional Danish disclosure requirements regarding interim financial statements of listed financial institutions.

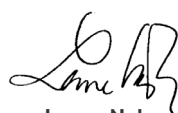
The interim financial statements are unaudited and have not been reviewed.

In our opinion, the Interim Financial Statements give a true and fair view of the Group's financial position at 31 March 2022 and of the results of the Group's operations and cash flows for the period from 1 January to 31 March 2022.

In addition, we consider the Management's review to give a fair presentation of the development in the Group's activities and financial affairs as well as a description of the significant risks and elements of uncertainty that may affect the Group.

Aalborg, 5 May 2022

Executive Board



Lasse Nyby

Chief Executive Officer



John Lundsgaard

Managing Director



Lars Møller

Managing Director



Martin Kudsk Rasmussen

Managing Director

Board of Directors



Kjeld Johannesen

Chairman of the Board of Directors



Lene Aaen



André Rogaczewski



Kim Østergaard



Kai Christiansen



Henrik Sjøgreen



Per Nikolaj Bukh

Deputy Chairman of the Board of Directors



Morten Bach Gaardboe



Jannie Skovsen

Consolidated financial statements

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Group

Income statement

Note	Q1 2022 DKKm	Q1 2021 DKKm	Full year 2021 DKKm	
	Interest income calculated under the effective interest method	470	432	1,834
	Other interest income	30	26	107
2.2 + 2.3	Interest income	501	458	1,941
2.2 + 2.3	Interest expenses	65	44	205
	Net interest income	436	414	1,736
2.4	Fees, charges and commissions received	480	437	1,706
2.4	Fees, charges and commissions paid	42	41	165
2.5	Market value adjustments and dividends	7	90	407
2.6	Other income	35	37	133
2.7	Staff costs	357	353	1,346
2.8	Operating expenses	236	214	890
	Profit/loss before loan impairment (core earnings before impairment)	322	371	1,581
2.9	Impairment of loans, advances and receivables etc.	-7	2	-120
	Profit/loss before tax	329	368	1,701
2.10	Tax	53	73	333
	Profit/loss for the period	276	295	1,368
	Appropriation:			
	The shareholders of the Parent Company Spar Nord Bank A/S	264	283	1,307
	Holders of additional tier 1 (AT1) capital instruments	12	12	61
	Profit/loss for the period	276	295	1,368
	Earnings per share for the period			
	Earnings per share for the period (DKK)	2.2	2.3	10.6
	Diluted earnings per share for the period (DKK)	2.2	2.3	10.6

Statement of comprehensive income

Profit/loss for the period	276	295	1,368
Other comprehensive income			
Items that cannot be reclassified to the income statement:			
Adjustment relating to associates	0	-1	-1
Net revaluation of domicile property	1	1	14
Other comprehensive income after tax	1	0	13
Total comprehensive income	277	295	1,381
Appropriation:			
The shareholders of the Parent Company Spar Nord Bank A/S	265	282	1,320
Holders of additional tier 1 (AT1) capital instruments	12	12	61
Total comprehensive income	277	295	1,381

Group

Balance sheet

Note		31.03.22 DKKm	31.12.21 DKKm	31.03.21 DKKm
Assets				
	Cash balances and demand deposits with central banks	1,088	1,855	183
	Due from credit institutions and central banks	2,905	2,485	3,127
5.1.1	Loans, advances and other receivables at amortised cost	62,346	61,936	55,245
	Bonds at fair value	19,570	19,031	21,786
	Shares, etc.	1,849	1,931	1,772
	Investments in associates	690	663	553
	Assets linked to pooled schemes	24,154	25,533	22,085
	Intangible assets	426	429	436
	Land and buildings	798	796	784
	Other property, plant and equipment	126	123	109
	Current tax assets	342	105	250
	Temporary assets	6	6	6
3.1	Other assets	1,516	1,526	1,689
	Prepayments and deferred income	219	116	185
	Total assets	116,035	116,535	108,208
Equity and liabilities				
Liabilities				
	Due to credit institutions and central banks	2,925	2,452	1,819
3.2	Deposits and other payables	63,679	63,775	63,275
	Deposits in pooled schemes	24,154	25,533	22,085
4.5	Issued bonds at amortised cost	4,817	4,845	2,651
	Other non-derivative financial liabilities at fair value	2,590	2,786	2,610
3.3	Other liabilities	4,249	3,503	3,000
	Prepayments and deferred income	147	115	64
	Deferred tax	4	4	17
	Provisions	62	75	82
4.4	Subordinated debt	1,521	1,523	1,327
	Total liabilities	104,150	104,611	96,931
Equity				
	Share capital	1,230	1,230	1,230
	Revaluation reserves	113	113	100
	Statutory reserves	169	148	102
	Proposed dividend	0	308	185
	Retained earnings	9,173	8,928	8,253
	Shareholders' equity	10,685	10,727	9,870
4.3	Holders of additional tier 1 (AT1) capital instruments	1,200	1,197	1,407
	Total equity	11,886	11,924	11,277
	Total equity and liabilities	116,035	116,535	108,208

Statement of changes in equity

	Share capital	Revaluation reserve	Statutory reserves	Proposed dividend	Retained earnings	Shareholders of Spar Nord Bank A/S	Additional tier 1 (AT1) capital	Total equity
	DKKm	DKKm	DKKm	DKKm	DKKm	DKKm	DKKm	DKKm
Equity at 31.03.22								
Equity at 31.12.21	1,230	113	148	308	8,928	10,727	1,197	11,924
Comprehensive income at 31.03.22								
Profit/loss for the period	-	-	24	-	241	264	12	276
Other comprehensive income								
Adjustment relating to associates	-	-	-2	-	2	0	-	0
Net revaluation of properties	-	1	-	-	-	1	-	1
Other comprehensive income, total	-	1	-2	-	2	1	-	1
Total comprehensive income	-	1	22	-	243	265	12	277
Transactions with owners								
Issue of additional tier 1 (AT1) capital, net of transaction costs	-	-	-	-	0	0	-	0
Interest paid on additional tier 1 (AT1) capital	-	-	-	-	-	-	-10	-10
Dividends paid	-	-	-	-308	-	-308	-	-308
Dividends received, treasury shares	-	-	-	-	0	0	-	0
Disposal upon acquisition of treasury shares and additional tier 1 (AT1) capital	-	-	-	-	-145	-145	-	-145
Addition upon sale of treasury shares and additional tier 1 (AT1) capital	-	-	-	-	146	146	1	148
Total transactions with owners	-	-	-	-308	1	-306	-9	-315
Equity at 31.03.22	1,230	113	169	0	9,173	10,685	1,200	11,886
Equity at 31.03.21								
Equity at 31.12.20	1,230	100	94	185	7,987	9,596	794	10,390
Comprehensive income at 31.03.21								
Profit/loss for the period	-	-	26	-	257	283	12	295
Other comprehensive income								
Adjustment relating to associates	-	-	-19	-	18	-1	-	-1
Net revaluation of properties	-	1	-	-	-	1	-	1
Other comprehensive income, total	-	1	-19	-	18	0	-	0
Total comprehensive income	-	1	7	-	275	282	12	295
Transactions with owners								
Issue of additional tier 1 (AT1) capital, net transaction costs	-	-	-	-	-4	-4	600	596
Disposal upon acquisition of treasury shares and additional tier 1 (AT1) capital	-	-	-	-	-151	-151	-	-151
Addition upon sale of treasury shares and additional tier 1 (AT1) capital	-	-	-	-	146	146	1	147
Total transactions with owners	-	-	-	0	-9	-9	601	592
Equity at 31.03.21	1,230	100	102	185	8,253	9,870	1,407	11,277

The share capital consists of 123,002,526 shares with a nominal value of DKK 10.
Additional tier 1 (AT1) capital is specified in note 4.3.

Group

Cash flow statement

	Q1 2022	Q1 2021	Full year 2021
	DKKm	DKKm	DKKm
Operations			
Profit/loss before tax	329	368	1,701
Fair value changes, investment properties and temporary assets	0	0	1
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	25	22	96
Gains and losses on the sale of intangible assets and property, plant and equipment	0	0	0
Adjustment of loan impairment etc.	18	89	-126
Adjustment of subordinated debt, issued bonds etc.	-31	-24	-13
Provisions	-13	4	-4
Income from investments in associates	-24	-26	-91
Corporate income tax paid	-290	-226	-354
Operating activities, total	14	208	1,210
Working capital			
Movement in credit institutions and central banks, net	473	1,025	-2,214
Movement in loans, advances and other receivables at amortised cost	-428	-3,021	-9,497
Movement in bonds at fair value	-539	-139	2,616
Movement in equity portfolio	81	18	-123
Movement in other assets and other liabilities, net	487	1,061	1,991
Movement in deposits and other payables	-95	4,859	5,359
Working capital, total	-21	3,802	-1,868
Cash generated from operations, total	-7	4,010	-658
Investments			
Acquisition of associates	-5	-17	-99
Sale of associates	0	0	0
Acquisition of intangible assets	0	-268	-255
Sale of intangible assets	0	0	0
Acquisition of property, plant and equipment	-16	-35	-103
Sale of property, plant and equipment	0	3	31
Dividends from associates	2	18	36
Investing activities, total	-19	-298	-390
Financing			
4.4 Subordinated debt	2	2	197
4.3 Additional tier 1 (AT1) capital included in equity	-9	597	337
4.5 Issued bonds	0	-2	2,181
Dividends paid, excluding dividends on treasury shares	-307	0	-184
Acquisition of treasury shares	-145	-151	-502
Sale of treasury shares	146	146	504
Repayment of lease liabilities	-8	-6	-29
Financing activities, total	-321	586	2,504
Movements in cash and cash equivalents for the period	-347	4,297	1,456
Cash and cash equivalents, beginning of year	3,841	2,385	2,385
Movements in cash and cash equivalents for the period	-347	4,297	1,456
Cash and cash equivalents, end of year	3,494	6,682	3,841
Cash and cash equivalents, end of year			
Cash, cash equivalents and demand deposits with central banks	1,088	183	1,855
Due from credit institutions and central banks within less than 3 months	2,406	6,499	1,986
Total	3,494	6,682	3,841

Notes to the financial statements

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Section 1

Basis of preparation

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Basis of preparation



1.1 Accounting policies

1.1.1 Basis of preparation of the interim report

The interim report is presented in accordance with IAS 34, "Interim Financial Reporting", as adopted by the EU, and additional Danish disclosure requirements for interim reports. The application of IAS 34 means that the presentation is limited relative to the presentation of an annual report and that the recognition and measurement principles of the International Financial Reporting Standards (IFRS) have been applied.

Other than as set out below, the accounting policies are unchanged from those applied in Annual Report 2021.

Annual Report 2021 contains the full description of the accounting policies.

Figures in the interim report are presented in millions of Danish kroner, unless otherwise stated. Consequently, rounding differences may occur because grand totals are rounded and the underlying decimal places are not shown to the reader.

1.1.2 Accounting policy changes

Effective from 1 January 2022, Spar Nord has implemented the following new or amended standards and interpretations:

- Amendments to IFRS 3, amendments to IFRS 16, amendments to IAS 37 as well as the annual improvement project to IFRS standards 2018–2020.

The implementation of these standards and interpretations has not materially affected recognition and measurement.

1.2 Significant accounting estimates and judgments



Measuring certain assets and liabilities requires Management to make an estimate of how future events will affect the value of such assets and liabilities. Estimates considered material in presenting the financial statements are, among other things, those made when determining loan impairment, the fair values of unlisted financial instruments as well as provisions. The applied estimates are based on assumptions deemed reasonable by Management but which are inherently uncertain.

In the presentation of the condensed Interim Financial Statements, the critical judgments made by Management in the application of the Group's accounting policies, and the considerable uncertainty related thereto, are identical to those applying to the presentation of the Financial Statements at 31 December 2021.

Section 2

Income statement

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Main items

Net interest income

DKK 436 million

Q1 2021: **DKK 414** million

Impairment of loans and advances, etc.

DKK -7 million

Q1 2021: **DKK 2** million

Net fee income

DKK 438 million

Q1 2021: **DKK 396** million

Profit/loss before tax

DKK 329 million

Q1 2021: **DKK 368** million

Costs and expenses

DKK 592 million

Q1 2021: **DKK 567** million

Profit/loss after tax

DKK 276 million

Q1 2021: **DKK 295** million

Profit/loss before loan impairment charges

DKK 322 million

Q1 2021: **DKK 371** million

C/I ratio

0.65

Q1 2021: **0.60**

Section 2

Income statement

2.1 Business segments

	Spar Nord's Local Banks	Trading Division	Other areas	Group total *)
Q1 2022	DKKm	DKKm	DKKm	DKKm
Income statement				
Net interest income	404	22	9	436
Net fee income	432	5	1	438
Market value adjustments and dividends	75	-75	6	7
Other income	6	0	29	35
Core income/revenue, total	917	-47	45	915
Staff costs and operating expenses	539	17	36	592
Core earnings before impairment	378	-64	9	322
Impairment of loans, advances and receivables etc.	-3	0	-4	-7
Profit/loss before tax	381	-64	12	329

*) The "Group total" column equals core earnings in the management's review.

	Spar Nord's Local Banks	Trading Division	Other areas	Group total
Balance sheet				
Loans, advances and other receivables at amortised cost	49,468	12,875	3	62,346
Investments in associates	0	0	690	690
Intangible assets and property, plant and equipment *)	492	1	857	1,350
Other assets **)	1,447	24,387	25,815	51,650
Allocated assets, total	51,407	37,263	27,365	116,035
Deposits and other payables	62,166	916	598	63,679
Equity (allocated capital)	6,757	1,429	3,700	11,886
Other liabilities	24,627	5,959	9,884	40,470
Allocated equity and liabilities, total	93,549	8,304	14,182	116,035

Disclosures – income/revenue, total				
Internal income/revenue	-40	29	29	18
Internal income and eliminations, offset against costs	0	-18	0	-18
Income/revenue, external customers	957	-58	16	915
Income/revenue, total	917	-47	45	915

Financial ratios				
Return on equity, % ***)	23.2	-17.2	-	-
Cost share of core income	0.59	-0.36	-	-
Total risk exposure amount, end of period	48,263	10,205	2,653	61,121
Number of employees (full-time equivalents, end of period)	1,098	54	470	1,622

*) All assets are located in Denmark.

**) Temporary assets amount to DKK 6 million, of which DKK 1 million relates to lease activities and DKK 5 million relates to other areas.

***) The rate of return on equity per annum has been calculated on allocated capital, which amounts to 13.5% of the average total risk exposure amount.

As in previous years, the Group uses core earnings as a performance measure.

The reporting segments correspond to the Group's organisational entities and an internal follow-up in this regard.

Description of business area activities:

- For a description of the activities of Spar Nord's Local Banks and Trading Division, please see page 55 of Annual Report 2021.
- The activities of the Local Banks include the Group's leasing activities, and the activities of Other areas include central staffs and support functions.

Intra-group settlement is determined based on the same principles as in previous years and expresses contributions to earnings from the activities carried out by the respective business areas.

Internal management takes place based on a net-interest consideration, and accordingly interest income and expenses are not disclosed.

Section 2

Income statement

	Spar Nord's Local Banks	Trading Division	Other areas	Group total *)
Q1 2021	DKKm	DKKm	DKKm	DKKm
Income statement				
Net interest income	371	27	16	414
Net fee income	391	4	2	396
Market value adjustments and dividends	64	17	9	90
Other income	6	0	31	37
Core income/revenue, total	831	48	58	938
Staff costs and operating expenses	520	11	36	567
Core earnings before impairment	311	38	22	371
Impairment of loans, advances and receivables etc.	-11	1	13	2
Profit/loss before tax	323	37	9	368

*) The "Group total" column equals core earnings in the management's review.

	Spar Nord's Local Banks	Trading Division	Other areas	Group total
Balance sheet				
Loans, advances and other receivables at amortised cost	45,770	9,474	0	55,245
Investments in associates	0	0	553	553
Intangible assets and property, plant and equipment *)	492	2	835	1,328
Other assets **)	23,496	26,087	1,499	51,082
Allocated assets, total	69,758	35,563	2,887	108,208
Deposits and other payables	61,940	716	620	63,275
Equity (allocated capital)	5,835	1,250	4,192	11,277
Other liabilities	22,388	4,998	6,269	33,655
Allocated equity and liabilities, total	90,163	6,964	11,081	108,208

Disclosures – income/revenue, total

Internal income/revenue	-38	36	29	27
Internal income and eliminations, offset against costs	0	-27	0	-27
Income/revenue, external customers	869	40	29	938
Income/revenue, total	831	48	58	938

Financial ratios

Return on equity, % ***)	22.1	12.0	-	-
Cost share of core income	0.63	0.22	-	-
Total risk exposure amount, end of period	45,966	12,087	2,541	60,594
Number of employees (full-time equivalents, end of period)	1,086	72	482	1,640

*) All assets are located in Denmark.

**) Temporary assets amount to DKK 6 million, of which DKK 3 million relates to lease activities and DKK 3 million relates to other areas.

****) The rate of return on equity per annum has been calculated on allocated capital, which amounts to 13.5% of the average total risk exposure amount.

As in previous years, the Group uses core earnings as a performance measure.

The reporting segments correspond to the Group's organisational entities and an internal follow-up in this regard.

Description of business area activities:

- For a description of the activities of Spar Nord's Local Banks and Trading Division, please see page 55 of Annual Report 2021.
- The activities of the Local Banks include the Group's leasing activities, and the activities of Other areas include central staffs and support functions.

Intra-group settlement is determined based on the same principles as in previous years and expresses contributions to earnings from the activities carried out by the respective business areas.

Internal management takes place based on a net-interest consideration, and accordingly interest income and expenses are not disclosed.

Section 2

Income statement

2.2 Interest income

	Q1 2022	Q1 2021
	DKKm	DKKm
Interest income		
Reverse repo transactions with credit institutions and central banks	-4	-2
Other amounts due from credit institutions and central banks	1	1
Reverse repo transactions, lending	-17	-12
Loans, advances and other receivables	373	361
Bonds	18	17
Total derivatives	12	9
Other interest income	0	0
Total interest income after offsetting negative interest income	384	374
Negative interest income offset against interest income		
Reverse repo transactions with credit institutions and central banks	4	2
Reverse repo transactions, lending	17	12
Bonds	4	3
Total negative interest income transferred to interest expenses	25	18
Negative interest expenses offset against interest expenses		
Repo transactions with credit institutions and central banks	2	1
Repo transactions, deposits	4	4
Deposits and other payables	86	61
Total negative interest expenses transferred to interest income	92	66
Total interest income	501	458

In the income statement, negative interest income is presented as interest expenses, and negative interest expenses are presented as interest income.

2.3 Interest expenses

	Q1 2022	Q1 2021
	DKKm	DKKm
Interest expenses		
Repo transactions with credit institutions and central banks	-2	-1
Other payables to credit institutions and central banks	2	2
Repo transactions, deposits	-4	-4
Deposits and other payables	-74	-52
Issued bonds	17	6
Subordinated debt	9	9
Other interest expenses	0	0
Total interest expenses after offsetting negative interest expenses	-52	-41
Negative interest expenses offset against interest expenses		
Repo transactions with credit institutions and central banks	2	1
Repo transactions, deposits	4	4
Deposits and other payables	86	61
Total negative interest expenses transferred to interest income	92	66
Negative interest income offset against interest income		
Reverse repo transactions with credit institutions and central banks	4	2
Reverse repo transactions, lending	17	12
Bonds	4	3
Total negative interest income transferred to interest expenses	25	18
Total interest expenses	65	44

In the income statement, negative interest expenses are presented as interest income, and negative interest income is presented as interest expenses.

Income statement

	Q1 2022	Q1 2021
	DKKm	DKKm
Securities trading and custody accounts	151	129
Payment services	52	41
Loan transaction fees	179	188
of which mortgage credit institutions	137	132
Guarantee commission	9	8
Other fees, charges and commissions	90	71
Total fees, charges and commissions received	480	437
Total fees, charges and commissions paid	42	41
Total net fees, charges and commissions received	438	396

	Q1 2022	Q1 2021
	DKKm	DKKm
Other loans, advances and receivables at fair value	58	1
Bonds	-232	-44
Shares, etc.	43	59
Currency	23	19
Foreign exchange, interest, share, commodity and other contracts and derivatives	110	53
Assets linked to pooled schemes	-1,252	724
Deposits in pooled schemes	1,252	-724
Total market value adjustments	2	88
Dividends on shares, etc.	4	2
Market value adjustments and dividends on shares, etc., total	7	90

	Q1 2022	Q1 2021
	DKKm	DKKm
Payments under operating leases and other rental income	2	3
Other income	5	5
Operation of investment properties	4	4
Total other operating income	11	11
Income from investments in associates	24	26
Other income, total	35	37

Section 2

Income statement

2.7 Staff costs

	Q1 2022	Q1 2021
	DKKm	DKKm
Salaries	285	278
Pensions	32	37
Social security costs	40	38
Total staff costs	357	353

Remuneration to members of the Board of Directors and Executive Board amounts to:

Board of Directors

Number	9	9
Fixed remuneration	1.2	1.0
Pension	-	-
Total remuneration	1.2	1.0

Executive Board

Number	4	4
Base salary *)	4.5	4.3
- less fees received from directorships	0.1	0.1
The Bank's expense, base salary	4.3	4.2
Pension	0.7	0.7
Total remuneration earned and paid	5.0	4.9

*) The amount includes the value of a company-provided car etc.

The members of the Executive Board receive no variable pay.

Members of the Executive Board receive remuneration for their Group executive board duties based on the management agreement with the subsidiary.

Termination rules

The members of the Executive Board are entitled to a notice period of 12 months and will receive severance pay corresponding to one to two years' salary.

For Executive Board members who receive the maximum severance pay, a two-year severance pay period until the member's 64th birthday, after which the severance pay will be reduced gradually, and no severance pay will be paid when a member of the Executive Board has reached the age of 67.

Pension obligation

Like the other employees, members of the Executive Board and significant risk takers are comprised by defined contribution pension plans.

Number of employees

Average number of employees in the reporting period converted into full-time equivalents	1,614	1,593
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2.8 Operating expenses

	Q1 2022	Q1 2021
	DKKm	DKKm
IT costs	133	125
Marketing expenses	15	13
Cost of premises	14	12
Staff costs and travel expenses	12	8
Office expenses	5	6
Other administrative expenses	31	27
Operating expenses	211	192
Depreciation, amortisation and impairment	25	22
Total operating expenses	236	214

Section 2

Income statement

2.9 Impairment of loans, advances and receivables etc.

	Q1 2022	Q1 2021
	DKKm	DKKm
Impairment re. new exposures during the year, including new accounts to existing customers	29	51
Reversed impairment re. repaid accounts	-45	-80
Impairment during the year due to change in credit risk	39	37
Loss without prior impairment	7	12
Amounts recovered on previously impaired receivables	36	17
Value adjustment of properties taken over	0	0
Total impairment of loans and receivables etc.	-7	2

See note 5.14 for an explanation of impairment and provision for losses on guarantees etc. at 31.03.2022.

2.10 Effective tax rate

	Q1 2022	Q1 2021
	%	%
Current tax rate	22.0	22.0
Income from investments and market value adjustment of shares, %	-4.8	-3.1
Non-deductible expenses and non-taxable income, %	1.4	1.0
Adjustment of prior-year taxes, %	-2.4	0.0
Total effective tax rate	16.2	19.9

Section 3

Balance sheet

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3.4 Information on fair value of financial instruments	31

Main items

Lending, banking and leasing activities

DKK 49,722 million

31.12.21: **DKK 49,086** million

Deposits, banking activities

DKK 63,679 million

31.12.21: **DKK 63,775** million

Bonds at fair value

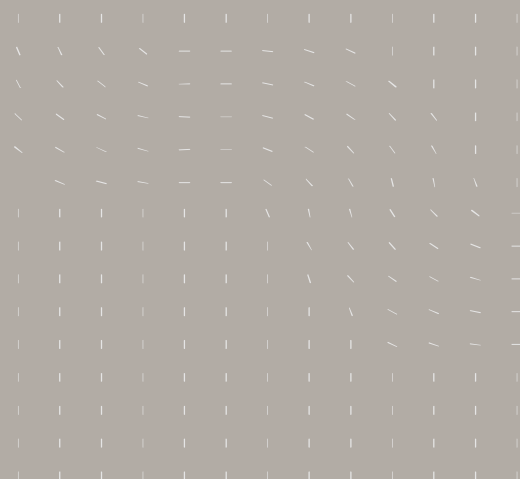
DKK 19,570 million

31.12.21: **DKK 19,031** million

Deposits in pooled schemes

DKK 24,154 million

31.12.21: **DKK 25,533** million



Section 3

Balance sheet

3.1 Other assets

	31.03.22	31.12.21
	DKKm	DKKm
Positive fair value of derivatives, etc.	559	542
Miscellaneous receivables	469	484
Interest and commissions receivable	65	81
Capital contribution in BEC Financial Technologies	387	387
Other assets	36	32
Total other assets	1,516	1,526

3.2 Deposits and other payables

	31.03.22	31.12.21
	DKKm	DKKm
Repo transactions	496	0
Demand deposits	58,347	58,558
Subject to notice	2,006	2,340
Time deposits, excluding repo business	182	180
Special types of deposits	2,649	2,698
Total deposits and other payables	63,679	63,775

3.3 Other liabilities

	31.03.22	31.12.21
	DKKm	DKKm
Miscellaneous payables	3,203	2,573
Negative fair value of derivatives, etc.	495	474
Interest and commissions payable	53	36
Lease liabilities	155	151
Other liabilities	343	268
Total other liabilities	4,249	3,503

Section 3

Balance sheet

3.4 Information on fair value of financial instruments

A more detailed description of the principles for recognition and measurement of financial assets and financial liabilities is provided in accounting policies in note 3.3.4 to Annual Report 2021.

Reference is also made to note 3.3.4 to Annual Report 2021 for information about differences between the carrying amount and fair value of financial assets and financial liabilities recognised at amortised cost.

	Amortised cost 31.03.22	Fair value through profit or loss 31.03.22	Amortised cost 31.12.21	Fair value through profit or loss 31.12.21
	DKKm	DKKm	DKKm	DKKm
Cash balances and demand deposits with central banks	1,088	0	1,855	0
Due from credit institutions and central banks	2,905	0	2,485	0
Loans, advances and other receivables at amortised cost	62,346	0	61,936	0
Bonds at fair value	0	19,570	0	19,031
Shares, etc.	0	1,849	0	1,931
Assets linked to pooled schemes	0	24,154	0	25,533
Positive fair value of derivatives	0	559	0	542
Total financial assets	66,339	46,133	66,276	47,037
Due to credit institutions and central banks	2,925	0	2,452	0
Deposits and other payables	63,679	0	63,775	0
Deposits in pooled schemes	0	24,154	0	25,533
Issued bonds at amortised cost	4,817	0	4,845	0
Other non-derivative financial liabilities at fair value	0	2,590	0	2,786
Lease liabilities	155	0	151	0
Negative fair value of derivatives	0	495	0	474
Subordinated debt	1,521	0	1,523	0
Total financial liabilities	73,097	27,239	72,746	28,793

Spar Nord has no financial assets or financial liabilities at fair value through other comprehensive income.

Day 1 gains (customer margin)

When valuing unlisted derivative instruments, the initial customer margin, etc. is amortised over the remaining term to maturity. At 31.03.2022, the customer margin, etc. not yet amortised amounted to DKK 51 million (31.12.2021: DKK 54 million).

In Day 1 gains, no amount was offset from CVA at 31.03.2022, which is the credit value component of derivatives.

Breakdown of financial instruments relative to the fair-value hierarchy classification and carrying amount

	Quoted prices Level 1	Observable inputs Level 2	Non-observable inputs Level 3	Total
31.03.22	DKKm	DKKm	DKKm	DKKm
Bonds at fair value	0	19,570	0	19,570
Shares, etc.	200	24	1,626	1,849
Assets linked to pooled schemes	18,471	5,078	605	24,154
Positive fair value of derivatives	0	559	0	559
Total financial assets	18,671	25,230	2,231	46,133
Deposits in pooled schemes	0	24,154	0	24,154
Other non-derivative financial liabilities at fair value	0	2,590	0	2,590
Negative fair value of derivatives	0	495	0	495
Total financial liabilities	0	27,239	0	27,239

Section 3

Balance sheet

	Quoted prices Level 1	Observable inputs Level 2	Non-observa- ble inputs Level 3	Total
	DKKm	DKKm	DKKm	DKKm
31.12.21				
Bonds at fair value	0	19,031	0	19,031
Shares, etc.	221	33	1,678	1,931
Assets linked to pooled schemes	20,011	4,977	545	25,533
Positive fair value of derivatives	0	542	0	542
Total financial assets	20,231	24,583	2,223	47,037
Deposits in pooled schemes	0	25,533	0	25,533
Other non-derivative financial liabilities at fair value	0	2,786	0	2,786
Negative fair value of derivatives	0	474	0	474
Total financial liabilities	0	28,793	0	28,793

In 2021 and 2022, no transfers have been made to or from non-observable inputs (Level 3).

	Fair value based on net asset value, cf. sharehold- ers' agreements	Other	Fair value based on net asset value, cf. sharehold- ers' agreements	Other
	31.03.22	31.03.22	31.12.21	31.12.21
	DKKm	DKKm	DKKm	DKKm
Level 3				
Equities	1,154	472	1,219	459
Assets linked to pooled schemes	-	605	-	545
Positive fair value of derivatives	-	0	-	0

Sensitivities:

Change in fair value of shares if the profit/loss of the companies changes by 10%	20	-	15	-
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A substantial portion of the shares included under "Other" are valued based on future expected cash, market expectations as to the required rate of return on equity and comparable transactions.

Financial instruments measured at fair value based on non-observable inputs (Level 3)

	31.03.22	31.12.21
	DKKm	DKKm
Carrying amount, beginning of period	2,223	1,921
Value adjustments through profit or loss	64	158
Market value adjustments in other comprehensive income	0	0
Purchase	69	249
Sale	125	105
Transferred to/from Level 3	0	0
Carrying amount, end of year	2,231	2,223
Value adjustments through profit or loss of assets held at the reporting date	63	157

Dividends on shares recognised in the income statement are not included in the above statement.

Section 4

Capital

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4.2 Treasury share portfolio.....	34
4.3 Additional tier 1 (AT1) capital	35
4.4 Subordinated debt	36
4.5 Issued bonds at amortised cost	37

Main items

Target:
Common equity tier 1 capital ratio

13.5%

31.12.21: **13.5%**

Common equity tier 1 capital ratio

15.6%

31.12.21: **16.3%**

Target:
Own funds ratio

17.5%

31.12.21: **17.5%**

Own funds ratio

20.0%

31.12.21: **20.8%**

Earnings per share for the period

DKK 2.2

31.03.21: **DKK 2.3**

Section 4

Capital

4.1 Own funds

	31.03.22	31.12.21
	DKKm	DKKm
Equity	11,886	11,924
Result not recognised	241	-
Phasing in of IFRS 9	171	174
Additional tier 1 (AT1) capital included in equity	1,200	1,197
Proposed dividend	308	308
Intangible assets	346	348
Other primary deductions	64	70
Deduction – Holdings of insignificant CET1 instruments	0	56
Deduction – Holdings of significant CET1 instruments	343	247
Common equity tier 1 capital	9,554	9,872
Additional tier 1 (AT1) capital *)	1,173	1,173
Other deductions	0	1
Tier 1 capital	10,727	11,045
Subordinated debt, excl. Additional Tier 1 (AT1) capital *)	1,512	1,516
Other deductions	0	2
Own funds	12,239	12,558
Weighted risk exposure amount, credit risk etc.	50,982	50,165
Weighted risk exposure amount, market risk	3,641	4,140
Weighted risk exposure amount, operational risk	6,499	6,174
Total risk exposure amount	61,121	60,479
Common equity tier 1 capital ratio	15.6	16.3
Tier 1 capital ratio	17.6	18.3
Own funds ratio	20.0	20.8

The capital adequacy calculation for Q1 2022 is exclusive of recognition of profit/loss for the period.

*) The maximum holding of own bonds etc. has been deducted.

4.2 Treasury share portfolio

	31.03.22	31.12.21
Number of shares	40,867	67,935
Percentage of share capital	0.0	0.1

Section 4

Capital

4.3 Additional tier 1 (AT1) capital

						31.03.22	31.12.21
						DKKm	DKKm
Currency	Note	Principal DKKm	Interest rate	Received	Maturity		
DKK	a	250	3.125%	2021	Perpetual	254	252
DKK	b	600	3.25%	2021	Perpetual	597	601
DKK	c	330	6.00%	2020	Perpetual	349	344
Additional tier 1 (AT1) capital issued under CRR, total						1,200	1,197

a Issued on 30.09.2021, with an option of early redemption as from 30.09.27. The loan carries interest at a rate of 3.125% p.a. until 30.09.2027, after which date interest will be fixed at CIBOR6 + a 2.962% margin. If Spar Nord's common equity tier 1 (CET1) ratio falls below 7%, the loans will be written down. The loans can be written up again based on the rules laid down in CRR.

b Issued on 08.03.2021, with an option of early redemption as from 08.09.2026. The loan carries interest at a rate of 3.25% p.a. until 08.09.2026, after which date interest will be fixed at CIBOR6 + a 3.244% margin. If Spar Nord's common equity tier 1 (CET1) ratio falls below 7%, the loans will be written down. The loans can be written up again based on the rules laid down in CRR.

c Issued on 15.04.2020, with an option of early redemption as from 15.04.2025. The loan carries interest at a rate of 6.00% p.a. until 15.04.2025, after which date interest will be fixed at CIBOR6 + a 6.00% margin, but a minimum of 6.00%. If Spar Nord's common equity tier 1 (CET1) ratio falls below 5 1/8%, the loans will be written down. The loans can be written up again based on the rules laid down in CRR.

Specification of cash flows

	31.03.22	31.12.21
	DKKm	DKKm
Issue of additional tier 1 (AT1) capital	-	850
Redemption of additional tier 1 (AT1) capital	-	-450
Net transaction costs	0	-6
Change in portfolio of own bonds	1	-4
Interest paid	-10	-54
Net cash flows	-9	337

Section 4

Capital

4.4 Subordinated debt

Supplementary capital contributions

						31.03.22	31.12.21
						DKKm	DKKm
Currency	Note	Principal DKKm	Interest rate	Received	Maturity		
DKK	a	200	CIBOR3 + 1.30 %	2021	30.09.33	199	199
DKK	b	350	CIBOR6 + 2.40 %	2018	29.05.29	349	349
DKK	c	150	2.9298%	2018	29.05.29	150	150
DKK	d	400	2.5348%	2018	19.06.28	400	400
SEK	e	600	STIBOR3 + 2.50 %	2017	18.10.27	431	436
Supplementary capital contributions, total						1,530	1,534
Portfolio of own bonds relating to subordinated debt						-9	-11
Total subordinated debt						1,521	1,523

- a** Redeemable as from 30.09.2028. If the loan is not redeemed, interest will be fixed at CIBOR3 + a 1.30% margin.
b Redeemable as from 29.05.2024. If the loan is not redeemed, interest will be fixed at CIBOR6 + a 2.40% margin.
c Redeemable as from 29.05.2024. If the loan is not redeemed, interest will be fixed at CIBOR6 + a 2.40% margin.
d Redeemable as from 19.06.2023. If the loan is not redeemed, interest will be fixed at CIBOR3 + a 2.10% margin.
e Redeemable as from 18.10.2022. If the loan is not redeemed, interest will be fixed at STIBOR3 + a 2.50% margin.

Specification of cash flows and other movements

			31.03.22	31.12.21
			DKKm	DKKm
Beginning of period			1,523	1,333
Cash flows				
New loans			0	200
Redeemed			0	0
Net transaction costs			0	-1
Change in portfolio of own bonds			2	-2
Net cash flows			2	197
Other movements				
Change in exchange rate adjustments			-4	-8
Amortised costs expensed			0	1
Total other movements			-4	-7
End of year			1,521	1,523

Section 4

Capital

4.5 Issued bonds at amortised cost

						31.03.22	31.12.21
						DKKm	DKKm
Currency	Note	Principal DKKm	Interest rate	Received	Maturity		
NOK	a	500	2.8230%	2021	30.06.32	350	366
NOK	b	950	2.1110%	2021	26.11.26	690	693
NOK	c	750	NIBOR3 + 1.05 %	2021	26.05.28	573	558
SEK	d	800	STIBOR3 + 0.80 %	2021	26.05.26	573	579
SEK	e	1,250	STIBOR3 + 1.05 %	2019	05.12.23	899	907
DKK	f	1,350	CIBOR3 + 1.00 %	2019	05.12.25	1,348	1,348
DKK	g	400	0.7290%	2019	05.12.25	386	396
Issued bonds, total						4,819	4,847
Portfolio of own bonds relating to issued bonds						-2	-2
Issued bonds, total						4,817	4,845

a The bonds are redeemable from 30.06.2031. If the bonds are not redeemed, interest will be fixed at NIBOR3 + a 1.166% margin.

b The bonds are redeemable from 26.11.2025. If the bonds are not redeemed, interest will be fixed at NIBOR3 + a 0.86% margin.

c The bonds are redeemable from 26.05.2027. If the bonds are not redeemed, interest will be fixed at NIBOR3 + a 1.05% margin.

d The bonds are redeemable from 26.05.2025. If the bonds are not redeemed, interest will be fixed at STIBOR3 + a 0.80% margin.

e The bonds are redeemable from 05.12.2022. If the bonds are not redeemed, interest will be fixed at STIBOR3 + a 1.05% margin.

e The bonds are redeemable from 05.12.2024. If the bonds are not redeemed, interest will be fixed at CIBOR3 + a 1.00% margin.

g The bonds are redeemable from 05.12.2024. If the bonds are not redeemed, interest will be fixed at CIBOR3 + a 1.00% margin.

The loans **a**, **b** and **g** are comprised by the rules on hedge accounting. Reference is made to note 6.5 in the annual report for 2021.

Specification of cash flows and other movements

			31.03.22	31.12.21
			DKKm	DKKm
Beginning of period			4,845	2,670
Cash flows				
New loans			0	2,192
Redeemed			0	0
Net transaction costs			0	-9
Change in portfolio of own bonds			0	-2
Net cash flows			0	2,181
Other movements				
Change in exchange rate adjustments			30	15
Change in interest rate hedging			-58	-24
Amortised costs expensed			1	3
Total other movements			-27	-6
End of year			4,817	4,845
			31.03.22	31.12.21
			DKKm	DKKm
Shown by contractual term to maturity				
Up to 3 months			1	1
Over 3 months and up to 1 year			901	910
Between 1 year and 5 years			2,989	3,006
Over 5 years			926	927
Total			4,817	4,845

Risk management

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Main items

Credit exposures – loans, advances and guarantees excl. reverse repo transactions

DKK 69,507 million

31.12.21: **DKK 68,234** million

Credit exposure – excl. reverse repo transactions
Retail/business

47.5% / 52.5%

31.12.21: **47.3% / 52.7%**

Total impairment account

DKK 1,609 million

31.12.21: **DKK 1,591** million

Impairment on loans, advances and other receivables, etc.

DKK -7 million

31.03.21: **DKK 2** million

Section 5

Risk management

5.1 Credit risk

A description of Spar Nord's credit policy is provided in note 5.1.1 to Annual Report 2021.

5.1.1 Summary of carrying amount of exposures

Summary of carrying amount of exposures	Exposure before impairment	Impairment	Carrying amount	Recognised impairment etc. total
31.03.22	DKKm	DKKm	DKKm	DKKm
Loans and advances at amortised cost	63,895	1,550	62,345	5
Due from credit institutions and central banks	2,906	1	2,905	0
Guarantees	18,236	49	18,187	-13
Unutilised credit lines and loan commitments	26,806	9	26,797	0
Total	111,843	1,609	110,235	-7

31.12.21

Loans and advances at amortised cost	63,456	1,520	61,936	-117
Due from credit institutions and central banks	2,486	1	2,485	0
Guarantees	17,628	62	17,566	5
Unutilised credit lines and loan commitments	26,932	9	26,924	-8
Total	110,502	1,591	108,911	-120

5.1.2 Impairment and provisions by stages

	Stage 1	Stage 2	Stage 3	Total
31.03.22	DKKm	DKKm	DKKm	DKKm
Loans and advances at amortised cost	139	428	983	1,550
Due from credit institutions and central banks	1	0	0	1
Guarantees	21	22	6	49
Unutilised credit lines and loan commitments	4	3	2	9
Total	165	453	991	1,609

31.12.21

Loans and advances at amortised cost	133	309	1,078	1,520
Due from credit institutions and central banks	1	0	0	1
Guarantees	19	35	8	62
Unutilised credit lines and loan commitments	3	3	3	9
Total	156	346	1,089	1,591

5.1.3 Exposures before impairment and provisions by stages

	Stage 1	Stage 2	Stage 3	Total
31.03.22	DKKm	DKKm	DKKm	DKKm
Loans and advances at amortised cost	54,399	7,751	1,745	63,894
Due from credit institutions and central banks	2,906	0	0	2,906
Guarantees	16,815	1,314	107	18,236
Unutilised credit lines and loan commitments	25,200	1,507	99	26,806
Total	99,321	10,571	1,951	111,843

31.12.21

Loans and advances at amortised cost	56,905	4,736	1,815	63,456
Due from credit institutions and central banks	2,486	0	0	2,486
Guarantees	16,451	1,057	120	17,628
Unutilised credit lines and loan commitments	25,681	1,149	103	26,932
Total	101,523	6,942	2,038	110,502

Spar Nord does not have the categories "Financial assets at fair value through other comprehensive income" and "Loans at fair value through profit or loss".

The exposures include exposures for which impairment has been reversed (impairment charges taken over) on customers acquired. The discount amounted to DKK 19 million at 31.03.2022 (31.12.2021: DKK 42 million).

Section 5

Risk management

5.1.4 Impairment and provisions for losses

Analysis of changes in impairment and provisions for losses during the year broken down by stages and correlated to recognised impairment, etc.

	Stage 1	Stage 2	Stage 3	Total	Recognised impairment etc.
	DKKm	DKKm	DKKm	DKKm	DKKm
31.03.22					
Impairment at 1 January, loans at amortised cost	156	346	1,089	1,591	-
Impairment re. new exposures during the year, including new accounts to existing customers	17	1	11	29	29
Reversed impairment re. repaid accounts	14	13	18	45	45
Change in impairment at 1 January, transfer to/from stage 1	37	-31	-6	-	-
Change in impairment at 1 January, transfer to/from stage 2	-19	23	-4	-	-
Change in impairment at 1 January, transfer to/from stage 3	0	-1	1	-	-
Impairment during the year due to change in credit risk	-12	128	-77	39	39
Previously impaired, now finally lost	0	0	-11	-11	-
Other movements (interest rate correction etc.)	0	0	6	6	-
Loss without prior impairment	-	-	-	-	7
Amounts recovered on previously impaired receivables	-	-	-	-	36
Impairment and provisions for losses, end of period	165	453	991	1,609	-7

	Stage 1	Stage 2	Stage 3	Total	Recognised impairment etc.
	DKKm	DKKm	DKKm	DKKm	DKKm
31.12.21					
Impairment at 1 January, loans at amortised cost	196	580	941	1,717	-
Impairment re. new exposures during the year, including new accounts to existing customers	76	27	43	146	146
Reversed impairment re. repaid accounts	59	83	75	216	216
Change in impairment at 1 January, transfer to/from stage 1	202	-174	-28	-	-
Change in impairment at 1 January, transfer to/from stage 2	-55	112	-57	-	-
Change in impairment at 1 January, transfer to/from stage 3	-20	-92	112	-	-
Impairment during the year due to change in credit risk	-184	-25	218	9	9
Previously impaired, now finally lost	0	0	-81	-81	-
Other movements (interest rate correction etc.)	0	0	16	16	-
Loss without prior impairment	-	-	-	-	55
Amounts recovered on previously impaired receivables	-	-	-	-	114
Impairment and provisions for losses, end of period	156	346	1,089	1,591	-120

The figures concerning impairment re. new exposures and reversed impairment charges re. repaid accounts include administrative movements in which the balance is moved between two accounts for the same customer.

Loss without prior impairment expresses Spar Nord's recognised loans for which the loss is greater than impairment at the beginning of the year.

Section 6

Other notes

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Section 6

Other notes

6.1 Collateral

Collateral provided through clearing systems, with central counterparties and other infrastructure institutions:

	31.03.22	31.12.21
	DKKm	DKKm
Deposits, clearing	165	169
Collateral provided for the market value of derivatives transactions	248	284
Positive market value of derivative contracts subject to netting	199	207
Collateral provided as part of repo transactions	2,975	2,187
Total	3,587	2,847

6.2 Contingent assets

	31.03.22	31.12.21
	DKKm	DKKm
Unrecognised tax assets	39	46

6.3 Contingent liabilities

	31.03.22	31.12.21
	DKKm	DKKm
Guarantees	18,187	17,566
Other binding commitments	1,493	1,487
Total contingent liabilities	19,680	19,053

Guarantees

Financial guarantees	7,790	7,835
Loss guarantees for mortgage loans	6,267	6,818
Registration and refinancing guarantees	3,284	2,058
Other contingent liabilities	845	855
Total guarantees	18,187	17,566

Reference is made to note 2.7 regarding the Executive Board's notice of termination and the associated compensation.

Spar Nord is taxed jointly with its Danish subsidiary in the Spar Nord Group. As management company, Spar Nord has unlimited, joint and several liability together with the subsidiary for the Danish corporate income tax payable. Due to the payment of tax on account, no tax was payable at 31.03.2022 and 31.12.2021. The corporate income tax receivable within the tax pool amounted to DKK 342 million at 31.03.2022 (31.12.2021: DKK 105 million). Any adjustments to the taxable income subject to joint taxation might entail an increase in the Parent Company's liability.

Spar Nord has made provisions for a deferred tax liability in respect of recaptured losses related to international joint taxation.

The Bank participates in the national restructuring and resolution scheme, with separate contributions being paid to the Guarantee Fund and the Resolution Fund. For both funds, separate target levels have been set, based on the sector's total deposits that are covered by the guarantee limit of EUR 100,000 (section 9(1) of the Act on a Depositor and Investor Guarantee Scheme).

The Guarantee Fund covers customers' deposits and securities pursuant to the Act on a Depositor and Investor Guarantee Scheme.

The Bank's costs for the Guarantee Fund are calculated based on the Bank's pro-rata share. The amount of the contribution will be adjusted by an individual risk factor.

The Resolution Fund is to be used pursuant to the Act on Restructuring and Resolution of Certain Financial Enterprises for the purpose of covering the associated costs.

The Bank's costs for the Resolution Fund are calculated based on the Bank's pro-rata share of the sector's total equity and liabilities less own funds and covered deposits. This contribution will also be adjusted by an individually determined risk factor. The Bank's costs for the Resolution Fund for 2022 have been included as a pro-rata share of the annual contributions. The Bank's contribution to the Resolution Fund at 31.03.2022 amounted to DKK 4 million (31.03.2021: DKK 3 million).

The amount of the contingent liabilities and the possible due dates are subject to uncertainty, for which reason this information has not been disclosed.

Section 6

Other notes

Other binding commitments

	31.03.22	31.12.21
	DKKm	DKKm
Data-processing centre	1,477	1,461
Lease liabilities, Spar Nord as lessee	16	27
Other binding commitments, total	1,493	1,487

Data-processing centre

Spar Nord has entered into an agreement with BEC Financial Technologies regarding the provision of IT services.

In addition, a capital contribution to BEC Financial Technologies has been recognised under Other assets.

Spar Nord's membership of BEC Financial Technologies means that in case of termination of the Bank's membership, it is liable to pay an exit fee.

The Spar Nord Group has no other significant binding agreements.

Lease liabilities, Spar Nord as lessee

The lease liabilities above concern leases concluded at the balance sheet date but for which the lease asset has not yet been made available.

Spar Nord has not entered into finance leases as a lessee.

6.4 Events after the balance sheet date

No significant events have occurred after 31.03.2022.

6.5 Overview of group companies

		Share capital, end of period *)	Equity end of period *)	Profit/loss for the year *)	Ownership interest
	Activity	DKKm	DKKm	DKKm	%
Spar Nord Bank A/S	Banking	1,230	11,924	1,370	-
Subsidiary					
Aktieselskabet Skelagervej 15, Aalborg	Properties	27	290	25	100

*) According to the most recent annual report.

6.6 Ownership at 31.03.2022

Spar Nord Fonden, Aalborg, and Nykredit Realkredit A/S, Copenhagen, have disclosed that they each own more than 5% of the share capital of Spar Nord Bank A/S.

Section 6

Other notes

6.7 Performance indicators and financial ratios (Danish FSA's layout and ratio system) 5-year overview

Performance indicators

DKKm	Q1 2022	Q1 2021	Change in %	Q1 2022	Q1 2021	Q1 2020	Q1 2019	Q1 2018	Full year 2021
Income statement									
Net interest and fee income	878	813	8	878	813	711	697	686	3,356
Market value adjustments	2	88	-97	2	88	-13	115	113	329
Staff costs and administrative expenses	568	541	5	568	541	494	495	458	2,125
Impairment on loans, advances and receivables, etc.	-7	2	-	-7	2	175	10	-23	-120
Income from investments in associates	24	26	-9	24	26	9	29	9	91
Profit/loss for the period	276	295	-6	276	295	24	263	311	1,368
Balance sheet									
Lending	62,346	55,245	13	62,346	55,245	50,400	45,249	44,866	61,936
Equity	11,886	11,277	5	11,886	11,277	9,787	9,499	9,094	11,924
Total assets	116,035	108,208	7	116,035	108,208	94,457	87,701	80,934	116,535
Financial ratios									
Own funds									
Own funds ratio *)	20.0	19.5		20.0	19.5	19.0	18.2	17.8	20.8
Tier 1 capital ratio *)	17.6	17.3		17.6	17.3	16.7	15.8	15.6	18.3
Earnings									
Return on equity before tax	%	2.8	3.4	2.8	3.4	0.2	3.5	4.1	15.2
Return on equity after tax	%	2.3	2.7	2.3	2.7	0.2	2.8	3.5	12.3
Income/cost ratio		1.56	1.65	1.56	1.65	1.03	1.62	1.81	1.80
Return on assets	%	0.2	0.3	0.2	0.3	0.0	0.3	0.4	1.2
Market risk and liquidity									
Interest rate risk	%	0.7	0.9	0.7	0.9	0.1	1.0	0.8	0.9
Foreign exchange position	%	0.5	0.8	0.5	0.8	1.1	1.3	1.4	0.7
Foreign exchange risk	%	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.1
Liquidity Coverage Ratio (LCR)	%	233	234	233	234	185	160	173	280
Excess coverage relative to statutory liquidity requirement	%	-	-	-	-	-	-	310.8	-
Loans and advances as % of deposits	%	71.0	64.7	71.0	64.7	74.5	67.9	71.4	69.4
Credit risk									
Loans and advances relative to equity		5.2	4.9	5.2	4.9	5.1	4.8	4.9	5.2
Increase in loans and advances for the period	%	1.3	8.4	1.3	8.4	-0.3	2.6	1.3	15.5
Sum of large exposures	%	94.3	81.8	94.3	81.8	82.6	76.1	74.1	81.7
Impairment ratio for the period		0.0	0.0	0.0	0.0	0.3	0.0	0.0	-0.1
The Spar Nord Bank share									
DKK per share of DKK 10									
Profit/loss for the period	2.2	2.4		2.2	2.4	0.2	2.1	2.5	11.1
Net asset value (NAV)	87	80		87	80	72	70	67	87
Dividend	-	-		-	-	-	-	-	2.5
Share price/profit/loss for the period	39.6	28.2		39.6	28.2	209.0	27.6	28.8	7.5
Share price/NAV	1.0	0.8		1.0	0.8	0.6	0.8	1.1	1.0

*) Own funds for the first quarters of 2022 and 2021 is exclusive of recognition of profit/loss for the period.

The Interim Report has been prepared in a Danish and an English version. In case of discrepancy between the Danish-language original text and the English-language translation, the Danish text shall prevail.

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