

## BankNordik

Financials  
Denmark

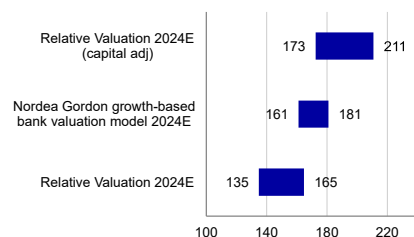
## KEY DATA

Stock country	Faroe Islands
Bloomberg	BNORDIK DC
Reuters	BNORDIK.CO
Share price (close)	DKK 128.0
Free Float	65%
Market cap. (bn)	EUR 0.16/DKK 1.22
Website	www.banknordik.com
Next report date	04 Aug 2022

## PERFORMANCE



## VALUATION APPROACH



## ESTIMATE CHANGES

Year	2022E	2023E	2024E
Total revenue	1%	1%	1%
Total costs	0%	0%	0%
Profit before loan losses	2%	2%	2%
PTP	9%	2%	2%
DPS (ord)	1%	1%	1%
EPS (adj)	9%	3%	2%

Source: Nordea estimates

## Nordea Markets - Analysts

Jakob Brink  
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Analyst

## Solid guidance upgrade prompts EPS hikes

BankNordik raised its 2022 net profit guidance by ~20%, up to DKK 160-190m, from DKK 130-160m previously. The upgrade was led by better underlying operations and loan-loss reversals. We believe strong NCI and insurance income, which were also healthy in Q1 2022, could be the drivers behind its strong underlying operations. We lift 2022E EPS by 9%, prompted by improved NCI, insurance and loan losses. We raise EPS by 2-3% for 2023E-24E. We lift our Gordon growth-based fair value range to DKK 161-181 (157-176). BankNordik is trading at a 2024E P/E of 6.9x. Adjusted for expected dividends in 2022E-23E, the company is presently trading at just ~5x, which is ~35% below its Danish peers.

## Support from insurance price initiatives larger than expected

In Q4 2021, BankNordik adjusted its non-life insurance prices and criteria. In Q1 2022, insurance income surprised positively, almost doubling q/q. We find it likely that strong insurance income has also been a catalyst for the guidance upgrade. We believe that NCI might have continued the strong trend witnessed in Q1, and BankNordik said that its upgrade was led by loan-loss reversals.

## We lift 2022E-24E EPS by 2-9%

Thanks to the guidance upgrade, we lift 2022E EPS by 9%. We raise 2023E-24E EPS by 2-3%. The higher EPS is driven primarily by diminished loan losses for 2022, whereas higher insurance and NCI revenue are the fuel for higher EPS in 2023E-24E. We now estimate 2022 net profit of DKK 181m, which is on the upper end of BankNordik's guidance range.

## New fair value range of DKK 161-181 (157-176)

Prompted by our higher earnings estimates, we increase our fair value range to DKK 161-181 (157-176). We estimate total dividends from BankNordik of DKK ~38 per share for the rest of 2022 and 2023, i.e. ~30% of market cap. Adjusted for dividends, BankNordik is trading at a 2024E P/E of ~5x, which is ~35% below the average of its Danish peers.

## SUMMARY TABLE - KEY FIGURES

DKKm	2018	2019	2020	2021	2022E	2023E	2024E
Total revenue	635	658	387	407	442	444	448
Total costs	457	473	237	236	237	237	237
LL-ratio	-1.14%	-1.06%	-0.06%	-1.01%	-0.23%	0.32%	0.31%
PTP	324	261	207	340	224	182	186
RoE	13.5%	9.7%	7.3%	12.7%	9.4%	8.7%	9.8%
RoTBV (adj)	10.2%	10.3%	7.1%	9.2%	9.1%	8.3%	9.5%
P/E (adj)	5.4	4.8	9.0	6.8	7.0	8.1	7.0
P/BV	0.52	0.46	0.64	0.66	0.67	0.68	0.64
P/TBV	0.52	0.46	0.64	0.66	0.67	0.68	0.65
BIS III CT1-ratio	17.6%	18.8%	22.6%	27.5%	23.5%	21.6%	20.3%
DPS (ord, DKK)	7.32	7.00	5.00	61.39	51.38	14.21	15.96
Dividend Yield (ord)	6.74%	6.42%	3.29%	43.69%	40.14%	11.10%	12.47%
Total payout ratio	0.27	0.40	0.33	2.15	2.71	0.81	1.79

Source: Company data and Nordea estimates

# Estimates

## ESTIMATE REVISIONS

DKKm	New estimates			Change in estimates			Old estimates		
	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E
Net interest income	264	268	269	0%	0%	0%	264	268	269
Net fee and commission income	87	90	92	3%	3%	3%	85	88	90
Net insurance income	52	53	54	0%	4%	4%	52	51	52
Other income	39	33	33	7%	0%	0%	37	33	33
<b>Total Income</b>	<b>442</b>	<b>444</b>	<b>448</b>	<b>1%</b>	<b>1%</b>	<b>1%</b>	<b>438</b>	<b>439</b>	<b>444</b>
<b>Total Expenses</b>	<b>-237</b>	<b>-237</b>	<b>-237</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>-237</b>	<b>-237</b>	<b>-237</b>
<b>Profit before loan losses</b>	<b>205</b>	<b>207</b>	<b>211</b>	<b>2%</b>	<b>2%</b>	<b>2%</b>	<b>200</b>	<b>202</b>	<b>207</b>
Loan losses	18	-25	-25	-276%	0%	0%	5	-25	-25
<b>Operating profits</b>	<b>223</b>	<b>182</b>	<b>186</b>	<b>9%</b>	<b>2%</b>	<b>2%</b>	<b>205</b>	<b>177</b>	<b>182</b>
Earning from investment portfolio	1	0	0	0%	-	-	1	0	0
Non-recurring and industry solutions	0	0	0	-	-	-	0	0	0
<b>Profit before tax</b>	<b>224</b>	<b>182</b>	<b>186</b>	<b>9%</b>	<b>2%</b>	<b>2%</b>	<b>206</b>	<b>177</b>	<b>182</b>
Discontinued operations before tax	0	0	0	-	-	-	0	0	0
Taxes	-43	-35	-35	8%	2%	2%	-40	-34	-35
<b>Net profit</b>	<b>181</b>	<b>147</b>	<b>151</b>	<b>9%</b>	<b>2%</b>	<b>2%</b>	<b>167</b>	<b>144</b>	<b>147</b>
<b>EPS adj, DKK</b>	<b>18.4</b>	<b>15.8</b>	<b>18.3</b>	<b>9%</b>	<b>3%</b>	<b>2%</b>	<b>16.9</b>	<b>15.4</b>	<b>17.8</b>
<b>DPS, DKK</b>	<b>51.4</b>	<b>14.2</b>	<b>16.0</b>	<b>1%</b>	<b>1%</b>	<b>1%</b>	<b>50.6</b>	<b>14.0</b>	<b>15.7</b>

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	5.21	4.42	4.29
EPS adj, DKK	3.40	5.84	4.29	7.51	5.05	5.21	4.42	4.29
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	128.00	128.00	128.00
Market cap. (m)	1,489	1,609	1,532	1,341	1,222	1,222	1,222	1,222
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	6.3	6.1	7.2	7.5
P/E (adj.)	11.5	7.2	9.3	4.7	6.3	6.1	7.2	7.5
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%	23.5%
BIS III T1-ratio	33.1%	27.8%	28.2%	26.0%	26.1%	26.0%	25.9%	25.8%
BIS III T2-ratio	36.2%	29.2%	29.6%	27.5%	27.5%	27.4%	27.3%	27.3%
Tang. Equity/Assets	19.3%	19.7%	21.1%	17.2%	14.2%	14.5%	14.8%	15.1%
Tang. Equity/Lending	31.0%	31.1%	31.7%	26.7%	22.0%	22.6%	23.0%	23.3%
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. 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%	-0.51%	-0.42%	0.00%	0.00%
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%	11.6%	9.5%	9.1%
RoTBV	5.7%	9.5%	6.9%	12.9%	10.3%	11.6%	9.6%	9.1%
C/I	-60.7%	-56.9%	-59.8%	-55.3%	-55.4%	-52.5%	-53.2%	-53.5%
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%	58%	60%	61%
Net Commission Income	18%	19%	19%	22%	20%	20%	18%	21%
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%	9%	7%	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	66	65	66	66
Net Commission Income	17	20	19	23	22	22	21	23
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	11	8	9
<b>Total revenues</b>	<b>97</b>	<b>109</b>	<b>99</b>	<b>102</b>	<b>110</b>	<b>112</b>	<b>111</b>	<b>109</b>
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.
<b>Total Expenses</b>	<b>59</b>	<b>62</b>	<b>59</b>	<b>56</b>	<b>61</b>	<b>59</b>	<b>59</b>	<b>58</b>
<b>Profit before loan losses</b>	<b>38</b>	<b>47</b>	<b>40</b>	<b>46</b>	<b>49</b>	<b>53</b>	<b>52</b>	<b>51</b>
Loan losses	-3	27	13	40	10	8	0	0
Write-downs on assets	77	4	2	6	0	0	0	0
<b>Operating profit</b>	<b>118</b>	<b>74</b>	<b>53</b>	<b>94</b>	<b>60</b>	<b>61</b>	<b>52</b>	<b>51</b>
Taxes	-24	-15	-11	-17	-12	-12	-10	-10
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.
<b>Net profit to equity</b>	<b>94</b>	<b>59</b>	<b>42</b>	<b>77</b>	<b>48</b>	<b>50</b>	<b>42</b>	<b>41</b>

## 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
<b>Total assets</b>	<b>11,971</b>	<b>12,001</b>	<b>11,416</b>	<b>11,790</b>	<b>11,947</b>	<b>11,981</b>	<b>12,022</b>	<b>12,063</b>
<b>Interbank/owed to credit institutions</b>	<b>1,263</b>	<b>1,038</b>	<b>48</b>	<b>839</b>	<b>847</b>	<b>847</b>	<b>847</b>	<b>847</b>
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	1,745	1,786	1,825
<b>Total equity and liabilities</b>	<b>11,971</b>	<b>12,001</b>	<b>11,416</b>	<b>11,790</b>	<b>11,947</b>	<b>11,981</b>	<b>12,022</b>	<b>12,063</b>
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%	8%	2%
<b>Total Revenues</b>	<b>11%</b>	<b>15%</b>	<b>-5%</b>	<b>2%</b>	<b>13%</b>	<b>3%</b>	<b>13%</b>	<b>6%</b>
Staff costs	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>Total expenses</b>	<b>0%</b>	<b>5%</b>	<b>4%</b>	<b>-9%</b>	<b>3%</b>	<b>-5%</b>	<b>0%</b>	<b>3%</b>
Profit before loan losses	35%	31%	-15%	19%	29%	14%	31%	11%
Operating profit	n.m.	-32%	-37%	73%	46%	-12%	1%	-42%
<b>Net profit to equity</b>	<b>n.m.</b>	<b>-32%</b>	<b>-37%</b>	<b>65%</b>	<b>49%</b>	<b>-11%</b>	<b>3%</b>	<b>-43%</b>
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	18.96	16.45	18.98
EPS adj, DKK	19.69	16.47	19.43	19.95	22.95	16.91	20.69	18.38	15.83	18.28
BVPS	176.6	194.9	185.5	207.6	238.5	237.9	213.3	191.2	188.7	198.8
TVBS	176.6	194.9	185.5	206.9	237.5	237.6	213.0	190.9	188.4	198.4
DPS (tot., DKK)	2.00	30.00	4.00	7.32	7.00	5.00	61.39	51.38	14.21	15.96
Dividend pay-out ratio	10%	182%	21%	37%	31%	30%	297%	280%	90%	87%
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%	271%	81%	179%
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	1,222	1,068	966
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	6.7	7.8	6.7
P/E (adj.)	6.5	8.2	5.5	5.4	4.8	9.0	6.8	7.0	8.1	7.0
P/BV	0.72	0.70	0.57	0.52	0.46	0.64	0.66	0.67	0.68	0.64
P/TBV	0.72	0.70	0.57	0.52	0.46	0.64	0.66	0.67	0.68	0.65
Dividend yield (tot.)	1.6%	22.1%	3.8%	6.7%	6.4%	3.3%	43.7%	40.1%	11.1%	12.5%
Total yield	1.6%	22.1%	3.8%	6.7%	7.9%	3.7%	43.7%	40.1%	11.1%	26.5%

## 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	1,553	1,435	1,358
BIS III REA	11,463	9,790	9,895	10,621	10,764	9,774	6,841	6,620	6,631	6,681
BIS III CET1-ratio	13.9%	16.0%	17.5%	17.6%	18.8%	22.6%	27.5%	23.5%	21.6%	20.3%
BIS III T1-ratio	14.8%	16.0%	17.5%	17.6%	20.2%	24.1%	29.7%	25.9%	23.9%	22.6%
BIS III Capital ratio	16.8%	18.3%	19.7%	19.8%	22.3%	26.4%	31.1%	27.4%	25.4%	24.1%
Tang. Equity/Assets	10.9%	12.5%	11.5%	11.9%	12.4%	13.1%	17.2%	15.1%	12.9%	12.1%
Tang. Equity/Lending	16.5%	21.3%	19.1%	19.9%	22.7%	29.8%	26.7%	23.3%	19.7%	18.4%
Leverage ratio	9.8%	10.1%	11.0%	11.2%	11.1%	12.8%	15.9%	12.9%	11.7%	11.0%

## 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. 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%	-0.23%	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%	9.1%	8.3%	9.4%
RoTBV	12.2%	8.8%	10.1%	10.2%	10.3%	7.1%	9.2%	9.1%	8.3%	9.5%
C/I	-70.9%	-71.9%	-71.3%	-71.9%	-71.9%	-61.4%	-58.0%	-53.6%	-53.4%	-52.9%
NI-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%	58%	59%	58%
Net Commission Income	31%	30%	29%	27%	29%	16%	19%	20%	20%	21%
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%	9%	7%	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	87	90	92
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	53	54
Other income	11	9	31	46	49	24	34	39	33	33
<b>Total revenues</b>	<b>734</b>	<b>641</b>	<b>648</b>	<b>635</b>	<b>658</b>	<b>387</b>	<b>407</b>	<b>442</b>	<b>444</b>	<b>448</b>
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.
<b>Total Expenses</b>	<b>520</b>	<b>461</b>	<b>462</b>	<b>457</b>	<b>473</b>	<b>237</b>	<b>236</b>	<b>237</b>	<b>237</b>	<b>237</b>
<b>Profit before loan losses</b>	<b>214</b>	<b>180</b>	<b>186</b>	<b>179</b>	<b>185</b>	<b>149</b>	<b>171</b>	<b>205</b>	<b>207</b>	<b>211</b>
Loan losses	-20	12	60	111	106	5	77	18	-25	-25
Write-downs on assets	-523	-12	-18	72	-13	0	89	0	0	0
<b>Operating profit</b>	<b>-332</b>	<b>279</b>	<b>234</b>	<b>324</b>	<b>261</b>	<b>207</b>	<b>340</b>	<b>224</b>	<b>182</b>	<b>186</b>
Taxes	111	-58	-44	-66	-54	-40	-67	-43	-35	-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.
<b>Net profit to equity</b>	<b>-221</b>	<b>221</b>	<b>191</b>	<b>257</b>	<b>207</b>	<b>166</b>	<b>272</b>	<b>181</b>	<b>147</b>	<b>151</b>

**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
<b>Total assets</b>	<b>16,248</b>	<b>15,552</b>	<b>15,785</b>	<b>16,700</b>	<b>18,173</b>	<b>17,290</b>	<b>11,790</b>	<b>12,063</b>	<b>12,230</b>	<b>12,401</b>
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	1,825	1,575	1,500
<b>Total equity and liabilities</b>	<b>16,248</b>	<b>15,579</b>	<b>15,785</b>	<b>16,700</b>	<b>18,173</b>	<b>17,290</b>	<b>11,790</b>	<b>12,063</b>	<b>12,230</b>	<b>12,401</b>
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%	10%	3%	3%
<b>Total Revenues</b>	<b>-3%</b>	<b>-13%</b>	<b>1%</b>	<b>-2%</b>	<b>4%</b>	<b>-41%</b>	<b>5%</b>	<b>9%</b>	<b>0%</b>	<b>1%</b>
Staff costs	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
<b>Total expenses</b>	<b>-1%</b>	<b>-11%</b>	<b>0%</b>	<b>-1%</b>	<b>4%</b>	<b>-50%</b>	<b>0%</b>	<b>1%</b>	<b>0%</b>	<b>0%</b>
Profit before loan losses	-5%	-16%	4%	-4%	3%	-19%	15%	20%	1%	2%
Operating profit	254%	9%	13%	4%	7%	-21%	64%	-34%	-19%	2%
<b>Net profit to equity</b>	<b>224%</b>	<b>-17%</b>	<b>17%</b>	<b>1%</b>	<b>13%</b>	<b>-26%</b>	<b>23%</b>	<b>-11%</b>	<b>-19%</b>	<b>3%</b>
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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**Completion Date**

23 May 2022, 22:19 CET

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