

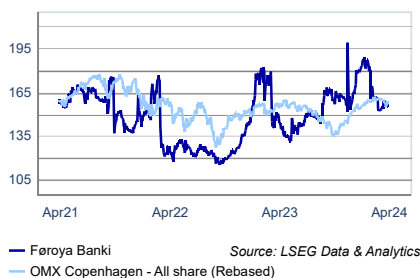
## Føroya Banki

Financials  
Denmark

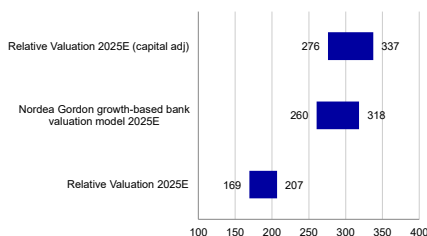
## KEY DATA

Stock country	Faroe Islands
Bloomberg	BNORDIK DC
Reuters	BNORDIK.CO
Share price (close)	DKK 156.0
Free float	65%
Market cap. (bn)	EUR 0.20/DKK 1.49
Website	www.banknordik.com
Next report date	02 May 2024

## PERFORMANCE



## VALUATION APPROACH



Source: Nordea estimates

## ESTIMATE CHANGES

Year	2024E	2025E	2026E
Total revenue	0%	0%	0%
Total costs	0%	0%	0%
Profit before loan losses	0%	0%	0%
PTP	0%	0%	0%
DPS (ord)	92%	-3%	-7%
EPS (adj)	0%	0%	0%

Source: Nordea estimates

## Nordea IB &amp; Equity - Analysts

Sebastian Grave  
Analyst

## Still a lot to go for

Føroya Banki (previously BankNordik) will publish its Q1 2024 report on 2 May. We make no P&L revisions ahead of the report and maintain our full-year 2024 net profit estimate of DKK 267m, which is above the bank's DKK 225-255m guidance range. Despite a temporary hiccup in the solid capital distribution story, caused by the Danish FSA investigation, we expect significant payouts to resume shortly, considering the bank's 2024 CET1 target of 20% (Q4 2023 reported: 25.8%). Føroya Banki is trading at a 2025E excess capital-adjusted P/E of ~4x, corresponding to a discount versus its Danish peers of around 50%.

## More than DKK 400m capital distribution to reach 2024 target

The ongoing investigation by the Danish FSA regarding the Faroese and Greenlandic property markets, flagged in connection with Q4 2023, has posed a temporary hiccup in Føroya Banki's capital optimisation journey. We recognise that the situation adds uncertainty. However, once concluded, the capital distribution case should be back on track. We incorporate a 10% REA increase from potential FSA findings (likely a worst-case scenario, in our view), and estimate that Føroya Banki will have to distribute more than DKK 400m in 2024 (+30% market cap) to reach its 20% CET1 ratio target. A less severe/negative FSA outcome spells more payout potential, and vice versa. The Danish FSA is expected to reach its conclusion in H1 2024.

## We estimate 2024 net profit of DKK 267, above guided range

Looking ahead, the interest rate and asset quality outlooks are uncertain. We believe that 2023 was the inflection point for Føroya Banki's NII momentum and that higher loan losses will exert pressure into 2024. That said, with a strong Faroese economy and still-favourable interest rate environment, we expect momentum across its core banking activities to persist for the time being. We forecast DKK 70m net profit for Q1 2024, up 15% y/y. For 2024, we estimate net profit of DKK 267m, topping the guided range of DKK 225-255m. We note that Føroya Banki raised its 2023 guidance four times.

## Fair value range of DKK 260-318 (248-303)

Føroya Banki is trading at a 2025E excess capital-adjusted P/E of ~4x, corresponding to a ~50% discount to its Danish peers. Our Gordon growth-based fair value range is now DKK 260-318 (248-303).

## SUMMARY TABLE - KEY FIGURES

DKKm	2020	2021	2022	2023	2024E	2025E	2026E
Total revenue	387	407	447	528	541	530	517
Total costs	237	236	244	259	263	261	258
LL-ratio	-0.06%	-1.01%	-0.59%	-0.12%	0.43%	0.38%	0.37%
PTP	207	340	207	379	330	314	294
RoE	7.3%	12.7%	7.9%	16.8%	13.8%	13.2%	12.9%
RoTBV (adj)	7.1%	9.2%	7.6%	16.5%	13.5%	12.9%	12.6%
P/E (adj)	9.0	6.8	8.9	5.2	5.7	6.0	6.4
P/BV	0.64	0.66	0.72	0.85	0.74	0.81	0.80
P/TBV	0.64	0.66	0.72	0.85	0.74	0.81	0.80
BIS III CT1-ratio	22.6%	23.8%	21.6%	25.8%	20.5%	20.2%	20.3%
DPS (ord, DKK)	52.14	40.33	26.12	8.36	44.08	20.70	19.52
Dividend Yield (ord)	34.30%	28.70%	19.20%	5.08%	28.26%	13.27%	12.52%
Total payout ratio	3.03	1.42	1.64	0.26	1.58	0.78	0.78

Source: Company data and Nordea estimates

# Estimates

## FØROYA BANKI: CHANGES TO OUR ESTIMATES (DKKm)

DKKm	New estimates			Change in estimates			Old estimates		
	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E
Net interest income	371	355	335	0%	0%	0%	371	355	335
Net fee and commission income	82	87	92	0%	0%	0%	82	87	92
Net insurance income	54	54	55	0%	0%	0%	54	54	55
Other income	34	35	36	0%	0%	0%	34	35	36
<b>Total Income</b>	<b>541</b>	<b>530</b>	<b>517</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>541</b>	<b>530</b>	<b>517</b>
<b>Total Expenses</b>	<b>-263</b>	<b>-261</b>	<b>-258</b>	<b>0%</b>	<b>0%</b>	<b>-</b>	<b>-263</b>	<b>-261</b>	<b>-258</b>
<b>Profit before loan losses</b>	<b>278</b>	<b>269</b>	<b>259</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>278</b>	<b>269</b>	<b>259</b>
Loan losses	-39	-35	-35	0%	0%	0%	-39	-35	-35
<b>Operating profits</b>	<b>239</b>	<b>234</b>	<b>224</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>239</b>	<b>234</b>	<b>224</b>
Earnings from investment portfolio	91	80	70	0%	0%	0%	91	80	70
Non-recurring and industry solutions	0	0	0	-	-	-	0	0	0
<b>Profit before tax</b>	<b>330</b>	<b>314</b>	<b>294</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>330</b>	<b>314</b>	<b>294</b>
Discontinued operations before tax	0	0	0	-	-	-	0	0	0
Taxes	-63	-60	-56	0%	0%	-	-63	-60	-56
<b>Net profit</b>	<b>267</b>	<b>255</b>	<b>238</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>267</b>	<b>255</b>	<b>238</b>
<b>EPS adj, DKK</b>	<b>27.3</b>	<b>26.0</b>	<b>24.3</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>27.3</b>	<b>26.0</b>	<b>24.3</b>
<b>DPS, DKK</b>	<b>44.1</b>	<b>20.7</b>	<b>19.5</b>	<b>92%</b>	<b>-3%</b>	<b>-7%</b>	<b>23.0</b>	<b>21.4</b>	<b>20.9</b>

Source: Company data and Nordea estimates

# Reported numbers and forecasts

## QUARTERLY KEY DATA

### SHARE DATA

DKKm	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24E	Q2 24E	Q3 24E	Q4 24E
EPS, DKK	6.11	6.31	7.30	6.79	5.01	4.68	4.40	3.27
EPS adj, DKK	6.37	6.71	7.30	6.79	5.01	4.68	4.40	3.27
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)	180.00	143.00	165.00	164.50	153.00	156.00	156.00	156.00
Market cap. (m)	1,718	1,365	1,575	1,570	2,978	4,468	5,957	7,446
Dil. number of shares period end (m)	10	10	10	10	19	29	38	48

### VALUATION

(x)	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24E	Q2 24E	Q3 24E	Q4 24E
P/E	7.4	5.7	5.6	6.1	7.8	8.3	8.9	11.9
P/E (adj.)	7.1	5.3	5.6	6.1	7.8	8.3	8.9	11.9
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 23	Q2 23	Q3 23	Q4 23	Q1 24E	Q2 24E	Q3 24E	Q4 24E
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	21.0%	22.1%	21.8%	25.8%	25.5%	25.3%	22.7%	20.5%
BIS III T1-ratio	23.1%	24.2%	23.9%	28.0%	27.7%	27.4%	24.6%	22.4%
BIS III T2-ratio	24.4%	25.6%	25.3%	29.4%	29.2%	28.9%	25.9%	23.7%
Tang. Equity/Assets	13.0%	13.6%	14.2%	14.3%	14.1%	14.6%	15.0%	15.4%
Tang. Equity/Lending	19.4%	19.5%	20.2%	20.8%	20.5%	21.1%	21.7%	22.2%
Leverage ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

### CREDIT QUALITY

DKKm	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24E	Q2 24E	Q3 24E	Q4 24E
Impaired loans	0	0	0	0	0	0	0	0
Loan loss reserves	314	312	310	309	307	306	304	303
Coverage ratio	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Loan loss reserves / Total loans	3.81%	3.67%	3.56%	3.50%	3.45%	3.40%	3.36%	3.32%
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	-0.41%	-0.34%	0.02%	0.23%	0.31%	0.40%	0.49%	0.53%
Growth loan loss reserves (y/y)	-2%	-2%	-2%	-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 23	Q2 23	Q3 23	Q4 23	Q1 24E	Q2 24E	Q3 24E	Q4 24E
RoE	14.9%	17.9%	20.3%	19.5%	15.2%	15.0%	14.5%	11.1%
RoTBV	14.9%	17.9%	20.3%	19.5%	15.3%	15.0%	14.6%	11.1%
C/I	-56.8%	-47.7%	-44.2%	-49.2%	-49.8%	-47.4%	-45.8%	-52.1%
NII-margin	3.78%	4.06%	4.40%	4.51%	4.33%	4.21%	4.07%	3.86%

### REVENUE DISTRIBUTION

Adjusted for non-rec. Items	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24E	Q2 24E	Q3 24E	Q4 24E
Net Interest Income	69%	64%	65%	75%	74%	68%	64%	69%
Net Commission Income	19%	14%	13%	13%	15%	15%	15%	17%
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	7%	8%	6%	3%	5%	6%	8%	6%

Source: Company data and Nordea estimates

**QUARTERLY INCOME STATEMENT AND BALANCE SHEET****INCOME STATEMENT**

DKKm	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24E	Q2 24E	Q3 24E	Q4 24E
Net Interest Income	78	86	96	100	97	94	92	88
Net Commission Income	21	19	19	17	20	20	22	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	5	19	24	12	9	15	20	10
Other income	8	11	9	4	6	9	11	8
<b>Total revenues</b>	<b>112</b>	<b>135</b>	<b>148</b>	<b>133</b>	<b>131</b>	<b>139</b>	<b>144</b>	<b>127</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>64</b>	<b>64</b>	<b>65</b>	<b>65</b>	<b>65</b>	<b>66</b>	<b>66</b>	<b>66</b>
<b>Profit before loan losses</b>	<b>49</b>	<b>71</b>	<b>83</b>	<b>68</b>	<b>66</b>	<b>73</b>	<b>78</b>	<b>61</b>
Loan losses	8	7	0	-5	-7	-9	-11	-12
Write-downs on assets	-3	-6	0	0	0	0	0	0
<b>Operating profit</b>	<b>75</b>	<b>87</b>	<b>108</b>	<b>109</b>	<b>87</b>	<b>87</b>	<b>87</b>	<b>69</b>
Taxes	-14	-17	-20	-20	-16	-17	-17	-13
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>61</b>	<b>70</b>	<b>88</b>	<b>89</b>	<b>70</b>	<b>70</b>	<b>71</b>	<b>56</b>

**BALANCE SHEET**

DKKm	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24E	Q2 24E	Q3 24E	Q4 24E
Cash / Interbank	1,472	1,345	1,244	1,796	1,796	1,796	1,796	1,796
Loans to credit institutions	354	361	373	260	260	260	260	260
Loans to the public	8,354	8,655	8,790	8,883	8,950	9,017	9,084	9,152
Goodwill and other intangibles	2	2	2	2	2	2	2	2
<b>Total assets</b>	<b>12,485</b>	<b>12,450</b>	<b>12,516</b>	<b>12,945</b>	<b>13,011</b>	<b>13,079</b>	<b>13,146</b>	<b>13,214</b>
<b>Interbank/owed to credit institutions</b>	<b>836</b>	<b>1,074</b>	<b>851</b>	<b>719</b>	<b>719</b>	<b>719</b>	<b>719</b>	<b>719</b>
Deposits	8,542	8,442	8,617	8,735	8,735	8,735	8,735	8,735
Subordinated loans	100	100	100	100	100	100	100	100
Minority interest	1	2	3	4	5	6	7	8
Shareholders equity	1,626	1,694	1,780	1,851	1,839	1,908	1,977	2,031
<b>Total equity and liabilities</b>	<b>12,485</b>	<b>12,450</b>	<b>12,516</b>	<b>12,945</b>	<b>13,011</b>	<b>13,079</b>	<b>13,146</b>	<b>13,214</b>
Loans to deposits	98%	103%	102%	102%	102%	103%	104%	105%
Non-mortg. loans to deposits	98%	103%	102%	102%	102%	103%	104%	105%
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 23	Q2 23	Q3 23	Q4 23	Q1 24E	Q2 24E	Q3 24E	Q4 24E
Net interest income	18%	33%	44%	38%	24%	10%	-4%	-12%
Net commission income	-1%	-13%	-12%	-24%	-8%	7%	11%	21%
<b>Total Revenues</b>	<b>2%</b>	<b>22%</b>	<b>34%</b>	<b>14%</b>	<b>17%</b>	<b>3%</b>	<b>-3%</b>	<b>-4%</b>
Staff costs	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>Total expenses</b>	<b>4%</b>	<b>2%</b>	<b>5%</b>	<b>13%</b>	<b>3%</b>	<b>2%</b>	<b>1%</b>	<b>1%</b>
Profit before loan losses	-1%	47%	71%	15%	36%	3%	-5%	-10%
Operating profit	31%	73%	343%	55%	10%	-6%	-19%	-37%
<b>Net profit to equity</b>	<b>33%</b>	<b>72%</b>	<b>332%</b>	<b>64%</b>	<b>10%</b>	<b>-5%</b>	<b>-20%</b>	<b>-37%</b>
Loans to the public (rep)	9%	12%	10%	10%	7%	4%	3%	3%
Deposits	6%	-5%	5%	4%	2%	3%	1%	0%
Assets	5%	-3%	3%	6%	4%	5%	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)	9%	0%	0%	-5%	-7%	-1%	9%	15%

Source: Company data and Nordea estimates

**ANNUAL KEY DATA****SHARE DATA**

DKKm	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
EPS, DKK	19.43	26.55	21.70	17.49	28.50	15.91	32.12	27.91	26.59	24.91
EPS adj, DKK	19.43	19.95	22.95	16.91	20.66	15.33	31.54	27.32	26.01	24.32
BVPS	185.5	207.6	238.5	237.9	212.7	189.8	193.3	212.1	191.8	195.3
TVBS	185.5	206.9	237.5	237.6	212.4	189.5	193.1	212.0	191.6	195.1
DPS (tot., DKK)	4.00	7.32	0.00	52.14	40.33	26.12	8.36	44.08	20.70	19.52
Dividend pay-out ratio	21%	37%	0%	308%	195%	170%	26%	161%	80%	80%
Share repurchases (per share)	0.00	0.00	1.61	0.70	0.00	0.00	0.00	0.00	0.00	0.00
Total pay-out ratio	21%	27%	7%	303%	142%	164%	26%	158%	78%	78%
Share price (period end)	106	109	109	152	141	136	165	156	156	156
Market cap. (m)	1,040	1,038	1,034	1,451	1,345	1,302	1,575	1,493	1,493	1,493
Dil. number of shares	10	10	9	10	10	10	10	10	10	10

**VALUATION**

(x)	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
P/E	5.5	4.1	5.0	8.7	4.9	8.5	5.1	5.6	5.9	6.3
P/E (adj.)	5.5	5.4	4.8	9.0	6.8	8.9	5.2	5.7	6.0	6.4
P/BV	0.57	0.52	0.46	0.64	0.66	0.72	0.85	0.74	0.81	0.80
P/TBV	0.57	0.52	0.46	0.64	0.66	0.72	0.85	0.74	0.81	0.80
Dividend yield (tot.)	3.8%	6.7%	0.0%	34.3%	28.7%	19.2%	5.1%	28.3%	13.3%	12.5%
Total yield	3.8%	6.7%	1.5%	34.8%	28.7%	19.2%	5.1%	28.3%	13.3%	12.5%

**CAPITAL RATIOS**

%	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
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	1,731	1,874	2,023	2,206	1,629	1,556	1,758	1,599	1,628	1,673
BIS III REA	9,895	10,621	10,764	9,774	6,841	7,195	6,819	7,811	8,059	8,234
BIS III CET1-ratio	17.5%	17.6%	18.8%	22.6%	23.8%	21.6%	25.8%	20.5%	20.2%	20.3%
BIS III T1-ratio	17.5%	17.6%	20.2%	24.1%	26.0%	23.7%	28.0%	22.4%	22.1%	22.1%
BIS III Capital ratio	19.7%	19.8%	22.3%	26.4%	27.5%	25.1%	29.4%	23.7%	23.3%	23.3%
Tang. Equity/Assets	11.5%	11.9%	12.4%	13.1%	17.2%	14.9%	14.3%	15.4%	13.7%	13.7%
Tang. Equity/Lending	19.1%	19.9%	22.7%	29.8%	26.7%	22.4%	20.8%	22.2%	19.6%	19.6%
Leverage ratio	11.0%	11.2%	11.1%	12.8%	13.8%	12.8%	13.6%	12.1%	12.1%	12.3%

**CREDIT QUALITY**

DKKm	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
Impaired loans	0	0	0	0	0	0	0	0	0	0
Loan loss reserves	511	607	496	328	321	315	309	303	297	291
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	5.48%	6.23%	5.00%	3.74%	4.22%	4.01%	3.64%	3.36%	3.21%	3.08%
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	-0.64%	-1.14%	-1.06%	-0.06%	-1.01%	-0.59%	-0.12%	0.43%	0.38%	0.37%
Growth loan loss reserves (y/y)	-25%	19%	-18%	-34%	-2%	-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.	n.a.	n.a.

**PROFITABILITY**

Adjusted for non-rec. Items	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
RoE	10.1%	10.2%	10.3%	7.1%	9.2%	7.6%	16.5%	13.5%	12.9%	12.6%
RoTBV	10.1%	10.2%	10.3%	7.1%	9.2%	7.6%	16.5%	13.5%	12.9%	12.6%
C/I	-71.3%	-71.9%	-71.9%	-61.4%	-58.0%	-54.6%	-49.0%	-48.7%	-49.2%	-49.8%
NII-margin	4.15%	3.83%	3.67%	2.87%	3.32%	3.34%	4.16%	4.04%	3.76%	3.47%

**REVENUE DISTRIBUTION**

Adjusted for non-rec. Items	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
Net Interest Income	60%	59%	55%	65%	62%	59%	67%	67%	66%	64%
Net Commission Income	29%	27%	29%	16%	19%	20%	15%	15%	16%	18%
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	5%	7%	7%	6%	8%	9%	6%	6%	7%	7%

Source: Company data and Nordea estimates

**ANNUAL INCOME STATEMENT AND BALANCE SHEET****INCOME STATEMENT**

DKKm	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
Net Interest Income	387	373	367	258	260	270	360	371	355	335
Net Commission Income	186	172	189	60	79	88	77	82	87	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	44	44	53	45	34	52	60	54	54	55
Other income	31	46	49	24	34	38	32	34	35	36
<b>Total revenues</b>	<b>648</b>	<b>635</b>	<b>658</b>	<b>387</b>	<b>407</b>	<b>447</b>	<b>528</b>	<b>541</b>	<b>530</b>	<b>517</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>462</b>	<b>457</b>	<b>473</b>	<b>237</b>	<b>236</b>	<b>244</b>	<b>259</b>	<b>263</b>	<b>261</b>	<b>258</b>
<b>Profit before loan losses</b>	<b>186</b>	<b>179</b>	<b>185</b>	<b>149</b>	<b>171</b>	<b>203</b>	<b>269</b>	<b>278</b>	<b>269</b>	<b>259</b>
Loan losses	60	111	106	5	77	47	10	-39	-35	-35
Write-downs on assets	-18	72	-13	0	89	0	-9	0	0	0
<b>Operating profit</b>	<b>234</b>	<b>324</b>	<b>261</b>	<b>207</b>	<b>340</b>	<b>207</b>	<b>379</b>	<b>330</b>	<b>314</b>	<b>294</b>
Taxes	-44	-66	-54	-40	-67	-55	-72	-63	-60	-56
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>191</b>	<b>257</b>	<b>207</b>	<b>166</b>	<b>272</b>	<b>152</b>	<b>308</b>	<b>267</b>	<b>255</b>	<b>238</b>

**BALANCE SHEET**

DKKm	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
Cash / Interbank	251	180	252	208	1,292	1,443	1,796	1,796	1,796	1,796
Loans to credit institutions	617	914	878	1,178	445	390	260	260	260	260
Loans to the public	9,537	9,956	9,909	7,608	7,624	8,083	8,883	9,152	9,350	9,553
Goodwill and other intangibles	0	7	10	2	3	2	2	2	2	2
<b>Total assets</b>	<b>15,785</b>	<b>16,700</b>	<b>18,173</b>	<b>17,290</b>	<b>11,790</b>	<b>12,190</b>	<b>12,945</b>	<b>13,214</b>	<b>13,412</b>	<b>13,615</b>
<b>Interbank/owed to credit institutions</b>	<b>360</b>	<b>299</b>	<b>55</b>	<b>28</b>	<b>839</b>	<b>858</b>	<b>719</b>	<b>719</b>	<b>719</b>	<b>719</b>
Deposits	13,083	13,878	15,164	7,733	7,902	8,360	8,735	8,735	8,735	8,735
Subordinated loans	223	223	224	225	99	100	100	100	100	100
Minority interest	0	0	0	0	0	0	0	0	1	2
Shareholders equity	1,820	1,987	2,263	2,271	2,036	1,817	1,851	2,031	1,836	1,870
<b>Total equity and liabilities</b>	<b>15,785</b>	<b>16,700</b>	<b>18,173</b>	<b>17,290</b>	<b>11,792</b>	<b>12,190</b>	<b>12,945</b>	<b>13,214</b>	<b>13,412</b>	<b>13,615</b>
Loans to deposits	73%	72%	65%	98%	96%	97%	102%	105%	107%	109%
Non-mortg. loans to deposits	73%	72%	65%	98%	96%	97%	102%	105%	107%	109%
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	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
Net interest income	-6%	-4%	-2%	-31%	1%	4%	34%	3%	-4%	-6%
Net commission income	-3%	-7%	10%	-68%	32%	11%	-13%	7%	6%	5%
<b>Total Revenues</b>	<b>1%</b>	<b>-2%</b>	<b>4%</b>	<b>-41%</b>	<b>5%</b>	<b>10%</b>	<b>18%</b>	<b>2%</b>	<b>-2%</b>	<b>-3%</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>0%</b>	<b>-1%</b>	<b>4%</b>	<b>-50%</b>	<b>0%</b>	<b>3%</b>	<b>6%</b>	<b>2%</b>	<b>-1%</b>	<b>-1%</b>
Profit before loan losses	4%	-4%	3%	-19%	15%	19%	33%	3%	-3%	-4%
Operating profit	13%	4%	7%	-21%	64%	-39%	83%	-13%	-5%	-6%
<b>Net profit to equity</b>	<b>17%</b>	<b>1%</b>	<b>13%</b>	<b>-26%</b>	<b>23%</b>	<b>-26%</b>	<b>106%</b>	<b>-13%</b>	<b>-5%</b>	<b>-6%</b>
Loans to the public (rep)	4%	4%	0%	-23%	0%	6%	10%	3%	2%	2%
Deposits	3%	6%	9%	-49%	2%	6%	4%	0%	0%	0%
Assets	1%	6%	9%	-5%	-32%	3%	6%	2%	1%	2%
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)	1%	7%	1%	-9%	-30%	5%	-5%	15%	3%	2%

Source: Company data and Nordea estimates

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**Completion Date**

25 Apr 2024, 00:53 CET

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