

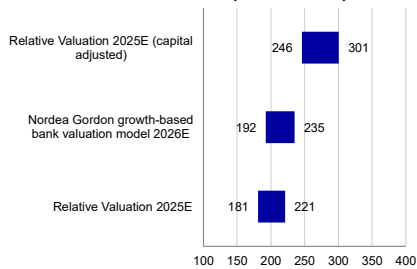
## KEY DATA

Stock country	Faroe Islands
Bloomberg	FOBANK DC
Reuters	FORBANK.CO
Share price (close)	DKK 163.5
Free float	65%
Market cap. (bn)	EUR 0.21/DKK 1.57
Website	www.banknordik.com
Next report date	

## PERFORMANCE



## VALUATION APPROACH (DKK/Share)



Source: Nordea estimates

## ESTIMATE CHANGES

Year	2024E	2025E	2026E
Total revenue	-1%	-2%	-2%
Total costs	1%	1%	1%
Profit before loan losses	-4%	-6%	-6%
PTP	2%	-5%	-5%
DPS (ord)	1%	-5%	-5%
EPS (adj)	2%	-5%	-5%

Source: Nordea estimates

## Nordea IB &amp; Equity - Analysts

Mathias Nielsen  
Associate Director

## Rock solid asset quality in our view

Føroya Banki reported a Q3 2024 net profit of DKK 96m, DKK 7m (8%) above our estimate. This was mainly led by earnings from the investment portfolio of DKK 48m, DKK 10m higher than our estimate. Loan loss reversals were DKK 6m, similarly DKK 7m better than our estimate. On the negative side, net interest income and net fee income came in DKK 2m and DKK 3m short of our estimate, respectively. We trim 2025E-26E net profit by 5%, led by lowered NII and fee income estimates. Føroya Banki is trading at a 2025E capital-adjusted P/E of ~4.3x, ~40% below its Danish peers. Led by lowered earnings estimates, we derive a lower Gordon growth-based fair value range of DKK 192-235 (201-246).

## Significant dividend potential remains intact

As we expected, Føroya Banki did not make any capital distributions with the Q3 results. In our view, this does not mean that extraordinary dividends are off the table. We still expect the bank to distribute dividends of DKK ~400m, corresponding to 25% of its prevailing market cap, with the Q4 results. Roughly half of the DKK 400m in dividends are extraordinary dividends, as the bank deviated from its dividend policy with the Q4 2023 results amid regulatory uncertainty around its risk exposure amount. This was resolved at the time of the Q2 2024 results. At the end of August, the bank also announced new financial and capital targets for 2026. Following the potential dividends of DKK ~400m, we estimate a CET1 ratio of 23.2% – just above its 2026 target of around 23%.

## We are at the top of the 2024 net profit guidance range

Led by the beat on estimates in the Q3 2024 results, we lift 2024E net profit by 2% to DKK 294m. This is at the top of the guidance range of DKK 275-300m. We pencil in a gradual normalisation of loan losses and earnings from the investment portfolio in our estimates. If the trends from Q2 and Q3, however, continue into Q4, we would not be surprised to see another guidance upgrade.

## Robust asset quality

We think that investors will find it comforting to see another quarter with loan loss reversals, after the bank saw elevated loan losses during Q1 2024 from a few single names. This underpins our view that Føroya Banki's asset quality is solid.

## SUMMARY TABLE - KEY FIGURES

DKKm	2020	2021	2022	2023	2024E	2025E	2026E
Total revenue	387	407	447	528	524	494	485
Total costs	237	236	244	259	270	267	262
LL-ratio	-0.06%	-1.01%	-0.59%	-0.12%	0.19%	0.38%	0.42%
PTP	207	340	207	379	365	278	258
RoE	7.3%	12.7%	7.9%	16.8%	15.1%	11.4%	11.0%
RoTBV (adj)	7.1%	9.2%	7.6%	16.5%	14.8%	11.2%	10.8%
P/E (adj)	9.0	6.8	8.9	5.2	5.4	7.1	7.7
P/BV	0.64	0.66	0.72	0.85	0.76	0.84	0.82
P/TBV	0.64	0.66	0.72	0.85	0.76	0.84	0.82
BIS III CT1-ratio	22.6%	23.8%	21.6%	25.8%	23.2%	23.2%	23.2%
DPS (ord, DKK)	52.14	40.33	26.12	8.36	42.42	16.44	15.28
Dividend Yield (ord)	34.30%	28.70%	19.20%	5.08%	25.95%	10.06%	9.35%
Total payout ratio	3.03	1.42	1.64	0.26	1.38	0.70	0.70

Source: Company data and Nordea estimates

# Estimates

## Q3 2024 RESULTS VS. OUR ESTIMATES

DKKm	Actual	NDA	Deviation		Actual	q/q	Actual	y/y
	Q3 24	Q3 24E	vs. Actual		Q2 24	growth	Q3 23	growth
Net interest income	87	89	-2	-2%	90	-3%	96	-9%
Net fee and commission income	18	21	-3	-13%	17	6%	19	-7%
Net insurance income	20	20	0	0%	15	35%	24	-15%
Other income	10	11	-1	-9%	10	-3%	9	11%
<b>Total Income</b>	<b>135</b>	<b>140</b>	<b>-5</b>	<b>-4%</b>	<b>132</b>	<b>3%</b>	<b>148</b>	<b>-9%</b>
<b>Total Expenses</b>	<b>-68</b>	<b>-67</b>	<b>-1</b>	<b>1%</b>	<b>-68</b>	<b>0%</b>	<b>-65</b>	<b>4%</b>
<b>Profit before loan losses</b>	<b>66</b>	<b>73</b>	<b>-7</b>	<b>-10%</b>	<b>63</b>	<b>4%</b>	<b>83</b>	<b>-20%</b>
Loan losses	6	-1	7	-	7	-12%	0	-
<b>Operating profit</b>	<b>72</b>	<b>72</b>	<b>0</b>	<b>0%</b>	<b>70</b>	<b>3%</b>	<b>82</b>	<b>-12%</b>
Earnings from investment portfolio	48	38	10	26%	35	36%	26	85%
Non-recurring and industry solutions	0	0	0	-	0	-	0	-
<b>Pre tax profit</b>	<b>119</b>	<b>110</b>	<b>9</b>	<b>8%</b>	<b>105</b>	<b>13%</b>	<b>108</b>	<b>10%</b>
Discontinued operations before tax	0	0	0	-	0	-	0	-
Taxes	-23	-21	-2	10%	-18	25%	-20	15%
<b>Net profit</b>	<b>96</b>	<b>89</b>	<b>7</b>	<b>8%</b>	<b>87</b>	<b>10%</b>	<b>88</b>	<b>9%</b>
<b>CET1 ratio</b>	<b>25.1%</b>	<b>25.1%</b>	<b>0.0 pp</b>		<b>25.6%</b>	<b>-0.5 pp</b>	<b>21.8%</b>	<b>3.3 pp</b>

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	354	319	302	357	325	307	-1%	-2%	-2%	-3	-6	-5
Net fee and commission income	72	78	82	76	84	88	-5%	-7%	-7%	-4	-6	-6
Net insurance income	57	57	60	57	57	60	0%	0%	0%	0	0	0
Other income	41	40	41	40	39	40	1%	1%	1%	0	0	0
<b>Total Income</b>	<b>524</b>	<b>494</b>	<b>485</b>	<b>531</b>	<b>506</b>	<b>496</b>	<b>-1%</b>	<b>-2%</b>	<b>-2%</b>	<b>-7</b>	<b>-11</b>	<b>-11</b>
<b>Total Expenses</b>	<b>-270</b>	<b>-267</b>	<b>-262</b>	<b>-267</b>	<b>-264</b>	<b>-259</b>	<b>1%</b>	<b>1%</b>	<b>1%</b>	<b>-3</b>	<b>-3</b>	<b>-3</b>
<b>Profit before loan losses</b>	<b>254</b>	<b>228</b>	<b>223</b>	<b>264</b>	<b>242</b>	<b>237</b>	<b>-4%</b>	<b>-6%</b>	<b>-6%</b>	<b>-9</b>	<b>-14</b>	<b>-14</b>
Loan losses	-17	-35	-40	-24	-35	-40	-28%	0%	0%	7	0	0
<b>Operating profits</b>	<b>237</b>	<b>193</b>	<b>183</b>	<b>240</b>	<b>207</b>	<b>197</b>	<b>-1%</b>	<b>-7%</b>	<b>-7%</b>	<b>-3</b>	<b>-14</b>	<b>-14</b>
Earnings from investment portfolio	128	85	75	118	85	75	8%	0%	0%	10	0	0
Non-recurring and industry solutions	0	0	0	0	0	0	-	-	-	0	0	0
<b>Profit before tax</b>	<b>365</b>	<b>278</b>	<b>258</b>	<b>358</b>	<b>292</b>	<b>272</b>	<b>2%</b>	<b>-5%</b>	<b>-5%</b>	<b>7</b>	<b>-14</b>	<b>-14</b>
Discontinued operations before tax	0	0	0	0	0	0	-	-	-	0	0	0
Taxes	-70	-53	-49	-68	-55	-52	3%	-5%	-5%	-2	3	3
<b>Net profit</b>	<b>294</b>	<b>225</b>	<b>209</b>	<b>290</b>	<b>236</b>	<b>220</b>	<b>2%</b>	<b>-5%</b>	<b>-5%</b>	<b>5</b>	<b>-11</b>	<b>-11</b>
<b>EPS adj, DKK</b>	<b>30.2</b>	<b>22.9</b>	<b>21.3</b>	<b>29.7</b>	<b>24.1</b>	<b>22.4</b>	<b>1%</b>	<b>-5%</b>	<b>-5%</b>	<b>0.4</b>	<b>-1.2</b>	<b>-1.1</b>
<b>DPS, DKK</b>	<b>42.4</b>	<b>16.4</b>	<b>15.3</b>	<b>42.1</b>	<b>17.3</b>	<b>16.1</b>	<b>1%</b>	<b>-5%</b>	<b>-5%</b>	<b>0.3</b>	<b>-0.9</b>	<b>-0.8</b>
<b>CET1 ratio</b>	<b>23.2%</b>	<b>23.2%</b>	<b>23.2%</b>	<b>23.1%</b>	<b>23.2%</b>	<b>23.2%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0pp</b>	<b>0.0pp</b>	<b>-0.1pp</b>

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 24	Q4 24E
EPS, DKK	6.11	6.31	7.30	6.79	3.92	5.78	5.99	3.31
EPS adj, DKK	6.37	6.71	7.30	6.79	3.92	5.78	5.99	3.31
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	152.00	163.50
Market cap. (m)	1,718	1,365	1,575	1,570	2,921	4,296	5,804	7,804
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 24	Q4 24E
P/E	7.4	5.7	5.6	6.1	9.8	6.5	6.3	12.4
P/E (adj.)	7.1	5.3	5.6	6.1	9.8	6.5	6.3	12.4
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 24	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%	25.1%	23.2%
BIS III T1-ratio	23.1%	24.2%	23.9%	28.0%	27.0%	27.5%	25.1%	23.2%
BIS III T2-ratio	24.4%	25.6%	25.3%	29.4%	28.6%	29.2%	26.5%	24.6%
Tang. Equity/Assets	13.0%	13.6%	14.2%	14.3%	13.6%	14.1%	14.2%	14.5%
Tang. Equity/Lending	19.4%	19.5%	20.2%	20.8%	20.4%	21.1%	22.0%	22.4%
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 24	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%	-0.25%	0.31%
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 24	Q4 24E
RoE	14.9%	17.9%	20.3%	19.5%	12.0%	18.6%	19.6%	11.1%
RoTBV	14.9%	17.9%	20.3%	19.5%	12.0%	18.7%	19.7%	11.1%
C/I	-56.8%	-47.7%	-44.2%	-49.2%	-48.0%	-51.9%	-50.9%	-55.5%
NII-margin	3.78%	4.06%	4.40%	4.51%	4.15%	3.99%	3.83%	3.75%

### REVENUE DISTRIBUTION

Adjusted for non-rec. Items	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24	Q4 24E
Net Interest Income	69%	64%	65%	75%	69%	68%	64%	70%
Net Commission Income	19%	14%	13%	13%	14%	13%	13%	14%
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 24	Q4 24E
Net Interest Income	78	86	96	100	92	90	87	85
Net Commission Income	21	19	19	17	19	17	18	18
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	10	9
<b>Total revenues</b>	<b>112</b>	<b>135</b>	<b>148</b>	<b>133</b>	<b>135</b>	<b>132</b>	<b>135</b>	<b>123</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>68</b>	<b>69</b>	<b>68</b>
<b>Profit before loan losses</b>	<b>49</b>	<b>71</b>	<b>83</b>	<b>68</b>	<b>70</b>	<b>63</b>	<b>66</b>	<b>55</b>
Loan losses	8	7	0	-5	-23	7	6	-7
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>70</b>	<b>105</b>	<b>120</b>	<b>70</b>
Taxes	-14	-17	-20	-20	-15	-18	-23	-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>55</b>	<b>87</b>	<b>96</b>	<b>56</b>

**BALANCE SHEET**

DKKm	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24	Q4 24E
Cash / Interbank	1,472	1,345	1,244	1,796	1,786	2,083	2,619	2,619
Loans to credit institutions	354	361	373	260	618	437	354	354
Loans to the public	8,354	8,655	8,790	8,883	8,915	9,023	9,072	9,163
Goodwill and other intangibles	2	2	2	2	5	5	6	6
<b>Total assets</b>	<b>12,485</b>	<b>12,450</b>	<b>12,516</b>	<b>12,945</b>	<b>13,377</b>	<b>13,492</b>	<b>14,055</b>	<b>14,146</b>
<b>Interbank/owed to credit institutions</b>	<b>836</b>	<b>1,074</b>	<b>851</b>	<b>719</b>	<b>688</b>	<b>684</b>	<b>963</b>	<b>963</b>
Deposits	8,542	8,442	8,617	8,735	9,043	9,227	9,410	9,410
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	2,004	2,058
<b>Total equity and liabilities</b>	<b>12,485</b>	<b>12,450</b>	<b>12,516</b>	<b>12,945</b>	<b>13,377</b>	<b>13,492</b>	<b>14,055</b>	<b>14,146</b>
Loans to deposits	98%	103%	102%	102%	99%	98%	96%	97%
Non-mortg. loans to deposits	98%	103%	102%	102%	99%	98%	96%	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 23	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24	Q4 24E
Net interest income	18%	33%	44%	38%	19%	4%	-10%	-14%
Net commission income	-1%	-13%	-12%	-24%	-9%	-9%	-7%	2%
<b>Total Revenues</b>	<b>2%</b>	<b>22%</b>	<b>34%</b>	<b>14%</b>	<b>20%</b>	<b>-2%</b>	<b>-9%</b>	<b>-8%</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>2%</b>	<b>6%</b>	<b>5%</b>	<b>4%</b>
Profit before loan losses	-1%	47%	71%	15%	44%	-10%	-20%	-19%
Operating profit	31%	73%	343%	55%	-11%	14%	11%	-36%
<b>Net profit to equity</b>	<b>33%</b>	<b>72%</b>	<b>332%</b>	<b>64%</b>	<b>-14%</b>	<b>17%</b>	<b>9%</b>	<b>-36%</b>
Loans to the public (rep)	9%	12%	10%	10%	7%	4%	3%	3%
Deposits	6%	-5%	5%	4%	6%	9%	9%	8%
Assets	5%	-3%	3%	6%	7%	8%	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)	9%	0%	0%	-5%	-5%	-2%	-2%	4%

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	30.76	23.49	21.83
EPS adj, DKK	19.43	19.95	22.95	16.91	20.66	15.33	31.54	30.17	22.91	21.25
BVPS	185.5	207.6	238.5	237.9	212.7	189.8	193.3	215.0	195.4	200.0
TVBS	185.5	206.9	237.5	237.6	212.4	189.5	193.1	214.4	194.8	199.4
DPS (tot., DKK)	4.00	7.32	0.00	52.14	40.33	26.12	8.36	42.42	16.44	15.28
Dividend pay-out ratio	21%	37%	0%	308%	195%	170%	26%	141%	72%	72%
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%	138%	70%	70%
Share price (period end)	106	109	109	152	141	136	165	164	164	164
Market cap. (m)	1,040	1,038	1,034	1,451	1,345	1,302	1,575	1,565	1,565	1,565
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	5.3	7.0	7.5
P/E (adj.)	5.5	5.4	4.8	9.0	6.8	8.9	5.2	5.4	7.1	7.7
P/BV	0.57	0.52	0.46	0.64	0.66	0.72	0.85	0.76	0.84	0.82
P/TBV	0.57	0.52	0.46	0.64	0.66	0.72	0.85	0.76	0.84	0.82
Dividend yield (tot.)	3.8%	6.7%	0.0%	34.3%	28.7%	19.2%	5.1%	25.9%	10.1%	9.3%
Total yield	3.8%	6.7%	1.5%	34.8%	28.7%	19.2%	5.1%	25.9%	10.1%	9.3%

**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	1,640	1,701	1,756
BIS III REA	9,895	10,621	10,764	9,774	6,841	7,195	6,819	7,084	7,344	7,577
BIS III CET1-ratio	17.5%	17.6%	18.8%	22.6%	23.8%	21.6%	25.8%	23.2%	23.2%	23.2%
BIS III T1-ratio	17.5%	17.6%	20.2%	24.1%	26.0%	23.7%	28.0%	23.2%	23.2%	23.2%
BIS III Capital ratio	19.7%	19.8%	22.3%	26.4%	27.5%	25.1%	29.4%	24.6%	24.5%	24.5%
Tang. Equity/Assets	11.5%	11.9%	12.4%	13.1%	17.2%	14.9%	14.3%	14.5%	12.9%	13.0%
Tang. Equity/Lending	19.1%	19.9%	22.7%	29.8%	26.7%	22.4%	20.8%	22.4%	19.7%	19.6%
Leverage ratio	11.0%	11.2%	11.1%	12.8%	13.8%	12.8%	13.6%	11.6%	11.8%	11.9%

**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%	3.35%	3.19%	3.03%
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%	0.19%	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%	14.8%	11.2%	10.7%
RoTBV	10.1%	10.2%	10.3%	7.1%	9.2%	7.6%	16.5%	14.8%	11.2%	10.8%
C/I	-71.3%	-71.9%	-71.9%	-61.4%	-58.0%	-54.6%	-49.0%	-51.5%	-53.9%	-54.0%
NII-margin	4.15%	3.83%	3.67%	2.87%	3.32%	3.34%	4.16%	3.85%	3.35%	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%	14%	16%	17%
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	354	319	302
Net Commission Income	186	172	189	60	79	88	77	72	78	82
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	57	57	60
Other income	31	46	49	24	34	38	32	41	40	41
<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>524</b>	<b>494</b>	<b>485</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>270</b>	<b>267</b>	<b>262</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>254</b>	<b>228</b>	<b>223</b>
Loan losses	60	111	106	5	77	47	10	-17	-35	-40
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>365</b>	<b>278</b>	<b>258</b>
Taxes	-44	-66	-54	-40	-67	-55	-72	-70	-53	-49
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>294</b>	<b>225</b>	<b>209</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	2,619	2,619	2,619
Loans to credit institutions	617	914	878	1,178	445	390	260	354	354	354
Loans to the public	9,537	9,956	9,909	7,608	7,624	8,083	8,883	9,163	9,453	9,752
Goodwill and other intangibles	0	7	10	2	3	2	2	6	6	6
<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>14,146</b>	<b>14,436</b>	<b>14,735</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>963</b>	<b>963</b>	<b>963</b>
Deposits	13,083	13,878	15,164	7,733	7,902	8,360	8,735	9,410	9,410	9,410
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	2,058	1,870	1,915
<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>14,146</b>	<b>14,436</b>	<b>14,735</b>
Loans to deposits	73%	72%	65%	98%	96%	97%	102%	97%	100%	104%
Non-mortg. loans to deposits	73%	72%	65%	98%	96%	97%	102%	97%	100%	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%	-10%	-6%
Net commission income	-3%	-7%	10%	-68%	32%	11%	-13%	-6%	8%	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>-1%</b>	<b>-6%</b>	<b>-2%</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>4%</b>	<b>-1%</b>	<b>-2%</b>
Profit before loan losses	4%	-4%	3%	-19%	15%	19%	33%	-6%	-10%	-2%
Operating profit	13%	4%	7%	-21%	64%	-39%	83%	-4%	-24%	-7%
<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>-4%</b>	<b>-24%</b>	<b>-7%</b>
Loans to the public (rep)	4%	4%	0%	-23%	0%	6%	10%	3%	3%	3%
Deposits	3%	6%	9%	-49%	2%	6%	4%	8%	0%	0%
Assets	1%	6%	9%	-5%	-32%	3%	6%	9%	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%	4%	4%	3%

Source: Company data and Nordea estimates

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**Completion Date**

01 Nov 2024, 06:11 CET

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