



spar Nord

Interim report H1 2022
of Spar Nord

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Executive summary

Income statement

DKKm	H1 2022	H1 2021	Index	Q2 2022	Q1 2022	Index
Net interest income	886	846	105	450	436	103
Net fee income	852	768	111	414	438	95
Market value adjustments and dividends	-7	216	-	-14	7	-
Other income	52	79	66	17	35	50
Core income	1,783	1,910	93	868	915	95
Staff costs	704	705	100	348	357	98
Operating expenses	472	449	105	236	236	100
Costs and expenses	1,176	1,154	102	584	592	99
Core earnings before impairment	606	755	80	284	322	88
Impairment of loans and advances, etc.	-2	-101	2	5	-7	-
Profit/loss before tax	608	856	71	279	329	85
Tax	101	170	59	48	53	90
Profit/loss	507	686	74	231	276	84

In light of financial market developments in the first half of 2022, we are pleased with our H1 profit of DKK 507 million and a return on equity of 9.1%. Growth and a fair level of activity in our core business have driven a satisfactory trend in net interest and net fee income, while high inflation, rising interest rates and expectations of lower growth have resulted in losses on the Bank's bond and equity portfolio. On the credit side, the same trends and uncertainty relating to the war in Ukraine are generally causing elevated risk levels for both business and retail customers. Strong credit quality among the Bank's customers was the principal reason that impairment charges for the first six months of the year represented a small income of DKK 2 million.

Lastly, it was clarified in Q2 that there was no longer any basis for retaining dividends of DKK 2.50 per share in respect of 2021, which was disbursed at the end of June, when we also launched a share buyback programme. Now that an acquisition is no longer on the cards, we're pleased that the Bank continues to grow organically, including three new geographical locations in H1 2022, and that we're thus conquering market shares as we have done for more than a decade," says Lasse Nyby, CEO.

Spar Nord achieved a profit after tax of DKK 507 million in H1 2022, which corresponds to an annualised return on equity of 9.1%. Overall, the first half performance is considered satisfactory.

Core income amounted to DKK 1,783 million, which is DKK 127 million, or 7%, lower than in the year-earlier period.

At DKK 886 million, net interest income was 5% higher than last year, while net fee income rose 11% to DKK 852 million. Market value adjustments and dividends amounted to DKK -7 million, with high inflation and soaring interest rates triggering material negative price adjustments on the Bank's share and bond holdings. Lastly, other income amounted to DKK 52 million.

Total costs and expenses amounted to DKK 1,176 million, against DKK 1,154 million in the same period of 2021. Of this amount, payroll costs amounted to DKK 704 million, which was on a level with last year, and operating expenses amounted to DKK 472 million, which is 5% higher than in the same period of last year.

Loan impairment charges were an income of DKK 2 million in H1 2022, against an income of DKK 101 million in the year-earlier period. Generally speaking, the H1 impact covered two opposing factors: A strong and unchanged customer credit quality resulted in reduced impairment charges and

management estimates in stage 3 of DKK 175 million, while model-calculated impairment and management estimates in stages 1 and 2 were raised by DKK 182 million compared with year-end 2021.

Continuing increase in credits arranged

The first half year saw continuing growth in bank loans of DKK 2.7 billion and a DKK 2.4 billion increase in the facilitation of mortgage loans. At the same time, bank deposits increased DKK 4.9 billion compared with year-end 2021.

Developments in the financial market meant a DKK 8.4 billion decrease in custodianship account values and a DKK 3.7 billion decrease in deposits in pooled schemes.

Outlook for 2022

Spar Nord retains its financial guidance for 2022, expecting core earnings before impairment to the tune of DKK 1,300–1,600 million. Owing to strong credit quality among 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

DKKm	H1 2022	H1 2021	Change in %	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Full year 2021
Net interest income	886	846	5	450	436	448	442	432	1,736
Net fee income	852	768	11	414	438	401	372	372	1,541
Market value adjustments and dividends	-7	216	-	-14	7	110	81	126	407
Other income	52	79	-34	17	35	18	36	42	133
Core income	1,783	1,910	-7	868	915	977	931	972	3,818
Staff costs	704	705	0	348	357	336	305	352	1,346
Operating expenses	472	449	5	236	236	234	208	235	890
Costs and expenses	1,176	1,154	2	584	592	570	513	587	2,237
Core earnings before impairment	606	755	-20	284	322	407	418	385	1,581
Impairment of loans, advances and receivables etc.	-2	-101	-98	5	-7	-4	-15	-103	-120
Profit/loss before tax	608	856	-29	279	329	412	433	488	1,701
Tax	101	170	-41	48	53	78	85	97	333
Profit for the period	507	686	-26	231	276	334	348	391	1,368
Interest expenses to holders of additional tier 1 (AT1) capital	23	28	-17	12	12	17	16	16	61

Balance sheet

DKKm									
Total assets	118,845	114,562	4	118,845	116,035	116,535	115,997	114,562	116,535
Lending	62,909	57,862	9	62,909	62,346	61,936	60,012	57,862	61,936
Lending, banking and leasing activities	51,796	46,551	11	51,796	49,722	49,086	47,472	46,551	49,086
Lending, reverse repo transactions	11,113	11,312	-2	11,113	12,624	12,850	12,540	11,312	12,850
Deposits	90,505	88,054	3	90,505	87,834	89,308	88,008	88,054	89,308
Deposits, banking activities	68,672	64,327	7	68,672	63,183	63,775	63,802	64,327	63,775
Deposits, repo transactions	0	0	-	0	496	0	0	0	0
Deposits in pooled schemes	21,833	23,727	-8	21,833	24,154	25,533	24,206	23,727	25,533
Issued bonds	4,642	4,847	-4	4,642	4,817	4,845	4,825	4,847	4,845
Subordinated debt	1,508	1,334	13	1,508	1,521	1,523	1,529	1,334	1,523
Additional tier 1 (AT1) capital	1,193	1,402	-15	1,193	1,200	1,197	1,659	1,402	1,197
Shareholders' equity	10,578	10,066	5	10,578	10,685	10,727	10,394	10,066	10,727
Guarantees	17,603	19,031	-8	17,603	18,187	17,566	17,574	19,031	17,566
Total risk exposure amount	61,319	62,619	-2	61,319	61,121	60,479	60,830	62,619	60,479
Tier 1 capital *)	10,732	10,741	0	10,732	10,727	11,045	10,774	10,741	11,045
Impairment account and discount on exposures taken over	1,615	1,595	1	1,615	1,627	1,633	1,635	1,673	1,633
Contractual non-performing loans	266	270	-2	266	250	257	279	270	257
Business volume	344,035	336,437	2	344,035	344,427	346,189	338,616	336,437	346,189

*) Tier 1 capital for Q1 2022 and Q3 2021 are exclusive of recognition of profit/loss for the period.

Financial performance – core earnings, quarterly

Financial ratios

		H1 2022	H1 2021	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Full year 2021
Own funds									
Own funds ratio *)		19.9	19.3	19.9	20.0	20.8	20.2	19.3	20.8
Tier 1 capital ratio *)		17.5	17.2	17.5	17.6	18.3	17.7	17.2	18.3
Common equity tier 1 capital ratio *)		15.6	15.0	15.6	15.6	16.3	15.0	15.0	16.3
Earnings									
Return on equity before tax excl. additional tier 1 (AT1) capital p.a. **)	%	11.0	16.8	10.0	11.9	15.5	16.7	19.2	16.1
Return on equity after tax excl. additional tier 1 (AT1) capital p.a. **)	%	9.1	13.4	8.2	9.9	12.5	13.3	15.3	12.9
Cost share of core income	DKK	0.66	0.60	0.67	0.65	0.58	0.55	0.60	0.59
Cost share of core income – incl. impairment of loans, advances and receivables, etc.	DKK	0.66	0.55	0.68	0.64	0.58	0.53	0.50	0.55
Return on assets	%	0.4	0.6	0.2	0.2	0.3	0.3	0.3	1.2
Market risk and liquidity									
Interest rate risk	%	0.5	0.9	0.5	0.7	0.9	0.5	0.9	0.9
Foreign exchange position	%	0.9	1.0	0.9	0.5	0.7	0.5	1.0	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)	%	125	129	125	122	125	128	129	125
Liquidity Coverage Ratio (LCR)	%	212	257	212	233	280	253	257	280
Bank and leasing loans relative to bank deposits	%	75.4	72.4	75.4	78.7	77.0	74.4	72.4	77.0
Credit risk									
Bank and leasing loans relative to shareholders' equity		4.9	4.6	4.9	4.7	4.6	4.6	4.6	4.6
Increase in loans and advances for the period	%	5.5	9.5	4.2	1.3	3.4	2.0	1.1	15.5
Sum of large exposures	%	87.6	81.9	87.6	94.3	81.7	89.3	81.9	81.7
Impairment ratio		0.0	-0.1	0.0	0.0	0.0	0.0	-0.1	-0.1
Employees and branches									
Number of employees (full-time equivalents, end of period)		1,627	1,635	1,627	1,622	1,608	1,624	1,635	1,608
Number of branches		60	57	60	60	58	57	57	58
Spar Nord share									
DKK per share of DKK 10									
Share price, end of period		75	71	75	89	84	75	71	84
Net asset value (NAV) **)		86	82	86	87	87	85	82	87
Profit/loss for the period **)		3.9	5.4	1.8	2.2	2.6	2.7	3.1	10.6

*) Tier 1 capital for Q1 2022 and Q3 2021 are exclusive of recognition of profit/loss for the period.

**) 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.

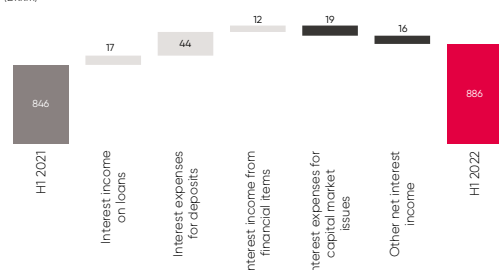
Management commentary on H1 2022

Spar Nord achieved a profit after tax of DKK 507 million in H1 2022, which corresponds to an annualised return on equity of 9.1%. Overall, the first half performance is considered satisfactory.

Income

Core income amounted to DKK 1,783 million, which is DKK 127 million, or 7%, lower than in the year-earlier period.

Developments in net interest income
(DKKm)



Net interest income was DKK 886 million, against DKK 846 million in the year-earlier period.

There was an increase in net interest income both from loans and deposits in H1 2022 compared with H1 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 and growth in deposits drove an increase in net interest income from deposits.

At 30 June 2022, the interest margin decreased by 6 basis points relative to 30 June 2021. This was driven by a decline in the average borrowing rate of 22 basis points (y/y), which was partly offset by a decline in the deposit margin of 15 basis points (y/y).

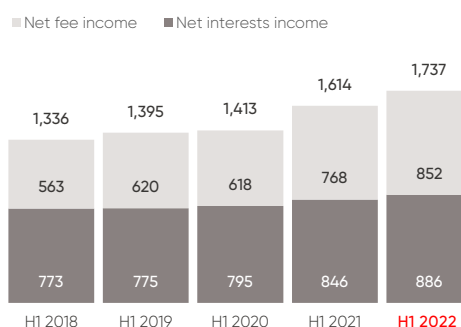
Combined, net interest income from financial items and other net interest income resulted in a DKK 4 million increase in interest expenses in H1 2022 compared with the year-earlier period.

DKKm	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Interest income on loans	381	373	389	383	375
Interest expenses for deposits	-82	-74	-73	-70	-60
Net interest income, deposits and loans	463	447	462	453	435
Interest income from financial items	32	30	28	28	25
Interest expenses for capital market issues	26	26	26	25	18
Other net interest income	-20	-16	-16	-15	-11
Total net interest income	450	436	448	442	432

Lastly, net interest income in H1 2022 relative to the year-earlier period was adversely affected by an increase in interest expenses for capital market issues totalling DKK 19 million.

Net fee income was DKK 852 million in H1 2022, against DKK 768 million in the same period of 2021. Net fee income thus accounted for 49% of total net interest and fee income in H1 2022 (H1 2021: 48%).

Net interests income and net fee income
(DKKm)



In H1 2022, net fee income was favourably impacted by last year's strong growth in business volume within both facilitation of mortgage loans and asset management, which has generally resulted in a higher level of volume-based fee income. In addition, high remortgaging activity driven by the sharp increase in long-term mortgage rates contributed to fee income in H1.

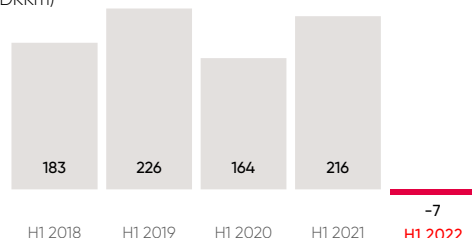
Finally, higher net fees from payment services and cards, insurance and pension and an adjustment of the Bank's fee structure in 2021 also contributed to the growth in net fee income relative to the same period of last year.

Overall, net fee income in H1 2022 was DKK 84 million higher than in the same period of last year, or an increase of 11%.

DKKm	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Mortgage fees	140	137	130	126	123
Other transaction fees	39	35	26	29	27
Securities and asset management	118	139	132	115	109
Other fees	117	127	113	102	113
Total net fee income	414	438	401	372	372

Financial review

Market value adjustments and dividends
(DKKm)



Market value adjustments and dividends amounted to a loss of DKK 7 million, against an income of DKK 216 million in the same period of 2021.

In H1 2022, financial markets were strongly impacted by the derived effects of the war in Ukraine, rising interest rates and inflation, widening credit spreads and reduced forecasts of economic growth. The combined effect was negative market value adjustments on the Bank's share and bond portfolios totalling DKK 159 million in the first six months of 2022.

Conversely, market value adjustments of strategic shares in sector companies and currency trading and exchange rate gains represented an overall satisfactory income of DKK 152 million in H1 2022.

Market value adjustments and dividends on the portfolio of strategic shareholdings in the financial sector were thus DKK 104 million, which is DKK 9 million lower than in the same period of 2021. The lower amount in H1 2022 was partly due to Spar Nord's shareholding in DLR Kredit and extraordinary gains relating to, among other things, the Erhvervsinvest companies in H1 2021. Positive market value adjustments on Spar Nord's shareholdings in BI Holding (BankInvest) had the opposite effect.

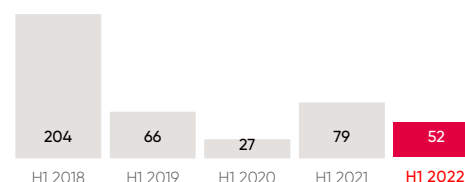
Finally, market value adjustments from currency trading and exchange rate gains amounted to DKK 48 million driven by persistently high customer activity in H1 2022.

DKKm	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Market value adjustments in Trading Division, etc.	-78	-81	25	0	35
Equity investments, incl. dividends	40	64	63	58	71
Currency trading and exchange rate gains	25	24	22	23	21
Total market value adjustments and dividends	-14	7	110	81	126

Other income amounted to DKK 52 million in H1 2022, against DKK 79 million in the same period of 2021. Of total other income in H1 2022, investments

in associates amounted to DKK 31 million, which was mainly attributable to Spar Nord's holding of shares in Danske Andelskassers Bank (DAB) and Vækst-Invest Nordjylland.

Other income
(DKKm)



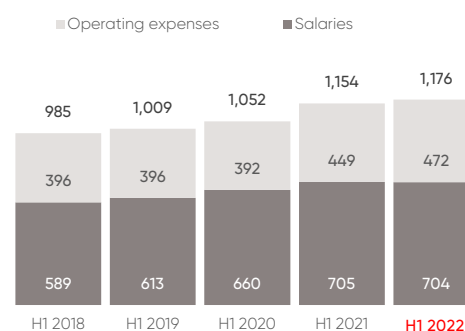
Costs and expenses

The Group's total costs and expenses amounted to DKK 1,176 million, against DKK 1,154 million in the same period of 2021, or an increase of 2%.

Wages and salaries accounted for DKK 704 million of total costs and expenses. Realised payroll costs were DKK 1 million lower than in the same period of last year. The average number of employees in H1 2022 was the same as in H1 2021.

At 30 June 2022, Spar Nord employed 1,627 people (FTE), which was 19 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 472 million, which is DKK 23 million higher than H1 2021.

The increase was partly 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.

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

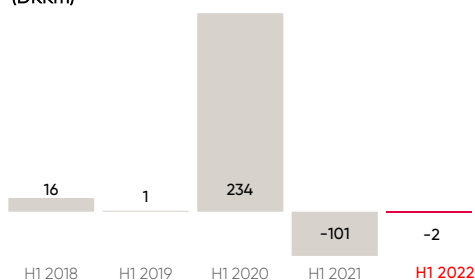
Financial review

The realised core income and costs corresponded to a Cost/Income Ratio of 0.66 (H1 2021: 0.60).

Loan impairment

Loan impairment charges were an income of DKK 2 million in H1 2022, against an income of DKK 101 million in the year-earlier period.

Impairments (DKKm)



The DKK -2 million impact on profits breaks down into DKK -28 million attributable to agricultural customers, DKK 39 million to other business customers, DKK -6 million to customers in the SparXpres consumer loan business and DKK -7 million to retail customers.

Generally speaking, the H1 impact covered two opposing factors: A persistently strong customer credit quality resulted in reduced impairment changes and management estimates in stage 3 of DKK 175 million relative to year-end 2021.

At the same time, updated assumptions for the model-calculated impairment and management estimates in stages 1 and 2 resulted in a DKK 182 million increase compared with end-2021. The assumptions were updated on the basis of uncertainty attaching to the effects of the war in Ukraine, rising interest rates and inflation and concerns about future economic growth.

In general terms, large changes were made to Spar Nord's management estimate in H1 2022. The model-supported management estimate concerning derived effects of the war in Ukraine, record-low consumer confidence and rising inflation was thus DKK 222 million at 30 June 2022. At the same time, the management estimate concerning COVID-19 was reduced by DKK 210 million to DKK 85 million.

Compared with year-end 2021, Spar Nord has also reduced its management estimate concerning land prices in the agricultural sector, model uncertainty, etc. and collateral value of private properties by a total of DKK 22 million.

At 30 June 2022, Spar Nord's management estimates totalled DKK 526 million, with derived effects of the war in Ukraine and rising interest rates and inflation accounting for DKK 222 million and COVID-

19 DKK 85 million. The remaining amount of DKK 219 million breaks down into DKK 98 million concerning land prices in the agricultural sector, DKK 64 million relating to model uncertainty etc. and DKK 57 million relating to collateral values on private property.

DKKm	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
The war in Ukraine and rising interest rates and inflation	222	194	-	-	-
COVID-19	85	150	295	346	320
Land prices in the agricultural sector	98	101	105	125	139
Model uncertainty, etc.	64	46	71	76	97
Collateral value of private properties	57	49	65	62	-
Management estimates, total	526	540	536	610	556

Stage 3 impairment at 30 June 2022 amounted to DKK 914 million (year-end 2021: DKK 1,089 million), while stage 1 and 2 impairment totalled DKK 684 million (year-end 2021: DKK 502 million).

NPL ratio developments

	30.06.22	31.12.21
NPL (DKKm)	1,816	1,818
Exposure (DKKm)	66,644	65,817
NPL ratio	2.7	2.8

At the end of H1 2022, the share of non-performing loans (NPL ratio) at Spar Nord was 2.7%.

The Group's loans, advances and guarantees *)

Breakdown by industry	Loans, advances and guarantees		Impairment account	
	30.06.22	31.12.21	30.06.22	31.12.21
Public authorities	1.4	1.8	0.0	0.0
Agriculture, hunting and forestry	4.3	4.0	13.3	15.2
Fisheries	0.2	0.2	0.2	0.2
Industry and raw materials extraction	4.8	4.5	5.9	6.0
Energy supply	2.8	2.7	1.5	0.9
Building and construction	4.2	4.4	2.9	3.1
Trade	6.7	6.1	7.8	9.2
Transport, hotels and restaurants	4.4	4.2	6.4	7.7
Information and communication	0.5	0.6	0.7	0.6
Financing and insurance	6.2	6.1	12.4	11.3
Real estate	10.9	10.8	8.6	5.6
Other business areas	7.8	7.3	10.6	10.6
Business customers, total	54.1	52.7	70.3	70.4
Total retail customers	45.9	47.3	29.7	29.6
Total	100.0	100.0	100.0	100.0

*) Excl. reverse repo transactions

Compared with year-end 2021, growth in lending to business customers and growth in leasing resulted in an increased share of loans, advances and guarantees to business customers, which share was 54.1% at 30 June 2022.

Financial review

Profit/loss

The profit before tax was DKK 608 million against DKK 856 million in H1 2021. The Group's effective tax rate was 17%, bringing net profit to DKK 507 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 344.0 billion at 30 June 2022, which was DKK 2.2 billion lower than at end-2021.

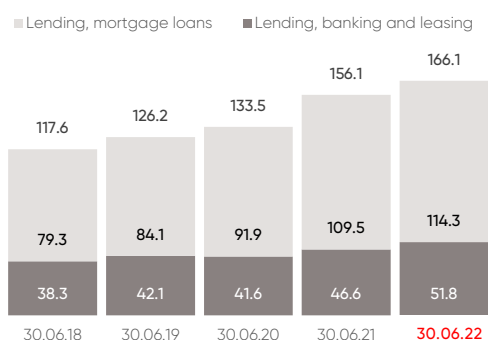
Business volume

DKKbn	30.06.22	30.06.21	30.06.20	30.06.19	30.06.18
Lending, banking and leasing activities	51.8	46.6	41.6	42.1	38.3
Deposits, banking activities	68.7	64.3	54.8	52.7	49.5
Deposits in pooled schemes	21.8	23.7	18.2	15.8	15.4
Guarantees	17.6	19.0	14.5	13.9	12.1
Loans and advances, mortgage loans	114.3	109.5	91.9	84.1	79.3
Custodianship accounts	66.0	69.8	50.3	49.2	48.0
Pension, life annuity	3.9	3.5	2.5	2.2	1.8
Total business volume	344.0	336.4	274.0	260.0	244.3

During H1 2022, the volume of facilitated mortgage loans arranged grew DKK 2.4 billion, or 2%, to DKK 114.3 billion. In total, the volume of facilitated mortgage loans amounted to DKK 103.0 billion from To-talkredit and DKK 11.3 billion from DLR Kredit.

In H1 2022, the Bank recorded an increase in bank and leasing loans of DKK 2.7 billion, or 6%, to DKK 51.8 billion, which is the first time the amount exceeds DKK 50 billion. Loans to business customers rose by DKK 1.7 billion, while leasing loans grew by DKK 0.7 billion. Finally, loans to retail customers rose by DKK 0.5 billion, while loans to public-sector customers declined by DKK 0.2 billion.

Total credits arranged (DKKbn)



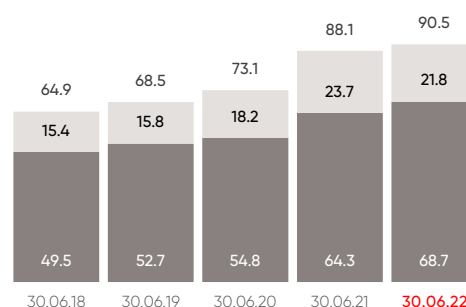
In H1 2022, deposits, banking activities increased by DKK 4.9 billion to DKK 68.7 billion, equal to 8%. Of

the increase in deposits, retail customers accounted for DKK 1.2 billion and business customers for DKK 3.7 billion.

Financial market developments resulted in an overall decline in customers' custodianship accounts in H1 2022 of DKK 8.4 billion to DKK 66.0 billion. Deposits in pooled schemes fell by DKK 3.7 billion to DKK 21.8 billion.

Total deposits (DKKbn)

■ Lending in pooled schemes ■ Deposits, banking activities



As a result of developments in deposit and lending volumes, the loan-to-deposit ratio at 30 June 2022 stood at 75.

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%.

	30.06.22	30.06.21	30.06.20	30.06.19	30.06.18
Common equity tier 1 capital ratio	15.6	15.0	16.4	13.8	14.4
Tier 1 capital ratio	17.5	17.2	17.8	15.3	16.0
Own funds ratio	19.9	19.3	20.2	17.6	18.9

At 30 June 2022, the common equity tier 1 (CET1) ratio was 15.6%, while the own funds ratio was 19.9%. The latter should be viewed relative to the individual solvency need calculated by Spar Nord at 9.5% plus the 3.5% combined buffer requirement, bringing the total capital requirement to 13.0%. 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 with the end of 2021, the Bank's capital ratio was reduced by 0.9 of a percentage point, and the common equity tier 1 capital ratio was 0.7 of a percentage point lower.

Compared with Q1 2022, the Bank's own funds are largely unchanged. Key underlying effects included a strengthening of own funds by DKK 507 million from the recognition of the profit for the period, while deductions for expected dividends of DKK 254 million and the share buyback programme of DKK 225 million reduced own funds in Q2 2022.

Financial review

The total risk exposure amount increased marginally in Q2 2022, reflecting a DKK 0.6 billion reduction in credit risk, while market risk increased by DKK 0.8 billion. The reduced risk exposure amount for credit risk was primarily due to the implementation of a new and more precise capital calculation system, while the increased risk exposure amount for market risk was primarily driven by an increased bond portfolio.

When the MREL requirement has been phased in, Spar Nord must comply with the same requirements regarding eligible liabilities (MREL requirements) as other SIFs. 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 8 billion, including an increase in the countercyclical buffer to 2.5%. At 30 June 2022, Spar Nord had issued total MREL capital of DKK 4.6 billion. The Bank currently expects to issue additional MREL capital for DKK 2.0–3.0 billion before the next phasing in at 1 January 2023.

Finally, the Bank issued tier 2 capital for DKK 500 million on 30 June 2022 with a value date on 7 July 2022. The issued capital is therefore not included in the Bank's own funds at 30 June 2022.

Calibrated MREL requirement

%	30.06.22	01.01.24
Solvency ratio	9.5	9.5
Requirement for loss-absorption amount	9.5	9.5
Solvency ratio	9.5	9.5
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	10.4	13.0
Total MREL	20.0	22.6

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	23.5	28.6

Excess coverage, calibrated MREL requirement

DKKm / %	30.06.22
Own funds	12,229
Non-preferred senior capital	4,619
Other MREL-eligible liabilities	0
Total capital	16,847
Deduction – separate combined buffer requirement	2,148
Total MREL-eligible liabilities	14,699
MREL and combined buffer requirement	14,381
MREL requirement	12,233
Excess coverage, MREL requirement	2,466
MREL and combined buffer percentage	27.5
NEP (%)	24.0
Excess coverage, MREL requirement in %-points	4.0

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)	30.06.22	31.03.22	31.12.21	30.09.21	30.06.21
Deposits, banking activities	68.7	63.2	63.8	63.8	64.3
Senior loans/bond issues	4.6	4.8	4.8	4.8	4.8
Shareholders' equity and subordinated debt	13.3	13.4	13.4	13.6	12.8
Liquidity procurement	86.6	81.4	82.1	82.2	82.0
Lending, banking and leasing activities	51.8	49.7	49.1	47.5	46.6
Maturity < 1 year	0.0	0.0	0.0	0.0	0.0
Strategic liquidity, total	34.8	31.7	33.0	34.7	35.4

At the end of June 2022, Spar Nord's strategic liquidity amounted to DKK 34.8 billion, up DKK 1.8 billion compared with end-2021. The increase was primarily driven by the increase in deposits.

Spar Nord's LCR ratio at 30 June 2022 was 212, while the NSFR ratio was 125 – both well above the statutory requirement of 100.

Financial review

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 30 June 2022, Spar Nord was still comfortably within all the reference points, achieving the values shown below:

The Supervisory Diamond

		Threshold values	30.06.22	30.06.21
Sum of large exposures	%	<175	87.6	81.9
Growth in lending	%	<20	11.3	11.8
Property exposure	%	<25	9.9	9.7
Funding ratio		<1	-	0.4
Liquidity indicator	%	>100	228	270

Outlook for 2022

On the basis of its financial results in H1 2022 and outlook for the second half, 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 30 June 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, but the external auditor has verified the profit. This verification included procedures consistent with the requirements relating to a review. Hence, it was ascertained that the conditions for ongoing recognition of the profit for period in own funds were met.

In our opinion, the Interim Financial Statements give a true and fair view of the Group's and Parent Company's financial position at 30 June 2022 and of the results of the Group's and Parent Company's operations and the Group's cash flows for the period from 1 January to 30 June 2022.

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

Aalborg, 18 August 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



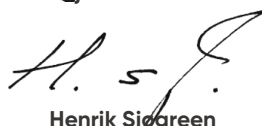
André Rogaczewski



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

	H1 2022	H1 2021	Q2 2022	Q2 2021	Full year 2021
	DKKmn	DKKmn	DKKmn	DKKmn	DKKmn
Interest income calculated under the effective interest method	946	881	476	448	1,834
Other interest income	63	50	32	25	107
Interest income	1,009	931	508	473	1,941
Interest expenses	123	85	57	41	205
Net interest income	886	846	450	432	1,736
Fees, charges and commissions received	938	851	458	414	1,706
Fees, charges and commissions paid	87	83	44	42	165
Market value adjustments and dividends	-7	216	-14	126	407
Other income	52	79	17	42	133
Staff costs	704	705	348	352	1,346
Operating expenses	472	449	236	235	890
Profit/loss before loan impairment (core earnings before impairment)	606	755	284	385	1,581
Impairment of loans, advances and receivables etc.	-2	-101	5	-103	-120
Profit/loss before tax	608	856	279	488	1,701
Tax	101	170	48	97	333
Profit for the period	507	686	231	391	1,368
Appropriation:					
The shareholders of the Parent Company Spar Nord Bank A/S	484	658	219	375	1,307
Holders of additional tier 1 (AT1) capital instruments	23	28	12	16	61
Profit for the period	507	686	231	391	1,368
Earnings per share for the period					
Earnings per share for the period (DKK)	3.9	5.4	1.7	3.1	10.6
Diluted earnings per share for the period (DKK)	3.9	5.4	1.7	3.1	10.6

Statement of comprehensive income

Profit for the period	507	686	231	391	1,368
Other comprehensive income					
Items that cannot be reclassified to the income statement:					
Adjustment relating to associates	0	-1	0	0	-1
Net revaluation of domicile property	1	1	1	1	14
Other comprehensive income after tax	1	0	1	1	13
Total comprehensive income	508	686	232	392	1,381
Appropriation:					
The shareholders of the Parent Company Spar Nord Bank A/S	485	658	220	376	1,320
Holders of additional tier 1 (AT1) capital instruments	23	28	12	16	61
Total comprehensive income	508	686	232	392	1,381

Group

Balance sheet

Note		30.06.22 DKKm	31.12.21 DKKm	30.06.21 DKKm
	Assets			
	Cash balances and demand deposits with central banks	3,200	1,855	1,071
	Due from credit institutions and central banks	2,432	2,485	3,584
5.1.1	Loans, advances and other receivables at amortised cost	62,909	61,936	57,862
	Bonds at fair value	22,725	19,031	22,511
	Shares, etc.	1,689	1,931	1,800
	Investments in associates	675	663	585
	Assets linked to pooled schemes	21,833	25,533	23,727
	Intangible assets	424	429	434
	Land and buildings	800	796	774
	Other property, plant and equipment	125	123	106
	Current tax assets	196	105	153
	Deferred tax assets	99	0	0
	Temporary assets	10	6	5
3.1	Other assets	1,431	1,526	1,715
	Prepayments and deferred income	298	116	236
	Total assets	118,845	116,535	114,562
	Equity and liabilities			
	Liabilities			
	Due to credit institutions and central banks	2,391	2,452	1,681
3.2	Deposits and other payables	68,672	63,775	64,327
	Deposits in pooled schemes	21,833	25,533	23,727
4.5	Issued bonds at amortised cost	4,642	4,845	4,847
	Other non-derivative financial liabilities at fair value	2,604	2,786	2,517
3.3	Other liabilities	5,206	3,503	4,497
	Prepayments and deferred income	149	115	72
	Deferred tax	0	4	17
	Provisions	70	75	75
4.4	Subordinated debt	1,508	1,523	1,334
	Total liabilities	107,075	104,611	103,094
	Equity			
	Share capital	1,230	1,230	1,230
	Revaluation reserves	114	113	101
	Statutory reserves	151	148	130
	Proposed dividend	-	308	-
	Retained earnings	9,082	8,928	8,605
	Shareholders' equity	10,578	10,727	10,066
4.3	Holders of additional tier 1 (AT1) capital instruments	1,193	1,197	1,402
	Total equity	11,770	11,924	11,468
	Total equity and liabilities	118,845	116,535	114,562

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 30.06.22								
Equity at 31.12.21	1,230	113	148	308	8,928	10,727	1,197	11,924
Comprehensive income at 30.06.22								
Profit for the period	-	-	31	-	453	484	23	507
Other comprehensive income								
Adjustment relating to associates	-	-	-27	-	27	0	-	0
Net revaluation of properties	-	1	-	-	-	1	-	1
Other comprehensive income, total	-	1	-27	-	27	1	-	1
Total comprehensive income	-	1	4	-	480	485	23	508
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	-	-	-	-	-	-	-30	-30
Distribution of remaining dividends concerning 2021	-	-	-	308	-308	0	-	0
Dividends paid	-	-	-	-615	-	-615	-	-615
Dividends received, treasury shares	-	-	-	-	0	0	-	0
Disposal upon acquisition of treasury shares and additional tier 1 (AT1) capital	-	-	-	-	-248	-248	-	-248
Addition upon sale of treasury shares and additional tier 1 (AT1) capital	-	-	-	-	229	229	1	230
Total transactions with owners	-	-	-	-308	-326	-634	-28	-662
Equity at 30.06.22	1,230	114	151	0	9,082	10,577	1,193	11,770
Equity at 30.06.21								
Equity at 31.12.20	1,230	100	94	185	7,987	9,596	794	10,390
Comprehensive income at 30.06.21								
Profit for the period	-	-	56	-	602	658	28	686
Other comprehensive income								
Adjustment relating to associates	-	-	-20	-	19	-1	-	-1
Net revaluation of properties	-	1	-	-	-	1	-	1
Other comprehensive income, total	-	1	-20	-	19	0	-	0
Total comprehensive income	-	1	35	-	622	658	28	686
Transactions with owners								
Issue of additional tier 1 (AT1) capital, net of transaction costs	-	-	-	-	-4	-4	600	596
Interest paid on additional tier 1 (AT1) capital	-	-	-	-	-	-	-20	-20
Dividends paid	-	-	-	-185	-	-185	-	-185
Dividends received, treasury shares	-	-	-	-	0	0	-	0
Disposal upon acquisition of treasury shares and additional tier 1 (AT1) capital	-	-	-	-	-262	-262	-	-262
Addition upon sale of treasury shares and additional tier 1 (AT1) capital	-	-	-	-	261	261	0	262
Total transactions with owners	-	-	-	-185	-4	-188	580	392
Equity at 30.06.21	1,230	101	130	0	8,605	10,066	1,402	11,468

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.

Spar Nord has launched a share buyback programme for up to DKK 225 million, which will be completed during the period from 15 June 2022 to 31 January 2023.

In the period until the end of June, Spar Nord bought back shares for a value of DKK 1.8 million (236,000 shares).

Cash flow statement

	H1 2022	H1 2021	Full year 2021
	DKKm	DKKm	DKKm
Operations			
Profit/loss before tax	608	856	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	50	45	96
Gains and losses on the sale of intangible assets and property, plant and equipment	-1	0	0
Adjustment of loan impairment etc.	7	-122	-126
Adjustment of subordinated debt, issued bonds etc.	-222	-6	-13
Provisions	-5	-3	-4
Income from investments in associates	-31	-56	-91
Corporate income tax paid	-295	-226	-354
Operating activities, total	111	489	1,210
Working capital			
Movement in credit institutions and central banks, net	-61	-2,987	-2,214
Movement in loans, advances and other receivables at amortised cost	-980	-5,428	-9,497
Movement in bonds at fair value	-3,694	-864	2,616
Movement in equity portfolio	242	-11	-123
Movement in other assets and other liabilities, net	1,462	2,403	1,991
Movement in deposits and other payables	4,897	5,911	5,359
Working capital, total	1,865	-976	-1,868
Cash generated from operations, total	1,976	-487	-658
Investments			
Acquisition of associates	-9	-21	-99
Sale of associates	0	0	0
Acquisition of intangible assets	0	-268	-255
Sale of intangible assets	0	-40	0
Acquisition of property, plant and equipment	-32	0	-103
Sale of property, plant and equipment	2	4	31
Dividends from associates	27	19	36
Investing activities, total	-12	-306	-390
Financing			
4.4 Subordinated debt	4	4	197
4.3 Additional tier 1 (AT1) capital included in equity	-28	576	337
4.5 Issued bonds	0	2,181	2,181
Dividends paid, excluding dividends on treasury shares	-615	-184	-184
Acquisition of treasury shares	-248	-262	-502
Sale of treasury shares	229	261	504
Repayment of lease liabilities	-15	-15	-29
Financing activities, total	-673	2,562	2,504
Movements in cash and cash equivalents for the period	1,291	1,769	1,456
Cash and cash equivalents, beginning of year	3,841	2,385	2,385
Movements in cash and cash equivalents for the period	1,291	1,769	1,456
Cash and cash equivalents, end of year	5,132	4,154	3,841
Cash and cash equivalents, end of year			
Cash, cash equivalents and demand deposits with central banks	3,200	1,071	1,855
Due from credit institutions and central banks within less than 3 months	1,932	3,083	1,986
Total	5,132	4,154	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.

Management estimates of impaired loans are described in more detail in the "Loan impairment" section of the Financial review. This section describes factors such as effects relating to COVID-19 and derived effects of the war in Ukraine, which have generally increased the risk level in the Bank's loan portfolio.

Section 2

Income statement

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Main items

Net interest income

DKK 886 million

H1 2021: **DKK 846** million

Impairment of loans and advances, etc.

DKK -2 million

H1 2021: **DKK -101** million

Net fee income

DKK 852 million

H1 2021: **DKK 768** million

Profit/loss before tax

DKK 608 million

H1 2021: **DKK 856** million

Costs and expenses

DKK 1,176 million

H1 2021: **DKK 1,154** million

Profit/loss after tax

DKK 507 million

H1 2021: **DKK 686** million

Profit/loss before loan impairment charges

DKK 606 million

H1 2021: **DKK 755** million

C/I ratio

0.66

H1 2021: **0.60**

Section 2

Income statement

2.1 Business segments

	Spar Nord's Local Banks	Trading Division	Other areas	Group total *)
H1 2022	DKKm	DKKm	DKKm	DKKm
Income statement				
Net interest income	834	33	19	886
Net fee income	840	9	3	852
Market value adjustments and dividends	129	-149	13	-7
Other income	11	0	41	52
Core income/revenue, total	1,814	-107	75	1,783
Staff costs and operating expenses	1,084	35	58	1,176
Core earnings before impairment	730	-141	18	606
Impairment of loans, advances and receivables etc.	7	0	-9	-2
Profit/loss before tax	723	-141	26	608

*) 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	51,536	11,371	3	62,909
Investments in associates	0	0	675	675
Intangible assets and property, plant and equipment *)	491	1	857	1,349
Other assets **)	1,456	29,106	23,350	53,912
Allocated assets, total	53,483	40,477	24,884	118,845
Deposits and other payables	67,906	175	591	68,672
Equity (allocated capital)	6,839	1,304	3,628	11,770
Other liabilities	22,401	5,755	10,247	38,403
Allocated equity and liabilities, total	97,146	7,233	14,466	118,845

Disclosures – income/revenue, total

Internal income/revenue	-71	53	59	41
Internal income and eliminations, offset against costs	0	-41	0	-41
Income/revenue, external customers	1,885	-119	16	1,783
Income/revenue, total	1,814	-107	75	1,783

Financial ratios

Return on equity, % ***)	21.8	-19.9	-	-
Cost share of core income	0.60	-0.32	-	-
Total risk exposure amount, end of period	48,847	9,312	3,160	61,319
Number of employees (full-time equivalents, end of period)	1,096	54	477	1,627

*) All assets are located in Denmark.

**) Temporary assets amount to DKK 10 million, of which DKK 5 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 14% 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 *)
H1 2021	DKKm	DKKm	DKKm	DKKm
Income statement				
Net interest income	763	49	34	846
Net fee income	762	5	1	768
Market value adjustments and dividends	128	51	37	216
Other income	14	0	65	79
Core income/revenue, total	1,667	106	137	1,910
Staff costs and operating expenses	1,048	24	82	1,154
Core earnings before impairment	619	82	55	755
Impairment of loans, advances and receivables etc.	-106	1	4	-101
Profit/loss before tax	725	81	51	856

*) 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	46,295	11,555	12	57,862
Investments in associates	0	0	585	585
Intangible assets and property, plant and equipment *)	488	2	823	1,313
Other assets **)	1,413	28,165	25,224	54,802
Allocated assets, total	48,197	39,722	26,643	114,562
Deposits and other payables	63,436	275	617	64,327
Equity (allocated capital)	6,525	1,587	3,356	11,468
Other liabilities	24,145	4,705	9,918	38,767
Allocated equity and liabilities, total	94,106	6,566	13,890	114,562

Disclosures – income/revenue, total

Internal income/revenue	-79	67	65	53
Internal income and eliminations, offset against costs	0	-53	0	-53
Income/revenue, external customers	1,746	91	72	1,910
Income/revenue, total	1,667	106	137	1,910

Financial ratios

Return on equity, % ***)	24.1	12.3	-	-
Cost share of core income	0.63	0.22	-	-
Total risk exposure amount, end of period	48,336	11,753	2,531	62,619
Number of employees (full-time equivalents, end of period)	1,071	70	494	1,635

*) All assets are located in Denmark.

**) Temporary assets amount to DKK 5 million, of which DKK 1 million relates to lease activities and DKK 4 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

	H1 2022	H1 2021
	DKKm	DKKm
Interest income		
Reverse repo transactions with credit institutions and central banks	-6	-6
Other amounts due from credit institutions and central banks	3	2
Reverse repo transactions, lending	-30	-20
Loans, advances and other receivables	754	737
Bonds	35	31
Total derivatives	28	19
Other interest income	0	0
Total interest income after offsetting negative interest income	784	763
Negative interest income offset against interest income		
Reverse repo transactions with credit institutions and central banks	6	6
Reverse repo transactions, lending	30	20
Bonds	5	7
Total negative interest income transferred to interest expenses	41	33
Negative interest expenses offset against interest expenses		
Repo transactions with credit institutions and central banks	1	3
Repo transactions, deposits	4	4
Deposits and other payables	178	128
Total negative interest expenses transferred to interest income	183	135
Total interest income	1,009	931

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

	H1 2022	H1 2021
	DKKm	DKKm
Interest expenses		
Repo transactions with credit institutions and central banks	-1	-3
Other payables to credit institutions and central banks	7	3
Repo transactions, deposits	-4	-4
Deposits and other payables	-156	-112
Issued bonds	33	15
Subordinated debt	18	17
Other interest expenses	0	0
Total interest expenses after offsetting negative interest expenses	-102	-83
Negative interest expenses offset against interest expenses		
Repo transactions with credit institutions and central banks	1	3
Repo transactions, deposits	4	4
Deposits and other payables	178	128
Total negative interest expenses transferred to interest income	183	135
Negative interest income offset against interest income		
Reverse repo transactions with credit institutions and central banks	6	6
Reverse repo transactions, lending	30	20
Bonds	5	7
Total negative interest income transferred to interest expenses	41	33
Total interest expenses	123	85

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

Section 2

Income statement

2.4 Fees, charges and commissions received

	H1 2022	H1 2021
	DKKm	DKKm
Securities trading and custody accounts	279	248
Payment services	111	93
Loan transaction fees	366	348
of which mortgage credit institutions	277	255
Guarantee commission	17	16
Other fees, charges and commissions	165	146
Total fees, charges and commissions received	938	851
Total fees, charges and commissions paid	87	83
Total net fees, charges and commissions received	852	768

2.5 Market value adjustments and dividends

	H1 2022	H1 2021
	DKKm	DKKm
Other loans, advances and receivables at fair value	79	4
Bonds	-433	-69
Shares, etc.	-49	88
Currency	48	42
Foreign exchange, interest, share, commodity and other contracts and derivatives	237	77
Assets linked to pooled schemes	-3,663	1,759
Deposits in pooled schemes	3,663	-1,759
Total market value adjustments	-119	142
Dividends on shares, etc.	112	74
Market value adjustments and dividends on shares, etc., total	-7	216

2.6 Other income

	H1 2022	H1 2021
	DKKm	DKKm
Payments under operating leases and other rental income	4	6
Other income	10	10
Operation of investment properties	7	8
Total other operating income	21	23
Income from investments in associates	31	56
Other income, total	52	79

Section 2

Income statement

2.7 Staff costs

	H1 2022	H1 2021
	DKKm	DKKm
Salaries	564	560
Pensions	64	69
Social security costs	77	76
Total staff costs	704	705

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

Board of Directors		
Number	9	9
Fixed remuneration	2.3	2.2
Pension	-	-
Total remuneration	2.3	2.2

Executive Board		
Number	4	4
Base salary *)	9.2	8.7
- less fees received from directorships	0.6	0.5
The Bank's expense, base salary	8.6	8.1
Pension	1.4	1.3
Total remuneration earned and paid	10.0	9.5

*) 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	1,617	1,616
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2.8 Operating expenses

	H1 2022	H1 2021
	DKKm	DKKm
IT costs	271	266
Marketing expenses	30	26
Cost of premises	27	26
Staff costs and travel expenses	25	22
Office expenses	8	10
Other administrative expenses	61	53
Operating expenses	422	403
Depreciation, amortisation and impairment	50	45
Total operating expenses	472	449

Section 2

Income statement

2.9 Impairment of loans, advances and receivables etc.

	H1 2022	H1 2021
	DKKm	DKKm
Impairment re. new exposures during the year, including new accounts to existing customers	60	94
Reversed impairment re. repaid accounts	-83	-128
Impairment during the year due to change in credit risk	62	-49
Loss without prior impairment	15	24
Amounts recovered on previously impaired receivables	56	41
Value adjustment of properties taken over	0	0
Total impairment of loans and receivables etc.	-2	-101

See note 5.14 for an explanation of impairment and provision for losses on guarantees etc. at 30.06.2022.

2.10 Effective tax rate

	H1 2022	H1 2021
	%	%
Current tax rate	22.0	22.0
Income from investments and market value adjustment of shares, %	-3.7	-3.0
Non-deductible expenses and non-taxable income, %	1.7	0.9
Adjustment of prior-year taxes, %	-1.3	0.0
Change of tax rate	-2.1	-
Total effective tax rate	16.6	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 51,796 million

31.12.21: **DKK 49,086** million

Deposits, banking activities

DKK 68,672 million

31.12.21: **DKK 63,775** million

Bonds at fair value

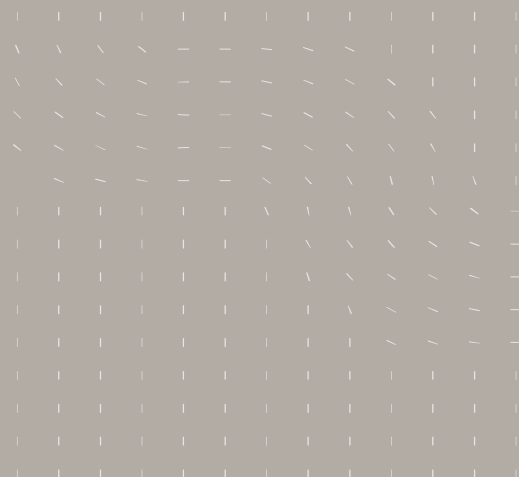
DKK 22,725 million

31.12.21: **DKK 19,031** million

Deposits in pooled schemes

DKK 21,833 million

31.12.21: **DKK 25,533** million



Section 3

Balance sheet

3.1 Other assets

	30.06.22	31.12.21
	DKKm	DKKm
Positive fair value of derivatives, etc.	520	542
Miscellaneous receivables	412	484
Interest and commissions receivable	64	81
Capital contribution in BEC Financial Technologies	400	387
Other assets	34	32
Total other assets	1,431	1,526

3.2 Deposits and other payables

	30.06.22	31.12.21
	DKKm	DKKm
Repo transactions	0	0
Demand deposits	63,973	58,558
Subject to notice	1,916	2,340
Time deposits, excluding repo business	46	180
Special types of deposits	2,737	2,698
Total deposits and other payables	68,672	63,775

3.3 Other liabilities

	30.06.22	31.12.21
	DKKm	DKKm
Miscellaneous payables	3,854	2,573
Negative fair value of derivatives, etc.	829	474
Interest and commissions payable	44	36
Lease liabilities	160	151
Other liabilities	319	268
Total other liabilities	5,206	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 30.06.22	Fair value through profit or loss 30.06.22	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	3,200	0	1,855	0
Due from credit institutions and central banks	2,432	0	2,485	0
Loans, advances and other receivables at amortised cost	62,909	0	61,936	0
Bonds at fair value	0	22,725	0	19,031
Shares, etc.	0	1,689	0	1,931
Assets linked to pooled schemes	0	21,833	0	25,533
Positive fair value of derivatives	0	520	0	542
Total financial assets	68,541	46,767	66,276	47,037
Due to credit institutions and central banks	2,391	0	2,452	0
Deposits and other payables	68,672	0	63,775	0
Deposits in pooled schemes	0	21,833	0	25,533
Issued bonds at amortised cost	4,642	0	4,845	0
Other non-derivative financial liabilities at fair value	0	2,604	0	2,786
Lease liabilities	160	0	151	0
Negative fair value of derivatives	0	829	0	474
Subordinated debt	1,508	0	1,523	0
Total financial liabilities	77,372	25,266	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 30.06.2022, the customer margin, etc. not yet amortised amounted to DKK 49 million (31.12.2021: DKK 54 million).

In Day 1 gains, no amount was offset from CVA at 30.06.2022, 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
30.06.22	DKKm	DKKm	DKKm	DKKm
Bonds at fair value	0	22,725	0	22,725
Shares, etc.	143	43	1,502	1,689
Assets linked to pooled schemes	17,366	3,864	603	21,833
Positive fair value of derivatives	0	520	0	520
Total financial assets	17,509	27,152	2,106	46,767
Deposits in pooled schemes	0	21,833	0	21,833
Other non-derivative financial liabilities at fair value	0	2,604	0	2,604
Negative fair value of derivatives	0	829	0	829
Total financial liabilities	0	25,266	0	25,266

Section 3

Balance sheet

	Quoted prices Level 1	Observable inputs Level 2	Non-observable inputs Level 3	Total
31.12.21	DKKm	DKKm	DKKm	DKKm
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).

From 1 July 2022, a share of Spar Nord's bond portfolio will be recognised in the banking book. Bonds in the trading book and bonds in the banking book are included under observable inputs (Level 2).

	Fair value based on net asset value, cf. shareholder- ers' agreements	Other	Fair value based on net asset value, cf. shareholder- ers' agreements
Level 3	30.06.22	30.06.22	31.12.21
	DKKm	DKKm	DKKm
Equities	1,075	427	1,219
Assets linked to pooled schemes	-	603	-
Positive fair value of derivatives	-	0	-
Sensitivities:			
Change in fair value of shares if the profit/loss of the companies changes by 10%	15	-	15

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)

	30.06.22	31.12.21
	DKKm	DKKm
Carrying amount, beginning of period	2,223	1,921
Value adjustments through profit or loss	-2	158
Market value adjustments in other comprehensive income	0	0
Purchase	69	249
Sale	184	105
Transferred to/from Level 3	0	0
Carrying amount, end of year	2,106	2,223
Value adjustments through profit or loss of assets held at the reporting date	-9	157

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

Section 4

Capital

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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

19.9%

31.12.21: **20.8%**

Earnings per share for the period

DKK 3.9

30.06.21: **DKK 5.4**

Section 4

Capital

4.1 Own funds

	30.06.22	31.12.21
	DKKm	DKKm
Equity	11,770	11,924
Phasing in of IFRS 9	209	174
Additional tier 1 (AT1) capital included in equity	1,193	1,197
Proposed dividend	254	308
Intangible assets	344	348
Share buybacks	225	-
Other primary deductions	142	70
Deduction – Holdings of insignificant CET1 instruments	0	56
Deduction – Holdings of significant CET1 instruments	263	247
Common equity tier 1 capital	9,559	9,872
Additional tier 1 (AT1) capital *)	1,173	1,173
Other deductions	0	1
Tier 1 capital	10,732	11,045
Subordinated debt, excl. Additional Tier 1 (AT1) capital *)	1,498	1,516
Other deductions	2	2
Own funds	12,229	12,558
Weighted risk exposure amount, credit risk etc.	50,359	50,165
Weighted risk exposure amount, market risk	4,461	4,140
Weighted risk exposure amount, operational risk	6,499	6,174
Total risk exposure amount	61,319	60,479
Common equity tier 1 capital ratio	15.6	16.3
Tier 1 capital ratio	17.5	18.3
Own funds ratio	19.9	20.8

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

4.2 Treasury share portfolio

	30.06.22	31.12.21
Number of shares	288,841	67,935
Percentage of share capital	0.2	0.1

Section 4

Capital

4.3 Additional tier 1 (AT1) capital

						30.06.22	31.12.21
						DKKm	DKKm
Currency	Note	Principal DKKm	Interest rate	Received	Maturity		
DKK	a	250	3.125%	2021	Perpetual	256	252
DKK	b	600	3.25%	2021	Perpetual	603	601
DKK	c	330	6.00%	2020	Perpetual	334	344
Additional tier 1 (AT1) capital issued under CRR, total						1,193	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

	30.06.22	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	-30	-54
Net cash flows	-28	337

Section 4

Capital

4.4 Subordinated debt

Supplementary capital contributions

						30.06.22	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	416	436
Supplementary capital contributions, total						1,515	1,534
Portfolio of own bonds relating to subordinated debt						-6	-11
Total subordinated debt						1,508	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 129.05.2024. 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

			30.06.22	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			4	-2
Net cash flows			4	197
Other movements				
Change in exchange rate adjustments			-20	-8
Amortised costs expensed			0	1
Total other movements			-19	-7
End of year			1,508	1,523

Section 4

Capital

4.5 Issued bonds at amortised cost

						30.06.22	31.12.21
						DKKm	DKKm
Currency	Note	Principal DKKm	Interest rate	Received	Maturity		
NOK	a	500	2.8230%	2021	30.06.32	317	366
NOK	b	950	2.1110%	2021	26.11.26	640	693
NOK	c	750	NIBOR3 + 1.05 %	2021	26.05.28	538	558
SEK	d	800	STIBOR3 + 0.80 %	2021	26.05.26	553	579
SEK	e	1,250	STIBOR3 + 1.05 %	2019	05.12.23	867	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	381	396
Issued bonds, total						4,644	4,847
Portfolio of own bonds relating to issued bonds						-2	-2
Issued bonds, total						4,642	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.

f 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

			30.06.22	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			-126	15
Change in interest rate hedging			-79	-24
Amortised costs expensed			2	3
Total other movements			-203	-6
End of year			4,642	4,845
			30.06.22	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			870	910
Between 1 year and 5 years			3,453	3,006
Over 5 years			318	927
Total			4,642	4,845

Risk management

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Main items

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

DKK 70,985 million

31.12.21: **DKK 68,234** million

Credit exposure – excl. reverse repo transactions
Retail/business

45.9% / 54.1%

31.12.21: **47.3% / 52.7%**

Total impairment account

DKK 1,598 million

31.12.21: **DKK 1,591** million

Impairment on loans, advances and other receivables, etc.

DKK -2 million

30.06.21: **DKK -101** 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.

Management estimates of impaired loans are described in more detail in the "Loan impairment" section of the Financial review. This section describes factors such as effects relating to COVID-19 and derived effects of the war in Ukraine, which have generally increased the risk level in the Bank's loan portfolio.

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
	DKKm	DKKm	DKKm	DKKm
Loans and advances at amortised cost	64,440	1,531	62,909	3
Due from credit institutions and central banks	2,433	1	2,432	0
Guarantees	17,658	55	17,603	-7
Unutilised credit lines and loan commitments	26,177	11	26,166	2
Total	110,708	1,598	109,110	-2

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
	DKKm	DKKm	DKKm	DKKm
Loans and advances at amortised cost	151	474	906	1,531
Due from credit institutions and central banks	1	0	0	1
Guarantees	22	25	7	55
Unutilised credit lines and loan commitments	4	5	1	11
Total	179	505	914	1,598

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
	DKKm	DKKm	DKKm	DKKm
Loans and advances at amortised cost	50,500	12,128	1,813	64,440
Due from credit institutions and central banks	2,433	0	0	2,433
Guarantees	15,979	1,555	124	17,658
Unutilised credit lines and loan commitments	23,305	2,768	104	26,177
Total	92,216	16,451	2,041	110,708

31/12/2021

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 17 million at 30.06.2022. (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
30.06.22					
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	42	1	17	60	60
Reversed impairment re. repaid accounts	31	19	33	83	83
Change in impairment at 1 January, transfer to/from stage 1	79	-71	-8	-	-
Change in impairment at 1 January, transfer to/from stage 2	-57	74	-17	-	-
Change in impairment at 1 January, transfer to/from stage 3	0	-27	27	-	-
Impairment during the year due to change in credit risk	-10	201	-128	62	62
Previously impaired, now finally lost	0	0	-42	-42	-
Other movements (interest rate correction etc.)	0	0	9	9	-
Loss without prior impairment	-	-	-	-	15
Amounts recovered on previously impaired receivables	-	-	-	-	56
Impairment and provisions for losses, end of period	179	505	914	1,598	-2
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:

	30.06.22	31.12.21
	DKKm	DKKm
Deposits, clearing	177	169
Collateral provided for the market value of derivatives transactions	275	284
Positive market value of derivative contracts subject to netting	333	207
Collateral provided as part of repo transactions	1,875	2,187
Total	2,660	2,847

6.2 Contingent assets

	30.06.22	31.12.21
	DKKm	DKKm
Unrecognised tax assets	35	46

6.3 Contingent liabilities

	30.06.22	31.12.21
	DKKm	DKKm
Guarantees	17,603	17,566
Other binding commitments	1,493	1,487
Total contingent liabilities	19,096	19,053

Guarantees

Financial guarantees	7,624	7,835
Loss guarantees for mortgage loans	5,845	6,818
Registration and refinancing guarantees	3,268	2,058
Other contingent liabilities	866	855
Total guarantees	17,603	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 30.06.2022 and 31.12.2021. The corporate income tax receivable within the tax pool amounted to DKK 196 million at 30.06.2022 (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 30.06.2022 amounted to DKK 7 million (30.06.2021: DKK 8 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

	30.06.22	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.

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.

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

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 30.06.2022.

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 30.06.2022

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	H1 2022	H1 2021	Change in %	H1 2022	H1 2021	H1 2020	H1 2019	H1 2018	Full year 2021
Income statement									
Net interest and fee income	1,849	1,688	10	1,849	1,688	1,472	1,453	1,381	3,356
Market value adjustments	-119	142	-	-119	142	105	168	138	329
Staff costs and administrative expenses	1,119	1,100	2	1,119	1,100	1,001	963	951	2,125
Impairment on loans, advances and receivables, etc.	-2	-101	-	-2	-101	234	1	16	-120
Income from investments in associates	31	56	-45	31	56	4	42	25	91
Profit for the period	515	686	-25	507	686	255	546	630	1,368
Balance sheet									
Lending	62,908	57,862	9	62,908	57,862	49,272	47,023	45,678	61,936
Equity	11,770	11,468	3	11,770	11,468	9,921	9,286	8,960	11,924
Total assets	118,845	114,645	4	118,845	114,645	95,242	89,354	83,561	116,535
Financial ratios									
Own funds									
Own funds ratio	19.9	19.3		19.9	19.3	20.2	17.6	18.9	20.8
Tier 1 capital ratio	17.5	17.2		17.5	17.2	17.8	15.3	16.0	18.3
Earnings									
Return on equity before tax	%	5.2	7.8	5.1	7.8	3.2	7.3	8.1	15.2
Return on equity after tax	%	4.3	6.3	4.3	6.3	2.6	5.9	7.1	12.3
Income/cost ratio		1.53	1.81	1.53	1.81	1.25	1.67	1.72	1.80
Return on assets	%	0.4	0.6	0.4	0.6	0.3	0.6	0.8	1.2
Market risk and liquidity									
Interest rate risk	%	0.5	0.9	0.5	0.9	1.1	1.0	0.8	0.9
Foreign exchange position	%	0.9	1.0	0.9	1.0	1.1	1.1	1.3	0.7
Foreign exchange risk	%	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Liquidity Coverage Ratio (LCR)	%	212	257	212	257	231	137	176	280
Excess coverage relative to statutory liquidity requirement	%	-	-	-	-	-	-	323.0	-
Loans and advances plus impairment as % of deposits	%	71.2	67.4	71.2	67.4	69.5	70.9	73.2	71.1
Credit risk									
Loans and advances relative to equity		5.3	5.0	5.3	5.0	5.0	5.1	5.1	5.2
Increase in loans and advances for the period	%	5.5	8.4	5.5	9.5	-3.5	6.4	3.5	15.5
Sum of large exposures	%	87.6	81.9	87.6	81.9	78.6	84.6	79.1	81.7
Impairment ratio for the period		0.0	-0.1	0.0	-0.1	0.3	0.0	0.0	-0.1
The Spar Nord Bank share									
DKK per share of DKK 10									
Profit/loss for the period	4.1	5.6		4.1	5.6	2.1	4.4	5.1	11.1
Net asset value (NAV)	86	82		86	82	74	69	66	87
Dividend	-	-		-	-	-	-	-	2.5
Share price/profit/loss for the period	18.2	12.6		18.2	12.6	25.3	13.0	13.3	7.5
Share price/NAV	0.9	0.9		0.9	0.9	0.7	0.8	1.0	1.0

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Parent Company

Income statement

Note	H1 2022 DKKm	H1 2021 DKKm	Full year 2021 DKKm
7.2 Interest income	1,009	931	1,941
7.3 Interest expenses	123	85	205
Net interest income	886	846	1,736
Dividends on shares, etc.	112	74	79
7.4 Fees, charges and commissions received	938	851	1,706
7.4 Fees, charges and commissions paid	87	83	165
Net interest and fee income	1,849	1,688	3,356
7.5 Market value adjustments	-120	128	315
Other operating income	16	19	34
7.6 Staff costs and administrative expenses	1,123	1,104	2,132
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	49	44	94
Other operating expenses	8	8	17
Income from investments in associates and group enterprises	38	77	116
7.7 Impairment of loans, advances and receivables etc.	-2	-101	-120
Profit/loss before tax	607	856	1,699
Tax	99	169	330
Profit for the period	508	687	1,370
Appropriation:			
The shareholders of the Parent Company Spar Nord Bank A/S	485	638	1,309
Holders of additional tier 1 (AT1) capital instruments	23	49	61
Profit for the period	508	687	1,370

Statement of comprehensive income

0	Profit for the period	508	687	1,370
	Other comprehensive income			
	Items that cannot be reclassified to the income statement:			
	Adjustment relating to associates	0	-1	-1
	Net revaluation of domicile property	0	0	11
	Other comprehensive income after tax	0	-1	10
	Total comprehensive income	508	686	1,380
	Appropriation:			
	The shareholders of the Parent Company Spar Nord Bank A/S	485	658	1,319
	Holders of additional tier 1 (AT1) capital instruments	23	28	61
	Total comprehensive income	508	686	1,380

Parent Company

Balance sheet

Note	30.06.22 DKKm	31.12.21 DKKm	30.06.21 DKKm
Assets			
Cash balances and demand deposits with central banks	3,200	1,855	1,071
Due from credit institutions and central banks	2,432	2,485	3,584
Loans, advances and other receivables at amortised cost	62,909	61,936	57,862
Bonds at amortised cost	22,725	19,031	22,511
Shares, etc.	1,671	1,914	1,781
Investments in associates	675	663	585
Investments in group enterprises	298	290	286
Assets linked to pooled schemes	21,833	25,533	23,727
Intangible assets	424	429	434
Investment properties	34	34	49
Domicile properties	416	421	401
Domicile properties (leasing)	158	150	132
Land and buildings, total	608	604	581
Other property, plant and equipment	125	123	106
Current tax assets	198	109	158
Deferred tax assets	97	0	0
Temporary assets	10	6	5
Other assets	1,430	1,526	1,715
Prepayments and deferred income	301	123	239
Total assets	118,936	116,626	114,645
Equity and liabilities			
Due to credit institutions and central banks	2,391	2,452	1,681
7.8 Deposits and other payables	68,766	63,868	64,411
Deposits in pooled schemes	21,833	25,533	23,727
Issued bonds at amortised cost	4,642	4,845	4,847
Other non-derivative financial liabilities at fair value	2,604	2,786	2,517
Other liabilities	5,203	3,500	4,494
Prepayments and deferred income	149	115	72
Total payables	105,589	103,098	101,748
Provisions for deferred tax	0	6	19
Provision for losses on guarantees	55	62	60
Other provisions	15	13	15
Total provisions	70	80	94
Subordinated debt	1,508	1,523	1,334
Total liabilities	107,166	104,702	103,177
Share capital	1,230	1,230	1,230
Revaluation reserves	104	104	92
Statutory reserves	-	-	-
Proposed dividend	-	615	-
Retained earnings	9,244	8,778	8,744
Shareholders' equity	10,578	10,727	10,066
Holders of additional tier 1 (AT1) capital instruments	1,193	1,197	1,402
Total equity	11,770	11,924	11,468
Total equity and liabilities	118,936	116,626	114,645
Off-balance sheet items			
Contingent assets	33	44	16
7.9 Contingent liabilities	17,603	17,566	19,031
7.10 Other binding commitments	1,493	1,487	1,485

Statement of changes in equity

	Share capital DKKm	Revaluation reserve DKKm	Statutory reserves DKKm	Proposed dividend DKKm	Retained earnings DKKm	Shareholders of Spar Nord Bank A/S DKKm	Additional tier 1 (AT1) capital DKKm	Total equity DKKm
Equity at 30.06.2022								
Equity at 31.12.2021	1,230	104	0	308	9,086	10,727	1,197	11,924
Comprehensive income at 30.06.2022								
Profit/loss for the year	-	-	38	-	447	485	23	508
Other comprehensive income								
Adjustment relating to associates	-	-	-31	-	31	0	-	0
Adjustment relating to group enterprises	-	-	-8	-	8	0	-	0
Net revaluation of properties	-	0	-	-	-	0	-	0
Other comprehensive income, total	0	0	-38	0	38	0	0	0
Total comprehensive income	0	0	0	0	485	485	23	508
Transactions with owners								
Issue of additional tier 1 (AT1) capital, net transaction costs	-	-	-	-	0	0	0	0
Interest paid on additional tier 1 (AT1) capital	-	-	-	-	-	-	-30	-30
Distribution of remaining dividends concerning 2021	-	-	-	308	-308	0	-	0
Dividends paid	-	-	-	-615	-	-615	-	-615
Dividends received, treasury shares	-	-	-	-	0	0	-	0
Disposal upon acquisition of treasury shares and additional tier 1 (AT1) capital	-	-	-	-	-248	-248	-	-248
Addition upon sale of treasury shares and additional tier 1 (AT1) capital	-	-	-	-	229	229	1	230
Total transactions with owners	0	0	0	-308	-327	-635	-28	-663
Equity at 30.06.2022	1,230	104	0	0	9,244	10,577	1,193	11,770
Equity at 30.06.2021								
Equity at 31.12.2020	1,230	92	0	185	8,089	9,596	794	10,390
Comprehensive income at 30.06.2021								
Profit/loss for the year	-	-	77	-	582	659	28	687
Other comprehensive income								
Adjustment relating to associates	-	-	-56	-	55	-1	-	-1
Adjustment relating to group enterprises	-	-	-21	-	21	0	-	0
Net revaluation of properties	-	-	-	-	-	0	-	0
Other comprehensive income, total	0	0	-77	-	76	-1	0	-1
Total comprehensive income	0	0	0	-	658	658	28	686
Transactions with owners								
Issue of additional tier 1 (AT1) capital, net transaction costs	-	-	-	-	-4	-4	600	596
Interest paid on additional tier 1 (AT1) capital	-	-	-	-	-	-	-20	-20
Dividends paid	-	-	-	-185	-	-185	-	-185
Dividends received, treasury shares	-	-	-	-	0	0	-	0
Disposal upon acquisition of treasury shares and additional tier 1 (AT1) capital	-	-	-	-	-262	-262	-	-262
Addition upon sale of treasury shares and additional tier 1 (AT1) capital	-	-	-	-	261	261	0	262
Total transactions with owners	0	0	0	-185	-4	-188	580	392

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.

Spar Nord has launched a share buyback programme for up to DKK 225 million, which will be completed during the period from 15 June 2022 to 31 January 2023.

In the period until the end of June, Spar Nord bought back shares for a value of DKK 18 million (236,000 shares).

Parent Company

Capital position

Treasury share portfolio	30.06.22	31.12.21
Number of shares	288,841	67,935
Percentage of share capital	0.2	0.1

Own funds	30.06.22	31.12.21
	DKKm	DKKm
Equity	11,770	11,924
Phasing in of IFRS 9	209	174
Additional tier 1 (AT1) capital included in equity	1,193	1,197
Proposed dividend	254	308
Intangible assets	344	348
Share buybacks	225	-
Other primary deductions	142	70
Deduction – Holdings of insignificant CET1 instruments	0	56
Deduction – Holdings of significant CET1 instruments	263	247
Common equity tier 1 capital	9,559	9,872
Additional tier 1 (AT1) capital *)	1,173	1,173
Other deductions	0	1
Tier 1 capital	10,732	11,045
Subordinated debt, excl. Additional Tier 1 (AT1) capital *)	1,498	1,516
Other deductions	2	2
Own funds	12,229	12,558
Weighted risk exposure amount, credit risk etc.	50,446	50,253
Weighted risk exposure amount, market risk	4,461	4,140
Weighted risk exposure amount, operational risk	6,482	6,158
Total risk exposure amount	61,390	60,550
Common equity tier 1 capital ratio	15.6	16.3
Tier 1 capital ratio	17.5	18.2
Own funds ratio	19.9	20.7

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

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Notes parent company

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§ 7.1 Accounting policies

The interim report of the Parent Company Spar Nord A/S has been prepared in accordance with the provisions of the Danish Financial Business Act, including the Danish FSA's Executive Order on financial reports presented by credit institutions and investment companies (Executive Order on the presentation of financial statements).

The Parent Company's accounting policies are identical to those of the Group. For a description of accounting policies and changes thereto, please see accounting policies in note 1.1 to the consolidated financial statements.

Other than as described in note 1.1 to the consolidated financial statements, the accounting policies are unchanged from Annual Report 2021. A full description of the accounting policies is provided in Annual Report 2021.

The difference between the equity and profit or loss in the Group and in the Parent Company is due to individual properties being classified as investment properties in the subsidiary and as domicile properties in the Group. The difference consists of net depreciation and impairment on such properties; see below:

	Profit/loss		Equity	
	H1 2022	H1 2021	H1 2022	H1 2021
	DKKm	DKKm	DKKm	DKKm
Spar Nord Group	507	686	11,770	11,468
Net depreciation and impairment, Group domicile properties	1	1	0	0
Spar Nord Parent Company	508	687	11,770	11,468

7.2 Interest income

	H1 2022	H1 2021
	DKKm	DKKm
Interest income		
Reverse repo transactions with credit institutions and central banks	-6	-6
Other amounts due from credit institutions and central banks	3	2
Reverse repo transactions, deposits	-30	-20
Loans, advances and other receivables	754	737
Bonds	35	31
Derivatives	28	19
Other interest income	0	0
Total interest income after offsetting negative interest income	784	763
Negative interest income offset against interest income		
Reverse repo transactions with credit institutions and central banks	6	6
Reverse repo transactions, deposits	30	20
Bonds	5	7
Total negative interest income transferred to interest expenses	41	33
Negative interest expenses offset against interest expenses		
Repo transactions with credit institutions and central banks	1	3
Repo transactions, deposits	4	4
Deposits and other payables	178	128
Total negative interest expenses transferred to interest income	183	135
Total interest income	1,009	931

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

Notes parent company

7.3 Interest expenses

	H1 2022	H1 2021
	DKKm	DKKm
Interest expenses		
Repo transactions with credit institutions and central banks	-1	-3
Other payables to credit institutions and central banks	7	3
Repo transactions, deposits	-4	-4
Deposits and other payables	-156	-112
Issued bonds	33	15
Subordinated debt	18	17
Other interest expenses	0	0
Total interest expenses after offsetting negative interest expenses	-102	-83
Negative interest expenses offset against interest expenses		
Repo transactions with credit institutions and central banks	1	3
Repo transactions, deposits	4	4
Deposits and other payables	178	128
Total negative interest expenses transferred to interest income	183	135
Negative interest income offset against interest income		
Reverse repo transactions with credit institutions and central banks	6	6
Reverse repo transactions, deposits	30	20
Bonds	5	7
Total negative interest income transferred to interest expenses	41	33
Total interest expenses	123	85

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

7.4 Fees, charges and commissions received

	H1 2022	H1 2021
	DKKm	DKKm
Securities trading and custody accounts	279	248
Payment services	111	93
Loan transaction fees	366	348
of which mortgage credit institutions	277	255
Guarantee commission	17	16
Other fees, charges and commissions	165	146
Total fees, charges and commissions received	938	851
Total fees, charges and commissions paid	87	83
Total net fees, charges and commissions received	852	768

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7.5 Market value adjustments

	H1 2022	H1 2021
	DKKm	DKKm
Other loans, advances and receivables at fair value	79	4
Bonds	-433	-69
Shares, etc.	-50	73
Investment properties	0	0
Currency	48	42
Foreign exchange, interest, share, commodity and other contracts and derivatives	237	77
Assets linked to pooled schemes	-3,663	1,759
Deposits in pooled schemes	3,663	-1,759
Total market value adjustments	-120	128

7.6 Staff costs and administrative expenses

	H1 2022	H1 2021
	DKKm	DKKm
Staff costs	704	705
Administrative expenses	418	399
Total staff costs and administrative expenses	1,123	1,104
Salaries	564	560
Pensions	64	69
Social security costs	77	76
Total staff costs	704	705
Of which, remuneration to members of the Executive Board and Board of Directors:		
Board of Directors	2.3	2.2
Executive Board	10.0	9.5
Total remuneration	12.3	11.7

Number of employees

Average number of employees in the financial year converted into full-time equivalents	1,617	1,616
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7.7 Impairment of loans, advances and receivables etc.

	H1 2022	H1 2021
	DKKm	DKKm
Impairment re. new exposures during the year, including new accounts to existing customers	60	94
Reversed impairment re. repaid accounts	-83	-128
Impairment during the year due to change in credit risk	62	-49
Loss without prior impairment	15	24
Amounts recovered on previously impaired receivables	56	41
Value adjustment of properties taken over	0	0
Total impairment of loans and receivables etc.	-2	-101

See note 7.11.4 for an explanation of impairment and provision for losses on guarantees etc. at 30.06.2022.

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7.8 Deposits and other payables

	30.06.22	31.12.21
	DKKm	DKKm
Demand deposits	64,067	58,651
Subject to notice	1,916	2,340
Time deposits	46	180
Special types of deposits	2,737	2,698
Total deposits and other payables	68,766	63,868
Repo transactions hereof	0	0

7.9 Contingent liabilities

	30.06.22	31.12.21
	DKKm	DKKm
Financial guarantees	7,624	7,835
Loss guarantees for mortgage loans	5,845	6,818
Registration and refinancing guarantees	3,268	2,058
Other contingent liabilities	866	855
Total contingent liabilities	17,603	17,566

7.10 Other binding commitments

Other binding commitments of DKK 1,493 million (31.12.2021: DKK 1,487 million) consist of lease obligations in which Spar Nord is lessee, and the liability to pay a withdrawal fee on potential withdrawal from BEC Financial Technologies.

See note 6.3 to the consolidated financial statements for a description hereof.

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7.11 Exposures and impairment etc.

7.11.1 Summary of carrying amount of exposures

	Exposure be- fore impairment	Impairment	Carrying amount	Recognised impairment etc. total
	DKKm	DKKm	DKKm	DKKm
30.06.22				
Loans and advances at amortised cost	64,440	1,531	62,909	3
Due from credit institutions and central banks	2,433	1	2,432	0
Guarantees	17,658	55	17,603	-7
Unutilised credit lines and loan commitments	26,177	11	26,166	2
Total	110,708	1,598	109,110	-2

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

7.11.2 Impairment and provisions by stages

	Stage 1	Stage 2	Stage 3	Total
	DKKm	DKKm	DKKm	DKKm
30.06.22				
Loans and advances at amortised cost	151	474	906	1,531
Due from credit institutions and central banks	1	0	0	1
Guarantees	22	25	7	55
Unutilised credit lines and loan commitments	4	5	1	11
Total	179	505	914	1,598

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

7.11.3 Exposures before impairment and provisions by stages

	Stage 1	Stage 2	Stage 3	Total
	DKKm	DKKm	DKKm	DKKm
30.06.22				
Loans and advances at amortised cost	50,500	12,128	1,813	64,440
Due from credit institutions and central banks	2,433	0	0	2,433
Guarantees	15,979	1,555	124	17,658
Unutilised credit lines and loan commitments	23,305	2,768	104	26,177
Total	92,216	16,451	2,041	110,708

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".

Stage 3 exposures include exposures at a discount (impairment charges taken over) on customers acquired. The discount amounted to DKK 17 million at 30.06.2022. (31/12/2021: DKK 42 million).

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7.11.4 Impairment and provisions for losses

Analysis of changes in impairment for the period broken down by stages and correlated to recognised impairment.

	Stage 1	Stage 2	Stage 3	Total	Recognised impairment etc.
	DKKm	DKKm	DKKm	DKKm	DKKm
30.06.22					
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	42	1	17	60	60
Reversed impairment re. repaid accounts	31	19	33	83	83
Change in impairment at 1 January, transfer to/from stage 1	79	-71	-8	-	-
Change in impairment at 1 January, transfer to/from stage 2	-57	74	-17	-	-
Change in impairment at 1 January, transfer to/from stage 3	0	-27	27	-	-
Impairment during the year due to change in credit risk	-10	201	-128	62	62
Previously impaired, now finally lost	0	0	-42	-42	-
Other movements (interest rate correction etc.)	0	0	9	9	-
Loss without prior impairment	-	-	-	-	15
Amounts recovered on previously impaired receivables	-	-	-	-	56
Impairment and provisions for losses, end of period	179	505	914	1,598	-2

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.

7.12 Credit risk policy

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

7.13 Events after the balance sheet date

No significant events have occurred after 30.06.2022.

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

Performance indicators

DKKm	H1 2022	H1 2021	Change in %	H1 2022	H1 2021	H1 2020	H1 2019	H1 2018	Full year 2021
Income statement									
Net interest and fee income	1,849	1,688	10	1,849	1,688	1,472	1,453	1,381	3,356
Market value adjustments	-120	128	-194	-120	128	105	168	138	315
Staff costs and administrative expenses	1,123	1,104	2	1,123	1,104	1,005	966	953	2,132
Impairment of loans, advances and receivables etc.	-2	-101	-98	-2	-101	234	1	16	-120
Income from investments in associates and group enterprises	38	77	-50	38	77	11	48	30	116
Profit/loss for the year	508	687	-26	508	687	256	547	630	1,370
Balance sheet									
Lending	62,909	57,862	9	62,909	57,862	49,272	47,023	45,678	61,936
Equity	11,770	11,468	3	11,770	11,468	9,921	9,286	8,960	11,924
Total assets	118,936	95,311	25	118,936	114,645	95,311	89,482	83,690	116,626
Financial ratios									
Own funds									
Own funds ratio	19.9	20.2		19.9	19.2	20.2	17.6	18.9	20.7
Tier 1 capital ratio	17.5	17.8		17.5	17.1	17.8	15.3	16.0	18.2
Earnings									
Return on equity before tax	%	5.1	7.8	5.1	7.8	3.2	7.3	8.1	15.2
Return on equity after tax	%	4.3	6.3	4.3	6.3	2.6	5.9	7.1	12.3
Income/cost ratio		1.5	1.8	1.5	1.8	1.2	1.7	1.7	1.8
Return on assets	%	0.4	0.7	0.4	0.6	0.3	0.6	0.8	1.2
Market risk and liquidity									
Interest rate risk	%	0.5	0.1	0.5	0.9	0.1	1.0	0.8	0.9
Foreign exchange position	%	0.9	1.1	0.9	1.0	1.1	1.1	1.3	0.7
Foreign exchange risk	%	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Liquidity Coverage Ratio (LCR)	%	210	229	210	255	229	135	174	278
Excess coverage relative to statutory liquidity requirement	%	-	-	-	-	-	-	322.4	-
Loans and advances plus impairment as % of deposits	%	73.1	67.4	71.1	67.4	69.4	70.7	73.0	71.0
Credit risk									
Loans and advances relative to equity		5.3	5.0	5.3	5.0	5.0	5.1	5.1	5.2
Increase in loans and advances for the period	%	5.5	-3.5	5.5	9.5	-3.5	6.4	3.5	15.5
Sum of large exposures	%	87.6	78.6	87.6	81.9	78.6	84.6	79.1	81.7
Impairment ratio for the period		0.0	-0.1	0.0	-0.1	0.4	0.0	0.0	-0.1
The Spar Nord Bank share									
DKK per share of DKK 10									
Profit/loss for the period	4.1	5.6		4.1	5.6	2.1	4.4	5.1	11.1
Net asset value (NAV)	86	82		86	82	74	69	66	87
Dividend	-	-		-	-	-	-	-	2.5
Share price/profit/loss for the period	13.4	12.6	6.9	13.4	12.6	13.2	13.3	18.1	7.5
Share price/NAV	0.9	1.0	0.8	0.9	0.7	0.8	1.0	1.3	1.1

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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