

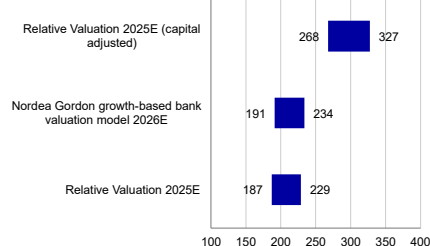
KEY DATA

Stock country	Faroe Islands
Bloomberg	BNORDIK DC
Reuters	BNORDIK.CO
Share price (close)	DKK 153.5
Free float	65%
Market cap. (bn)	EUR 0.20/DKK 1.47
Website	www.banknordik.com
Next report date	31 Oct 2024

PERFORMANCE



VALUATION APPROACH



ESTIMATE CHANGES

Year	2024E	2025E	2026E
Total revenue	-1%	-1%	-1%
Total costs	2%	2%	2%
Profit before loan losses	-5%	-5%	-5%
PTP	3%	-3%	-3%
DPS (ord)	14%	4%	4%
EPS (adj)	3%	-3%	-3%

Source: Nordea estimates

Nordea IB & Equity - Analysts

Mathias Nielsen
Associate Director

Relief on capital requirements

Føroya Banki delivered a solid Q2 2024 result with net profit of DKK 87m, DKK 19m above our estimate. This was mainly driven by loan loss reversals of DKK 7m (DKK 13m better than our estimate), and earnings from investment portfolio of DKK 35m (DKK 15m above our estimate). Those beats were somewhat offset by lower net commission and fee income, with slightly higher costs than expected. The conclusion of the Danish FSA investigation of the property markets in the Faroe Islands and Greenland was a major relief. With improved clarity around capital requirements, the road is now paved for 2024E-26E dividends of 50-55% of market cap. Our new Gordon growth-based fair value range is DKK 191-234 (190-232).

Clarity on capital requirements for new strategic period

The Danish FSA's investigation on the market efficiency of the Faroese and Greenlandic property market forced Føroya Banki to deviate from its dividend policy following its 2023 results. The Q2 2024 results revealed the conclusion of that investigation, i.e. a DKK ~200m increase in REA, which was reflected in the Q2 numbers. The outcome was better than we had feared; we had cautiously pencilled in an increase of DKK ~700m from Q3 2024. Investors may be pleased to see a new agreement, with DLR reducing REA from mortgage guarantees. Q2 2024 REA was thus down 2% q/q. The bank did not share, however, any news about a potential extraordinary dividend. We find it likely that the bank will wait until after setting its financial targets for the coming strategy period. The current 2024 CET1 ratio target is 20%. We find it likely that this could be hiked, following the hike of the systemic risk buffer to 3% (currently 2%) on 1 July 2025. We forecast 2024 extraordinary dividends of DKK 275m, bringing the 2024E-26E CET1 ratio down to just above 22%.

2024E net profit of DKK 260m; guidance range of DKK 225-255m

Led by the net profit beat in Q2 2024, we lift 2024E net profit by 3% to DKK 260m. We are now above the upper end of the guidance range of DKK 225-255m. Considering the strong asset quality seen in Q2, we find it likely that 2024E loan losses could be lower than the guidance of DKK ~40m; we estimate DKK 34m. We trim 2025E-26E total income by 1%, while we also lift 2025E-26E costs by 2%. We hence lower 2025-2026E net profit by 3%.

Financial targets for next strategic period coming at end of year

The next major event should be the announcement of new financial targets for the next strategic period, which we expect near the end of the year. Føroya Banki trades at a 2025E capital adjusted P/E of ~3.9x, ~50% below Danish peers.

SUMMARY TABLE - KEY FIGURES

DKKm	2020	2021	2022	2023	2024E	2025E	2026E
Total revenue	387	407	447	528	526	492	480
Total costs	237	236	244	259	267	264	260
LL-ratio	-0.06%	-1.01%	-0.59%	-0.12%	0.38%	0.38%	0.42%
PTP	207	340	207	379	321	275	253
RoE	7.3%	12.7%	7.9%	16.8%	13.4%	11.7%	11.4%
RoTBV (adj)	7.1%	9.2%	7.6%	16.5%	13.1%	11.4%	11.1%
P/E (adj)	9.0	6.8	8.9	5.2	5.8	6.8	7.4
P/BV	0.64	0.66	0.72	0.85	0.73	0.82	0.81
P/TBV	0.64	0.66	0.72	0.85	0.73	0.83	0.81
BIS III CT1-ratio	22.6%	23.8%	21.6%	25.8%	22.2%	22.1%	22.2%
DPS (ord, DKK)	52.14	40.33	26.12	8.36	47.71	17.44	16.05
Dividend Yield (ord)	34.30%	28.70%	19.20%	5.08%	31.08%	11.36%	10.45%
Total payout ratio	3.03	1.42	1.64	0.26	1.76	0.75	0.75

Source: Company data and Nordea estimates

Estimates

Q2 2024 RESULTS VS. OUR ESTIMATES

DKKm	Actual	NDA	Deviation		Actual	q/q	Actual	y/y
	Q2 24	Q2 24E	vs. Actual		Q1 24	growth	Q2 23	growth
Net interest income	90	90	0	0%	92	-3%	86	4%
Net fee and commission income	17	21	-4	-19%	19	-12%	19	-10%
Net insurance income	15	15	0	0%	12	26%	19	-22%
Other income	10	9	1	11%	11	-10%	11	-7%
Total Income	132	135	-3	-2%	135	-2%	135	-2%
Total Expenses	-68	-65	-3	5%	-65	5%	-64	5%
Profit before loan losses	63	70	-7	-10%	70	-10%	71	-11%
Loan losses	7	-6	13	-	-23	-	7	-3%
Operating profit	70	64	6	9%	47	48%	78	-10%
Earnings from investment portfolio	35	20	15	75%	23	54%	15	-
Non-recurring and industry solutions	0	0	0	-	0	-	-6	-
Pre tax profit	105	84	21	25%	70	50%	87	21%
Discontinued operations before tax	0	0	0	-	0	-	0	-
Taxes	-18	-16	-2	13%	-15	20%	-17	4%
Net profit	87	68	19	28%	55	58%	70	25%
CET1 ratio	25.6%	24.8%	0.8 pp		25.0%	0.6 pp	22.1%	3.5 pp

Source: Company data and Nordea estimates

CHANGES TO OUR ESTIMATES

DKKm	New estimates			Old estimates			Change (%)			Change (DKK)		
	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E
Net interest income	353	316	299	355	319	301	-1%	-1%	-1%	-2	-3	-3
Net fee and commission income	76	84	88	82	87	92	-7%	-4%	-4%	-6	-3	-3
Net insurance income	56	54	55	56	54	55	0%	0%	0%	0	0	0
Other income	40	37	38	39	36	37	3%	4%	4%	1	1	1
Total Income	526	492	480	532	497	485	-1%	-1%	-1%	-7	-5	-5
Total Expenses	-267	-264	-260	-261	-258	-254	2%	2%	2%	-6	-6	-6
Profit before loan losses	259	228	220	272	239	231	-5%	-5%	-5%	-13	-11	-11
Loan losses	-34	-35	-40	-42	-35	-40	-19%	0%	0%	8	0	0
Operating profits	225	193	180	230	204	191	-2%	-5%	-6%	-5	-11	-11
Earnings from investment portfolio	96	82	73	83	80	70	16%	3%	4%	13	2	3
Non-recurring and industry solutions	0	0	0	0	0	0	-	-	-	0	0	0
Profit before tax	321	275	253	313	284	261	3%	-3%	-3%	8	-9	-8
Discontinued operations before tax	0	0	0	0	0	0	-	-	-	0	0	0
Taxes	-61	-52	-48	-61	-54	-50	0%	-3%	-3%	0	2	2
Net profit	260	223	205	252	230	211	3%	-3%	-3%	8	-7	-7
EPS adj, DKK	26.5	22.7	20.8	25.7	23.4	21.5	3%	-3%	-3%	0.8	-0.8	-0.7
DPS, DKK	47.7	17.4	16.0	41.9	16.8	15.5	14%	4%	4%	5.8	0.6	0.6
CET1 ratio	22.2%	22.1%	22.2%	20.2%	20.3%	20.5%	-	-	-	2.0pp	1.9pp	1.7pp

Source: Nordea estimates

Reported numbers and forecasts

QUARTERLY KEY DATA

SHARE DATA

DKKm	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24E	Q4 24E
EPS, DKK	6.11	6.31	7.30	6.79	3.92	5.78	4.08	3.05
EPS adj, DKK	6.37	6.71	7.30	6.79	3.92	5.78	4.08	3.05
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	150.00	153.50	153.50
Market cap. (m)	1,718	1,365	1,575	1,570	2,921	4,296	5,861	7,327
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 24	Q2 24	Q3 24E	Q4 24E
P/E	7.4	5.7	5.6	6.1	9.8	6.5	9.4	12.6
P/E (adj.)	7.1	5.3	5.6	6.1	9.8	6.5	9.4	12.6
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 24	Q2 24	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%	25.0%	25.6%	25.3%	22.2%
BIS III T1-ratio	23.1%	24.2%	23.9%	28.0%	27.0%	27.5%	27.2%	24.1%
BIS III T2-ratio	24.4%	25.6%	25.3%	29.4%	28.6%	29.2%	28.9%	25.8%
Tang. Equity/Assets	13.0%	13.6%	14.2%	14.3%	13.6%	14.1%	14.5%	14.8%
Tang. Equity/Lending	19.4%	19.5%	20.2%	20.8%	20.4%	21.1%	21.7%	22.0%
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 24	Q2 24	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%	3.41%	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%	1.02%	-0.30%	0.35%	0.44%
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 24	Q2 24	Q3 24E	Q4 24E
RoE	14.9%	17.9%	20.3%	19.5%	12.0%	18.6%	13.5%	10.4%
RoTBV	14.9%	17.9%	20.3%	19.5%	12.0%	18.7%	13.5%	10.4%
C/I	-56.8%	-47.7%	-44.2%	-49.2%	-48.0%	-51.9%	-48.6%	-55.3%
NII-margin	3.78%	4.06%	4.40%	4.51%	4.15%	3.99%	3.83%	3.68%

REVENUE DISTRIBUTION

Adjusted for non-rec. Items	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24E	Q4 24E
Net Interest Income	69%	64%	65%	75%	69%	68%	63%	69%
Net Commission Income	19%	14%	13%	13%	14%	13%	15%	16%
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%	8%	8%	8%	7%

Source: Company data and Nordea estimates

QUARTERLY INCOME STATEMENT AND BALANCE SHEET
INCOME STATEMENT

DKKm	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24E	Q4 24E
Net Interest Income	78	86	96	100	92	90	87	84
Net Commission Income	21	19	19	17	19	17	21	19
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	12	15	20	10
Other income	8	11	9	4	11	10	11	8
Total revenues	112	135	148	133	135	132	138	121
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	64	64	65	65	65	68	67	67
Profit before loan losses	49	71	83	68	70	63	71	54
Loan losses	8	7	0	-5	-23	7	-8	-10
Write-downs on assets	-3	-6	0	0	0	0	0	0
Operating profit	75	87	108	109	70	105	81	64
Taxes	-14	-17	-20	-20	-15	-18	-15	-12
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	61	70	88	89	55	87	66	52

BALANCE SHEET

DKKm	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24E	Q4 24E
Cash / Interbank	1,472	1,345	1,244	1,796	1,786	2,083	2,083	2,083
Loans to credit institutions	354	361	373	260	618	437	437	437
Loans to the public	8,354	8,655	8,790	8,883	8,915	9,023	9,091	9,159
Goodwill and other intangibles	2	2	2	2	5	5	5	5
Total assets	12,485	12,450	12,516	12,945	13,377	13,492	13,560	13,628
Interbank/owed to credit institutions	836	1,074	851	719	688	684	684	684
Deposits	8,542	8,442	8,617	8,735	9,043	9,227	9,227	9,227
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	1,824	1,909	1,973	2,023
Total equity and liabilities	12,485	12,450	12,516	12,945	13,377	13,492	13,560	13,628
Loans to deposits	98%	103%	102%	102%	99%	98%	99%	99%
Non-mortg. loans to deposits	98%	103%	102%	102%	99%	98%	99%	99%
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 24	Q2 24	Q3 24E	Q4 24E
Net interest income	18%	33%	44%	38%	19%	4%	-10%	-16%
Net commission income	-1%	-13%	-12%	-24%	-9%	-9%	6%	11%
Total Revenues	2%	22%	34%	14%	20%	-2%	-7%	-9%
Staff costs	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total expenses	4%	2%	5%	13%	2%	6%	2%	2%
Profit before loan losses	-1%	47%	71%	15%	44%	-10%	-14%	-20%
Operating profit	31%	73%	343%	55%	-11%	14%	-25%	-41%
Net profit to equity	33%	72%	332%	64%	-14%	17%	-26%	-41%
Loans to the public (rep)	9%	12%	10%	10%	7%	4%	3%	3%
Deposits	6%	-5%	5%	4%	6%	9%	7%	6%
Assets	5%	-3%	3%	6%	7%	8%	8%	5%
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%	-5%	-2%	-3%	3%

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	27.12	23.25	21.40
EPS adj, DKK	19.43	19.95	22.95	16.91	20.66	15.33	31.54	26.53	22.66	20.81
BVPS	185.5	207.6	238.5	237.9	212.7	189.8	193.3	211.4	186.2	189.4
TVBS	185.5	206.9	237.5	237.6	212.4	189.5	193.1	210.8	185.7	188.9
DPS (tot., DKK)	4.00	7.32	0.00	52.14	40.33	26.12	8.36	47.71	17.44	16.05
Dividend pay-out ratio	21%	37%	0%	308%	195%	170%	26%	180%	77%	77%
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%	176%	75%	75%
Share price (period end)	106	109	109	152	141	136	165	154	154	154
Market cap. (m)	1,040	1,038	1,034	1,451	1,345	1,302	1,575	1,469	1,469	1,469
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	5.7	6.6	7.2
P/E (adj.)	5.5	5.4	4.8	9.0	6.8	8.9	5.2	5.8	6.8	7.4
P/BV	0.57	0.52	0.46	0.64	0.66	0.72	0.85	0.73	0.82	0.81
P/TBV	0.57	0.52	0.46	0.64	0.66	0.72	0.85	0.73	0.83	0.81
Dividend yield (tot.)	3.8%	6.7%	0.0%	34.3%	28.7%	19.2%	5.1%	31.1%	11.4%	10.5%
Total yield	3.8%	6.7%	1.5%	34.8%	28.7%	19.2%	5.1%	31.1%	11.4%	10.5%

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	1,555	1,603	1,648
BIS III REA	9,895	10,621	10,764	9,774	6,841	7,195	6,819	6,995	7,242	7,423
BIS III CET1-ratio	17.5%	17.6%	18.8%	22.6%	23.8%	21.6%	25.8%	22.2%	22.1%	22.2%
BIS III T1-ratio	17.5%	17.6%	20.2%	24.1%	26.0%	23.7%	28.0%	24.1%	23.9%	23.9%
BIS III Capital ratio	19.7%	19.8%	22.3%	26.4%	27.5%	25.1%	29.4%	25.8%	25.6%	25.6%
Tang. Equity/Assets	11.5%	11.9%	12.4%	13.1%	17.2%	14.9%	14.3%	14.8%	12.8%	12.8%
Tang. Equity/Lending	19.1%	19.9%	22.7%	29.8%	26.7%	22.4%	20.8%	22.0%	18.9%	18.8%
Leverage ratio	11.0%	11.2%	11.1%	12.8%	13.8%	12.8%	13.6%	11.4%	11.6%	11.7%

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%	3.20%	3.06%
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%	0.38%	0.38%	0.42%
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%	13.1%	11.4%	11.1%
RoTBV	10.1%	10.2%	10.3%	7.1%	9.2%	7.6%	16.5%	13.1%	11.4%	11.1%
C/I	-71.3%	-71.9%	-71.9%	-61.4%	-58.0%	-54.6%	-49.0%	-50.8%	-53.7%	-54.2%
NII-margin	4.15%	3.83%	3.67%	2.87%	3.32%	3.34%	4.16%	3.83%	3.33%	3.07%

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%	66%	63%	61%
Net Commission Income	29%	27%	29%	16%	19%	20%	15%	15%	17%	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%	8%	8%	8%

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	353	316	299
Net Commission Income	186	172	189	60	79	88	77	76	84	88
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	56	54	55
Other income	31	46	49	24	34	38	32	40	37	38
Total revenues	648	635	658	387	407	447	528	526	492	480
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	462	457	473	237	236	244	259	267	264	260
Profit before loan losses	186	179	185	149	171	203	269	259	228	220
Loan losses	60	111	106	5	77	47	10	-34	-35	-40
Write-downs on assets	-18	72	-13	0	89	0	-9	0	0	0
Operating profit	234	324	261	207	340	207	379	321	275	253
Taxes	-44	-66	-54	-40	-67	-55	-72	-61	-52	-48
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	191	257	207	166	272	152	308	260	223	205

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	2,083	2,083	2,083
Loans to credit institutions	617	914	878	1,178	445	390	260	437	437	437
Loans to the public	9,537	9,956	9,909	7,608	7,624	8,083	8,883	9,159	9,388	9,623
Goodwill and other intangibles	0	7	10	2	3	2	2	5	5	5
Total assets	15,785	16,700	18,173	17,290	11,790	12,190	12,945	13,628	13,857	14,092
Interbank/owed to credit institutions	360	299	55	28	839	858	719	684	684	684
Deposits	13,083	13,878	15,164	7,733	7,902	8,360	8,735	9,227	9,227	9,227
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	2,023	1,782	1,813
Total equity and liabilities	15,785	16,700	18,173	17,290	11,792	12,190	12,945	13,628	13,857	14,092
Loans to deposits	73%	72%	65%	98%	96%	97%	102%	99%	102%	104%
Non-mortg. loans to deposits	73%	72%	65%	98%	96%	97%	102%	99%	102%	104%
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%	-2%	-11%	-6%
Net commission income	-3%	-7%	10%	-68%	32%	11%	-13%	-1%	10%	5%
Total Revenues	1%	-2%	4%	-41%	5%	10%	18%	-1%	-6%	-2%
Staff costs	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Total expenses	0%	-1%	4%	-50%	0%	3%	6%	3%	-1%	-1%
Profit before loan losses	4%	-4%	3%	-19%	15%	19%	33%	-4%	-12%	-3%
Operating profit	13%	4%	7%	-21%	64%	-39%	83%	-15%	-14%	-8%
Net profit to equity	17%	1%	13%	-26%	23%	-26%	106%	-16%	-15%	-8%
Loans to the public (rep)	4%	4%	0%	-23%	0%	6%	10%	3%	3%	3%
Deposits	3%	6%	9%	-49%	2%	6%	4%	6%	0%	0%
Assets	1%	6%	9%	-5%	-32%	3%	6%	5%	2%	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%	3%	4%	3%

Source: Company data and Nordea estimates

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