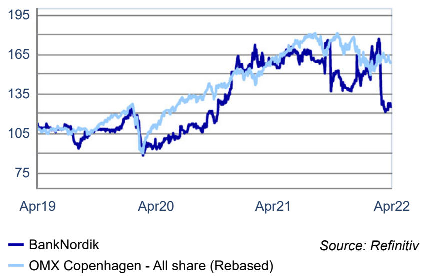
BankNordik

Financials
Denmark

KEY DATA

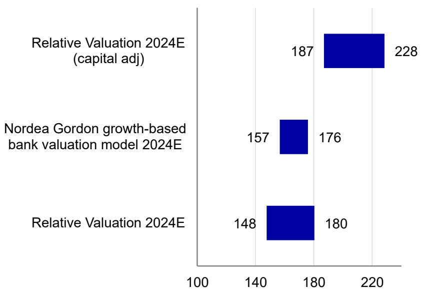
Stock country	Faroe Islands
Bloomberg	BNORDIK DC
Reuters	BNORDIK.CO
Share price (close)	DKK 125.0
Free Float	65%
Market cap. (bn)	EUR 0.16/DKK 1.19
Website	www.banknordik.com
Next report date	04 Aug 2022

PERFORMANCE



Source: Refinitiv

VALUATION APPROACH



Source: Nordea estimates

ESTIMATE CHANGES

Year	2022E	2023E	2024E
Total revenue	3%	1%	1%
Total costs	2%	2%	2%
Profit before loan losses	4%	0%	0%
PTP	16%	0%	1%
DPS (ord)	2%	1%	1%
EPS (adj)	16%	1%	1%

Source: Nordea estimates

Nordea Markets - Analysts
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A solid start to the year

BankNordik reported solid Q1 2022 figures across all income lines, and underlying profitability came in 9% ahead of our estimate. Also, loan loss reversals contributed positively to profitability, which underpins resilience in the face of geopolitical uncertainty. We raise 2022E adjusted EPS by 16%, albeit with the majority stemming from low-quality items. Following strong profitability in Q1 2022, BankNordik states that it now aims at the upper end of its 2022 full-year guidance range for net profit (DKK 130-160m). We estimate DKK 167m and hence see scope for a guidance upgrade – potentially already ahead of Q2 2022. Our new Gordon growth-based fair value is DKK 157-176 (DKK 155-174).

The art of over-delivering

With last year's profitability initiatives kicking in, BankNordik is edging towards a full-year cost-income ratio below 55% – two years ahead of its 2024 target. This is among the lowest (and thus best) in the Danish banking sector, and yet another example of BankNordik exceeding expectations. BankNordik targets a CET1 ratio of 20% by 2024, and thus total payouts of more than DKK 725m until 2024 (corresponding to a 60% payout yield), according to our estimates. Given the current management's capabilities and solid track record, we view the capital ambitions as firm targets and not wishful thinking.

We lift 2022E adjusted EPS by 16%

Steady growth in lending and negative interest-bearing deposits offset margin pressure in Q1 2022, while last year's pricing initiative supported non-interest revenue streams. Therefore, we increase our estimate for total income in 2022-24 by 1-3%. On the negative side, we lift our cost estimates due to a step-up in IT expenses. We see no loan losses for Q2 but forecast DKK 5m in loan losses for H2 2022. We estimate 2022 net profit of DKK 167m and hence believe there is scope for a guidance upgrade.

New fair value DKK 157-176 (DKK 155-174)

BankNordik's Q1 results received only a lukewarm investor response (closing down 2%), despite the solid operational trends. BankNordik is currently trading at a 2024E capital-adjusted P/E of 5.2x, 40% below peers. We believe this discount could narrow as investors become confident in management's ability to meet the new capital target.

SUMMARY TABLE - KEY FIGURES

DKKm	2018	2019	2020	2021	2022E	2023E	2024E
Total revenue	635	658	387	407	438	439	444
Total costs	457	473	237	236	237	237	237
LL-ratio	-1.14%	-1.06%	-0.06%	-1.01%	-0.06%	0.32%	0.31%
PTP	324	261	207	340	206	177	182
RoE	13.5%	9.7%	7.3%	12.7%	8.7%	8.5%	9.7%
RoTBV (adj)	10.2%	10.3%	7.1%	9.2%	8.4%	8.2%	9.3%
P/E (adj)	5.4	4.8	9.0	6.8	7.4	8.1	7.0
P/BV	0.52	0.46	0.64	0.66	0.66	0.67	0.63
P/TBV	0.52	0.46	0.64	0.66	0.66	0.67	0.64
BIS III CT1-ratio	17.6%	18.8%	22.6%	27.5%	23.3%	21.5%	20.2%
DPS (ord, DKK)	7.32	7.00	5.00	61.39	50.63	14.00	15.72
Dividend Yield (ord)	6.74%	6.42%	3.29%	43.69%	40.51%	11.20%	12.58%
Total payout ratio	0.27	0.40	0.33	2.15	2.90	0.81	1.82

Source: Company data and Nordea estimates

Estimates

CHANGES TO OUR ESTIMATES

	New estimates			Change in estimates			Old estimates		
DKKm	**2022E**	**2023E**	**2024E**	**2022E**	**2023E**	**2024E**	**2022E**	**2023E**	**2024E**
Net interest income	264	268	269	2%	2%	2%	258	262	263
Net fee and commission income	85	88	90	1%	1%	1%	84	87	89
Net insurance income	52	51	52	5%	0%	0%	50	51	52
Other income	37	33	33	11%	0%	0%	33	33	33
Total Income	**438**	**439**	**444**	**3%**	**1%**	**1%**	**425**	**433**	**437**
Total Expenses	**-237**	**-237**	**-237**	**2%**	**2%**	**2%**	**-232**	**-232**	**-232**
Profit before loan losses	**200**	**202**	**207**	**4%**	**0%**	**0%**	**193**	**202**	**206**
Loan losses	5	-25	-25	-147%	0%	0%	-10	-25	-25
Operating profits	**205**	**177**	**182**	**12%**	**0%**	**1%**	**183**	**177**	**181**
Earning from investment portfolio	1	0	0	125%	-	-	-5	0	0
Non-recurring and industry solutions	0	0	0	-	-	-	0	0	0
Profit before tax	**206**	**177**	**182**	**16%**	**0%**	**1%**	**178**	**177**	**181**
Discontinued operations before tax	0	0	0	-	**-**	**-**	0	0	0
Taxes	-40	-34	-35	17%	0%	1%	-34	-34	-34
Net profit	**167**	**144**	**147**	**15%**	**0%**	**1%**	**144**	**143**	**146**
EPS adj, DKK	**16.9**	**15.4**	**17.8**	**16%**	**1%**	**1%**	**14.5**	**15.3**	**17.7**
DPS, DKK	**50.6**	**14.0**	**15.7**	**2%**	**1%**	**1%**	**49.5**	**13.9**	**15.6**

Source: Company data and Nordea estimates

Q1 2022 DEVIATION TABLE

DKKm	**Actual Q1 22E**	**NDA Q1 22E**	**Deviation vs. Actual**		**Actual Q4 21**	**q/q growth**	**Actual Q1 21**	**y/y growth**
Net interest income	66	64	2	3%	66	0%	64	4%
Net fee and commission income	22	21	1	6%	23	-2%	17	26%
Net insurance income	12	9	3	31%	6	-	7	67%
Other income	11	8	3	33%	8	39%	9	24%
Total Income	**110**	**102**	**8**	8%	**102**	8%	**97**	13%
Total Expenses	**61**	**57**	**4**	7%	**56**	8%	**59**	3%
Profit before loan losses	**49**	**45**	**4**	**9%**	**46**	**7%**	**38**	**28%**
Loan losses	10	-3	13	-	40	-75%	-3	-
Operating profit	**59**	**43**	**16**	**39%**	**86**	**-31%**	**35**	**69%**
Market value adjustments	2	-5	7	-	2	29%	-3	-
Non-recurring and industry solutions	0	0	0	-	6	-	77	-
Pre tax profit	**60**	**38**	**22**	**60%**	**94**	**-36%**	**118**	**-49%**
Discontinued operations before tax	0	0	0	-	0	-	9	-
Taxes	-12	-8	-4	60%	-17	-29%	-24	-50%
Net profit	**48**	**30**	**18**	**60%**	**77**	**-38%**	**94**	**-49%**
CET1 ratio	**23.8%**	**24.0%**	**-0.2 pp**		**23.8%**	**0.0 pp**	**31.0%**	**-7.2 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	9.82	6.18	4.44	8.05	5.05	4.41	4.14	3.86
EPS adj, DKK	3.40	5.84	4.29	7.51	5.05	4.41	4.14	3.86
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	125.00	125.00	125.00
Market cap. (m)	1,489	1,609	1,532	1,341	1,193	1,193	1,193	1,193
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	6.2	7.1	7.6	8.1
P/E (adj.)	11.5	7.2	9.3	4.7	6.2	7.1	7.6	8.1
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%	23.8%	23.7%	23.7%	23.3%
BIS III T1-ratio	33.1%	27.8%	28.2%	26.0%	26.1%	26.0%	25.9%	25.7%
BIS III T2-ratio	36.2%	29.2%	29.6%	27.5%	27.5%	27.4%	27.3%	27.2%
Tang. Equity/Assets	19.3%	19.7%	21.1%	17.2%	14.2%	14.5%	14.7%	15.0%
Tang. Equity/Lending	31.0%	31.1%	31.7%	26.7%	22.0%	22.5%	22.8%	23.2%
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%	4.13%	4.09%	4.05%
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.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%	-0.51%	0.00%	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%	10.3%	9.8%	9.0%	8.2%
RoTBV	5.7%	9.5%	6.9%	12.9%	10.3%	9.8%	9.0%	8.2%
C/I	-60.7%	-56.9%	-59.8%	-55.3%	-55.4%	-53.2%	-53.6%	-54.8%
NII-margin	3.39%	3.48%	3.41%	3.46%	3.43%	3.40%	3.42%	3.40%
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%	60%	59%	60%	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%	10%	8%	7%	7%

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	66	65	66	66
Net Commission Income	17	20	19	23	22	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	12	14	16	10
Other income	9	9	8	8	11	9	8	8
Total revenues	**97**	**109**	**99**	**102**	**110**	**111**	**110**	**106**
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**	**61**	**59**	**59**	**58**
Profit before loan losses	**38**	**47**	**40**	**46**	**49**	**52**	**51**	**48**
Loan losses	-3	27	13	40	10	0	-3	-3
Write-downs on assets	77	4	2	6	0	0	0	0
Operating profit	**118**	**74**	**53**	**94**	**60**	**52**	**49**	**45**
Taxes	-24	-15	-11	-17	-12	-10	-9	-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**	**48**	**42**	**39**	**37**

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	1,687	1,687	1,687	1,687
Loans to credit institutions	138	455	522	445	633	633	633	633
Loans to the public	7,450	7,601	7,592	7,624	7,691	7,725	7,766	7,807
Goodwill and other intangibles	2	2	3	3	3	3	3	3
Total assets	**11,971**	**12,001**	**11,416**	**11,790**	**11,947**	**11,981**	**12,022**	**12,063**
Interbank/owed to credit institutions	**1,263**	**1,038**	**48**	**839**	**847**	**847**	**847**	**847**
Deposits	7,513	7,642	7,417	7,900	8,040	8,040	8,040	8,040
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	1,697	1,738	1,776	1,811
Total equity and liabilities	**11,971**	**12,001**	**11,416**	**11,790**	**11,947**	**11,981**	**12,022**	**12,063**
Loans to deposits	99%	99%	102%	97%	96%	96%	97%	97%
Non-mortg. loans to deposits	99%	99%	102%	97%	96%	96%	97%	97%
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%	3%	0%	2%	1%
Net commission income	9%	57%	26%	41%	24%	9%	4%	-4%
Total Revenues	**11%**	**15%**	**-5%**	**2%**	**13%**	**2%**	**12%**	**4%**
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%**	**0%**	**3%**
Profit before loan losses	35%	31%	-15%	19%	29%	11%	29%	5%
Operating profit	n.m.	-32%	-37%	73%	46%	-26%	-6%	-48%
Net profit to equity	**n.m.**	**-32%**	**-37%**	**65%**	**49%**	**-24%**	**-4%**	**-49%**
Loans to the public (rep)	-25%	-23%	-23%	0%	3%	2%	2%	2%
Deposits	-44%	-45%	-46%	2%	7%	5%	8%	2%
Assets	-29%	-29%	-32%	-32%	0%	0%	5%	2%
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%	-5%	-4%	-3%	-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	-22.07	22.29	19.43	26.55	21.70	17.49	28.54	17.46	16.06	18.53
EPS adj, DKK	19.69	16.47	19.43	19.95	22.95	16.91	20.69	16.88	15.44	17.83
BVPS	176.6	194.9	185.5	207.6	238.5	237.9	213.3	189.7	187.4	197.1
TVBS	176.6	194.9	185.5	206.9	237.5	237.6	213.0	189.4	187.1	196.8
DPS (tot., DKK)	2.00	30.00	4.00	7.32	7.00	5.00	61.39	50.63	14.00	15.72
Dividend pay-out ratio	10%	182%	21%	37%	31%	30%	297%	300%	91%	88%
Share repurchases (per share)	0.00	0.00	0.00	0.00	1.61	0.70	0.00	0.00	0.00	17.97
Total pay-out ratio	-9%	27%	21%	27%	40%	33%	215%	290%	81%	182%
Share price (period end)	128	136	106	109	109	152	141	125	125	125
Market cap. (m)	1,275	1,355	1,040	1,038	1,034	1,451	1,341	1,193	1,043	943
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	7.2	7.8	6.7
P/E (adj.)	6.5	8.2	5.5	5.4	4.8	9.0	6.8	7.4	8.1	7.0
P/BV	0.72	0.70	0.57	0.52	0.46	0.64	0.66	0.66	0.67	0.63
P/TBV	0.72	0.70	0.57	0.52	0.46	0.64	0.66	0.66	0.67	0.64
Dividend yield (tot.)	1.6%	22.1%	3.8%	6.7%	6.4%	3.3%	43.7%	40.5%	11.2%	12.6%
Total yield	1.6%	22.1%	3.8%	6.7%	7.9%	3.7%	43.7%	40.5%	11.2%	27.0%

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	1,546	1,426	1,348
BIS III REA	11,463	9,790	9,895	10,621	10,764	9,774	6,841	6,620	6,618	6,667
BIS III CET1-ratio	13.9%	16.0%	17.5%	17.6%	18.8%	22.6%	27.5%	23.3%	21.5%	20.2%
BIS III T1-ratio	14.8%	16.0%	17.5%	17.6%	20.2%	24.1%	29.7%	25.8%	23.8%	22.5%
BIS III Capital ratio	16.8%	18.3%	19.7%	19.8%	22.3%	26.4%	31.1%	27.3%	25.3%	24.0%
Tang. Equity/Assets	10.9%	12.5%	11.5%	11.9%	12.4%	13.1%	17.2%	15.0%	12.8%	12.0%
Tang. Equity/Lending	16.5%	21.3%	19.1%	19.9%	22.7%	29.8%	26.7%	23.2%	19.6%	18.2%
Leverage ratio	9.8%	10.1%	11.0%	11.2%	11.1%	12.8%	15.9%	12.8%	11.7%	10.9%

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%	4.08%	3.91%	3.75%
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	0.19%	-0.13%	-0.64%	-1.14%	-1.06%	-0.06%	-1.01%	-0.06%	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%	8.4%	8.2%	9.3%
RoTBV	12.2%	8.8%	10.1%	10.2%	10.3%	7.1%	9.2%	8.4%	8.2%	9.3%
C/I	-70.9%	-71.9%	-71.3%	-71.9%	-71.9%	-61.4%	-58.0%	-54.2%	-53.9%	-53.4%
NII-margin	4.42%	4.18%	4.15%	3.83%	3.67%	2.87%	3.32%	3.33%	3.30%	3.25%

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%	19%	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%	7%

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	264	268	269
Net Commission Income	226	192	186	172	189	60	79	85	88	90
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	52	51	52
Other income	11	9	31	46	49	24	34	37	33	33
Total revenues	**734**	**641**	**648**	**635**	**658**	**387**	**407**	**438**	**439**	**444**
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**	**237**	**237**	**237**
Profit before loan losses	**214**	**180**	**186**	**179**	**185**	**149**	**171**	**200**	**202**	**207**
Loan losses	-20	12	60	111	106	5	77	5	-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**	**206**	**177**	**182**
Taxes	111	-58	-44	-66	-54	-40	-67	-40	-34	-35
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**	**167**	**144**	**147**

BALANCE SHEET

DKKm	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Cash / Interbank	361	217	251	180	252	208	1,292	1,687	1,687	1,687
Loans to credit institutions	411	817	617	914	878	1,178	445	633	633	633
Loans to the public	10,675	9,141	9,537	9,956	9,909	7,608	7,624	7,807	7,974	8,145
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**	**12,063**	**12,230**	**12,401**
Interbank/owed to credit institutions	**575**	**342**	**360**	**299**	**55**	**28**	**839**	**847**	**847**	**847**
Deposits	12,680	12,669	13,083	13,878	15,164	7,733	7,900	8,025	8,025	8,025
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	1,811	1,564	1,487
Total equity and liabilities	**16,248**	**15,579**	**15,785**	**16,700**	**18,173**	**17,290**	**11,790**	**12,063**	**12,230**	**12,401**
Loans to deposits	84%	72%	73%	72%	65%	98%	97%	97%	99%	101%
Non-mortg. loans to deposits	84%	72%	73%	72%	65%	98%	97%	97%	99%	101%
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%	2%	2%	0%
Net commission income	18%	-15%	-3%	-7%	10%	-68%	32%	7%	3%	2%
Total Revenues	**-3%**	**-13%**	**1%**	**-2%**	**4%**	**-41%**	**5%**	**7%**	**0%**	**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%**	**1%**	**0%**	**0%**
Profit before loan losses	-5%	-16%	4%	-4%	3%	-19%	15%	17%	1%	2%
Operating profit	254%	9%	13%	4%	7%	-21%	64%	-39%	-14%	2%
Net profit to equity	**224%**	**-17%**	**17%**	**1%**	**13%**	**-26%**	**23%**	**-18%**	**-14%**	**3%**
Loans to the public (rep)	2%	-14%	4%	4%	0%	-23%	0%	2%	2%	2%
Deposits	1%	0%	3%	6%	9%	-49%	2%	2%	0%	0%
Assets	-2%	-4%	1%	6%	9%	-5%	-32%	2%	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%	-3%	0%	1%

Source: Company data and Nordea estimates

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