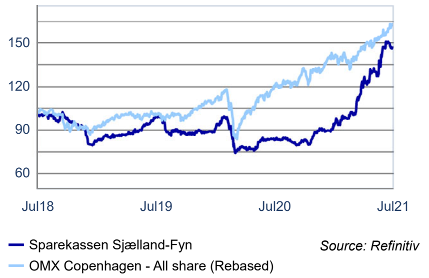
# Sparekassen Sjælland-Fyn

**Financials**
Denmark

## KEY DATA

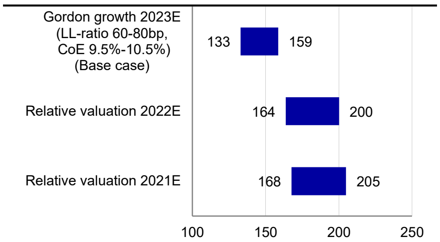
| | |
|---|---|
| Stock country | Denmark |
| Bloomberg | SPKSJF DC |
| Reuters | SPKSJF.CO |
| Share price (close) | DKK 148.0 |
| Free Float | 84% |
| Market cap. (bn) | EUR 0.34/DKK 2.57 |
| Website | www.spks.dk/ |
| Next report date | 11 Aug 2021 |

## PERFORMANCE




*Source: Refinitiv*

## VALUATION APPROACH (DKK)




*Source: Nordea estimates*

## ESTIMATE CHANGES

| Year | 2021E | 2022E | 2023E |
|---|---|---|---|
| Total revenue | 3% | 1% | 1% |
| Total costs | 0% | 0% | 0% |
| Profit before loan losses | 9% | 4% | 4% |
| PTP | 21% | 4% | 4% |
| DPS (ord) | 9% | 4% | 0% |
| EPS (adj) | 23% | 4% | 5% |

*Source: Nordea estimates*

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## Another guidance upgrade ahead of Q2 2021

On 14 July, Sparekassen Sjælland-Fyn raised its 2021 pre-tax profit guidance range from DKK 350-425m to DKK 450-525m. According to the bank, the upgrade reflects a combination of better-than-expected net interest and fee income, as well as lower-than-expected loan losses. We hence lift our 2021E pre-tax profit by DKK ~90m (21%), of which changes to expected loan losses constitute ~60%, as we now expect reversals in Q2-Q4 2021. The remaining part is mainly driven by higher commission fees and market value adjustments. We raise 2022E-23E adjusted EPS by 4-5%. Our new Gordon growth-based fair value range is DKK 133-159 (124-149).

### Results still supported by strong tailwinds

Ahead of the Q2 2021 report, high fee income and strong asset quality continue to support profits. This was Sparekassen Sjælland-Fyn's second guidance upgrade for the year, which leaves the current guidance ~50% above the initial guidance (DKK 300-340m), at midpoints. Due to strong activity and elevated equity levels, we raise Q2 2021E commission fee income to DKK 165m, which is flattish q/q and up ~13% y/y. We estimate q/q lending growth of 0.5% and a flattish margin.

### 2021E pre-tax profit of DKK 519m, at top end of guidance range

Sparekassen Sjælland-Fyn remains cautious, keeping the DKK 197m management buffer unchanged during Q2 2021. It is hard to predict when the bank will release its buffer. However, given the strong asset quality in the market, loan loss reversals are not unlikely. We estimate DKK 20m in loan loss reversals for H2 2021E. We find it likely that the current guidance estimates do not reflect reversals for H2. Our estimate of DKK 519m is hence at the top end of the guidance range. Sparekassen Sjælland-Fyn expects H1 2021 PTP of DKK 300-304m, while we estimate DKK 304m.

### Continued focus on costs and profitability

We expect Sparekassen Sjælland-Fyn to deliver on three of its four financial targets for 2021, falling short of the ambitious income-cost ratio. To meet all four targets, the bank will have to be ~9% ahead of our income estimates, or ~8% below our cost estimates. Given the current guidance range, we believe this would be too much to expect for now. With the "New Ways" strategy plan ending this year, we expect to see new targets for the coming years announced either later this year or early next year. We expect the new targets will continue to include a high focus on cost efficiency (income/costs) and overall profitability (ROE). Sparekassen Sjælland-Fyn is trading at an adjusted P/E of ~8x for 2022E, ~25% below Danish peers.

## SUMMARY TABLE - KEY FIGURES

| DKKm | 2017 | 2018 | 2019 | 2020 | 2021E | 2022E | 2023E |
|---|---|---|---|---|---|---|---|
| Total revenue | 1,073 | 1,042 | 1,097 | 1,186 | 1,256 | 1,263 | 1,288 |
| Total costs | 769 | 815 | 830 | 818 | 797 | 803 | 810 |
| LL-ratio | -0.32% | -0.04% | -0.14% | -1.32% | 0.38% | -0.32% | -0.39% |
| PTP | 273 | 230 | 251 | 242 | 519 | 432 | 440 |
| RoE | 12.0% | 8.5% | 8.2% | 7.8% | 14.6% | 11.1% | 10.7% |
| RoTBV (adj) | 8.5% | 4.4% | 6.6% | 6.0% | 12.3% | 9.2% | 8.8% |
| P/E (adj) | 8.7 | 13.6 | 8.8 | 9.2 | 6.7 | 8.1 | 7.9 |
| P/BV | 0.67 | 0.52 | 0.55 | 0.52 | 0.75 | 0.70 | 0.67 |
| P/TBV | 0.71 | 0.54 | 0.56 | 0.54 | 0.77 | 0.72 | 0.68 |
| BIS III CT1-ratio | 10.7% | 13.0% | 14.0% | 16.1% | 16.8% | 17.3% | 17.8% |
| DPS (ord, DKK) | 0.00 | 2.50 | 3.00 | 0.00 | 6.00 | 6.00 | 6.00 |
| Dividend Yield (ord) | 0.00% | 3.11% | 3.35% | 0.00% | 4.05% | 4.05% | 4.05% |
| Total payout ratio | 0.00 | 0.18 | 0.23 | 0.00 | 0.22 | 0.26 | 0.26 |

*Source: Company data and Nordea estimates*

# Estimates

**CHANGES TO OUR ESTIMATES**

| DKKm | 2021E | 2022E | 2023E | 2021E | 2022E | 2023E | 2021E | 2022E | 2023E |
|---|---|---|---|---|---|---|---|---|---|
| | New estimates | | | Change in estimates | | | Old estimates | | |
| **Net interest income** | **597** | **616** | **627** | **1%** | **1%** | **1%** | **593** | **611** | **621** |
| Dividends on shares etc | 19 | 19 | 19 | 0% | 0% | 0% | 19 | 19 | 19 |
| Fees and commission income | 624 | 633 | 647 | 4% | 2% | 2% | 602 | 623 | 637 |
| Fees and commission expenses | 18 | 18 | 18 | 2% | 1% | 1% | 17 | 18 | 18 |
| **Net interest and fee income** | **1,223** | **1,251** | **1,276** | **2%** | **1%** | **1%** | **1,197** | **1,236** | **1,259** |
| Market value adjustments | 16 | -8 | -8 | 207% | -20% | -20% | 5 | -10 | -10 |
| Other operating income | 17 | 20 | 20 | 0% | 0% | 0% | 17 | 20 | 20 |
| **Total income** | **1,256** | **1,263** | **1,288** | **3%** | **1%** | **1%** | **1,219** | **1,246** | **1,269** |
| Staff costs and administrative expenses | 719 | 726 | 733 | 0% | 0% | 0% | 719 | 726 | 733 |
| Amortisation, depreciation and impairment losses | 59 | 59 | 59 | 0% | 0% | 0% | 59 | 59 | 59 |
| Other operating expenses | 19 | 18 | 18 | 0% | 0% | 0% | 19 | 18 | 18 |
| **Total costs** | **797** | **803** | **810** | **0%** | **0%** | **0%** | **797** | **803** | **810** |
| **Profit before loan losses** | **459** | **460** | **478** | **9%** | **4%** | **4%** | **422** | **443** | **459** |
| Loan losses | -45 | 40 | 50 | -564% | 0% | 0% | 10 | 40 | 50 |
| Profit/loss on investments in associates and group enterprises | 14 | 12 | 12 | 0% | 0% | 0% | 14 | 12 | 12 |
| **Profit before tax** | **519** | **432** | **440** | **21%** | **4%** | **4%** | **427** | **415** | **421** |
| Tax | 50 | 37 | 38 | 19% | 4% | 4% | 42 | 36 | 36 |
| **Net profit** | **469** | **395** | **402** | **22%** | **4%** | **4%** | **385** | **379** | **385** |
| | | | | | | | | | |
| **EPS adj., DKK** | **22.19** | **18.30** | **18.64** | **23%** | **4%** | **5%** | **18.07** | **17.53** | **17.81** |
| **DPS, DKK** | **6.00** | **6.00** | **6.00** | **9%** | **4%** | **0%** | **5.50** | **5.75** | **6.00** |

*Source: Nordea estimates*

# Reported numbers and forecasts

QUARTERLY KEY DATA

**SHARE DATA**

| DKKm | Q1 20 | Q2 20 | Q3 20 | Q4 20 | Q1 21E | Q2 21E | Q3 21E | Q4 21E |
|---|---|---|---|---|---|---|---|---|
| EPS, DKK | 2.17 | 2.01 | 4.47 | 3.11 | 7.92 | 7.10 | 5.71 | 4.85 |
| EPS adj, DKK | 2.10 | 2.05 | 3.98 | 2.73 | 7.27 | 6.37 | 5.19 | 4.45 |
| BVPS | 163.2 | 165.2 | 169.7 | 172.4 | 180.5 | 187.6 | 193.3 | 198.1 |
| TVBS | 158.0 | 160.0 | 164.4 | 167.2 | 175.2 | 182.3 | 188.0 | 192.9 |
| DPS, DKK | | | | | | | | |
| Dividend pay-out ratio | | | | | | | | |
| Share repurchases (per share) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total pay-out ratio | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| | | | | | | | | |
| Share price (period end) | 78.20 | 83.60 | 80.20 | 90.00 | 111.00 | 151.00 | 148.00 | 148.00 |
| Market cap. (m) | 1,359 | 1,453 | 1,393 | 1,564 | 2,571 | 2,571 | 2,571 | 2,571 |
| Dil. number of shares period end (m) | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 |

**VALUATION**

| (x) | Q1 20 | Q2 20 | Q3 20 | Q4 20 | Q1 21E | Q2 21E | Q3 21E | Q4 21E |
|---|---|---|---|---|---|---|---|---|
| P/E | 9.0 | 10.4 | 4.5 | 7.2 | 4.7 | 5.2 | 6.5 | 7.6 |
| P/E (adj.) | 9.3 | 10.2 | 5.0 | 8.3 | 5.1 | 5.8 | 7.1 | 8.3 |
| P/BV | 0.48 | 0.51 | 0.47 | 0.52 | 0.82 | 0.79 | 0.77 | 0.75 |
| P/TBV | 0.50 | 0.52 | 0.49 | 0.54 | 0.84 | 0.81 | 0.79 | 0.77 |
| Dividend yield | | | | | | | | |
| Total yield | | | | | | | | |

**CAPITAL RATIOS**

| % | Q1 20 | Q2 20 | Q3 20 | Q4 20 | Q1 21E | Q2 21E | Q3 21E | Q4 21E |
|---|---|---|---|---|---|---|---|---|
| BIS II Trans. CET1-ratio | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. |
| BIS II Trans. T1-ratio | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. |
| BIS II Trans. T2-ratio | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. |
| | | | | | | | | |
| BIS III CET1-ratio | 13.6% | 14.6% | 13.7% | 16.1% | 14.7% | 14.7% | 14.8% | 16.8% |
| BIS III T1-ratio | 15.8% | 16.9% | 15.9% | 18.4% | 16.8% | 16.8% | 16.9% | 18.9% |
| BIS III T2-ratio | 19.6% | 20.4% | 19.2% | 21.8% | 20.0% | 20.0% | 20.1% | 22.1% |
| | | | | | | | | |
| Tang. Equity/Assets | 10.9% | 10.6% | 10.8% | 10.7% | 11.2% | 11.6% | 12.0% | 12.2% |
| Tang. Equity/Lending | 22.5% | 23.5% | 23.8% | 24.3% | 24.7% | 25.5% | 26.2% | 26.7% |
| Leverage ratio | 9.4% | 9.0% | 8.9% | 9.9% | 9.7% | 9.7% | 9.6% | 10.9% |

**CREDIT QUALITY**

| DKKm | Q1 20 | Q2 20 | Q3 20 | Q4 20 | Q1 21E | Q2 21E | Q3 21E | Q4 21E |
|---|---|---|---|---|---|---|---|---|
| Impaired loans | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Loan loss reserves | 719 | 714 | 754 | 747 | 633 | 630 | 627 | 624 |
| | | | | | | | | |
| Coverage ratio | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. |
| Loan loss reserves / Total loans | 5.89% | 5.95% | 6.34% | 6.25% | 5.21% | 5.09% | 5.04% | 4.98% |
| Impaired loans / Total loans | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Collective/total provisions | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Perf. Impared loans/Impaired loans | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. |
| Loan loss ratio | -2.42% | -1.28% | -1.07% | -0.56% | 0.51% | 0.32% | 0.32% | 0.32% |
| | | | | | | | | |
| Growth loan loss reserves (y/y) | -23% | -18% | -9% | 14% | -12% | -12% | -17% | -17% |
| Growth impaired loans (y/y) | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |

**PROFITABILITY**

| Adjusted for non-rec. Items | Q1 20 | Q2 20 | Q3 20 | Q4 20 | Q1 21E | Q2 21E | Q3 21E | Q4 21E |
|---|---|---|---|---|---|---|---|---|
| RoE | 5.1% | 5.0% | 9.5% | 6.4% | 16.5% | 13.8% | 10.9% | 9.1% |
| RoTBV | 5.3% | 5.2% | 9.8% | 6.6% | 17.0% | 14.2% | 11.2% | 9.4% |
| C/I | -66.9% | -70.2% | -63.1% | -75.9% | -56.6% | -60.3% | -65.7% | -71.7% |
| NII-margin | 4.53% | 4.42% | 4.75% | 4.85% | 4.81% | 4.78% | 4.86% | 4.86% |

**REVENUE DISTRIBUTION**

| Adjusted for non-rec. Items | Q1 20 | Q2 20 | Q3 20 | Q4 20 | Q1 21E | Q2 21E | Q3 21E | Q4 21E |
|---|---|---|---|---|---|---|---|---|
| Net Interest Income | 47% | 47% | 45% | 48% | 45% | 46% | 50% | 50% |
| Net Commission Income | 59% | 53% | 43% | 45% | 50% | 51% | 49% | 49% |
| Net result from financial transactions | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Net insurance income | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Other Income | 2% | 1% | 1% | 2% | 1% | 1% | 2% | 1% |

*Source: Company data and Nordea estimates*

## QUARTERLY INCOME STATEMENT AND BALANCE SHEET

### INCOME STATEMENT

| DKKm | Q1 20 | Q2 20 | Q3 20 | Q4 20 | Q1 21E | Q2 21E | Q3 21E | Q4 21E |
|---|---|---|---|---|---|---|---|---|
| Net Interest Income | 138 | 132 | 141 | 145 | 146 | 148 | 151 | 152 |
| Net Commission Income | 173 | 148 | 133 | 138 | 164 | 165 | 146 | 151 |
| Net result from financial transactions | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Net insurance income | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Other income | 5 | 4 | 4 | 7 | 3 | 5 | 5 | 5 |
| **Total revenues** | **292** | **279** | **311** | **304** | **327** | **325** | **299** | **305** |
| | | | | | | | | |
| Staff costs | 178 | 178 | 177 | 196 | 173 | 178 | 177 | 191 |
| Other operating costs | 6 | 5 | 4 | 9 | 3 | 5 | 5 | 6 |
| Depreciation | 12 | 13 | 16 | 26 | 9 | 13 | 15 | 22 |
| **Total Expenses** | **196** | **196** | **196** | **230** | **185** | **196** | **197** | **219** |
| | | | | | | | | |
| **Profit before loan losses** | **97** | **83** | **115** | **73** | **142** | **129** | **103** | **86** |
| | | | | | | | | |
| Loan losses | 74 | 39 | 31 | 17 | -15 | -10 | -10 | -10 |
| Write-downs on assets | 24 | 2 | 5 | 4 | 5 | 3 | 3 | 3 |
| **Operating profit** | **47** | **46** | **89** | **61** | **162** | **142** | **116** | **99** |
| | | | | | | | | |
| Taxes | 3 | 5 | 5 | 1 | 18 | 12 | 10 | 9 |
| Discontinued operations | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Minority interest | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| **Net profit to equity** | **44** | **41** | **84** | **60** | **144** | **129** | **105** | **90** |

### BALANCE SHEET

| DKKm | Q1 20 | Q2 20 | Q3 20 | Q4 20 | Q1 21E | Q2 21E | Q3 21E | Q4 21E |
|---|---|---|---|---|---|---|---|---|
| Cash / Interbank | 440 | 439 | 435 | 481 | 2,014 | 2,014 | 2,014 | 2,014 |
| Loans to credit institutions | 2,553 | 2,391 | 2,536 | 4,813 | 175 | 175 | 175 | 175 |
| Loans to the public | 12,172 | 11,807 | 11,980 | 11,951 | 12,344 | 12,405 | 12,482 | 12,559 |
| Goodwill and other intangibles | 91 | 91 | 91 | 91 | 91 | 91 | 91 | 91 |
| **Total assets** | **25,221** | **26,337** | **26,537** | **27,266** | **27,153** | **27,214** | **27,291** | **27,369** |
| | | | | | | | | |
| **Interbank/owed to credit institutions** | **612** | **694** | **858** | **558** | **504** | **504** | **504** | **504** |
| Deposits | 18,549 | 19,423 | 19,419 | 20,001 | 19,737 | 19,786 | 19,835 | 19,885 |
| Subordinated loans | 674 | 674 | 569 | 570 | 570 | 570 | 570 | 570 |
| Minority interest | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Shareholders equity | 2,836 | 2,871 | 2,948 | 2,996 | 3,136 | 3,259 | 3,358 | 3,443 |
| **Total equity and liabilities** | **25,221** | **26,337** | **26,537** | **27,266** | **27,153** | **27,214** | **27,291** | **27,369** |
| | | | | | | | | |
| Loans to deposits | 66% | 61% | 62% | 60% | 63% | 63% | 63% | 63% |
| Non-mortg. loans to deposits | 66% | 61% | 62% | 60% | 63% | 63% | 63% | 63% |
| | | | | | | | | |
| LCR | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| NSFR | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |

### GROWTH (Y/Y)

| Adjusted for non rec.items | Q1 20 | Q2 20 | Q3 20 | Q4 20 | Q1 21E | Q2 21E | Q3 21E | Q4 21E |
|---|---|---|---|---|---|---|---|---|
| Net interest income | 1% | -6% | -3% | 4% | 6% | 12% | 7% | 5% |
| Net commission income | 27% | 4% | 5% | -3% | -5% | 11% | 10% | 9% |
| **Total Revenues** | **4%** | **4%** | **21%** | **5%** | **12%** | **16%** | **-4%** | **0%** |
| Staff costs | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. |
| **Total expenses** | **1%** | **-2%** | **-5%** | **0%** | **-5%** | **0%** | **0%** | **-5%** |
| Profit before loan losses | 12% | 20% | 119% | 26% | 46% | 55% | -11% | 18% |
| Operating profit | -40% | -31% | 85% | 4% | 246% | 210% | 31% | 63% |
| **Net profit to equity** | **-40%** | **-31%** | **85%** | **4%** | **246%** | **210%** | **31%** | **63%** |
| | | | | | | | | |
| Loans to the public (rep) | -1% | -5% | -4% | -2% | 1% | 5% | 4% | 5% |
| Deposits | 2% | 6% | 7% | 7% | 6% | 2% | 2% | -1% |
| Assets | 4% | 6% | 7% | 8% | 8% | 3% | 3% | 0% |
| | | | | | | | | |
| REA growth (BIS Trans) | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| REA growth (BIS III) | -4% | -14% | -7% | -3% | 3% | 10% | 3% | 5% |

*Source: Company data and Nordea estimates*

## ANNUAL KEY DATA

### SHARE DATA

| DKKm | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021E | 2022E | 2023E |
|---|---|---|---|---|---|---|---|---|---|---|
| EPS, DKK | 0.00 | 0.00 | 12.23 | 15.41 | 8.53 | 11.64 | 11.75 | 25.58 | 21.31 | 21.71 |
| EPS adj, DKK | n.a. | n.a. | 8.29 | 13.00 | 5.89 | 10.18 | 9.76 | 22.19 | 18.30 | 18.64 |
| BVPS | n.m. | n.m. | 157.9 | 170.9 | 155.2 | 164.1 | 172.4 | 198.1 | 210.1 | 222.5 |
| TVBS | n.m. | n.m. | 146.4 | 160.4 | 148.0 | 158.9 | 167.2 | 192.9 | 204.9 | 217.2 |
| DPS (tot., DKK) | 0.00 | 3.00 | 3.05 | 0.00 | 2.50 | 3.00 | 0.00 | 6.00 | 6.00 | 6.00 |
| Dividend pay-out ratio | n.m. | n.m. | 25% | 0% | 29% | 26% | 0% | 23% | 28% | 28% |
| Share repurchases (per share) | n.m. | n.m. | n.m. | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total pay-out ratio | 0% | 0% | 9% | 0% | 18% | 23% | 0% | 22% | 26% | 26% |
| | | | | | | | | | | |
| Share price (period end) | n.a. | 97 | 106 | 114 | 80 | 90 | 90 | 148 | 148 | 148 |
| Market cap. (m) | n.a. | 0 | 1,385 | 1,482 | 1,397 | 1,557 | 1,564 | 2,571 | 2,571 | 2,571 |
| Dil. number of shares | 0 | 0 | 13 | 13 | 17 | 17 | 17 | 17 | 17 | 17 |

### VALUATION

| (x) | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021E | 2022E | 2023E |
|---|---|---|---|---|---|---|---|---|---|---|
| P/E | n.a. | n.m. | 8.7 | 7.4 | 9.4 | 7.7 | 7.7 | 5.8 | 6.9 | 6.8 |
| P/E (adj.) | n.a. | n.a. | 12.8 | 8.7 | 13.6 | 8.8 | 9.2 | 6.7 | 8.1 | 7.9 |
| P/BV | n.a. | 0.00 | 0.67 | 0.67 | 0.52 | 0.55 | 0.52 | 0.75 | 0.70 | 0.67 |
| P/TBV | n.a. | 0.00 | 0.73 | 0.71 | 0.54 | 0.56 | 0.54 | 0.77 | 0.72 | 0.68 |
| Dividend yield (tot.) | n.a. | 3.1% | 2.9% | 0.0% | 3.1% | 3.3% | 0.0% | 4.1% | 4.1% | 4.1% |
| Total yield | n.a. | n.m. | n.m. | 0.0% | 3.1% | 3.3% | 0.0% | 4.1% | 4.1% | 4.1% |

### CAPITAL RATIOS

| % | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021E | 2022E | 2023E |
|---|---|---|---|---|---|---|---|---|---|---|
| BIS II Trans. CET1-ratio | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. |
| BIS II Trans. Capital ratio | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. |
| | | | | | | | | | | |
| BIS III CET | 1,207 | 1,472 | 1,576 | 1,818 | 2,295 | 2,431 | 2,709 | 2,970 | 3,149 | 3,348 |
| BIS III REA | 14,459 | 14,721 | 15,858 | 16,973 | 17,639 | 17,343 | 16,799 | 17,704 | 18,229 | 18,768 |
| BIS III CET1-ratio | 8.3% | 10.0% | 9.9% | 10.7% | 13.0% | 14.0% | 16.1% | 16.8% | 17.3% | 17.8% |
| BIS III T1-ratio | 11.6% | 13.0% | 12.9% | 14.0% | 15.1% | 16.2% | 18.4% | 18.9% | 19.3% | 19.8% |
| BIS III Capital ratio | 14.7% | 15.5% | 15.6% | 16.3% | 17.7% | 20.1% | 21.8% | 22.1% | 22.5% | 22.9% |
| | | | | | | | | | | |
| Tang. Equity/Assets | 7.5% | 9.5% | 9.6% | 9.7% | 10.8% | 10.9% | 10.7% | 12.2% | 12.9% | 13.5% |
| Tang. Equity/Lending | 14.6% | 18.2% | 18.2% | 17.9% | 21.1% | 22.6% | 24.3% | 26.7% | 27.7% | 28.6% |
| Leverage ratio | 6.2% | 7.9% | 7.9% | 8.5% | 9.6% | 9.6% | 9.9% | 10.9% | 11.4% | 12.0% |

### CREDIT QUALITY

| DKKm | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021E | 2022E | 2023E |
|---|---|---|---|---|---|---|---|---|---|---|
| Impaired loans | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Loan loss reserves | 2,755 | 1,908 | 1,361 | 1,143 | 1,014 | 657 | 747 | 624 | 611 | 599 |
| | | | | | | | | | | |
| Coverage ratio | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. |
| Loan loss reserves / Total loans | 26.38% | 19.33% | 13.45% | 10.32% | 8.50% | 5.39% | 6.18% | 5.09% | 4.81% | 4.60% |
| Impaired loans / Total loans | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Collective/total provisions | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Perf. Impared loans/Impaired loans | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. |
| Loan loss ratio | -2.36% | -1.50% | -1.10% | -0.32% | -0.04% | -0.14% | -1.32% | 0.38% | -0.32% | -0.39% |
| | | | | | | | | | | |
| Growth loan loss reserves (y/y) | -12% | -31% | -29% | -16% | -11% | -35% | 14% | -17% | -2% | -2% |
| Growth impaired loans (y/y) | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |

### PROFITABILITY

| Adjusted for non-rec. Items | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021E | 2022E | 2023E |
|---|---|---|---|---|---|---|---|---|---|---|
| RoE | 11.4% | 8.1% | 5.4% | 7.9% | 4.2% | 6.4% | 5.8% | 12.0% | 9.0% | 8.6% |
| RoTBV | 12.9% | 8.9% | 5.9% | 8.5% | 4.4% | 6.6% | 6.0% | 12.3% | 9.2% | 8.8% |
| C/I | -60.6% | -71.0% | -74.8% | -75.3% | -86.4% | -77.4% | -70.4% | -64.7% | -64.8% | -64.1% |
| NII-margin | 6.27% | 6.10% | 4.89% | 4.39% | 4.00% | 4.43% | 4.41% | 4.67% | 4.66% | 4.63% |

### REVENUE DISTRIBUTION

| Adjusted for non-rec. Items | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021E | 2022E | 2023E |
|---|---|---|---|---|---|---|---|---|---|---|
| Net Interest Income | 60% | 62% | 51% | 48% | 51% | 50% | 46% | 47% | 48% | 48% |
| Net Commission Income | 33% | 43% | 44% | 45% | 49% | 51% | 51% | 51% | 51% | 51% |
| Net result from financial transactions | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Net insurance income | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Other Income | 1% | 2% | 0% | 2% | 2% | 3% | 2% | 1% | 2% | 2% |

*Source: Company data and Nordea estimates*

## ANNUAL INCOME STATEMENT AND BALANCE SHEET

### INCOME STATEMENT

| DKKm | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021E | 2022E | 2023E |
|---|---|---|---|---|---|---|---|---|---|---|
| Net Interest Income | 654 | 602 | 551 | 542 | 541 | 565 | 557 | 597 | 616 | 627 |
| Net Commission Income | 365 | 418 | 421 | 457 | 464 | 549 | 592 | 625 | 634 | 648 |
| Net result from financial transactions | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Net insurance income | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Other income | 15 | 15 | 24 | 31 | 16 | 27 | 21 | 17 | 20 | 20 |
| **Total revenues** | **1,090** | **978** | **1,043** | **1,073** | **1,042** | **1,097** | **1,186** | **1,256** | **1,263** | **1,288** |
| Staff costs | 577 | 613 | 644 | 691 | 746 | 726 | 729 | 719 | 726 | 733 |
| Other operating costs | 47 | 50 | 14 | 19 | 20 | 19 | 23 | 19 | 18 | 18 |
| Depreciation | 36 | 31 | 52 | 59 | 49 | 85 | 66 | 59 | 59 | 59 |
| **Total Expenses** | **660** | **694** | **710** | **769** | **815** | **830** | **818** | **797** | **803** | **810** |
| **Profit before loan losses** | **429** | **284** | **333** | **304** | **227** | **267** | **368** | **459** | **460** | **478** |
| Loan losses | 257 | 150 | 107 | 33 | 4 | 17 | 161 | -45 | 40 | 50 |
| Write-downs on assets | 3 | 3 | 2 | 3 | 8 | 2 | 35 | 14 | 12 | 12 |
| **Operating profit** | **175** | **136** | **228** | **273** | **230** | **251** | **242** | **519** | **432** | **440** |
| Taxes | -4 | -8 | 12 | 16 | 22 | 25 | 13 | 50 | 37 | 38 |
| Discontinued operations | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Minority interest | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Net profit to equity** | **180** | **144** | **216** | **257** | **208** | **227** | **229** | **469** | **395** | **402** |

### BALANCE SHEET

| DKKm | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021E | 2022E | 2023E |
|---|---|---|---|---|---|---|---|---|---|---|
| Cash / Interbank | 572 | 623 | 384 | 357 | 413 | 441 | 481 | 2,014 | 2,014 | 2,014 |
| Loans to credit institutions | 905 | 376 | 1,364 | 1,831 | 1,408 | 2,541 | 4,813 | 175 | 175 | 175 |
| Loans to the public | 9,981 | 9,763 | 10,474 | 11,681 | 12,174 | 12,217 | 11,951 | 12,559 | 12,873 | 13,195 |
| Goodwill and other intangibles | 174 | 162 | 150 | 138 | 125 | 91 | 91 | 91 | 91 | 91 |
| **Total assets** | **19,322** | **18,730** | **19,859** | **21,487** | **23,857** | **25,359** | **27,266** | **27,369** | **27,683** | **28,004** |
| **Interbank/owed to credit institutions** | **308** | **319** | **429** | **439** | **425** | **525** | **558** | **504** | **504** | **504** |
| Deposits | 15,315 | 14,633 | 15,647 | 16,589 | 18,223 | 18,700 | 20,001 | 19,885 | 20,282 | 20,688 |
| Subordinated loans | 596 | 465 | 466 | 403 | 454 | 673 | 570 | 570 | 570 | 570 |
| Minority interest | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Shareholders equity | 1,631 | 1,939 | 2,058 | 2,228 | 2,697 | 2,851 | 2,996 | 3,443 | 3,651 | 3,865 |
| **Total equity and liabilities** | **19,322** | **18,730** | **19,859** | **21,487** | **23,857** | **25,359** | **27,266** | **27,369** | **27,683** | **28,004** |
| Loans to deposits | 65% | 67% | 67% | 70% | 67% | 65% | 60% | 63% | 63% | 64% |
| Non-mortg. loans to deposits | 65% | 67% | 67% | 70% | 67% | 65% | 60% | 63% | 63% | 64% |
| LCR | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| NSFR | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |

### GROWTH (Y/Y)

| Adjusted for non rec.items | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021E | 2022E | 2023E |
|---|---|---|---|---|---|---|---|---|---|---|
| Net interest income | 28% | -8% | -18% | -2% | -2% | 13% | -1% | 8% | 3% | 2% |
| Net commission income | 27% | 15% | 1% | 8% | 2% | 18% | 8% | 6% | 1% | 2% |
| **Total Revenues** | **-5%** | **-10%** | **-1%** | **4%** | **-6%** | **14%** | **8%** | **6%** | **1%** | **2%** |
| Staff costs | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. |
| **Total expenses** | **14%** | **5%** | **4%** | **5%** | **8%** | **2%** | **-1%** | **-3%** | **1%** | **1%** |
| Profit before loan losses | -24% | -34% | -14% | 2% | -48% | 89% | 42% | 27% | 0% | 4% |
| Operating profit | 119% | -22% | 2% | 58% | -42% | 82% | -19% | 163% | -18% | 2% |
| **Net profit to equity** | **124%** | **-20%** | **-25%** | **57%** | **-40%** | **73%** | **-4%** | **127%** | **-18%** | **2%** |
| Loans to the public (rep) | -8% | -2% | 7% | 12% | 4% | 0% | -2% | 5% | 3% | 2% |
| Deposits | -3% | -4% | 7% | 6% | 10% | 3% | 7% | -1% | 2% | 2% |
| Assets | -4% | -3% | 6% | 8% | 11% | 6% | 8% | 0% | 1% | 1% |
| REA growth (BIS Trans) | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| REA growth (BIS III) | 2% | 2% | 8% | 7% | 4% | -2% | -3% | 5% | 3% | 3% |

*Source: Company data and Nordea estimates*

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