

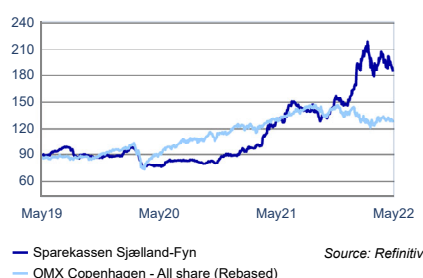
## Sparekassen Sjælland-Fyn

Financials  
Denmark

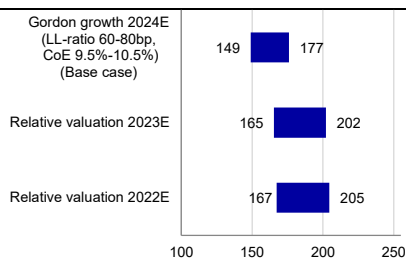
## KEY DATA

Stock country	Denmark
Bloomberg	SPKSJF DC
Reuters	SPKSJF.CO
Share price (close)	DKK 185.5
Free Float	84%
Market cap. (bn)	EUR 0.44/DKK 3.22
Website	www.spks.dk/
Next report date	11 Aug 2022

## PERFORMANCE



## VALUATION APPROACH



## ESTIMATE CHANGES

Year	2022E	2023E	2024E
Total revenue	-1%	1%	1%
Total costs	3%	3%	3%
Profit before loan losses	-8%	-3%	-3%
PTP	-6%	-3%	-3%
DPS (ord)	0%	0%	0%
EPS (adj)	-6%	-3%	-3%

Source: Nordea estimates

## Nordea Markets - Analysts

Jakob Brink  
Director, Sector CoordinatorSebastian Grave  
Analyst

## Solid business volumes and more to come

Sparekassen Sjælland-Fyn's Q1 2022 earnings were negatively impacted by market value adjustments and one-off expenses. Adjusted for this, however, underlying profit before loan losses improved by 6% y/y. While bank lending remained muted in Q1 2022, we were encouraged to see total business volumes (including DLR and TK credit lines) continuing on a strong trajectory. We also remain confident that lending volumes will pick up from Q2 2022, due to the overhanging phase-out of government packages. We trim 2022E-24E EPS by 3-6%. Sparekassen's 2022 pre-tax profit outlook remains unchanged at DKK 385-510m. We estimate DKK 461m and hence find ourselves above the guidance midpoint. Our new Gordon growth-based fair value is DKK 149-177 (153-182).

## New financial ambitions imply significant estimate upside

Sparekassen Sjælland-Fyn has published its new strategy project towards 2025. Among its new financial targets, Sparekassen aims to deliver a cost-income ratio of 50% by 2025. We currently estimate a cost-income ratio of 60% for 2024. The new targets thus imply significant upside to our estimates. The new capital adequacy target for total capital is 20%, ~2 pp (DKK ~350m) below the reported level in Q1. We note, however, that Sparekassen's existing 25% payout ratio target is now supported by potential buybacks, which should allow Sparekassen more flexibility to optimise its capital structure going forward.

## We trim 2022E-24E adjusted EPS by 3-6%

Despite a miss on lending, net interest income was 2% above our estimate, suggesting a solid margin improvement. Commission income was also strong, as the rise in arranged mortgage loans keeps strengthening the income base. Overall, we make minor changes to our 2022-24 income estimates. On the negative side, however, we lift our cost estimates by 3-4%, reflecting the current upward pressure on staff costs. We therefore trim 2022E-24E adjusted EPS by 3-6%.

## New fair value range of DKK 149-177 (153-182)

Sparekassen is trading at a 2022E adjusted P/E of ~9.5x, in line with peers. We believe that a potential new share buyback programme could have a positive effect on Sparekassen's share price.

## SUMMARY TABLE - KEY FIGURES

DKKm	2018	2019	2020	2021	2022E	2023E	2024E
Total revenue	1,042	1,097	1,186	1,263	1,251	1,318	1,348
Total costs	815	830	818	779	804	810	815
LL-ratio	-0.04%	-0.14%	-1.33%	0.21%	-0.02%	-0.40%	-0.39%
PTP	230	251	242	531	461	474	500
RoE	8.5%	8.2%	7.8%	13.8%	10.3%	9.6%	9.5%
RoTBV (adj)	4.4%	6.6%	6.0%	12.7%	9.9%	9.2%	9.1%
P/E (adj)	13.6	8.8	9.2	7.3	9.5	9.5	8.9
P/BV	0.52	0.55	0.52	0.84	0.88	0.82	0.77
P/TBV	0.54	0.56	0.54	0.86	0.90	0.84	0.79
BIS III CT1-ratio	13.0%	14.0%	16.1%	17.5%	16.9%	17.7%	18.5%
DPS (ord, DKK)	2.50	3.00	0.00	6.00	6.00	6.00	6.00
Dividend Yield (ord)	3.11%	3.35%	0.00%	3.64%	3.23%	3.23%	3.23%
Total payout ratio	0.18	0.23	0.00	0.24	0.29	0.29	0.27

Source: Company data and Nordea estimates

# Estimates

## Q1 2022 DEVIATION TABLE

DKKm	Actual	NDA	Deviation		Actual	q/q	Actual	y/y
	Q1 22	Q1 22E	vs. actual		Q4 21	growth	Q1 21	growth
Interest income	166	162	3	2%	163	2%	166	0%
Interest expense	20	20	0	0%	21	-5%	20	-3%
<b>Net interest income</b>	<b>146</b>	<b>143</b>	<b>3</b>	<b>2%</b>	<b>143</b>	<b>2%</b>	<b>146</b>	<b>0%</b>
Dividends on shares etc	5	0	5	-	0	-	2	-
Fees and commission income	177	179	-1	-1%	156	13%	166	7%
Fees and commission expenses	4	5	-1	-18%	4	-9%	4	-13%
<b>Net interest and fee income</b>	<b>324</b>	<b>317</b>	<b>8</b>	<b>2%</b>	<b>295</b>	<b>10%</b>	<b>310</b>	<b>5%</b>
Market value adjustments	-36	-10	-26	-	8	-	13	-
Other operating income	3	5	-2	-41%	4	-27%	3	-16%
<b>Total income</b>	<b>292</b>	<b>312</b>	<b>-20</b>	<b>-6%</b>	<b>307</b>	<b>-5%</b>	<b>327</b>	<b>-11%</b>
Staff costs and administrative expenses	187	174	13	7%	189	-1%	173	8%
Amortisation, depreciation and impairment losses	7	9	-1	-15%	7	4%	9	-21%
Other operating expenses	4	5	0	-3%	6	-30%	3	63%
<b>Total costs</b>	<b>199</b>	<b>187</b>	<b>11</b>	<b>6%</b>	<b>202</b>	<b>-2%</b>	<b>185</b>	<b>7%</b>
<b>Profit before loan losses</b>	<b>93</b>	<b>124</b>	<b>-31</b>	<b>21%</b>	<b>105</b>	<b>-12%</b>	<b>142</b>	<b>-34%</b>
Loan losses	-3	3	-6	-	-1	-	-15	-80%
Profit/loss on investments in associates and group enterprises	5	4	1	24%	4	11%	5	-10%
<b>Profit before tax</b>	<b>101</b>	<b>126</b>	<b>-25</b>	<b>-20%</b>	<b>110</b>	<b>-8%</b>	<b>162</b>	<b>-38%</b>
Tax	18	28	-9	-33%	18	1%	18	1%
<b>Net profit</b>	<b>82</b>	<b>98</b>	<b>-16</b>	<b>6%</b>	<b>92</b>	<b>-10%</b>	<b>144</b>	<b>-43%</b>
<b>CET1 ratio</b>	<b>16.2%</b>	<b>17.2%</b>	<b>-1.0 pp</b>		<b>17.5%</b>	<b>-1.3 pp</b>	<b>14.7%</b>	<b>1.5 pp</b>

Source: Company data and Nordea estimates

## CHANGES TO OUR ESTIMATES

DKKm	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E
	New estimates			Change in estimates			Old estimates		
Interest income	678	692	706	1%	0%	0%	671	693	706
Interest expense	78	81	84	-2%	-2%	-2%	79	82	85
<b>Net interest income</b>	<b>600</b>	<b>611</b>	<b>622</b>	<b>1%</b>	<b>0%</b>	<b>0%</b>	<b>592</b>	<b>610</b>	<b>621</b>
Dividends on shares etc	24	24	24	27%	27%	27%	18	18	18
Fees and commission income	668	688	709	0%	0%	0%	668	688	708
Fees and commission expenses	17	18	18	-5%	-5%	-5%	18	19	19
<b>Net interest and fee income</b>	<b>1,275</b>	<b>1,306</b>	<b>1,336</b>	<b>1%</b>	<b>1%</b>	<b>1%</b>	<b>1,260</b>	<b>1,298</b>	<b>1,329</b>
Market value adjustments	-42	-8	-8	161%	0%	0%	-16	-8	-8
Other operating income	18	20	20	-10%	0%	0%	20	20	20
<b>Total income</b>	<b>1,251</b>	<b>1,318</b>	<b>1,348</b>	<b>-1%</b>	<b>1%</b>	<b>1%</b>	<b>1,264</b>	<b>1,310</b>	<b>1,341</b>
Staff costs and administrative expenses	753	759	764	3%	4%	4%	728	733	738
Amortisation, depreciation and impairment losses	33	33	33	-4%	-4%	-4%	34	34	34
Other operating expenses	18	18	18	-1%	0%	0%	18	18	18
<b>Total costs</b>	<b>804</b>	<b>810</b>	<b>815</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>	<b>780</b>	<b>785</b>	<b>790</b>
<b>Profit before loan losses</b>	<b>447</b>	<b>508</b>	<b>533</b>	<b>-8%</b>	<b>-3%</b>	<b>-3%</b>	<b>484</b>	<b>525</b>	<b>551</b>
Loan losses	2	50	50	-80%	0%	0%	10	50	50
Profit/loss on investments in associates and group enterprises	16	16	17	6%	6%	6%	15	15	16
<b>Profit before tax</b>	<b>461</b>	<b>474</b>	<b>500</b>	<b>-6%</b>	<b>-3%</b>	<b>-3%</b>	<b>489</b>	<b>490</b>	<b>516</b>
Tax	98	110	116	-9%	-3%	-3%	108	114	120
<b>Net profit</b>	<b>363</b>	<b>364</b>	<b>384</b>	<b>-5%</b>	<b>-3%</b>	<b>-3%</b>	<b>382</b>	<b>376</b>	<b>396</b>
<b>EPS adj., DKK</b>	<b>19.61</b>	<b>19.62</b>	<b>20.74</b>	<b>-6%</b>	<b>-3%</b>	<b>-3%</b>	<b>20.86</b>	<b>20.30</b>	<b>21.43</b>
<b>DPS, DKK</b>	<b>6.00</b>	<b>6.00</b>	<b>6.00</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>6.00</b>	<b>6.00</b>	<b>6.00</b>

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 22E	Q2 22E	Q3 22E	Q4 22E
EPS, DKK	7.92	5.95	5.32	4.93	4.39	5.80	4.90	4.43
EPS adj, DKK	7.27	6.27	5.35	4.94	4.52	6.15	5.25	4.77
BVPS	180.5	186.3	191.4	196.2	196.6	202.4	207.3	211.8
TVBS	175.2	181.0	186.2	191.0	191.4	197.2	202.1	206.5
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)	111.00	151.00	136.50	165.00	206.00	185.50	185.50	185.50
Market cap. (m)	1,929	2,624	2,372	2,867	3,223	3,223	3,223	3,223
Dil. number of shares period end (m)	17	17	17	17	17	17	17	17

### VALUATION

(x)	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22E	Q2 22E	Q3 22E	Q4 22E
P/E	3.5	6.3	6.4	8.4	10.6	8.0	9.5	10.5
P/E (adj.)	3.8	6.0	6.4	8.3	10.3	7.5	8.8	9.7
P/BV	0.62	0.81	0.71	0.84	0.94	0.92	0.89	0.88
P/TBV	0.63	0.83	0.73	0.86	0.97	0.94	0.92	0.90
Dividend yield								
Total yield								

### CAPITAL RATIOS

%	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22E	Q2 22E	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	14.7%	14.8%	15.1%	17.5%	16.2%	15.9%	15.7%	16.9%
BIS III T1-ratio	16.8%	16.9%	17.3%	19.7%	18.4%	18.0%	17.9%	19.0%
BIS III T2-ratio	20.0%	20.1%	20.6%	23.3%	21.9%	21.5%	21.3%	22.5%
Tang. Equity/Assets	11.2%	11.1%	11.4%	11.9%	11.9%	12.1%	12.4%	12.6%
Tang. Equity/Lending	24.7%	25.8%	26.7%	27.5%	27.9%	28.1%	28.5%	29.0%
Leverage ratio	9.7%	9.3%	9.1%	10.6%	10.0%	9.9%	9.9%	10.6%

### CREDIT QUALITY

DKKm	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22E	Q2 22E	Q3 22E	Q4 22E
Impaired loans	0	0	0	0	0	0	0	0
Loan loss reserves	633	628	649	648	645	642	639	635
Coverage ratio	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Loan loss reserves / Total loans	5.21%	5.12%	5.34%	5.36%	5.38%	5.32%	5.21%	5.15%
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.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Loan loss ratio	0.50%	0.61%	-0.32%	0.02%	0.10%	0.00%	-0.08%	-0.08%
Growth loan loss reserves (y/y)	-12%	-12%	-14%	-13%	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 22E	Q2 22E	Q3 22E	Q4 22E
RoE	16.5%	13.7%	11.3%	10.2%	9.2%	12.3%	10.3%	9.1%
RoTBV	17.0%	14.1%	11.7%	10.5%	9.5%	12.7%	10.5%	9.3%
C/I	-56.6%	-63.0%	-61.5%	-65.8%	-68.1%	-60.4%	-62.7%	-66.4%
NI-margin	4.81%	4.88%	4.72%	4.72%	4.87%	4.95%	4.96%	4.96%

### REVENUE DISTRIBUTION

Adjusted for non-rec. Items	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22E	Q2 22E	Q3 22E	Q4 22E
Net Interest Income	45%	47%	46%	46%	50%	44%	49%	49%
Net Commission Income	50%	53%	49%	50%	61%	55%	50%	50%
Net result from financial transactions	0%	0%	0%	0%	0%	0%	0%	0%
Net insurance income	0%	0%	0%	0%	0%	0%	0%	0%
Other Income	1%	1%	1%	1%	1%	1%	2%	2%

Source: Company data and Nordea estimates

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

DKKm	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22E	Q2 22E	Q3 22E	Q4 22E
Net Interest Income	146	150	143	143	146	149	152	153
Net Commission Income	164	168	152	152	178	184	155	156
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	3	4	4	4	3	5	5	5
<b>Total revenues</b>	<b>327</b>	<b>317</b>	<b>312</b>	<b>307</b>	<b>292</b>	<b>337</b>	<b>310</b>	<b>313</b>
Staff costs	173	185	176	189	187	190	182	195
Other operating costs	3	6	4	6	4	5	5	5
Depreciation	9	8	11	7	7	9	9	9
<b>Total Expenses</b>	<b>185</b>	<b>200</b>	<b>192</b>	<b>202</b>	<b>199</b>	<b>203</b>	<b>195</b>	<b>208</b>
<b>Profit before loan losses</b>	<b>142</b>	<b>117</b>	<b>120</b>	<b>105</b>	<b>93</b>	<b>133</b>	<b>116</b>	<b>105</b>
Loan losses	-15	-19	10	-1	-3	0	3	3
Write-downs on assets	5	4	9	4	5	4	4	4
<b>Operating profit</b>	<b>162</b>	<b>140</b>	<b>119</b>	<b>110</b>	<b>101</b>	<b>137</b>	<b>117</b>	<b>106</b>
Taxes	18	30	21	18	18	30	26	23
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>144</b>	<b>109</b>	<b>99</b>	<b>92</b>	<b>82</b>	<b>107</b>	<b>91</b>	<b>83</b>

**BALANCE SHEET**

DKKm	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22E	Q2 22E	Q3 22E	Q4 22E
Cash / Interbank	2,014	2,443	3,639	4,015	3,175	3,175	3,175	3,175
Loans to credit institutions	175	159	202	186	174	174	174	174
Loans to the public	12,344	12,194	12,117	12,067	11,924	12,212	12,303	12,394
Goodwill and other intangibles	91	91	91	91	91	91	91	91
<b>Total assets</b>	<b>27,153</b>	<b>28,427</b>	<b>28,334</b>	<b>28,001</b>	<b>28,049</b>	<b>28,338</b>	<b>28,428</b>	<b>28,520</b>
<b>Interbank/owed to credit institutions</b>	<b>504</b>	<b>850</b>	<b>907</b>	<b>578</b>	<b>815</b>	<b>815</b>	<b>815</b>	<b>815</b>
Deposits	19,737	20,296	20,054	19,766	19,777	19,777	19,777	19,777
Subordinated loans	570	570	571	670	620	620	620	620
Minority interest	0	0	0	0	0	0	0	0
Shareholders equity	3,136	3,237	3,326	3,410	3,417	3,517	3,603	3,679
<b>Total equity and liabilities</b>	<b>27,153</b>	<b>28,427</b>	<b>28,334</b>	<b>28,001</b>	<b>28,049</b>	<b>28,338</b>	<b>28,428</b>	<b>28,520</b>
Loans to deposits	63%	60%	60%	61%	60%	62%	62%	63%
Non-mortg. loans to deposits	63%	60%	60%	61%	60%	62%	62%	63%
LCR	0%	0%	0%	0%	0%	0%	0%	0%
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 22E	Q2 22E	Q3 22E	Q4 22E
Net interest income	6%	13%	2%	-2%	0%	0%	6%	7%
Net commission income	-5%	13%	14%	10%	9%	10%	2%	3%
<b>Total Revenues</b>	<b>12%</b>	<b>14%</b>	<b>0%</b>	<b>1%</b>	<b>-11%</b>	<b>6%</b>	<b>-1%</b>	<b>2%</b>
Staff costs	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
<b>Total expenses</b>	<b>-5%</b>	<b>2%</b>	<b>-2%</b>	<b>-12%</b>	<b>7%</b>	<b>2%</b>	<b>1%</b>	<b>3%</b>
Profit before loan losses	46%	41%	5%	44%	-34%	14%	-4%	0%
Operating profit	246%	205%	35%	81%	-38%	-2%	-2%	-3%
<b>Net profit to equity</b>	<b>246%</b>	<b>205%</b>	<b>35%</b>	<b>81%</b>	<b>-38%</b>	<b>-2%</b>	<b>-2%</b>	<b>-3%</b>
Loans to the public (rep)	1%	3%	1%	1%	-3%	0%	2%	3%
Deposits	6%	4%	3%	-1%	0%	-3%	-1%	0%
Assets	8%	8%	7%	3%	3%	0%	0%	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)	3%	9%	0%	1%	-3%	-1%	4%	5%

*Source: Company data and Nordea estimates*

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

DKKm	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
EPS, DKK	0.00	12.23	15.41	8.53	11.64	11.75	24.12	19.52	19.56	20.69
EPS adj, DKK	n.a.	8.29	13.00	5.89	10.18	9.76	22.74	19.61	19.62	20.74
BVPS	n.m.	157.9	170.9	155.2	164.1	172.4	196.2	211.8	225.7	240.7
TVBS	n.m.	146.4	160.4	148.0	158.9	167.2	191.0	206.5	220.4	235.5
DPS (tot., DKK)	3.00	3.05	0.00	2.50	3.00	0.00	6.00	6.00	6.00	6.00
Dividend pay-out ratio	n.a.	37%	0%	42%	29%	0%	26%	31%	31%	29%
Share repurchases (per share)	n.m.	n.m.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total pay-out ratio	0%	9%	0%	18%	23%	0%	24%	29%	29%	27%
Share price (period end)	97	106	114	80	90	90	165	186	186	186
Market cap. (m)	0	1,385	1,482	1,397	1,557	1,564	2,867	3,223	3,223	3,223
Dil. number of shares	0	13	13	17	17	17	17	17	17	17

**VALUATION**

(x)	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
P/E	n.m.	8.7	7.4	9.4	7.7	7.7	6.8	9.5	9.5	9.0
P/E (adj.)	n.a.	12.8	8.7	13.6	8.8	9.2	7.3	9.5	9.5	8.9
P/BV	0.00	0.67	0.67	0.52	0.55	0.52	0.84	0.88	0.82	0.77
P/TBV	0.00	0.73	0.71	0.54	0.56	0.54	0.86	0.90	0.84	0.79
Dividend yield (tot.)	3.1%	2.9%	0.0%	3.1%	3.3%	0.0%	3.6%	3.2%	3.2%	3.2%
Total yield	n.m.	n.m.	0.0%	3.1%	3.3%	0.0%	3.6%	3.2%	3.2%	3.2%

**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	1,472	1,576	1,818	2,295	2,431	2,709	2,977	3,036	3,263	3,517
BIS III REA	14,721	15,858	16,973	17,639	17,343	16,799	17,017	17,931	18,453	18,990
BIS III CET1-ratio	10.0%	9.9%	10.7%	13.0%	14.0%	16.1%	17.5%	16.9%	17.7%	18.5%
BIS III T1-ratio	13.0%	12.9%	14.0%	15.1%	16.2%	18.4%	19.7%	19.0%	19.7%	20.5%
BIS III Capital ratio	15.5%	15.6%	16.3%	17.7%	20.1%	21.8%	23.3%	22.5%	23.1%	23.8%
Tang. Equity/Assets	9.5%	9.6%	9.7%	10.8%	10.9%	10.7%	11.9%	12.6%	13.3%	14.0%
Tang. Equity/Lending	18.2%	18.2%	17.9%	21.1%	22.6%	24.3%	27.5%	29.0%	30.1%	31.4%
Leverage ratio	7.9%	7.9%	8.5%	9.6%	9.6%	9.9%	10.6%	10.6%	11.3%	12.1%

**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	1,908	1,361	1,143	1,014	657	747	648	635	623	610
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	19.33%	13.45%	10.32%	8.50%	5.39%	6.18%	5.40%	5.19%	4.96%	4.74%
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	-1.52%	-1.06%	-0.30%	-0.04%	-0.14%	-1.33%	0.21%	-0.02%	-0.40%	-0.39%
Growth loan loss reserves (y/y)	-31%	-29%	-16%	-11%	-35%	14%	-13%	-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	8.1%	5.4%	7.9%	4.2%	6.4%	5.8%	12.3%	9.6%	9.0%	8.9%
RoTBV	8.9%	5.9%	8.5%	4.4%	6.6%	6.0%	12.7%	9.9%	9.2%	9.1%
C/I	-71.0%	-74.8%	-75.3%	-86.4%	-77.4%	-70.4%	-62.9%	-65.5%	-62.6%	-61.5%
NII-margin	6.10%	4.89%	4.39%	4.00%	4.43%	4.41%	4.64%	4.71%	4.68%	4.65%

**REVENUE DISTRIBUTION**

Adjusted for non-rec. Items	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Net Interest Income	62%	51%	48%	51%	50%	46%	45%	47%	45%	45%
Net Commission Income	43%	44%	45%	49%	51%	51%	51%	55%	54%	54%
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	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Other Income	2%	0%	2%	2%	3%	2%	1%	1%	2%	2%

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	602	551	542	541	565	557	582	600	611	622
Net Commission Income	418	421	457	464	549	592	636	675	694	714
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	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Other income	15	24	31	16	27	21	16	18	20	20
<b>Total revenues</b>	<b>978</b>	<b>1,043</b>	<b>1,073</b>	<b>1,042</b>	<b>1,097</b>	<b>1,186</b>	<b>1,263</b>	<b>1,251</b>	<b>1,318</b>	<b>1,348</b>
Staff costs	613	644	691	746	726	729	723	753	759	764
Other operating costs	50	14	19	20	19	23	20	18	18	18
Depreciation	31	52	59	49	85	66	36	33	33	33
<b>Total Expenses</b>	<b>694</b>	<b>710</b>	<b>769</b>	<b>815</b>	<b>830</b>	<b>818</b>	<b>779</b>	<b>804</b>	<b>810</b>	<b>815</b>
<b>Profit before loan losses</b>	<b>284</b>	<b>333</b>	<b>304</b>	<b>227</b>	<b>267</b>	<b>368</b>	<b>484</b>	<b>447</b>	<b>508</b>	<b>533</b>
Loan losses	150	107	33	4	17	161	-25	2	50	50
Write-downs on assets	3	2	3	8	2	35	22	16	16	17
<b>Operating profit</b>	<b>136</b>	<b>228</b>	<b>273</b>	<b>230</b>	<b>251</b>	<b>242</b>	<b>531</b>	<b>461</b>	<b>474</b>	<b>500</b>
Taxes	-8	12	16	22	25	13	87	98	110	116
Discontinued operations	0	0	0	0	0	0	0	0	0	0
Minority interest	0	0	0	0	0	0	0	0	0	0
<b>Net profit to equity</b>	<b>144</b>	<b>216</b>	<b>257</b>	<b>208</b>	<b>227</b>	<b>229</b>	<b>444</b>	<b>363</b>	<b>364</b>	<b>384</b>

**BALANCE SHEET**

DKKm	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Cash / Interbank	623	384	357	413	441	481	4,015	3,175	3,175	3,175
Loans to credit institutions	376	1,364	1,831	1,408	2,541	4,813	186	174	174	174
Loans to the public	9,763	10,474	11,681	12,174	12,217	11,951	12,067	12,394	12,704	13,021
Goodwill and other intangibles	162	150	138	125	91	91	91	91	91	91
<b>Total assets</b>	<b>18,730</b>	<b>19,859</b>	<b>21,487</b>	<b>23,857</b>	<b>25,359</b>	<b>27,266</b>	<b>28,001</b>	<b>28,520</b>	<b>28,829</b>	<b>29,147</b>
<b>Interbank/owed to credit institutions</b>	<b>319</b>	<b>429</b>	<b>439</b>	<b>425</b>	<b>525</b>	<b>558</b>	<b>578</b>	<b>815</b>	<b>815</b>	<b>815</b>
Deposits	14,633	15,647	16,589	18,223	18,700	20,001	19,766	19,777	20,173	20,576
Subordinated loans	465	466	403	454	673	570	670	620	620	620
Minority interest	0	0	0	0	0	0	0	0	0	0
Shareholders equity	1,939	2,058	2,228	2,697	2,851	2,996	3,410	3,679	3,921	4,183
<b>Total equity and liabilities</b>	<b>18,730</b>	<b>19,859</b>	<b>21,487</b>	<b>23,857</b>	<b>25,359</b>	<b>27,266</b>	<b>28,001</b>	<b>28,520</b>	<b>28,829</b>	<b>29,147</b>
Loans to deposits	67%	67%	70%	67%	65%	60%	61%	63%	63%	63%
Non-mortg. loans to deposits	67%	67%	70%	67%	65%	60%	61%	63%	63%	63%
LCR	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
NSFR	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

**GROWTH (Y/Y)**

Adjusted for non rec.items	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Net interest income	-8%	-18%	-2%	-2%	13%	-1%	5%	3%	2%	2%
Net commission income	15%	1%	8%	2%	18%	8%	7%	6%	3%	3%
<b>Total Revenues</b>	<b>-10%</b>	<b>-1%</b>	<b>4%</b>	<b>-6%</b>	<b>14%</b>	<b>8%</b>	<b>7%</b>	<b>-1%</b>	<b>5%</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>5%</b>	<b>4%</b>	<b>5%</b>	<b>8%</b>	<b>2%</b>	<b>-1%</b>	<b>-5%</b>	<b>3%</b>	<b>1%</b>	<b>1%</b>
Profit before loan losses	-34%	-14%	2%	-48%	89%	42%	34%	-8%	14%	5%
Operating profit	-22%	2%	58%	-42%	82%	-19%	166%	-13%	3%	6%
<b>Net profit to equity</b>	<b>-20%</b>	<b>-25%</b>	<b>57%</b>	<b>-40%</b>	<b>73%</b>	<b>-4%</b>	<b>133%</b>	<b>-14%</b>	<b>0%</b>	<b>6%</b>
Loans to the public (rep)	-2%	7%	12%	4%	0%	-2%	1%	3%	3%	2%
Deposits	-4%	7%	6%	10%	3%	7%	-1%	0%	2%	2%
Assets	-3%	6%	8%	11%	6%	8%	3%	2%	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)	2%	8%	7%	4%	-2%	-3%	1%	5%	3%	3%

Source: Company data and Nordea estimates

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**Completion Date**

06 May 2022, 01:09 CET

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