

BankNordik

Financials
Denmark

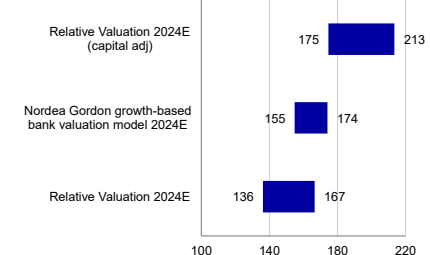
KEY DATA

Stock country	Faroe Islands
Bloomberg	BNORDIK DC
Reuters	BNORDIK.CO
Share price (close)	DKK 127.5
Free Float	65%
Market cap. (bn)	EUR 0.16/DKK 1.22
Website	www.banknordik.com
Next report date	28 Apr 2022

PERFORMANCE



VALUATION APPROACH



ESTIMATE CHANGES

Year	2022E	2023E	2024E
Total revenue	0%	1%	0%
Total costs	1%	1%	1%
Profit before loan losses	-2%	0%	-1%
PTP	-5%	0%	-1%
DPS (ord)	-1%	3%	5%
EPS (adj)	-5%	1%	3%

Source: Nordea estimates

Nordea Markets - Analysts

Jakob Brink
Director, Sector CoordinatorSebastian Grave
Analyst

Capital shower to continue

BankNordik has now fully distributed excess capital from the sale of its Danish business – one year ahead of schedule. Meanwhile, the capital shower continues; we estimate up to ~60% of its market cap will be distributed until 2024. BankNordik's 2024E ROE target implies ~10% upside to our estimate. We take a cautious approach to new lending growth, but see scope for positive EPS revisions ahead. Asset quality is in focus amid the war in Ukraine, but we do not see any clouds in the sky at this time. We lower 2022E pre-tax profit due to market value adjustments, while we leave our 2023-24 estimates mostly unchanged. Our new Gordon growth-based fair value range is DKK 155-174 (i.e. DKK 195-214 pre-dividend).

Capital relief guarantees set to increase shareholder value

As part of its continued capital optimisation efforts, BankNordik has sold off some of its large exposure risk. This will dilute interest margins at first, but over time it should allow BankNordik to increase NII without increasing capital consumption. BankNordik is trading at a 2022E P/BV of 0.66x. At such a low valuation, selling off risk to increase payouts makes good sense, in our view.

Minor adjustments to key income lines

We lower 2022E pre-tax profit by 5% due to weak market value adjustments in Q1. Meanwhile, we make only minor adjustments to our 2023-24 estimates. We expect up to DKK ~700m in capital distributions until 2024 (~60% of market cap). We stick to our 2022 full-year loan loss estimate of DKK 10m (loan-loss ratio: 13 bp) as we see no material impact to asset quality related to the war in Ukraine. BankNordik guides for 2022 net profit of DKK 130-160m. We estimate DKK 144m, i.e. the midpoint of the current guidance range.

New fair value range DKK 155-174 (DKK 195-214 pre-dividend)

Over the past month, the BankNordik share has underperformed its Danish peer group by ~11 pp in absolute terms; it is currently trading at a 2024E dividend-adjusted P/E of ~5.1x, ~40% below peers.

SUMMARY TABLE - KEY FIGURES

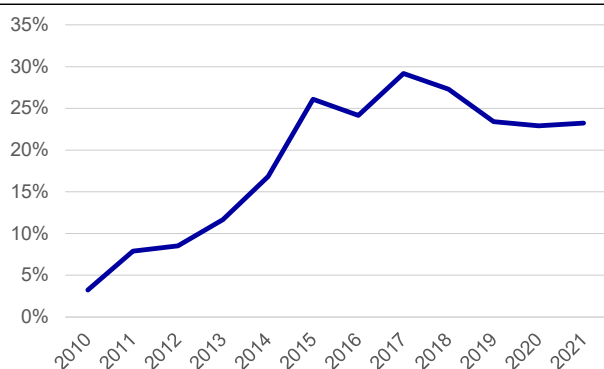
DKKm	2018	2019	2020	2021	2022E	2023E	2024E
Total revenue	635	658	387	407	425	433	437
Total costs	457	473	237	236	232	232	232
LL-ratio	-1.14%	-1.06%	-0.06%	-1.01%	0.13%	0.32%	0.31%
PTP	324	261	207	340	178	177	181
RoE	13.5%	9.7%	7.3%	12.7%	7.6%	8.6%	9.7%
RoTBV (adj)	10.2%	10.3%	7.1%	9.2%	7.3%	8.3%	9.3%
P/E (adj)	5.4	4.8	9.0	6.8	8.8	8.3	7.2
P/BV	0.52	0.46	0.64	0.66	0.68	0.69	0.66
P/TBV	0.52	0.46	0.64	0.66	0.68	0.69	0.66
BIS III CT1-ratio	17.6%	18.8%	22.6%	27.5%	23.2%	21.0%	19.7%
DPS (ord, DKK)	7.32	7.00	5.00	61.39	49.47	13.92	15.59
Dividend Yield (ord)	6.74%	6.42%	3.29%	43.69%	38.80%	10.92%	12.23%
Total payout ratio	0.27	0.40	0.33	2.15	3.27	0.81	1.83

Source: Company data and Nordea estimates

Analysis of asset quality

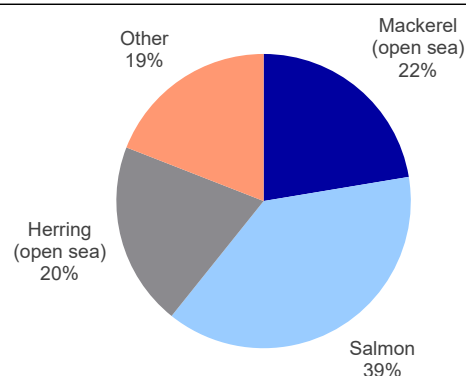
As of 2021, Russia was the single most important export destination for the Faroe Islands, accounting for ~23% of its total value of exported goods (2017: ~29%). Meanwhile, due to the West's renewed focus on sanctions against Russia following its invasion of Ukraine, political pressure today seems more likely to impact bilateral trade affairs between the Faroe Islands and Russia. Faroese exports to Russia, however, are built around fisheries (open sea catching) and aquaculture (fish farming), which are currently enjoying support from strong price developments and hence should be able to deal with these potential challenges from a position of strength. In the event of potential trade disruptions, Faroese exports would likely be exported to other markets, albeit at a somewhat lower price. This is more likely to affect equity holders rather than creditors, hence we expect no material impact on overall asset quality. As of Q4 2021, fisheries (open sea catching) represented ~8.6% of BankNordik's total credit exposure (Q4 2020: ~8.8%). Management has also retained its COVID-19-related buffer of DKK ~52m, which could be used to smooth out potential losses.

SHARE OF FAROESE EXPORTS TO RUSSIA



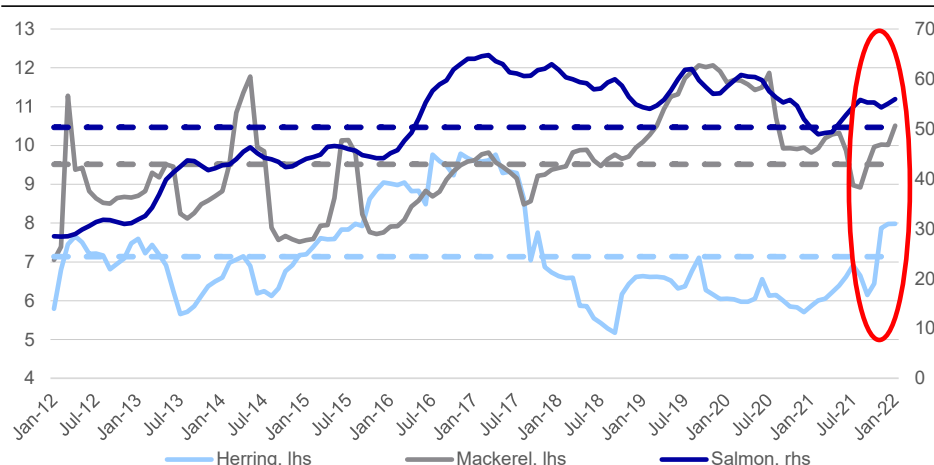
Source: Statistics Faroe Islands and Nordea estimates

FAROESE EXPORTS TO RUSSIA BY GROUPS OF GOODS, 2021



Source: Statistics Faroe Islands and Nordea estimates

PRICE PER EXPORTED KILO (THREE-MONTHS ROLLING) VS LONG-TERM AVERAGE



Source: Statistics Faroe Islands and Nordea estimates

Fish exporters have been supported by a solid price development in recent months

Estimates

CHANGES TO OUR ESTIMATES

	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E
DKKm	New estimates			Change in estimates			Old estimates		
Net interest income	258	262	263	-1%	1%	0%	259	261	263
Net fee and commission income	84	87	89	1%	1%	1%	84	86	88
Net insurance income	50	51	52	0%	0%	0%	50	51	52
Other income	33	33	33	0%	0%	0%	33	33	33
Total Income	425	433	437	0%	1%	0%	426	431	436
Total Expenses	-232	-232	-232	1%	1%	1%	-229	-229	-229
Profit before loan losses	193	202	206	-2%	0%	-1%	197	202	208
Loan losses	-10	-25	-25	0%	0%	0%	-10	-25	-25
Operating profits	183	177	181	-2%	0%	-1%	187	177	183
Earning from investment portfolio	-5	0	0	-	-	-	0	0	0
Non-recurring and industry solutions	0	0	0	-	-	-	0	0	0
Profit before tax	178	177	181	-5%	0%	-1%	187	177	183
Discontinued operations before tax	0	0	0	-	-	-	0	0	0
Taxes	-34	-34	-34	-5%	0%	-1%	-36	-34	-35
Net profit	144	143	146	-5%	0%	-1%	152	144	148
EPS adj, DKK	14.5	15.3	17.7	-5%	1%	3%	15.3	15.2	17.1
DPS, DKK	49.5	13.9	15.6	-1%	3%	5%	49.9	13.5	14.9

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	9.82	6.18	4.44	8.05	3.15	3.94	4.04	3.82
EPS adj, DKK	3.40	5.84	4.29	7.51	3.15	3.94	4.04	3.82
BVPS	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
TVBS	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
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)	156.00	168.50	160.50	140.50	127.50	127.50	127.50	127.50
Market cap. (m)	1,489	1,609	1,532	1,341	1,217	1,217	1,217	1,217
Dil. number of shares period end (m)	10	10	10	10	10	10	10	10

VALUATION

(x)	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22E	Q2 22E	Q3 22E	Q4 22E
P/E	4.0	6.8	9.0	4.4	10.1	8.1	7.9	8.4
P/E (adj.)	11.5	7.2	9.3	4.7	10.1	8.1	7.9	8.4
P/BV	n.a.	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.	n.a.
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	31.0%	25.7%	26.1%	23.8%	24.0%	23.9%	24.6%	23.2%
BIS III T1-ratio	33.1%	27.8%	28.2%	26.0%	26.2%	26.0%	26.9%	25.4%
BIS III T2-ratio	36.2%	29.2%	29.6%	27.5%	27.6%	27.5%	28.4%	26.9%
Tang. Equity/Assets	19.3%	19.7%	21.1%	17.2%	14.2%	14.4%	14.7%	14.9%
Tang. Equity/Lending	31.0%	31.1%	31.7%	26.7%	21.9%	22.2%	22.6%	22.9%
Leverage ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

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	326	325	323	321	320	318	317	315
Coverage ratio	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Loan loss reserves / Total loans	4.33%	4.32%	4.25%	4.23%	4.18%	4.14%	4.10%	4.06%
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. Impaired loans/Impaired loans	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Loan loss ratio	0.18%	-1.42%	-0.68%	-2.11%	0.13%	0.13%	0.13%	0.13%
Growth loan loss reserves (y/y)	-36%	-33%	-31%	-2%	-2%	-2%	-2%	-2%
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	5.7%	9.5%	6.9%	12.9%	6.5%	8.9%	8.9%	8.2%
RoTBV	5.7%	9.5%	6.9%	12.9%	6.5%	8.9%	8.9%	8.3%
C/I	-60.7%	-56.9%	-59.8%	-55.3%	-55.9%	-54.5%	-53.4%	-54.3%
NII-margin	3.39%	3.48%	3.41%	3.46%	3.35%	3.32%	3.35%	3.35%

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	66%	60%	66%	64%	63%	59%	59%	62%
Net Commission Income	18%	19%	19%	22%	20%	20%	18%	20%
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	9%	8%	8%	8%	8%	8%	8%	8%

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	64	66	65	66	64	64	65	65
Net Commission Income	17	20	19	23	21	22	20	22
Net result from financial transactions	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Net insurance income	7	14	7	6	9	14	16	10
Other income	9	9	8	8	8	8	8	8
Total revenues	97	109	99	102	102	109	109	105
Staff costs	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Other operating costs	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Depreciation	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total Expenses	59	62	59	56	57	59	58	57
Profit before loan losses	38	47	40	46	45	49	51	48
Loan losses	-3	27	13	40	-3	-3	-3	-3
Write-downs on assets	77	4	2	6	0	0	0	0
Operating profit	118	74	53	94	38	47	48	46
Taxes	-24	-15	-11	-17	-8	-9	-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	94	59	42	77	30	38	39	36

BALANCE SHEET

DKKm	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22E	Q2 22E	Q3 22E	Q4 22E
Cash / Interbank	934	1,065	564	1,292	1,292	1,292	1,292	1,292
Loans to credit institutions	138	455	522	445	445	445	445	445
Loans to the public	7,450	7,601	7,592	7,624	7,664	7,705	7,746	7,787
Goodwill and other intangibles	2	2	3	3	3	3	3	3
Total assets	11,971	12,001	11,416	11,790	11,830	11,871	11,911	11,952
Interbank/owed to credit institutions	1,263	1,038	48	839	839	839	839	839
Deposits	7,513	7,642	7,417	7,900	7,900	7,900	7,900	7,900
Subordinated loans	225	99	99	99	99	99	99	99
Minority interest	0	0	0	0	0	0	0	0
Shareholders equity	2,313	2,369	2,410	2,036	1,678	1,714	1,751	1,785
Total equity and liabilities	11,971	12,001	11,416	11,790	11,830	11,871	11,911	11,952
Loans to deposits	99%	99%	102%	97%	97%	98%	98%	99%
Non-mortg. loans to deposits	99%	99%	102%	97%	97%	98%	98%	99%
LCR	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
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	2%	1%	0%	1%	0%	-3%	0%	-1%
Net commission income	9%	57%	26%	41%	19%	9%	4%	-4%
Total Revenues	11%	15%	-5%	2%	5%	0%	10%	3%
Staff costs	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total expenses	0%	5%	4%	-9%	-3%	-5%	-2%	1%
Profit before loan losses	35%	31%	-15%	19%	18%	5%	28%	5%
Operating profit	n.m.	-32%	-37%	73%	-9%	-33%	-7%	-48%
Net profit to equity	n.m.	-32%	-37%	65%	-7%	-33%	-6%	-49%
Loans to the public (rep)	-25%	-23%	-23%	0%	3%	1%	2%	2%
Deposits	-44%	-45%	-46%	2%	5%	3%	7%	0%
Assets	-29%	-29%	-32%	-32%	-1%	-1%	4%	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)	-32%	-31%	-29%	-30%	-4%	-3%	-5%	-2%

Source: Company data and Nordea estimates

ANNUAL KEY DATA**SHARE DATA**

DKKm	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
EPS, DKK	-22.07	22.29	19.43	26.55	21.70	17.49	28.54	15.13	15.96	18.36
EPS adj, DKK	19.69	16.47	19.43	19.95	22.95	16.91	20.69	14.55	15.34	17.66
BVPS	176.6	194.9	185.5	207.6	238.5	237.9	213.3	187.0	185.1	194.1
TVBS	176.6	194.9	185.5	206.9	237.5	237.6	213.0	186.8	184.8	193.8
DPS (tot., DKK)	2.00	30.00	4.00	7.32	7.00	5.00	61.39	49.47	13.92	15.59
Dividend pay-out ratio	10%	182%	21%	37%	31%	30%	297%	340%	91%	88%
Share repurchases (per share)	0.00	0.00	0.00	0.00	1.61	0.70	0.00	0.00	0.00	17.92
Total pay-out ratio	-9%	27%	21%	27%	40%	33%	215%	327%	81%	183%
Share price (period end)	128	136	106	109	109	152	141	128	128	128
Market cap. (m)	1,275	1,355	1,040	1,038	1,034	1,451	1,341	1,217	1,067	967
Dil. number of shares	10	10	10	10	9	10	10	10	8	8

VALUATION

(x)	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
P/E	n.m.	6.1	5.5	4.1	5.0	8.7	4.9	8.4	8.0	6.9
P/E (adj.)	6.5	8.2	5.5	5.4	4.8	9.0	6.8	8.8	8.3	7.2
P/BV	0.72	0.70	0.57	0.52	0.46	0.64	0.66	0.68	0.69	0.66
P/TBV	0.72	0.70	0.57	0.52	0.46	0.64	0.66	0.68	0.69	0.66
Dividend yield (tot.)	1.6%	22.1%	3.8%	6.7%	6.4%	3.3%	43.7%	38.8%	10.9%	12.2%
Total yield	1.6%	22.1%	3.8%	6.7%	7.9%	3.7%	43.7%	38.8%	10.9%	26.3%

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	1,593	1,566	1,731	1,874	2,023	2,206	1,879	1,563	1,412	1,333
BIS III REA	11,463	9,790	9,895	10,621	10,764	9,774	6,841	6,737	6,716	6,762
BIS III CET1-ratio	13.9%	16.0%	17.5%	17.6%	18.8%	22.6%	27.5%	23.2%	21.0%	19.7%
BIS III T1-ratio	14.8%	16.0%	17.5%	17.6%	20.2%	24.1%	29.7%	25.1%	23.3%	21.9%
BIS III Capital ratio	16.8%	18.3%	19.7%	19.8%	22.3%	26.4%	31.1%	26.6%	24.8%	23.4%
Tang. Equity/Assets	10.9%	12.5%	11.5%	11.9%	12.4%	13.1%	17.2%	14.9%	12.8%	12.0%
Tang. Equity/Lending	16.5%	21.3%	19.1%	19.9%	22.7%	29.8%	26.7%	22.9%	19.4%	18.1%
Leverage ratio	9.8%	10.1%	11.0%	11.2%	11.1%	12.8%	15.9%	13.1%	11.6%	10.8%

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	671	679	511	607	496	328	321	315	309	303
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	6.34%	6.85%	5.48%	6.23%	5.00%	3.74%	4.22%	4.09%	3.92%	3.76%
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. Impaired 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	0.19%	-0.13%	-0.64%	-1.14%	-1.06%	-0.06%	-1.01%	0.13%	0.32%	0.31%
Growth loan loss reserves (y/y)	-33%	1%	-25%	19%	-18%	-34%	-2%	-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	10.5%	8.8%	10.1%	10.2%	10.3%	7.1%	9.2%	7.3%	8.2%	9.3%
RoTBV	12.2%	8.8%	10.1%	10.2%	10.3%	7.1%	9.2%	7.3%	8.3%	9.3%
C/I	-70.9%	-71.9%	-71.3%	-71.9%	-71.9%	-61.4%	-58.0%	-54.5%	-53.5%	-52.9%
NI-margin	4.42%	4.18%	4.15%	3.83%	3.67%	2.87%	3.32%	3.25%	3.24%	3.19%

REVENUE DISTRIBUTION

Adjusted for non-rec. Items	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Net Interest Income	64%	65%	60%	59%	55%	65%	62%	59%	59%	59%
Net Commission Income	31%	30%	29%	27%	29%	16%	19%	20%	20%	20%
Net result from financial transactions	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Net insurance income	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Other Income	1%	1%	5%	7%	7%	6%	8%	8%	8%	8%

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	468	414	387	373	367	258	260	258	262	263
Net Commission Income	226	192	186	172	189	60	79	84	87	89
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	28	26	44	44	53	45	34	50	51	52
Other income	11	9	31	46	49	24	34	33	33	33
Total revenues	734	641	648	635	658	387	407	425	433	437
Staff costs	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Other operating costs	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Depreciation	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total Expenses	520	461	462	457	473	237	236	232	232	232
Profit before loan losses	214	180	186	179	185	149	171	193	202	206
Loan losses	-20	12	60	111	106	5	77	-10	-25	-25
Write-downs on assets	-523	-12	-18	72	-13	0	89	0	0	0
Operating profit	-332	279	234	324	261	207	340	178	177	181
Taxes	111	-58	-44	-66	-54	-40	-67	-34	-34	-34
Discontinued operations	n.a.	n.a.	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.	n.a.	n.a.
Net profit to equity	-221	221	191	257	207	166	272	144	143	146

BALANCE SHEET

DKKm	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Cash / Interbank	361	217	251	180	252	208	1,292	1,292	1,292	1,292
Loans to credit institutions	411	817	617	914	878	1,178	445	445	445	445
Loans to the public	10,675	9,141	9,537	9,956	9,909	7,608	7,624	7,787	7,953	8,122
Goodwill and other intangibles	0	0	0	7	10	2	3	3	3	3
Total assets	16,248	15,552	15,785	16,700	18,173	17,290	11,790	11,952	12,118	12,288
Interbank/owed to credit institutions	575	342	360	299	55	28	839	839	839	839
Deposits	12,680	12,669	13,083	13,878	15,164	7,733	7,900	7,900	7,900	7,900
Subordinated loans	452	222	223	223	224	225	99	99	99	99
Minority interest	0	0	0	0	0	0	0	0	0	0
Shareholders equity	1,766	1,949	1,820	1,987	2,263	2,271	2,036	1,785	1,549	1,472
Total equity and liabilities	16,248	15,579	15,785	16,700	18,173	17,290	11,790	11,952	12,118	12,288
Loans to deposits	84%	72%	73%	72%	65%	98%	97%	99%	101%	103%
Non-mortg. loans to deposits	84%	72%	73%	72%	65%	98%	97%	99%	101%	103%
LCR	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
NSFR	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

GROWTH (Y/Y)

Adjusted for non rec.items	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Net interest income	-7%	-12%	-6%	-4%	-2%	-31%	1%	-1%	2%	0%
Net commission income	18%	-15%	-3%	-7%	10%	-68%	32%	6%	3%	2%
Total Revenues	-3%	-13%	1%	-2%	4%	-41%	5%	4%	2%	1%
Staff costs	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Total expenses	-1%	-11%	0%	-1%	4%	-50%	0%	-2%	0%	0%
Profit before loan losses	-5%	-16%	4%	-4%	3%	-19%	15%	13%	4%	2%
Operating profit	254%	9%	13%	4%	7%	-21%	64%	-47%	-1%	2%
Net profit to equity	224%	-17%	17%	1%	13%	-26%	23%	-30%	-1%	3%
Loans to the public (rep)	2%	-14%	4%	4%	0%	-23%	0%	2%	2%	2%
Deposits	1%	0%	3%	6%	9%	-49%	2%	0%	0%	0%
Assets	-2%	-4%	1%	6%	9%	-5%	-32%	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)	-4%	-15%	1%	7%	1%	-9%	-30%	-2%	0%	1%

Source: Company data and Nordea estimates

Disclaimer and legal disclosures

Origin of the report

This publication or report originates from: Nordea Bank Abp, including its branches Nordea Danmark, Filial af Nordea Bank Abp, Finland, Nordea Bank Abp, filial i Norge and Nordea Bank Abp, filial i Sverige (together "Nordea") acting through their units Nordea Markets and Equity Sales & Research.

Nordea Bank Abp is supervised by the European Central Bank and the Finnish Financial Supervisory Authority and the branches are supervised by the European Central Bank and the Finnish Financial Supervisory Authority and the Financial Supervisory Authorities in their respective countries.

Content of report

This report has been prepared solely by Nordea Markets or Equity Sales & Research.

Opinions or suggestions from Nordea Markets credit and equity research may deviate from one another or from opinions presented by other departments in Nordea. This may typically be the result of differing time horizons, methodologies, contexts or other factors.

The information provided herein is not intended to constitute and does not constitute investment advice nor is the information intended as an offer or solicitation for the purchase or sale of any financial instrument. The information contained herein has no regard to the specific investment objectives, the financial situation or particular needs of any particular recipient. Relevant and specific professional advice should always be obtained before making any investment or credit decision.

Opinions or ratings are based on one or more methods of valuation, for instance cash flow analysis, use of multiples, behavioural technical analyses of underlying market movements in combination with considerations of the market situation and the time horizon. Key assumptions of forecasts or ratings in research cited or reproduced appear in the research material from the named sources. The date of publication appears from the research material cited or reproduced. Opinions and estimates may be updated in subsequent versions of the report, provided that the relevant company/issuer is treated anew in such later versions of the report.

Validity of the report

All opinions and estimates in this report are, regardless of source, given in good faith, and may only be valid as of the stated date of this report and are subject to change without notice.

No individual investment or tax advice

The report is intended only to provide general and preliminary information to investors and shall not be construed as the basis for any investment decision. This report has been prepared by Nordea Markets or Equity Sales & Research as general information for private use of investors to whom the report has been distributed, but it is not intended as a personal recommendation of particular financial instruments or strategies and thus it does not provide individually tailored investment advice, and does not take into account the individual investor's particular financial situation, existing holdings or liabilities, investment knowledge and experience, investment objective and horizon or risk profile and preferences. The investor must particularly ensure the suitability of an investment as regards his/her financial and fiscal situation and investment objectives. The investor bears the risk of losses in connection with an investment.

Before acting on any information in this report, it is recommendable to consult (without being limited to) one's financial, legal, tax, accounting, or regulatory advisor in any relevant jurisdiction.

The information contained in this report does not constitute advice on the tax consequences of making any particular investment decision. Each investor shall make his/her own appraisal of the tax and other financial merits of his/her investment.

Sources

This report may be based on or contain information, such as opinions, estimates and valuations which emanate from: Nordea Markets' or Equity Sales & Research analysts or representatives, publicly available information, information from other units of Nordea, or other named sources.

To the extent this publication or report is based on or contain information emanating from other sources ("Other Sources") than Nordea Markets or Equity Sales & Research ("External Information"), Nordea Markets or Equity Sales & Research has deemed the Other Sources to be reliable but neither Nordea, others associated or affiliated with Nordea nor any other person, do guarantee the accuracy, adequacy or completeness of the External Information.

Limitation of liability

Nordea or other associated and affiliated companies assume no liability as regards to any investment, divestment or retention decision taken by the investor on the basis of this report. In no event will Nordea or other associated and affiliated companies be liable for direct, indirect or incidental, special or consequential damages (regardless of whether being considered as foreseeable or not) resulting from the information in this report.

Risk information

The risk of investing in certain financial instruments, including those mentioned in this report, is generally high, as their market value is exposed to a lot of different factors such as the operational and financial conditions of the relevant company, growth prospects, change in interest rates, the economic and political environment, foreign exchange rates, shifts in market sentiments etc. Where an investment or security is denominated in a different currency to the investor's currency of reference, changes in rates of exchange may have an adverse effect on the value, price or income of or from that investment to the investor. Past performance is not a guide to future performance. Estimates of future performance are based on assumptions that may not be realized. When investing in individual shares, the investor may lose all or part of the investments.

Conflicts of interest

Readers of this document should note that Nordea Markets or Equity Sales & Research has received remuneration from the company mentioned in this document for the production of the report. The remuneration is not dependent on the content of the report.

Nordea, affiliates or staff in Nordea, may perform services for, solicit business from, hold long or short positions in, or otherwise be interested in the investments (including derivatives) of any company mentioned in the report.

To limit possible conflicts of interest and counter the abuse of inside knowledge, the analysts of Nordea Markets and Equity Sales & Research are subject to internal rules on sound ethical conduct, the management of inside information, handling of unpublished research material, contact with other units of Nordea and personal account dealing. The internal rules have been prepared in accordance with applicable legislation and relevant industry standards. The object of the internal rules is for example to ensure that no analyst will abuse or cause others to abuse confidential information. It is the policy of Nordea that no link exists between revenues from capital markets activities and individual analyst remuneration. Nordea and the branches are members of national stockbrokers' associations in each of the countries in which Nordea has head offices. Internal rules have been developed in accordance with recommendations issued by the stockbrokers associations. This material has been prepared following the Nordea Conflict of Interest Policy, which may be viewed at www.nordea.com/mifid.

Please find a list of all recommendations disseminated by Nordea Equities during the preceding 12-month period here: <https://research.nordea.com/compliance>

Distribution restrictions

The securities referred to in this report may not be eligible for sale in some jurisdictions. This report is not intended for, and must not be distributed to private customers in the UK or the US or to customers in any other jurisdiction where restrictions may apply.

This publication or report may be distributed in the UK to institutional investors by Nordea Bank Abp London Branch of 6th Floor, 5 Aldermanbury Square, London, EC2V 7AZ, which is under supervision of the European Central Bank, Finanssivalvonta (Financial Supervisory Authority) in Finland and subject to limited regulation by the Financial Conduct Authority and Prudential Regulation Authority in the United Kingdom. Details about the extent of our regulation by the Financial Conduct Authority and Prudential Regulation Authority are available from us on request.

Nordea Bank Abp ("Nordea") research is not "globally branded" research. Nordea research reports are intended for distribution in the United States solely to "major U.S. institutional investors," as defined in Rule 15a-6 under the Securities Exchange Act of 1934. Any transactions in securities discussed within the research reports will be chaperoned by Nordea Securities LLC ("Nordea Securities"), an affiliate of Nordea and a SEC registered broker dealer and member of FINRA. Nordea Securities does not employ research analysts and has no contractual relationship with Nordea that is reasonably likely to inform the content of Nordea research reports. Nordea makes all research content determinations without any input from Nordea Securities.

The research analyst(s) named on this report are not registered/qualified as research analysts with FINRA. Such research analyst(s) are also not registered with Nordea Securities and therefore may not be subject to FINRA Rule 2241 or FINRA Rule 2242 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account.

This report may not be mechanically duplicated, photocopied or otherwise reproduced, in full or in part, under applicable copyright laws.

Analyst Shareholding

Nordea analysts do not hold shares in the companies that they cover. No holdings or other affiliations by analysts or associates.

Fair value and sensitivity

We calculate our fair values by weighting DCF, DDM, SOTP, asset-based and other standard valuation methods. Our fair values are sensitive to changes in valuation assumptions, of which growth, margins, tax rates, working capital ratios, investment-to-sales ratios and cost of capital are typically the most sensitive. It should be noted that our fair values would change by a disproportionate factor if changes are made to any or all valuation assumptions, owing to the non-linear nature of the standard valuation models applied (mentioned above). As a consequence of the standard valuation models we apply, changes of 1-2 percentage points in any single valuation assumption can change the derived fair value by as much as 30% or more. All research is produced on an ad hoc basis and will be updated when the circumstances require it.

Marketing Material

This research report should be considered marketing material, as it has been commissioned and paid for by the subject company, and has not been prepared in accordance with the regulations designed to promote the independence of investment research and it is not subject to any legal prohibition on dealing ahead of the dissemination of the report. However, Nordea Markets analysts are according to internal policies not allowed to hold shares in the companies/sectors that they cover.

Market-making obligations and other significant financial interest

Nordea has no market-making obligations in BankNordik shares.

As of 24/04/2022, Nordea Abp holds no positions of 0.5% or more of shares issued

As of the publication of this report, the issuer does not hold a position exceeding 5% of the total shares issued in Nordea Abp.

Investment banking transactions

Nordea has been lead or co-lead manager in a public disclosed offer of financial instruments issued by BankNordik over the previous 12 months.

Issuer Review

This report has not been reviewed by the Issuer prior to publication.

Completion Date

25 Apr 2022, 05:24 CET

Nordea Bank Abp	Nordea Bank Abp, filial i Sverige	Nordea Danmark, Filial af Nordea Bank Abp, Finland	Nordea Bank Abp, filial i Norge
Nordea Markets Division, Research Visiting address: Aleksis Kiven katu 7, Helsinki FI-00020 Nordea Finland Tel: +358 9 1651 Fax: +358 9 165 59710 Reg.no. 2858394-9 Satamaradankatu 5 Helsinki	Nordea Markets Division, Research Visiting address: Smålandsgatan 17 SE-105 71 Stockholm Sweden Tel: +46 8 614 7000 Fax: +46 8 534 911 60	Nordea Markets Division, Research Visiting address: Grønjordsvej 10 DK-2300 Copenhagen S Denmark Tel: +45 3333 3333 Fax: +45 3333 1520	Nordea Markets Division, Research Visiting address: Essendropsgate 7 N-0107 Oslo Norway Tel: +47 2248 5000 Fax: +47 2256 8650