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Upward adjustment of expectations for 2018 as a result of revaluation of the value of Sparekassen Sjælland-Fyns ownership of BI Holding A/S

BI Holding A/S (Bankinvest Group) has today decided to introduce a new valuation model, which means a significant revaluation of the value of the shares in BI Holding A/S.

BankInvests previous valuation model has been equal to the book value of equity, i.e. Price/Book (P/B) multiple = 1.

BI Holding A/S has now decided a new model where the valuation of the sufficient capital resources of DKK 200 m increases by multiplying by a multiplicity of 3.5. This multiple is determined by a model that distinguishes between business volume from owners (banks that distribute BankInvest products) and non-owners (institutional customers) and based on an assessment of return requirements and future growth.

By this multiple, the value of the sufficient capital base will amount to DKK 700 m, and a fair market value of BI Holding A/S of DKK 810 m is achieved. (including reserves after proposed dividend)

For Sparekassen Sjælland-Fyn, the above mentioned factors means that in the first quarter of 2018, the valuation of Sparekassen Sjælland-Fyns ownership in BI Holding A/S will be adjusted with DKK 35 m.

Because of the revaluation of the value of the equity interests in BI Holding A/S, Sparekassen Sjælland-Fyn upgrades the expectations for market value adjustments of sector shares from DKK 30 m to DKK 65 m. Based on primarily the development in interest rates in the bond market in Q1 2018, expectations for market value adjustments of bonds and other areas are adjusted from DKK 0 to negative DKK 10 m with an unchanged level of interest for the rest of 2018.

Combined, this means that Sparekassen Sjælland-Fyn adjusts the expected pre-tax profit upwards from ranging between DKK 190 m and 220 m to between DKK 215 m and DKK 245 m.

Kind regards

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