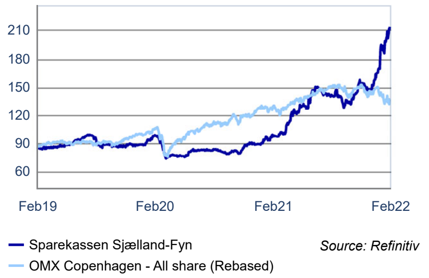
Sparekassen Sjælland-Fyn

Financials
Denmark

KEY DATA

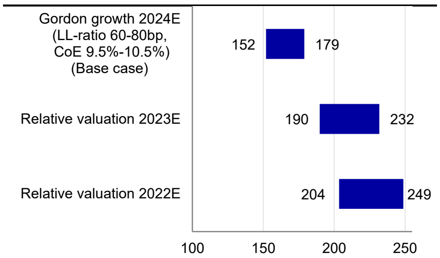
Stock country	Denmark
Bloomberg	SPKSJF DC
Reuters	SPKSJF.CO
Share price (close)	DKK 215.0
Free Float	84%
Market cap. (bn)	EUR 0.50/DKK 3.74
Website	www.spks.dk/
Next report date	05 May 2022

PERFORMANCE



Source: Refinitiv

VALUATION APPROACH



Source: Nordea estimates

ESTIMATE CHANGES

Year	2022E	2023E	2024E
Total revenue	0%	0%	n.a.
Total costs	-2%	-2%	n.a.
Profit before loan losses	4%	4%	n.a.
PTP	7%	5%	n.a.
DPS (ord)	0%	0%	n.a.
EPS (adj)	7%	5%	n.a.

Source: Nordea estimates

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Operational trends bode well for 2022

Sparekassen Sjælland-Fyn reported profit before loan losses of DKK 105m for Q4 2021, which was a whole DKK 18m (21%) ahead of our estimate. Key income figures were in line with our forecasts, while lending came in slightly soft. On the positive side, total costs were DKK 16m (7%) below our estimates, as depreciation took a step-change, indicating a new and lower run rate. Sparekassen booked DKK 1m in loan loss reversals in Q4, while the total management buffer was increased to DKK 219m. We believe management will retain its cautious approach going forward, but we do not expect any major impairment losses for 2022 as Sparekassen's solid management buffer can be reversed if needed. We thus lift 2022E-23E profit before loan losses by 4%, while we increase 2022E-23E adjusted EPS by 5-7%. Our new Gordon growth-based fair value range is DKK 152-179 (140-166).

Strong foundation could add a new layer to the equity story

In conjunction with the Q4 report, Sparekassen Sjælland-Fyn has concluded its 'New Ways' strategy period. During the period, Sparekassen has improved across all its financial objectives and we believe the current operational trends bode well for the years ahead. For the new strategy period, management will most likely retain its current focus on operational efficiency and profitability. Meanwhile, given Sparekassen's current capital position (CET1 ratio of 17.5%, 4.5 pp above the 'New Ways' strategy target), we would not be surprised to see management adding a new layer to the equity story in the form of more ambitious capital repatriation targets (currently targets a 25% payout ratio).

We raise 2022E-23E adjusted EPS by 5-7%

We lower 2022E-23E NII by 2% due to subdued lending growth, while we lift 2022E-23E NCI by 3%, as we see a more positive trajectory for some of the activity-driven fee lines going forward. In addition, we lower 2022E-23E total costs by 2%, while we only see minor loan losses for 2022 following the increase in Sparekassen's management buffer. Consequently, we estimate 2022 pre-tax profit of DKK 488m, which is at the upper end of the current guidance range (DKK 385-510m).

New fair value range of DKK 152-179 (140-166)

Sparekassen's share price has rallied, up ~85% in 2021 and 30% YTD, following the recent year's solid operational performance. Hence, Sparekassen Sjælland-Fyn is now trading at an adjusted P/E of ~10.3x for 2022E, in line with peers.

SUMMARY TABLE - KEY FIGURES

DKKm	2018	2019	2020	2021	2022E	2023E	2024E
Total revenue	1,042	1,097	1,186	1,263	1,263	1,295	1,325
Total costs	815	830	818	779	780	785	790
LL-ratio	-0.04%	-0.14%	-1.33%	0.21%	-0.08%	-0.40%	-0.39%
PTP	230	251	242	531	488	475	500
RoE	8.5%	8.2%	7.8%	13.8%	10.8%	9.6%	9.5%
RoTBV (adj)	4.4%	6.6%	6.0%	12.7%	10.5%	9.2%	9.1%
P/E (adj)	13.6	8.8	9.2	7.3	10.3	11.0	10.4
P/BV	0.52	0.55	0.52	0.84	1.02	0.96	0.90
P/TBV	0.54	0.56	0.54	0.86	1.05	0.98	0.92
BIS III CT1-ratio	13.0%	14.0%	16.1%	17.5%	18.3%	19.0%	19.8%
DPS (ord, DKK)	2.50	3.00	0.00	6.00	6.00	6.00	6.00
Dividend Yield (ord)	3.11%	3.35%	0.00%	3.64%	2.79%	2.79%	2.79%
Total payout ratio	0.18	0.23	0.00	0.24	0.27	0.29	0.27

Source: Company data and Nordea estimates

Estimates

ESTIMATE REVISIONS

	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E
DKKm	**New estimates**			**Change in estimates**			**Old estimates**		
Interest income	662	677	691	-2%	-2%	-	676	691	-
Interest expense	79	82	85	2%	1%	-	78	81	-
Net interest income	**583**	**595**	**605**	**-2%**	**-2%**	**-**	**598**	**610**	**-**
Dividends on shares etc	18	18	18	2%	2%	-	18	18	-
Fees and commission income	668	688	708	3%	3%	-	651	671	-
Fees and commission expenses	18	19	19	1%	1%	-	18	18	-
Net interest and fee income	**1,251**	**1,283**	**1,313**	**0%**	**0%**	**-**	**1,249**	**1,280**	**-**
Market value adjustments	-8	-8	-8	0%	0%	-	-8	-8	-
Other operating income	20	20	20	0%	0%	-	20	20	-
Total income	**1,263**	**1,295**	**1,325**	**0%**	**0%**	**-**	**1,261**	**1,292**	**-**
Staff costs and administrative expenses	728	733	738	0%	0%	-	730	735	-
Amortisation, depreciation and impairment losses	34	34	34	-33%	-33%	-	51	51	-
Other operating expenses	18	18	18	0%	0%	-	18	18	-
Total costs	**780**	**785**	**790**	**-2%**	**-2%**	**-**	**798**	**804**	**-**
Profit before loan losses	**483**	**509**	**535**	**4%**	**4%**	**-**	**463**	**489**	**-**
Loan losses	10	50	50	-50%	0%	-	20	50	-
Profit/loss on investments in associates and group enterprises	15	15	16	0%	0%	-	15	15	-
Profit before tax	**488**	**475**	**500**	**7%**	**5%**	**-**	**458**	**454**	**-**
Tax	107	110	116	12%	5%	-	96	106	-
Net profit	**381**	**364**	**384**	**5%**	**5%**	**-**	**362**	**349**	**-**
					-			-	
EPS adj., DKK	**20.81**	**19.62**	**20.74**	**7%**	**5%**	**-**	**19.46**	**18.73**	**-**
DPS, DKK	**6.00**	**6.00**	**6.00**	**0%**	**0%**	**-**	**6.00**	**6.00**	**-**

Source: Nordea estimates

Q4 2021 VS OUR ESTIMATES

	Actual	NDA	Deviation		Actual	q/q	Actual	y/y
DKKm	**Q4 21**	**Q4 21E**	**vs. actual**		**Q3 21**	**growth**	**Q4 20**	**growth**
Interest income	163	164	-1	-1%	163	0%	170	-4%
Interest expense	21	19	1	6%	20	4%	24	-16%
Net interest income	**143**	**145**	**-2**	**-2%**	**143**	**-1%**	**145**	**-2%**
Dividends on shares etc	0	0	0	-	0	-	0	-
Fees and commission income	156	157	-1	-1%	156	0%	142	10%
Fees and commission expenses	4	5	-1	-11%	4	0%	5	-5%
Net interest and fee income	**295**	**297**	**-2**	**-1%**	**295**	**0%**	**283**	**4%**
Market value adjustments	8	4	5	-	13	-34%	14	-38%
Other operating income	4	5	0	-10%	4	-2%	7	-44%
Total income	**307**	**305**	**2**	**1%**	**312**	**-2%**	**304**	**1%**
Staff costs and administrative expenses	189	190	-2	-1%	176	7%	196	-4%
Amortisation, depreciation and impairment losses	7	22	-15	-68%	11	-39%	26	-73%
Other operating expenses	6	6	0	4%	4	46%	9	-30%
Total costs	**202**	**218**	**-16**	**-7%**	**192**	**5%**	**230**	**-12%**
Profit before loan losses	**105**	**87**	**18**	**21%**	**120**	**-12%**	**73**	**44%**
Loan losses	-1	-18	17	-96%	10	-	17	-
Profit/loss on investments in associates and group enterprises	4	5	-1	-17%	9	-53%	4	0%
Profit before tax	**110**	**109**	**1**	**1%**	**119**	**-8%**	**61**	**81%**
Tax	18	23	-5	-21%	21	-12%	1	-
Net profit	**92**	**86**	**6**	**6%**	**99**	**-7%**	**60**	**53%**
CET1 ratio	**17.5%**	**16.9%**	**0.6 pp**		**15.1%**	**2.4 pp**	**16.1%**	**1.4 pp**

Source: Company data and Nordea estimates

Reported numbers and forecasts

QUARTERLY KEY DATA

SHARE DATA

DKKm	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22E	Q2 22E	Q3 22E	Q4 22E
EPS, DKK	7.92	5.95	5.32	4.93	5.62	5.65	4.85	4.39
EPS adj, DKK	7.27	6.27	5.35	4.94	5.97	6.00	5.21	4.74
BVPS	180.5	186.3	191.4	196.2	195.9	201.5	206.4	210.7
TVBS	175.2	181.0	186.2	191.0	190.6	196.3	201.1	205.5
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)	111.00	151.00	136.50	165.00	215.00	215.00	215.00	215.00
Market cap. (m)	1,929	2,624	2,372	2,867	3,736	3,736	3,736	3,736
Dil. number of shares period end (m)	17	17	17	17	17	17	17	17

VALUATION

(x)	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22E	Q2 22E	Q3 22E	Q4 22E
P/E	3.5	6.3	6.4	8.4	9.6	9.5	11.1	12.3
P/E (adj.)	3.8	6.0	6.4	8.3	9.0	9.0	10.3	11.3
P/BV	0.62	0.81	0.71	0.84	1.10	1.07	1.04	1.02
P/TBV	0.63	0.83	0.73	0.86	1.13	1.10	1.07	1.05
Dividend yield								
Total yield								

CAPITAL RATIOS

%	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22E	Q2 22E	Q3 22E	Q4 22E
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	14.7%	14.8%	15.1%	17.5%	17.3%	17.1%	17.0%	18.3%
BIS III T1-ratio	16.8%	16.9%	17.3%	19.7%	19.4%	19.3%	19.1%	20.4%
BIS III T2-ratio	20.0%	20.1%	20.6%	23.3%	23.1%	22.9%	22.7%	23.9%
Tang. Equity/Assets	11.2%	11.1%	11.4%	11.9%	11.8%	12.1%	12.4%	12.6%
Tang. Equity/Lending	24.7%	25.8%	26.7%	27.5%	27.2%	27.8%	28.3%	28.7%
Leverage ratio	9.7%	9.3%	9.1%	10.6%	10.5%	10.5%	10.5%	11.3%

CREDIT QUALITY

DKKm	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22E	Q2 22E	Q3 22E	Q4 22E
Impaired loans	0	0	0	0	0	0	0	0
Loan loss reserves	633	628	649	646	0	0	0	0
Coverage ratio	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Loan loss reserves / Total loans	5.21%	5.12%	5.34%	5.34%	0.00%	0.00%	0.00%	0.00%
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%	n.m.	n.m.	n.m.	n.m.
Perf. Impared loans/Impaired loans	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Loan loss ratio	0.50%	0.61%	-0.32%	0.02%	-0.08%	-0.08%	-0.08%	-0.08%
Growth loan loss reserves (y/y)	-12%	-12%	-14%	-14%	n.m.	n.m.	n.m.	n.m.
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 21	Q2 21	Q3 21	Q4 21	Q1 22E	Q2 22E	Q3 22E	Q4 22E
RoE	16.5%	13.7%	11.3%	10.2%	12.2%	12.1%	10.2%	9.1%
RoTBV	17.0%	14.1%	11.7%	10.5%	12.5%	12.4%	10.5%	9.3%
C/I	-56.6%	-63.0%	-61.5%	-65.8%	-58.7%	-60.1%	-62.4%	-66.1%
NII-margin	4.81%	4.88%	4.72%	4.72%	4.69%	4.75%	4.80%	4.80%

REVENUE DISTRIBUTION

Adjusted for non-rec. Items	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22E	Q2 22E	Q3 22E	Q4 22E
Net Interest Income	45%	47%	46%	46%	45%	44%	48%	48%
Net Commission Income	50%	53%	49%	50%	55%	55%	51%	51%
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	1%	1%	1%	1%	2%	2%	2%	2%

Source: Company data and Nordea estimates

QUARTERLY INCOME STATEMENT AND BALANCE SHEET

INCOME STATEMENT

DKKm	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22E	Q2 22E	Q3 22E	Q4 22E
Net Interest Income	146	150	143	143	142	145	148	149
Net Commission Income	164	168	152	152	174	184	155	156
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	3	4	4	4	5	5	5	5
Total revenues	**327**	**317**	**312**	**307**	**319**	**332**	**305**	**308**
Staff costs	173	185	176	189	174	186	177	190
Other operating costs	3	6	4	6	5	5	5	5
Depreciation	9	8	11	7	9	9	9	9
Total Expenses	**185**	**200**	**192**	**202**	**187**	**199**	**190**	**203**
Profit before loan losses	**142**	**117**	**120**	**105**	**132**	**132**	**115**	**104**
Loan losses	-15	-19	10	-1	3	3	3	3
Write-downs on assets	5	4	9	4	4	4	4	4
Operating profit	**162**	**140**	**119**	**110**	**133**	**134**	**116**	**106**
Taxes	18	30	21	18	29	29	26	23
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	**144**	**109**	**99**	**92**	**104**	**104**	**90**	**82**

BALANCE SHEET

DKKm	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22E	Q2 22E	Q3 22E	Q4 22E
Cash / Interbank	2,014	2,443	3,639	4,015	4,015	4,015	4,015	4,015
Loans to credit institutions	175	159	202	186	186	186	186	186
Loans to the public	12,344	12,194	12,117	12,067	12,157	12,247	12,338	12,429
Goodwill and other intangibles	91	91	91	91	91	91	91	91
Total assets	**27,153**	**28,427**	**28,334**	**28,001**	**28,090**	**28,180**	**28,271**	**28,362**
Interbank/owed to credit institutions	**504**	**850**	**907**	**578**	**578**	**578**	**578**	**578**
Deposits	19,737	20,296	20,054	19,766	19,766	19,766	19,766	19,766
Subordinated loans	570	570	571	670	620	620	620	620
Minority interest	0	0	0	0	0	0	0	0
Shareholders equity	3,136	3,237	3,326	3,410	3,403	3,501	3,585	3,662
Total equity and liabilities	**27,153**	**28,427**	**28,334**	**28,001**	**28,090**	**28,180**	**28,271**	**28,362**
Loans to deposits	63%	60%	60%	61%	62%	62%	62%	63%
Non-mortg. loans to deposits	63%	60%	60%	61%	62%	62%	62%	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 21	Q2 21	Q3 21	Q4 21	Q1 22E	Q2 22E	Q3 22E	Q4 22E
Net interest income	6%	13%	2%	-2%	-3%	-3%	3%	4%
Net commission income	-5%	13%	14%	10%	6%	10%	2%	2%
Total Revenues	**12%**	**14%**	**0%**	**1%**	**-2%**	**5%**	**-2%**	**0%**
Staff costs	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Total expenses	**-5%**	**2%**	**-2%**	**-12%**	**1%**	**0%**	**-1%**	**1%**
Profit before loan losses	46%	41%	5%	44%	-7%	13%	-5%	-1%
Operating profit	246%	205%	35%	81%	-18%	-4%	-3%	-4%
Net profit to equity	**246%**	**205%**	**35%**	**81%**	**-18%**	**-4%**	**-3%**	**-4%**
Loans to the public (rep)	1%	3%	1%	1%	-2%	0%	2%	3%
Deposits	6%	4%	3%	-1%	0%	-3%	-1%	0%
Assets	8%	8%	7%	3%	3%	-1%	0%	1%
REA growth (BIS Trans)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
REA growth (BIS III)	3%	9%	0%	1%	-4%	-3%	2%	3%

Source: Company data and Nordea estimates

ANNUAL KEY DATA

SHARE DATA

DKKm	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
EPS, DKK	0.00	12.23	15.41	8.53	11.64	11.75	24.12	20.50	19.55	20.68
EPS adj, DKK	n.a.	8.29	13.00	5.89	10.18	9.76	22.74	20.81	19.62	20.74
BVPS	n.m.	157.9	170.9	155.2	164.1	172.4	196.2	210.7	224.6	239.7
TVBS	n.m.	146.4	160.4	148.0	158.9	167.2	191.0	205.5	219.4	234.4
DPS (tot., DKK)	3.00	3.05	0.00	2.50	3.00	0.00	6.00	6.00	6.00	6.00
Dividend pay-out ratio	n.a.	37%	0%	42%	29%	0%	26%	29%	31%	29%
Share repurchases (per share)	n.m.	n.m.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total pay-out ratio	0%	9%	0%	18%	23%	0%	24%	27%	29%	27%
Share price (period end)	97	106	114	80	90	90	165	215	215	215
Market cap. (m)	0	1,385	1,482	1,397	1,557	1,564	2,867	3,736	3,736	3,736
Dil. number of shares	0	13	13	17	17	17	17	17	17	17

VALUATION

(x)	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
P/E	n.m.	8.7	7.4	9.4	7.7	7.7	6.8	10.5	11.0	10.4
P/E (adj.)	n.a.	12.8	8.7	13.6	8.8	9.2	7.3	10.3	11.0	10.4
P/BV	0.00	0.67	0.67	0.52	0.55	0.52	0.84	1.02	0.96	0.90
P/TBV	0.00	0.73	0.71	0.54	0.56	0.54	0.86	1.05	0.98	0.92
Dividend yield (tot.)	3.1%	2.9%	0.0%	3.1%	3.3%	0.0%	3.6%	2.8%	2.8%	2.8%
Total yield	n.m.	n.m.	0.0%	3.1%	3.3%	0.0%	3.6%	2.8%	2.8%	2.8%

CAPITAL RATIOS

%	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
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	1,472	1,576	1,818	2,295	2,431	2,709	2,977	3,212	3,439	3,693
BIS III REA	14,721	15,858	16,973	17,639	17,343	16,799	17,017	17,584	18,108	18,645
BIS III CET1-ratio	10.0%	9.9%	10.7%	13.0%	14.0%	16.1%	17.5%	18.3%	19.0%	19.8%
BIS III T1-ratio	13.0%	12.9%	14.0%	15.1%	16.2%	18.4%	19.7%	20.4%	21.1%	21.8%
BIS III Capital ratio	15.5%	15.6%	16.3%	17.7%	20.1%	21.8%	23.3%	23.9%	24.5%	25.1%
Tang. Equity/Assets	9.5%	9.6%	9.7%	10.8%	10.9%	10.7%	11.9%	12.6%	13.3%	14.0%
Tang. Equity/Lending	18.2%	18.2%	17.9%	21.1%	22.6%	24.3%	27.5%	28.7%	29.9%	31.2%
Leverage ratio	7.9%	7.9%	8.5%	9.6%	9.6%	9.9%	10.6%	11.3%	12.0%	12.7%

CREDIT QUALITY

DKKm	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Impaired loans	0	0	0	0	0	0	0	0	0	0
Loan loss reserves	1,908	1,361	1,143	1,014	657	747	646	633	620	608
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	19.33%	13.45%	10.32%	8.50%	5.39%	6.18%	5.38%	5.17%	4.93%	4.71%
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	-1.52%	-1.06%	-0.30%	-0.04%	-0.14%	-1.33%	0.21%	-0.08%	-0.40%	-0.39%
Growth loan loss reserves (y/y)	-31%	-29%	-16%	-11%	-35%	14%	-14%	-2%	-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	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
RoE	8.1%	5.4%	7.9%	4.2%	6.4%	5.8%	12.3%	10.2%	9.0%	8.9%
RoTBV	8.9%	5.9%	8.5%	4.4%	6.6%	6.0%	12.7%	10.5%	9.2%	9.1%
C/I	-71.0%	-74.8%	-75.3%	-86.4%	-77.4%	-70.4%	-62.9%	-63.0%	-61.8%	-60.8%
NII-margin	6.10%	4.89%	4.39%	4.00%	4.43%	4.41%	4.64%	4.56%	4.53%	4.50%

REVENUE DISTRIBUTION

Adjusted for non-rec. Items	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Net Interest Income	62%	51%	48%	51%	50%	46%	45%	45%	45%	45%
Net Commission Income	43%	44%	45%	49%	51%	51%	51%	54%	54%	54%
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	2%	0%	2%	2%	3%	2%	1%	2%	2%	2%

Source: Company data and Nordea estimates

ANNUAL INCOME STATEMENT AND BALANCE SHEET

INCOME STATEMENT

DKKm	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Net Interest Income	602	551	542	541	565	557	582	583	595	605
Net Commission Income	418	421	457	464	549	592	636	668	688	708
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	24	31	16	27	21	16	20	20	20
Total revenues	**978**	**1,043**	**1,073**	**1,042**	**1,097**	**1,186**	**1,263**	**1,263**	**1,295**	**1,325**
Staff costs	613	644	691	746	726	729	723	728	733	738
Other operating costs	50	14	19	20	19	23	20	18	18	18
Depreciation	31	52	59	49	85	66	36	34	34	34
Total Expenses	**694**	**710**	**769**	**815**	**830**	**818**	**779**	**780**	**785**	**790**
Profit before loan losses	**284**	**333**	**304**	**227**	**267**	**368**	**484**	**483**	**509**	**535**
Loan losses	150	107	33	4	17	161	-25	10	50	50
Write-downs on assets	3	2	3	8	2	35	22	15	15	16
Operating profit	**136**	**228**	**273**	**230**	**251**	**242**	**531**	**488**	**475**	**500**
Taxes	-8	12	16	22	25	13	87	107	110	116
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	**144**	**216**	**257**	**208**	**227**	**229**	**444**	**381**	**364**	**384**

BALANCE SHEET

DKKm	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Cash / Interbank	623	384	357	413	441	481	4,015	4,015	4,015	4,015
Loans to credit institutions	376	1,364	1,831	1,408	2,541	4,813	186	186	186	186
Loans to the public	9,763	10,474	11,681	12,174	12,217	11,951	12,067	12,429	12,740	13,058
Goodwill and other intangibles	162	150	138	125	91	91	91	91	91	91
Total assets	**18,730**	**19,859**	**21,487**	**23,857**	**25,359**	**27,266**	**28,001**	**28,362**	**28,673**	**28,992**
Interbank/owed to credit institutions	**319**	**429**	**439**	**425**	**525**	**558**	**578**	**578**	**578**	**578**
Deposits	14,633	15,647	16,589	18,223	18,700	20,001	19,766	19,766	20,161	20,565
Subordinated loans	465	466	403	454	673	570	670	620	620	620
Minority interest	0	0	0	0	0	0	0	0	0	0
Shareholders equity	1,939	2,058	2,228	2,697	2,851	2,996	3,410	3,662	3,903	4,164
Total equity and liabilities	**18,730**	**19,859**	**21,487**	**23,857**	**25,359**	**27,266**	**28,001**	**28,362**	**28,673**	**28,992**
Loans to deposits	67%	67%	70%	67%	65%	60%	61%	63%	63%	63%
Non-mortg. loans to deposits	67%	67%	70%	67%	65%	60%	61%	63%	63%	63%
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	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Net interest income	-8%	-18%	-2%	-2%	13%	-1%	5%	0%	2%	2%
Net commission income	15%	1%	8%	2%	18%	8%	7%	5%	3%	3%
Total Revenues	**-10%**	**-1%**	**4%**	**-6%**	**14%**	**8%**	**7%**	**0%**	**3%**	**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	**5%**	**4%**	**5%**	**8%**	**2%**	**-1%**	**-5%**	**0%**	**1%**	**1%**
Profit before loan losses	-34%	-14%	2%	-48%	89%	42%	34%	0%	6%	5%
Operating profit	-22%	2%	58%	-42%	82%	-19%	166%	-7%	-3%	6%
Net profit to equity	**-20%**	**-25%**	**57%**	**-40%**	**73%**	**-4%**	**133%**	**-8%**	**-6%**	**6%**
Loans to the public (rep)	-2%	7%	12%	4%	0%	-2%	1%	3%	3%	2%
Deposits	-4%	7%	6%	10%	3%	7%	-1%	0%	2%	2%
Assets	-3%	6%	8%	11%	6%	8%	3%	1%	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%	8%	7%	4%	-2%	-3%	1%	3%	3%	3%

Source: Company data and Nordea estimates

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