Nordea

Commissioned Equity Research

Flash comment

23 May 2022

Commissioned research: BankNordik – Upgrading FY 2022 profit ~20%

Marketing material commissioned by BankNordik

BankNordik just raised its 2022 net profit guidance by 21% to DKK 160-190m from previously DKK 130-160m. The guidance is raised due to better underlying operations as well as reversals of loan loss provisions. We estimate a 2022 net profit of DKK 167m which is ~5% below the mid point of the guidance range. Our estimate is 12% below the upper end of the range. We are likely to make positive revisions to our 2022 net profit of ~5-10% while we expect to make small positive revisions to our 2023E-2024E EPS estimates. BankNordik trades at a 2024E P/E of 7.1x. Adjusted for capital repatriation it trades at only ~4.8x.

SUMMARY TABLE - KEY FIGURES

DKKm	2019	2020	2021	2022E	2023E	2024E
Total revenue	658	387	407	438	439	444
Total costs	473	237	236	237	237	237
LL-ratio	-1.06%	-0.06%	-1.01%	-0.06%	0.32%	0.31%
PTP	261	207	340	206	177	182
RoE	9.7%	7.3%	12.7%	8.7%	8.5%	9.7%
RoTBV (adj)	10.3%	7.1%	9.2%	8.4%	8.2%	9.3%
P/E (adj)	4.8	9.0	6.8	7.5	8.2	7.1
P/BV	0.46	0.64	0.66	0.67	0.68	0.64
P/TBV	0.46	0.64	0.66	0.67	0.68	0.65
BIS III CT1-ratio	18.8%	22.6%	27.5%	23.3%	21.5%	20.2%
DPS (ord, DKK)	7.00	5.00	61.39	50.63	14.00	15.72
Dividend Yield	6.74%	6.42%	3.29%	43.69%	39.87%	11.02%
Total payout ratio	0.40	0.33	2.15	2.90	0.81	1.82

Source: Company data and Nordea estimates

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