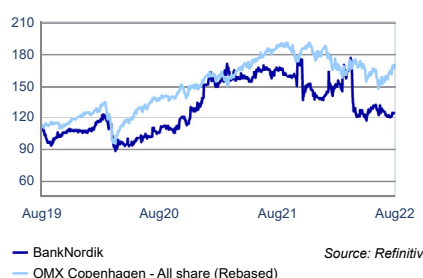


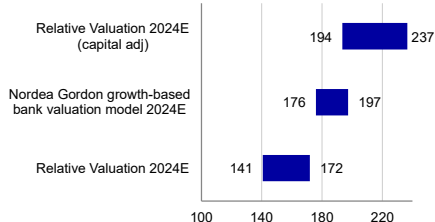
KEY DATA

Stock country	Faroe Islands
Bloomberg	BNORDIK DC
Reuters	BNORDIK.CO
Share price (close)	DKK 127.0
Free Float	65%
Market cap. (bn)	EUR 0.16/DKK 1.21
Website	www.banknordik.com
Next report date	03 Nov 2022

PERFORMANCE



VALUATION APPROACH



Source: Nordea estimates

ESTIMATE CHANGES

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

Source: Nordea estimates

Nordea Markets - Analysts

Jakob Brink
Director, Sector Coordinator

Sebastian Grave
Analyst

Another quarter of solid asset quality

Following BankNordik's Q2 2022 report, we lift 2022E-24E adjusted EPS by ~1%, primarily due to improved loan loss estimates but partly offset by higher cost estimates. We estimate 2022 net profit of DKK 182m, which is at the upper end of the bank's guidance range. Meanwhile, the CET1 ratio came in 40 bp weaker than our estimate for Q2 owing to an increase in REA. We believe that this increase will be temporary, however, and expect REA to return to normalised levels in 2023. Hence, we still expect that ~65% of the bank's market cap is likely to be distributed to shareholders by 2024. The BankNordik share currently trades at a 2024E excess capital- and dividend-adjusted P/E of 4x, which is 50% below its Danish peers. Following the Q2 report, our new Gordon growth-based fair value range is DKK 176-197 (177-199).

Income lines were on a par with our estimates

Total income in Q2 came in at DKK 111m, in line with our estimate. Moreover, asset quality remained solid, as loan loss reversals were DKK 14m ahead of our estimate, resulting in a 16% beat on operating profit. BankNordik also decided to maintain its DKK 52m COVID buffer, which may be used to smooth out any future loan losses. On the negative side, total costs in the quarter came in at DKK 62m, 5% higher than our estimate. Moreover, the CET1 ratio was 40 bp below our estimate, at 23.3%, due to increased REA as a consequence of higher market risk. However, we believe that the increase is temporary and expect REA to fall back to a normalised level during 2023.

2022E-24E EPS up by ~1%

Owing to the higher costs in Q2, we increase our 2022-24 cost estimates by 1-2%. We also improve our 2023-24 loan loss estimates by 14-17% to reflect the continued solid asset quality. Overall, we raise our 2022-24 net profit estimates by 1% and now forecast 2022 net profit of DKK 182m, which is at the upper end of BankNordik's guidance range (DKK 160-190m). Hence, we also pencil in a ~1% increase in 2022-2024 adjusted EPS. Lastly, we expect BankNordik to reach an ROE of ~10% and a cost/income ratio below 55% by 2024, which is in line with the bank's proposed 2024 targets.

New fair value range of DKK 176-197 (177-199)

We estimate around DKK 280m in excess capital by 2024, which supports our expectation that ~65% of BankNordik's market cap is likely to be distributed to shareholders by the end of 2024. Adjusted for the excess capital and dividends, BankNordik currently trades at a 2024E P/E of ~4x, which puts the share at a ~50% discount to its Danish peers.

SUMMARY TABLE - KEY FIGURES

DKKm	2018	2019	2020	2021	2022E	2023E	2024E
Total revenue	635	658	387	407	442	449	454
Total costs	457	473	237	236	241	240	240
LL-ratio	-1.14%	-1.06%	-0.06%	-1.01%	-0.47%	0.32%	0.37%
PTP	324	261	207	340	226	199	198
RoE	13.5%	9.7%	7.3%	12.7%	9.4%	9.4%	10.4%
RoTBV (adj)	10.2%	10.3%	7.1%	9.2%	9.2%	9.1%	10.0%
P/E (adj)	5.4	4.8	9.0	6.8	6.9	7.3	6.5
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	0.67	0.67	0.63
BIS III CT1-ratio	17.6%	18.8%	22.6%	27.5%	23.0%	21.7%	20.5%
DPS (ord, DKK)	7.32	7.00	5.00	61.39	51.46	15.04	16.61
Dividend Yield (ord)	6.74%	6.42%	3.29%	43.69%	40.52%	11.84%	13.08%
Total payout ratio	0.27	0.40	0.33	2.15	2.69	0.78	1.71

Source: Company data and Nordea estimates

Estimates

Q2 OUTCOME VERSUS OUR ESTIMATES

DKKm	Actual	NDA	Deviation		Actual	q/q	Actual	y/y
	Q2 22E	Q2 22E	vs. Actual		Q1 22	growth	Q2 21	growth
Net interest income	65	65	-1	-1%	66	-1%	66	-1%
Net fee and commission income	22	21	1	3%	22	1%	20	6%
Net insurance income	15	14	1	8%	12	33%	14	10%
Other income	9	11	-2	-14%	11	-21%	9	-1%
Total Income	111	111	0	0%	110	1%	109	2%
Total Expenses	62	59	3	5%	61	2%	62	0%
Profit before loan losses	48	52	-4	-8%	49	-2%	47	2%
Loan losses	22	8	14	-	10	-	27	-19%
Operating profit	70	60	10	16%	59	19%	74	-5%
Market value adjustments	-16	-5	-11	-	1	-	-4	-
Non-recurring and industry solutions	0	0	0	-	0	-	4	-
Pre tax profit	54	55	-1	-2%	60	-10%	74	-27%
Discontinued operations before tax	0	0	0	-	0	-	0	-
Taxes	-10	-10	0	-5%	-12	-16%	-15	-33%
Net profit	43	45	-2	-4%	48	-11%	59	-27%
CET1 ratio	23.3%	23.7%	-0.4 pp		23.8%	-0.5 pp	25.7%	-2.4 pp

Source: Company data and Nordea estimates

ESTIMATE REVISIONS

DKKm	New estimates			Change in estimates			Old estimates		
	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E
Net interest income	264	274	275	-1%	0%	0%	265	274	276
Net fee and commission income	87	89	92	1%	1%	1%	86	89	91
Net insurance income	53	53	54	2%	0%	0%	52	53	54
Other income	38	33	33	-4%	0%	0%	39	33	33
Total Income	442	449	454	0%	0%	0%	443	449	453
Total Expenses	-241	-240	-240	2%	1%	1%	-237	-237	-237
Profit before loan losses	201	209	213	-2%	-1%	-1%	206	212	217
Loan losses	36	-25	-30	-106%	-17%	-14%	18	-30	-35
Operating profits	237	184	183	6%	1%	1%	223	182	182
Earning from investment portfolio	-11	15	15	-	0%	0%	0	15	15
Non-recurring and industry solutions	0	0	0	-	-	-	0	0	0
Profit before tax	226	199	198	1%	1%	1%	223	197	197
Discontinued operations before tax	0	0	0	-	-	-	0	0	0
Taxes	-43	-38	-38	1%	1%	1%	-43	-37	-37
Net profit	182	161	161	1%	1%	1%	181	160	159
EPS adj, DKK	18.5	17.4	19.5	1%	1%	1%	18.3	17.2	19.3
DPS, DKK	51.5	15.0	16.6	0%	1%	1%	51.4	14.9	16.5

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 22	Q2 22	Q3 22E	Q4 22E
EPS, DKK	9.82	6.18	4.44	8.05	5.05	4.50	4.65	4.90
EPS adj, DKK	3.40	5.84	4.29	7.51	5.05	4.50	4.65	4.90
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	127.00	127.00
Market cap. (m)	1,489	1,609	1,532	1,341	1,217	1,217	1,212	1,212
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 22	Q2 22	Q3 22E	Q4 22E
P/E	4.0	6.8	9.0	4.4	6.3	7.1	6.8	6.5
P/E (adj.)	11.5	7.2	9.3	4.7	6.3	7.1	6.8	6.5
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 22	Q2 22	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%	23.3%	23.2%	23.0%
BIS III T1-ratio	33.1%	27.8%	28.2%	26.0%	26.1%	25.5%	25.4%	25.3%
BIS III T2-ratio	36.2%	29.2%	29.6%	27.5%	27.5%	26.9%	26.8%	26.7%
Tang. Equity/Assets	19.3%	19.7%	21.1%	17.2%	14.2%	13.6%	13.9%	14.2%
Tang. Equity/Lending	31.0%	31.1%	31.7%	26.7%	22.0%	22.5%	22.9%	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 22	Q2 22	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%	-1.13%	-0.15%	-0.10%
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 22	Q2 22	Q3 22E	Q4 22E
RoE	5.7%	9.5%	6.9%	12.9%	10.3%	10.0%	10.1%	10.4%
RoTBV	5.7%	9.5%	6.9%	12.9%	10.3%	10.0%	10.1%	10.4%
C/I	-60.7%	-56.9%	-59.8%	-55.3%	-55.4%	-56.8%	-53.3%	-52.8%
NII-margin	3.39%	3.48%	3.41%	3.46%	3.43%	3.36%	3.41%	3.48%

REVENUE DISTRIBUTION

Adjusted for non-rec. Items	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22E	Q4 22E
Net Interest Income	66%	60%	66%	64%	60%	58%	60%	62%
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%	8%	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 22	Q2 22	Q3 22E	Q4 22E
Net Interest Income	64	66	65	66	66	65	66	68
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	15	16	10
Other income	9	9	8	8	11	9	8	9
Total revenues	97	109	99	102	110	111	111	110
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	63	59	58
Profit before loan losses	38	47	40	46	49	48	52	52
Loan losses	-3	27	13	40	10	22	3	2
Write-downs on assets	77	4	2	6	0	0	0	0
Operating profit	118	74	53	94	60	54	55	58
Taxes	-24	-15	-11	-17	-12	-10	-10	-11
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	43	44	47

BALANCE SHEET

DKKm	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22E	Q4 22E
Cash / Interbank	934	1,065	564	1,292	1,687	3,194	3,194	3,194
Loans to credit institutions	138	455	522	445	633	454	454	454
Loans to the public	7,450	7,601	7,592	7,624	7,691	7,724	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	12,772	12,814	12,855
Interbank/owed to credit institutions	1,263	1,038	48	839	847	868	868	868
Deposits	7,513	7,642	7,417	7,902	8,040	8,919	8,919	8,919
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	1,737	1,780	1,825
Total equity and liabilities	11,971	12,001	11,416	11,792	11,947	12,772	12,814	12,855
Loans to deposits	99%	99%	102%	96%	96%	87%	87%	88%
Non-mortg. loans to deposits	99%	99%	102%	96%	96%	87%	87%	88%
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 22	Q2 22	Q3 22E	Q4 22E
Net interest income	2%	1%	0%	1%	3%	-1%	2%	3%
Net commission income	9%	57%	26%	41%	24%	6%	8%	2%
Total Revenues	11%	15%	-5%	2%	13%	2%	12%	8%
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%	1%	0%	3%
Profit before loan losses	35%	31%	-15%	19%	29%	2%	31%	14%
Operating profit	n.m.	-32%	-37%	73%	46%	-23%	6%	-34%
Net profit to equity	n.m.	-32%	-37%	65%	49%	-23%	8%	-35%
Loans to the public (rep)	-25%	-23%	-23%	0%	3%	2%	2%	2%
Deposits	-44%	-45%	-46%	2%	7%	17%	20%	13%
Assets	-29%	-29%	-32%	-32%	0%	6%	12%	9%
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%	-2%	0%	-1%

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	19.11	18.00	20.23
EPS adj, DKK	19.69	16.47	19.43	19.95	22.95	16.91	20.69	18.53	17.38	19.53
BVPS	176.6	194.9	185.5	207.6	238.5	237.9	213.3	191.2	190.3	200.9
TVBS	176.6	194.9	185.5	206.9	237.5	237.6	213.0	190.9	190.0	200.6
DPS (tot., DKK)	2.00	30.00	4.00	7.32	7.00	5.00	61.39	51.46	15.04	16.61
Dividend pay-out ratio	10%	182%	21%	37%	31%	30%	297%	278%	87%	85%
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%	269%	78%	171%
Share price (period end)	128	136	106	109	109	152	141	127	127	127
Market cap. (m)	1,275	1,355	1,040	1,038	1,034	1,451	1,341	1,212	1,060	958
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	6.6	7.1	6.3
P/E (adj.)	6.5	8.2	5.5	5.4	4.8	9.0	6.8	6.9	7.3	6.5
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	0.67	0.67	0.63
Dividend yield (tot.)	1.6%	22.1%	3.8%	6.7%	6.4%	3.3%	43.7%	40.5%	11.8%	13.1%
Total yield	1.6%	22.1%	3.8%	6.7%	7.9%	3.7%	43.7%	40.5%	11.8%	27.2%

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	1,564	1,441	1,370
BIS III REA	11,463	9,790	9,895	10,621	10,764	9,774	6,841	6,798	6,637	6,695
BIS III CET1-ratio	13.9%	16.0%	17.5%	17.6%	18.8%	22.6%	27.5%	23.0%	21.7%	20.5%
BIS III T1-ratio	14.8%	16.0%	17.5%	17.6%	20.2%	24.1%	29.7%	25.2%	24.0%	22.7%
BIS III Capital ratio	16.8%	18.3%	19.7%	19.8%	22.3%	26.4%	31.1%	26.7%	25.5%	24.2%
Tang. Equity/Assets	10.9%	12.5%	11.5%	11.9%	12.4%	13.1%	17.2%	14.2%	12.2%	11.5%
Tang. Equity/Lending	16.5%	21.3%	19.1%	19.9%	22.7%	29.8%	26.7%	23.3%	19.9%	18.6%
Leverage ratio	9.8%	10.1%	11.0%	11.2%	11.1%	12.8%	15.9%	12.2%	11.1%	10.4%

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%	-0.47%	0.32%	0.37%
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%	9.2%	9.1%	10.0%
RoTBV	12.2%	8.8%	10.1%	10.2%	10.3%	7.1%	9.2%	9.2%	9.1%	10.0%
C/I	-70.9%	-71.9%	-71.3%	-71.9%	-71.9%	-61.4%	-58.0%	-54.5%	-53.5%	-52.9%
NII-margin	4.42%	4.18%	4.15%	3.83%	3.67%	2.87%	3.32%	3.33%	3.38%	3.33%

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%	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%	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	274	275
Net Commission Income	226	192	186	172	189	60	79	87	89	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	53	53	54
Other income	11	9	31	46	49	24	34	38	33	33
Total revenues	734	641	648	635	658	387	407	442	449	454
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	241	240	240
Profit before loan losses	214	180	186	179	185	149	171	201	209	213
Loan losses	-20	12	60	111	106	5	77	36	-25	-30
Write-downs on assets	-523	-12	-18	72	-13	0	89	0	0	0
Operating profit	-332	279	234	324	261	207	340	226	199	198
Taxes	111	-58	-44	-66	-54	-40	-67	-43	-38	-38
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	182	161	161

BALANCE SHEET

DKKm	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Cash / Interbank	361	217	251	180	252	208	1,292	3,194	3,194	3,194
Loans to credit institutions	411	817	617	914	878	1,178	445	454	454	454
Loans to the public	10,675	9,141	9,537	9,956	9,909	7,608	7,624	7,807	7,975	8,146
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	12,855	13,023	13,194
Interbank/owed to credit institutions	575	342	360	299	55	28	839	868	868	868
Deposits	12,680	12,669	13,083	13,878	15,164	7,733	7,902	8,899	8,899	8,899
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	1,588	1,516
Total equity and liabilities	16,248	15,579	15,785	16,700	18,173	17,290	11,792	12,855	13,023	13,194
Loans to deposits	84%	72%	73%	72%	65%	98%	96%	88%	90%	92%
Non-mortg. loans to deposits	84%	72%	73%	72%	65%	98%	96%	88%	90%	92%
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%	4%	1%
Net commission income	18%	-15%	-3%	-7%	10%	-68%	32%	9%	3%	3%
Total Revenues	-3%	-13%	1%	-2%	4%	-41%	5%	9%	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%	17%	4%	2%
Operating profit	254%	9%	13%	4%	7%	-21%	64%	-33%	-12%	0%
Net profit to equity	224%	-17%	17%	1%	13%	-26%	23%	-10%	-12%	0%
Loans to the public (rep)	2%	-14%	4%	4%	0%	-23%	0%	2%	2%	2%
Deposits	1%	0%	3%	6%	9%	-49%	2%	13%	0%	0%
Assets	-2%	-4%	1%	6%	9%	-5%	-32%	9%	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%	-1%	-2%	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 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

04 Aug 2022, 22:05 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: Grønjørdsvej 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