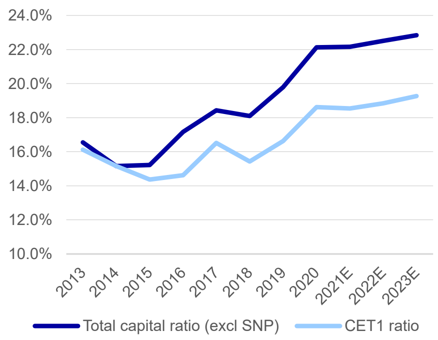
Sparekassen Kronjylland

Financials
Denmark

KEY DATA

Country	Denmark
Bloomberg	KRONJ
Moody's	NR/--
S&P	NR/--
Website	sparkron.dk

CAPITAL RATIOS



Source: Nordea estimates

ESTIMATE CHANGES

Year	2021E	2022E	2023E
Total revenue	1%	2%	3%
Total costs	0%	2%	2%
Profit before loan losses	2%	2%	3%
PTP	10%	10%	4%
Net profit	14%	10%	4%

Source: Nordea estimates

Records are made to be broken

Following the announcement of its preliminary 2021 figures, Sparekassen Kronjylland is set to report 2021 pre-tax profit of DKK 509m and net profit of DKK 425m, hence marking a record year for the bank in terms of profitability. More importantly, after years of efforts towards strengthening its credit book, Sparekassen is again visibly deploying capital toward growth initiatives, which suggests a more positive growth trajectory going forward. We therefore lift 2022E-23E PBLL by 2-3% as we now pencil in recent branch openings and positive sector momentum in general, only partly offset by a step-up in our cost estimates. We estimate a 2021 CET1 ratio of 18.5%, up 70 bp from H1, and a DKK 30m guaranteed capital inflow h/h for H2 2021.

Taking clever steps in the right direction

On 1 December, Sparekassen Kronjylland launched KRON, its new digital franchise, which offers flexible opening hours and online advisory only. Overall, we view this as a timely foot-in-the-door investment that strengthens Sparekassen's strategic offering and helps to distinguish the bank from its traditional competitors. In addition, we consider the new franchise a strategic enabler, supporting customer acquisitions outside Sparekassen's physical branch network, which creates clever synergies with the bank's ongoing branch optimisation efforts. Details around the new franchise remain sparse and we are yet to see firm proof of concept. That said, we believe the initiative is a step in the right direction that adds internal capabilities and supports the ongoing transitioning towards a more digital world of banking.

2022E-23E profit up 4-10%

We lift 2022E-23E NII by 3-4% as we pencil in a step-up in lending growth following the recent branch openings (KRON and Copenhagen branch) and positive sector tailwinds. On the negative side, we revise 2022E-23E costs up by 2%. Thus, we increase our 2022-23 PBLL estimates by 2-3% and lift our 2022-23 PTP forecasts by 4-10%, as we now see no loan losses in 2022.

We see continued support from investor capital inflows

Sparekassen Kronjylland reported an H1 2021 CET1 capital ratio of 17.8% and a total capital ratio of 21.5%, leading to DKK 2.2bn in excess capital, including buffers. Sparekassen's capital position has historically been supported by a stable inflow of guaranteed capital. We estimate a CET1 capital ratio of 18.5% for H2 2021 and total guaranteed capital of DKK ~1.2bn, up DKK 30m h/h, resulting in a 2017-21E CAGR of ~7%.

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SUMMARY TABLE - KEY FIGURES

DKKm	2017	2018	2019	2020	2021E	2022E	2023E
Total revenue	1,171	1,160	1,402	1,293	1,338	1,369	1,393
Total costs	-866	-881	-939	-952	-981	-1,002	-1,021
LL-ratio	-0.30%	0.04%	-0.01%	0.55%	-0.32%	0.17%	0.33%
PTP	362	289	494	278	464	362	337
RoE	9.3%	6.4%	11.0%	5.5%	8.1%	5.9%	5.2%
RoTBV (adj)	9.7%	6.4%	8.3%	4.3%	7.1%	4.9%	4.5%
P/E (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
P/BV	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
P/TBV	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
BIS III CT1-ratio	16.5%	15.4%	16.6%	18.6%	18.4%	18.9%	19.3%
DPS (ord, DKK)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dividend Yield (ord)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total payout ratio	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Source: Company data and Nordea estimates

Estimates

2021E-23E: PBLL up 2-3%, net profit up 4-10%

Sparekassen Kronjylland is set to report full-year 2021 pre-tax profit of DKK 509m (above its previous pre-tax guidance of DKK 420-480m) and net profit of DKK 424m. We hence lift our 2021 pre-tax estimate by DKK ~45m (up 10%), with the majority stemming from loan loss reversals. Furthermore, we raise 2022E-23E NII by 3-4%, reflecting the recent hike in Danish lending and a positive impact from new branch openings. On the negative side, we expect to see upward pressure on costs following the new branch openings. We estimate no loan losses for 2022 as we see no clouds on the horizon, and thus raise 2022E pre-tax profit by 10%.

CHANGES TO ESTIMATES

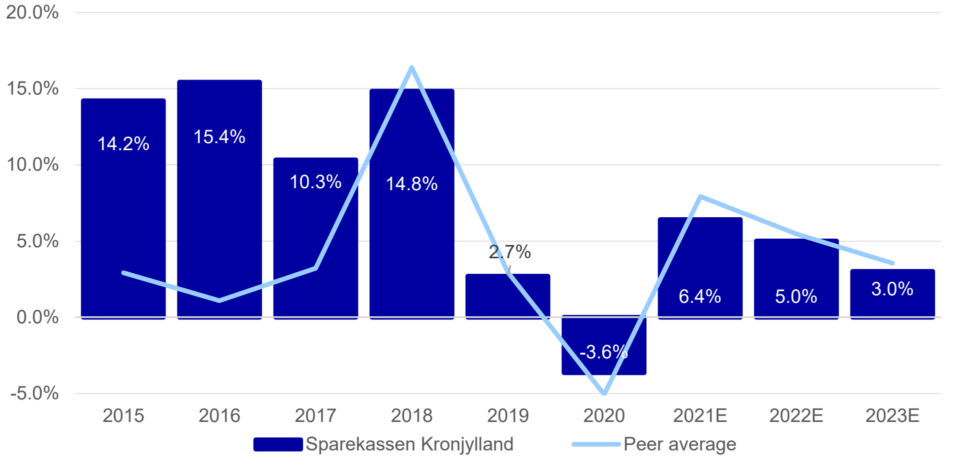
	2021E	2022E	2023E	2021E	2022E	2023E	2021E	2022E	2023E
DKKm	**New estimates**			**Change in estimates**			**Old estimates**		
Interest income	632	668	685	1%	3%	4%	627	647	658
Interest expense	29	39	39	0%	0%	0%	29	39	39
Net interest income	**661**	**707**	**724**	**1%**	**3%**	**4%**	**656**	**686**	**697**
Dividends on shares etc	19	10	10	0%	0%	0%	19	10	10
Fees and commission income	579	590	602	1%	1%	1%	573	584	596
Fees and commission expenses	-36	-36	-36	1%	1%	1%	-36	-36	-36
Net interest and fee income	**1,223**	**1,272**	**1,300**	**1%**	**2%**	**3%**	**1,211**	**1,244**	**1,267**
Market value adjustments	90	86	87	0%	0%	0%	90	86	87
Other operating income	38	38	39	0%	0%	0%	38	38	39
Total income	**1,350**	**1,396**	**1,426**	**1%**	**2%**	**2%**	**1,338**	**1,369**	**1,393**
Staff costs and administrative expenses	-928	-964	-984	0%	2%	2%	-924	-945	-964
Amortisation, depreciation and impairment losses	-53	-53	-53	0%	0%	0%	-53	-53	-53
Other operating expenses	-4	-4	-4	0%	0%	0%	-4	-4	-4
Total costs	**-985**	**-1,022**	**-1,041**	**0%**	**2%**	**2%**	**-981**	**-1,002**	**-1,021**
Profit before loan losses	**365**	**375**	**385**	**2%**	**2%**	**3%**	**357**	**367**	**372**
Loan losses	88	0	-60	66%	-100%	0%	53	-30	-60
Profit/loss on investments in associates and group enterprises	56	25	25	6%	0%	0%	53	25	25
Profit before tax	**509**	**400**	**350**	**10%**	**10%**	**4%**	**464**	**362**	**337**
Tax	-85	-80	-70	-6%	10%	4%	-90	-72	-67
Net profit	**424**	**320**	**280**	**14%**	**10%**	**4%**	**373**	**289**	**270**

Source: Company data and Nordea estimates

We see stable growth trajectory ahead of 2023

Sparekassen Kronjylland has historically reported high growth rates, partly fuelled by acquisitions and organic growth. In 2019, however, Sparekassen prudently lowered its risk appetite – specifically towards commercial property exposures – which toned down the growth figures for 2019 and 2020. For 2021, however, we estimate lending growth of 6.4% following the recent capital deployment towards growth initiatives and strong sector momentum in general. In addition, we see a positive growth trajectory going forward, with Sparekassen aiming at stable mid-single-digit growth figures. This is roughly in line with our peer estimates.

ANNUAL LENDING GROWTH

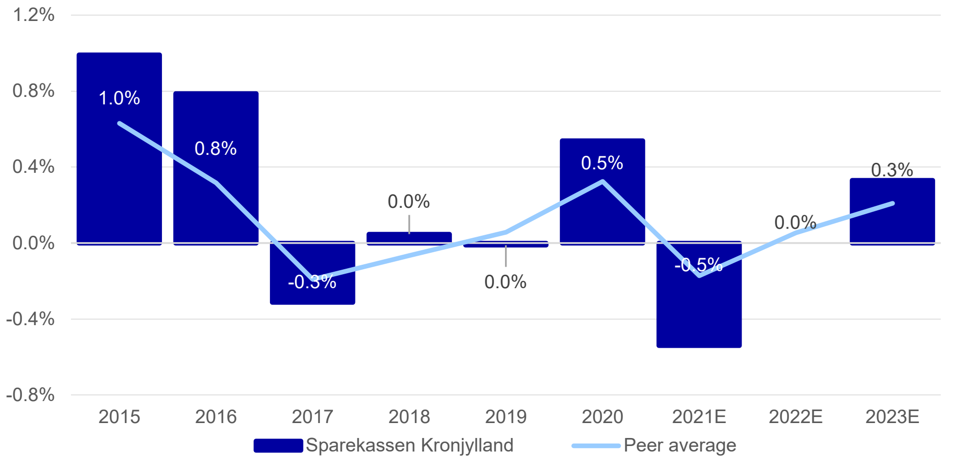


Source: Company data and Nordea estimates

Loan losses likely to remain subdued

Based on the preliminary 2021 figures, we expect that H2 profitability will have seen support from reversals of loss provisions. We thus estimate a 2021 loan loss ratio of -0.53%, which is roughly in line with our peer estimates. In addition, given Sparekassen's current DKK 247m pandemic-related management buffer – which can be reversed if needed – and the solid development in asset quality across the sector in general, we estimate no loan losses for 2022 and envisage a gradual normalisation in 2023.

ANNUAL LOAN LOSS RATIO

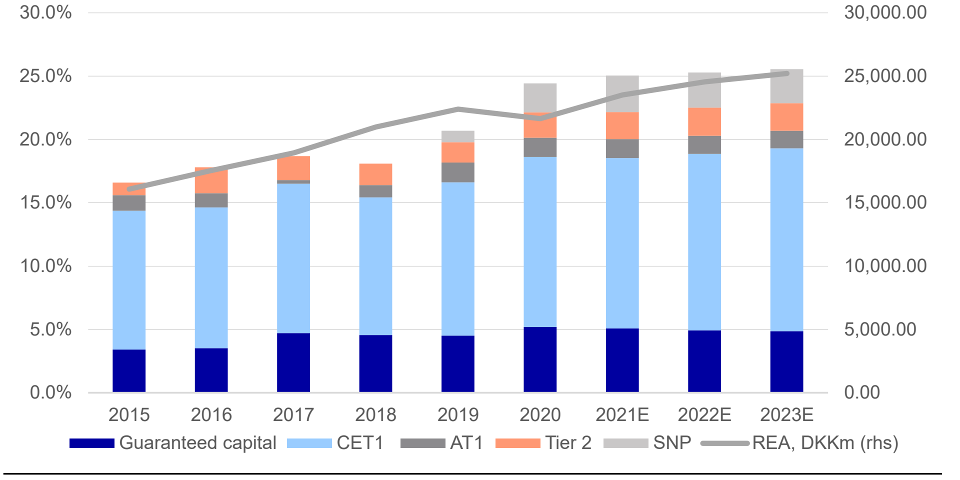


Source: Company data and Nordea estimates

Stable, increasing capital ratios despite REA growth

Capital ratios have historically been driven by retained earnings profits and modest growth in the amount of guaranteed capital. We estimate a 2021 CET1 ratio of 18.5% and a total capital ratio (including SNP notes) of 25%. In addition, we expect that Sparekassen Kronjylland will continue to strengthen its capital position towards 2023.

CAPITAL RATIOS AND REA (RISK EXPOSURE AMOUNT)



Source: Company data and Nordea estimates

Reported numbers and forecasts

INTERIM KEY DATA

CAPITAL RATIOS								
%	**H1 18**	**H2 18**	**H1 19**	**H2 19**	**H1 20**	**H2 20**	**H1 21**	**H2 21E**
BIS II Trans. CET1-ratio	-	-	-	-	-	-	-	-
BIS II Trans. Capital ratio	-	-	-	-	-	-	-	-
BIS III CET	3,136	3,237	3,395	3,722	3,768	4,020	4,117	4,358
BIS III REA	19,824	20,982	22,212	22,391	20,862	21,648	23,140	23,508
BIS III CET1-ratio	15.8%	15.4%	15.3%	16.6%	18.1%	18.6%	17.8%	18.5%
BIS III T1-ratio	16.1%	16.4%	16.2%	18.2%	19.7%	20.1%	19.3%	20.0%
BIS III Capital ratio	17.9%	18.1%	17.8%	19.8%	21.5%	22.1%	21.5%	22.2%
Tang. Equity/Assets	13.8%	13.6%	13.4%	13.6%	13.3%	13.0%	12.9%	13.4%
Tang. Equity/Lending	23.3%	21.9%	21.9%	24.1%	25.8%	26.8%	27.2%	27.8%
Leverage ratio	12.5%	12.2%	11.9%	12.4%	12.1%	12.0%	11.6%	12.1%

CREDIT QUALITY								
DKKm	**H1 18**	**H2 18**	**H1 19**	**H2 19**	**H1 20**	**H2 20**	**H1 21**	**H2 21E**
Impaired loans	-	2,600	-	2,008	-	2,152	-	2,141
Loan loss reserves	1,146	1,128	1,069	1,076	1,097	951	932	913
Coverage ratio	-	43%	-	54%	-	44%	-	43%
Loan loss reserves / Total loans	7.69%	6.85%	6.16%	6.37%	6.83%	5.84%	5.54%	5.27%
Impaired loans / Total loans	0.00%	15.80%	0.00%	11.89%	0.00%	13.22%	0.00%	12.36%
Loan loss ratio	**0.17%**	**-0.25%**	**0.53%**	**-0.48%**	**-1.01%**	**-0.07%**	**0.53%**	**0.53%**
Growth loan loss reserves (y/y)	-6%	8%	-7%	-5%	3%	-12%	-15%	-4%
Growth impaired loans (y/y)	-	3%	-	-23%	-	7%	-	-1%

PROFITABILITY								
Adjusted for non-rec. Items	**H1 18**	**H2 18**	**H1 19**	**H2 19**	**H1 20**	**H2 20**	**H1 21**	**H2 21E**
RoE	8.2%	4.7%	10.2%	6.5%	2.0%	7.7%	8.4%	8.6%
RoTBV	8.5%	4.8%	10.5%	6.7%	2.0%	7.9%	8.5%	8.7%
C/I	-73.8%	-78.9%	-71.9%	-73.8%	-77.3%	-73.8%	-74.3%	-76.0%
NII-margin	4.33%	4.12%	3.95%	3.67%	3.61%	3.86%	3.78%	3.94%

REVENUE DISTRIBUTION								
Adjusted for non-rec. Items	**H1 18**	**H2 18**	**H1 19**	**H2 19**	**H1 20**	**H2 20**	**H1 21**	**H2 21E**
Net Interest Income	54%	55%	51%	47%	50%	48%	48%	50%
Net Commission Income	36%	36%	38%	41%	40%	39%	42%	41%
Net result from financial transactions	8%	6%	9%	9%	7%	10%	7%	6%
Net insurance income	0%	0%	0%	0%	0%	0%	0%	0%
Other Income	3%	3%	3%	3%	3%	3%	3%	3%

Source: Company data and Nordea estimates

INTERIM INCOME STATEMENT AND BALANCE SHEET

INCOME STATEMENT

DKKm	H1 18	H2 18	H1 19	H2 19	H1 20	H2 20	H1 21	H2 21E
Interest income	332	340	342	330	313	309	310	322
Interest expense	-19	-23	-19	-8	-1	18	10	19
Net interest income	**313**	**317**	**322**	**322**	**313**	**327**	**320**	**342**
Dividends on shares etc	10	0	19	4	11	-1	19	0
Fees and commission income	206	215	233	284	255	280	288	291
Fees and commission expenses	-8	-11	-13	-16	-12	-19	-19	-17
Net interest and fee income	**521**	**522**	**562**	**594**	**566**	**587**	**608**	**615**
Market value adjustments	44	36	55	152	39	64	48	42
Other operating income	18	19	19	21	17	20	18	20
Staff costs and administrative expenses	-399	-421	-431	-455	-437	-457	-451	-478
Amortisation, depreciation and impairment losses	-28	-30	-24	-27	-25	-29	-26	-27
Other operating expenses	-1	-1	-1	-2	-2	-2	-2	-2
Impairment losses on loans and advances etc	12	-19	43	-41	-85	-6	43	45
Profit/loss on investments in associates etc	6	11	13	16	6	23	28	28
Profit before tax	**172**	**117**	**236**	**257**	**78**	**200**	**266**	**243**
Other (Profit from discountinued operations)	0	0	0	0	0	0	0	0
Tax	-29	-29	-44	-17	-16	-25	-51	-34
Attributable profit for the year	**143**	**88**	**192**	**240**	**62**	**175**	**215**	**209**

BALANCE SHEET

DKKm	H1 18	H2 18	H1 19	H2 19	H1 20	H2 20	H1 21	H2 21E
Cash / Interbank	437	487	451	522	474	663	3,032	3,032
Loans to the public	14,897	16,456	17,341	16,897	16,058	16,282	16,826	17,323
Goodwill and other intangibles	109	100	91	82	73	65	56	56
Total assets	**25,099**	**26,471**	**28,461**	**29,912**	**31,226**	**33,417**	**35,461**	**35,975**
Interbank/owed to credit institutions	1,252	1,108	1,153	1,202	1,067	1,329	1,274	1,274
Deposits	18,474	19,324	20,579	21,077	22,218	23,489	24,379	24,861
Subordinated loans	359	359	359	359	360	449	698	500
Minority interest	0	0	0	0	0	0	0	0
Equity	3,584	3,703	3,894	4,148	4,211	4,422	4,640	4,869
Total equity and liabilities	**25,099**	**26,471**	**28,461**	**29,912**	**31,226**	**33,417**	**35,461**	**35,975**

GROWTH (Y/Y)

	H1 18	H2 18	H1 19	H2 19	H1 20	H2 20	H1 21	H2 21E
Interest income	-2%	2%	3%	-3%	-8%	-6%	-1%	4%
Interest expense	-25%	-2%	-1%	-67%	-95%	-331%	-1198%	8%
Net interest income	**0%**	**2%**	**3%**	**1%**	**-3%**	**2%**	**2%**	**4%**
Dividends on shares etc	323%	-247%	94%	3638%	-43%	-130%	71%	-100%
Fees and commission income	8%	4%	13%	32%	9%	-2%	13%	4%
Fees and commission expenses	16%	9%	52%	50%	-2%	19%	53%	-7%
Net interest and fee income	**4%**	**3%**	**8%**	**14%**	**1%**	**-1%**	**7%**	**5%**
Market value adjustments	-45%	4%	26%	322%	-29%	-58%	22%	-34%
Other operating income	-35%	-12%	4%	6%	-7%	-2%	3%	-1%
Staff costs and administrative expenses	2%	1%	8%	8%	1%	1%	3%	4%
Amortisation, depreciation and impairment losses	11%	1%	-14%	-10%	5%	7%	4%	-6%
Other operating expenses	26%	-7%	-21%	27%	134%	11%	-17%	5%
Impairment losses on loans and advances etc	56%	-158%	252%	118%	-298%	-87%	-150%	-907%
Profit/loss on investments in associates etc	-20%	19%	125%	43%	-55%	45%	386%	23%
Profit before tax	**-16%**	**-25%**	**37%**	**120%**	**-67%**	**-22%**	**240%**	**22%**
Other (Profit from discountinued operations)	n.m	n.m	n.m	n.m	n.m	n.m	n.m	n.m
Tax	-20%	24%	52%	-39%	-63%	46%	214%	35%
Attributable profit for the year	**-16%**	**-34%**	**34%**	**173%**	**-68%**	**-27%**	**246%**	**20%**
Loans to the public	**8%**	**15%**	**16%**	**3%**	**-7%**	**-4%**	**5%**	**6%**
Deposits	11%	12%	11%	9%	8%	11%	10%	6%
Assets	9%	14%	13%	13%	10%	12%	14%	8%
REA growth (BIS III)	**4%**	**11%**	**12%**	**7%**	**-6%**	**-3%**	**11%**	**9%**

Source: Company data and Nordea estimates

ANNUAL KEY DATA

CAPITAL RATIOS									
%	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021E**	**2022E**	**2023E**
BIS II Trans. CET1-ratio	-	-	-	-	-	-	-	-	-
BIS II Trans. Capital ratio	-	-	-	-	-	-	-	-	-
BIS III CET	2,310	2,567	3,127	3,237	3,722	4,032	4,358	4,626	4,859
BIS III REA	16,084	17,549	18,931	20,982	22,391	21,648	23,508	24,550	25,207
BIS III CET1-ratio	14.4%	14.6%	16.5%	15.4%	16.6%	18.6%	18.5%	18.8%	19.3%
BIS III T1-ratio	14.9%	15.5%	16.7%	16.4%	18.2%	20.1%	20.0%	20.3%	20.7%
BIS III Capital ratio	15.2%	17.2%	18.4%	18.1%	19.8%	22.1%	22.2%	22.5%	22.8%
Tang. Equity/Assets	13.1%	12.9%	14.6%	13.6%	13.6%	13.0%	13.4%	13.7%	13.8%
Tang. Equity/Lending	22.6%	21.7%	23.7%	21.9%	24.1%	26.8%	27.8%	28.0%	28.5%
Leverage ratio	11.9%	11.7%	13.4%	12.2%	12.4%	12.1%	12.1%	12.4%	12.6%

CREDIT QUALITY									
DKKm	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021E**	**2022E**	**2023E**
Impaired loans	-	-	2,515	2,600	2,008	2,152	2,141	2,131	2,120
Loan loss reserves	1,248	1,216	1,040	1,128	1,076	951	913	909	904
Coverage ratio	-	-	41%	43%	54%	44%	43%	43%	43%
Loan loss reserves / Total loans	11.09%	9.36%	7.26%	6.85%	6.37%	5.84%	5.27%	5.00%	4.83%
Impaired loans / Total loans	0.00%	0.00%	17.55%	15.80%	11.89%	13.22%	12.36%	11.71%	11.32%
Loan loss ratio	**0.99%**	**0.79%**	**-0.31%**	**0.05%**	**-0.01%**	**0.54%**	**-0.54%**	**0.00%**	**0.33%**
Growth loan loss reserves (y/y)	14%	-3%	-14%	8%	-5%	-12%	-4%	-1%	-1%
Growth impaired loans (y/y)	-	-	-	3%	-23%	7%	-1%	-1%	0%

PROFITABILITY									
Adjusted for non-rec. Items	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021E**	**2022E**	**2023E**
RoE	7.7%	7.8%	9.3%	6.2%	8.1%	4.3%	8.0%	5.3%	4.5%
RoTBV	8.1%	8.3%	9.7%	6.4%	8.3%	4.3%	8.1%	5.4%	4.6%
C/I	-69.4%	-70.9%	-74.0%	-76.3%	-72.9%	-76.9%	-75.9%	-76.0%	-75.1%
NII-margin	6.22%	5.34%	4.57%	4.06%	3.78%	3.53%	3.63%	3.69%	3.70%

REVENUE DISTRIBUTION									
Adjusted for non-rec. Items	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021E**	**2022E**	**2023E**
Net Interest Income	60%	58%	53%	54%	49%	47%	47%	49%	49%
Net Commission Income	32%	32%	33%	36%	39%	41%	43%	42%	42%
Net result from financial transactions	0%	6%	10%	7%	9%	8%	7%	6%	6%
Net insurance income	0%	0%	0%	0%	0%	0%	0%	0%	0%
Other Income	7%	4%	4%	3%	3%	3%	3%	3%	3%

Source: Company data and Nordea estimates

ANNUAL INCOME STATEMENT AND BALANCE SHEET

INCOME STATEMENT

DKKm	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
Interest income	724	702	673	672	671	623	632	668	685
Interest expense	-68	-55	-50	-43	-27	17	29	39	39
Net interest income	**656**	**647**	**624**	**630**	**644**	**640**	**661**	**707**	**724**
Dividends on shares etc	2	13	2	10	23	10	19	10	10
Fees and commission income	366	369	398	422	517	534	579	590	602
Fees and commission expenses	-17	-20	-17	-19	-29	-31	-36	-36	-36
Net interest and fee income	**1,008**	**1,009**	**1,008**	**1,043**	**1,156**	**1,153**	**1,223**	**1,272**	**1,300**
Market value adjustments	0	68	114	80	207	103	90	86	87
Other operating income	80	47	49	37	39	37	38	38	39
Staff costs and administrative expenses	-677	-739	-809	-820	-886	-894	-928	-964	-984
Amortisation, depreciation and impairment losses	-48	-56	-55	-58	-51	-54	-53	-53	-53
Other operating expenses	-30	-2	-2	-3	-3	-4	-4	-4	-4
Impairment losses on loans and advances etc	-98	-89	41	-7	2	-91	88	0	-60
Profit/loss on investments in associates etc	16	36	16	17	29	29	56	25	25
Profit before tax	**251**	**275**	**362**	**289**	**494**	**278**	**509**	**400**	**350**
Other (Profit from discountinued operations)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Tax	-52	-53	-59	-58	-62	-42	-85	-80	-70
Attributable profit for the year	**199**	**222**	**302**	**231**	**432**	**237**	**424**	**320**	**280**

BALANCE SHEET

DKKm	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
Cash / Interbank	381	407	477	487	522	663	3,032	3,032	3,032
Loans to the public	11,253	12,989	14,330	16,456	16,897	16,282	17,323	18,190	18,735
Goodwill and other intangibles	155	137	119	100	82	65	56	56	56
Total assets	**19,436**	**21,845**	**23,303**	**26,471**	**29,912**	**33,417**	**35,975**	**37,304**	**38,583**
Interbank/owed to credit institutions	475	1,219	971	1,108	1,202	1,329	1,274	1,274	1,274
Deposits	14,764	15,893	17,215	19,324	21,077	23,489	24,861	25,856	26,890
Subordinated loans	159	358	359	359	359	449	500	550	550
Minority interest	0	0	0	0	0	0	0	0	0
Shareholders equity	2,698	2,961	3,517	3,703	4,148	4,422	4,869	5,154	5,398
Total equity and liabilities	**19,436**	**21,845**	**23,303**	**26,471**	**29,912**	**33,417**	**35,975**	**37,304**	**38,583**

GROWTH (Y/Y)

	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
Interest income	-3%	-3%	-4%	0%	0%	-7%	2%	6%	2%
Interest expense	-38%	-18%	-10%	-14%	-36%	-163%	71%	35%	0%
Net interest income	**3%**	**-1%**	**-4%**	**1%**	**2%**	**-1%**	**3%**	**7%**	**2%**
Dividends on shares etc	-69%	470%	-83%	340%	131%	-58%	91%	-47%	0%
Fees and commission income	18%	1%	8%	6%	23%	3%	8%	2%	2%
Fees and commission expenses	72%	17%	-16%	12%	51%	9%	17%	-1%	0%
Net interest and fee income	**7%**	**0%**	**0%**	**3%**	**11%**	**0%**	**6%**	**4%**	**2%**
Market value adjustments	-99%	101149%	68%	-30%	160%	-50%	-13%	-4%	1%
Other operating income	-19%	-41%	5%	-25%	5%	-4%	1%	2%	2%
Staff costs and administrative expenses	12%	9%	10%	1%	8%	1%	4%	4%	2%
Amortisation, depreciation and impairment losses	-49%	17%	-3%	6%	-12%	6%	-1%	0%	0%
Other operating expenses	2%	-93%	20%	7%	4%	57%	-7%	0%	0%
Impairment losses on loans and advances etc	-50%	-9%	-146%	-117%	-128%	-4940%	-197%	-100%	n.m.
Profit/loss on investments in associates etc	-21%	124%	-55%	2%	72%	-1%	97%	-56%	0%
Profit before tax	**67%**	**9%**	**32%**	**-20%**	**71%**	**-44%**	**83%**	**-22%**	**-12%**
Other (Profit from discountinued operations)	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Tax	-2%	1%	13%	-3%	6%	-32%	105%	-6%	-12%
Attributable profit for the year	**105%**	**12%**	**36%**	**-24%**	**87%**	**-45%**	**79%**	**-25%**	**-12%**
Loans to the public	**14%**	**15%**	**10%**	**15%**	**3%**	**-4%**	**6%**	**5%**	**3%**
Deposits	14%	8%	8%	12%	9%	11%	6%	4%	4%
Assets	16%	12%	7%	14%	13%	12%	8%	4%	3%
REA growth (BIS III)	**13%**	**9%**	**8%**	**11%**	**7%**	**-3%**	**9%**	**4%**	**3%**

Source: Company data and Nordea estimates

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