

## Føroya Banki

Financials  
Denmark

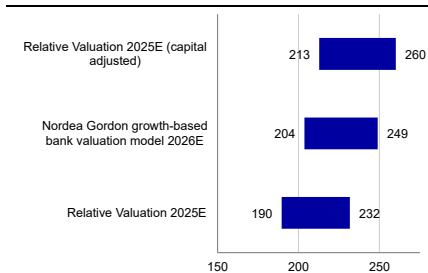
## KEY DATA

Stock country	Faroe Islands
Bloomberg	FOBANK DC
Reuters	FORBANK.CO
Share price (close)	DKK 168.5
Free float	65%
Market cap. (bn)	EUR 0.22/DKK 1.61
Website	www.banknordik.com
Next report date	26 Feb 2025

## PERFORMANCE



## VALUATION APPROACH (DKK/SHARE)



## ESTIMATE CHANGES

Year	2024E	2025E	2026E
Total revenue	0%	-3%	-2%
Total costs	0%	0%	0%
Profit before loan losses	0%	-6%	-4%
PTP	5%	-5%	-3%
DPS (ord)	3%	-3%	-3%
EPS (adj)	5%	-5%	-3%

Source: Nordea estimates

**Nordea IB & Equity - Analysts**  
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## Solid end to the year

We estimate 2024 net profit of DKK 310m, at the upper end of the recently updated 2024 guidance range of DKK 302-312m. The bank has stated that its 2025 guidance will be published this week. We expect to see a conservative 2025 net profit guidance range of DKK 190-220m. We estimate 2025 net profit of DKK 218m. While we raise 2024E net profit by ~5%, we conversely trim 2025E-26E net profit by 3-5%, as we update our market rate assumptions. Our slightly lower Gordon growth-based fair value range is DKK 204-249 (205-250).

## 2025 guidance imminent, but likely conservative as usual

With the announcement of the 2025 guidance scheduled for this week, we note that the guidance range could look soft at first glance. However, the bank has exceeded the top of its net profit guidance ranges in six of the past seven recent years. In the seventh year, net profit still came in ~5% above the midpoint of the guidance range. While history doesn't repeat itself, it often rhymes, so we expect to see conservative 2025 net profit guidance, which will likely include the assumption of normalised loan losses, which could turn out to be too cautious.

## 2025E-26E earnings cut by 3-5% amid updated rate assumptions

We update our interest rate assumptions to reflect the consensus among macroeconomists at the six largest Nordic banks. We now pencil in an ECB deposit rate of 1.75% (previously: 2.25%) from mid-2025. This corresponds to a Danish central bank deposit rate of 1.35%. Led by the lowered rate assumptions, we trim 2025E-26E NII by 3-4%.

## All eyes on dividends – a difficult decision that investors watch

In conjunction with the Q4 2024 results, we find it likely that Føroya Banki will announce an extraordinary dividend of DKK 135m on top of the ordinary dividend of DKK 217m. The DKK 135m corresponds to the amount the bank withheld last year, when it deviated from its dividend policy amid uncertainty around the impact on REA from certain real estate exposures. The impact turned out to be less severe than initially feared, and we therefore see room for the extraordinary dividend. Including the deductions of the expected dividends, we estimate a Q4 2024 CET1 ratio of 24.2%. This leaves ~120bp headroom to the bank's CET1 ratio target of ~23%. We argue that this should be more than enough. However, we also acknowledge that other stakeholders' interests could complicate the decision.

## SUMMARY TABLE - KEY FIGURES

DKKm	2020	2021	2022	2023	2024E	2025E	2026E
Total revenue	387	407	447	528	526	499	512
Total costs	237	236	244	259	271	275	277
LL-ratio	-0.06%	-1.01%	-0.59%	-0.12%	0.11%	0.38%	0.41%
PTP	207	340	207	379	383	269	274
RoE	7.3%	12.7%	7.9%	16.8%	15.8%	10.9%	11.4%
RoTBV (adj)	7.1%	9.2%	7.6%	16.5%	15.6%	10.9%	11.5%
P/E (adj)	9.0	6.8	8.9	5.2	5.3	7.4	7.3
P/BV	0.64	0.66	0.72	0.85	0.78	0.83	0.83
P/TBV	0.64	0.66	0.72	0.85	0.78	0.83	0.83
BIS III CT1-ratio	22.6%	23.8%	21.6%	25.8%	24.2%	23.3%	23.3%
DPS (ord, DKK)	52.14	40.33	26.12	8.36	36.75	22.73	16.25
Dividend Yield (ord)	34.30%	28.70%	19.20%	5.08%	21.81%	13.49%	9.64%
Total payout ratio	3.03	1.42	1.64	0.26	1.14	1.00	0.70

Source: Company data and Nordea estimates

# Estimates

## CHANGES TO OUR ESTIMATES

DKKkm	New estimates			Old estimates			Change (%)			Change (DKK)		
	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E
Net interest income	353	323	329	354	336	338	0%	-4%	-3%	-1	-13	-9
Net fee and commission income	72	75	78	72	76	79	0%	0%	0%	0	0	0
Net insurance income	58	58	60	57	57	60	3%	0%	0%	2	0	0
Other income	42	43	44	42	43	44	0%	0%	0%	0	0	0
<b>Total Income</b>	<b>526</b>	<b>499</b>	<b>512</b>	<b>525</b>	<b>512</b>	<b>521</b>	<b>0%</b>	<b>-3%</b>	<b>-2%</b>	<b>1</b>	<b>-13</b>	<b>-10</b>
<b>Total Expenses</b>	<b>-271</b>	<b>-275</b>	<b>-277</b>	<b>-271</b>	<b>-275</b>	<b>-277</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Profit before loan losses</b>	<b>255</b>	<b>224</b>	<b>234</b>	<b>254</b>	<b>237</b>	<b>244</b>	<b>0%</b>	<b>-6%</b>	<b>-4%</b>	<b>1</b>	<b>-13</b>	<b>-10</b>
Loan losses	-10	-35	-40	-17	-35	-40	-40%	0%	0%	7	0	0
<b>Operating profits</b>	<b>245</b>	<b>189</b>	<b>194</b>	<b>237</b>	<b>202</b>	<b>204</b>	<b>3%</b>	<b>-6%</b>	<b>-5%</b>	<b>8</b>	<b>-13</b>	<b>-10</b>
Earnings from investment portfolio	139	80	80	128	80	80	9%	0%	0%	11	0	0
Non-recurring and industry solutions	0	0	0	0	0	0	-	-	-	0	0	0
<b>Profit before tax</b>	<b>383</b>	<b>269</b>	<b>274</b>	<b>364</b>	<b>282</b>	<b>284</b>	<b>5%</b>	<b>-5%</b>	<b>-3%</b>	<b>19</b>	<b>-13</b>	<b>-10</b>
Discontinued operations before tax	0	0	0	0	0	0	-	-	-	0	0	0
Taxes	-74	-51	-52	-70	-54	-54	5%	-5%	-3%	-4	2	2
<b>Net profit</b>	<b>310</b>	<b>218</b>	<b>222</b>	<b>294</b>	<b>229</b>	<b>230</b>	<b>5%</b>	<b>-5%</b>	<b>-3%</b>	<b>15</b>	<b>-11</b>	<b>-8</b>
<b>EPS adj, DKK</b>	<b>31.9</b>	<b>22.8</b>	<b>23.2</b>	<b>30.3</b>	<b>23.9</b>	<b>24.0</b>	<b>5%</b>	<b>-5%</b>	<b>-3%</b>	<b>1.6</b>	<b>-1.1</b>	<b>-0.8</b>
<b>DPS, DKK</b>	<b>36.7</b>	<b>22.7</b>	<b>16.2</b>	<b>35.6</b>	<b>23.5</b>	<b>16.8</b>	<b>3%</b>	<b>-3%</b>	<b>-3%</b>	<b>1.1</b>	<b>-0.8</b>	<b>-0.6</b>
<b>CET1 ratio</b>	<b>24.2%</b>	<b>23.3%</b>	<b>23.3%</b>	<b>24.1%</b>	<b>23.2%</b>	<b>23.3%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.1pp</b>	<b>0.1pp</b>	<b>0.0pp</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	4.20
EPS adj, DKK	6.37	6.71	7.30	6.79	3.92	5.78	5.99	4.20
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	162.00
Market cap. (m)	1,718	1,365	1,575	1,570	2,921	4,296	5,804	8,043
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	10.0
P/E (adj.)	7.1	5.3	5.6	6.1	9.8	6.5	6.3	10.0
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%	24.2%
BIS III T1-ratio	23.1%	24.2%	23.9%	28.0%	27.0%	27.5%	25.1%	24.2%
BIS III T2-ratio	24.4%	25.6%	25.3%	29.4%	28.6%	29.2%	26.5%	25.6%
Tang. Equity/Assets	13.0%	13.6%	14.2%	14.3%	13.6%	14.1%	14.2%	14.7%
Tang. Equity/Lending	19.4%	19.5%	20.2%	20.8%	20.4%	21.1%	22.0%	22.6%
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%	0.00%
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%	14.0%
RoTBV	14.9%	17.9%	20.3%	19.5%	12.0%	18.7%	19.7%	14.1%
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%	3.72%

### 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%	68%
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%	8%

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	12
Other income	8	11	9	4	11	10	10	10
<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>124</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>69</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	0
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>88</b>
Taxes	-14	-17	-20	-20	-15	-18	-23	-17
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>72</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	9,145
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>14,128</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	2,075
<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>14,128</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%	-15%
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>-6%</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>5%</b>
Profit before loan losses	-1%	47%	71%	15%	44%	-10%	-20%	-18%
Operating profit	31%	73%	343%	55%	-11%	14%	11%	-19%
<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>-19%</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**

DKK/m	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	32.35	22.77	23.21
EPS adj, DKK	19.43	19.95	22.95	16.91	20.66	15.33	31.54	31.91	22.77	23.21
BVPS	185.5	207.6	238.5	237.9	212.7	189.8	193.3	216.8	202.8	203.3
TVBS	185.5	206.9	237.5	237.6	212.4	189.5	193.1	216.2	202.2	202.7
DPS (tot., DKK)	4.00	7.32	0.00	52.14	40.33	26.12	8.36	36.75	22.73	16.25
Dividend pay-out ratio	21%	37%	0%	308%	195%	170%	26%	115%	100%	70%
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%	114%	100%	70%
Share price (period end)	106	109	109	152	141	136	165	162	169	169
Market cap. (m)	1,040	1,038	1,034	1,451	1,345	1,302	1,575	1,613	1,613	1,613
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	5.2	7.4	7.3
P/E (adj.)	5.5	5.4	4.8	9.0	6.8	8.9	5.2	5.3	7.4	7.3
P/BV	0.57	0.52	0.46	0.64	0.66	0.72	0.85	0.78	0.83	0.83
P/TBV	0.57	0.52	0.46	0.64	0.66	0.72	0.85	0.78	0.83	0.83
Dividend yield (tot.)	3.8%	6.7%	0.0%	34.3%	28.7%	19.2%	5.1%	21.8%	13.5%	9.6%
Total yield	3.8%	6.7%	1.5%	34.8%	28.7%	19.2%	5.1%	21.8%	13.5%	9.6%

**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	1,712	1,712	1,779
BIS III REA	9,895	10,621	10,764	9,774	6,841	7,195	6,819	7,065	7,355	7,619
BIS III CET1-ratio	17.5%	17.6%	18.8%	22.6%	23.8%	21.6%	25.8%	24.2%	23.3%	23.3%
BIS III T1-ratio	17.5%	17.6%	20.2%	24.1%	26.0%	23.7%	28.0%	24.2%	23.3%	23.3%
BIS III Capital ratio	19.7%	19.8%	22.3%	26.4%	27.5%	25.1%	29.4%	25.6%	24.6%	24.7%
Tang. Equity/Assets	11.5%	11.9%	12.4%	13.1%	17.2%	14.9%	14.3%	14.7%	13.4%	13.1%
Tang. Equity/Lending	19.1%	19.9%	22.7%	29.8%	26.7%	22.4%	20.8%	22.6%	20.4%	19.8%
Leverage ratio	11.0%	11.2%	11.1%	12.8%	13.8%	12.8%	13.6%	12.1%	11.8%	12.0%

**CREDIT QUALITY**

DKK/m	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%	3.19%	3.01%
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%	0.11%	0.38%	0.41%
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%	15.6%	10.9%	11.4%
RoTBV	10.1%	10.2%	10.3%	7.1%	9.2%	7.6%	16.5%	15.6%	10.9%	11.5%
C/I	-71.3%	-71.9%	-71.9%	-61.4%	-58.0%	-54.6%	-49.0%	-51.5%	-55.1%	-54.2%
NII-margin	4.15%	3.83%	3.67%	2.87%	3.32%	3.34%	4.16%	3.86%	3.47%	3.41%

**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%	65%	64%
Net Commission Income	29%	27%	29%	16%	19%	20%	15%	14%	15%	15%
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%	9%	9%

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	323	329
Net Commission Income	186	172	189	60	79	88	77	72	75	78
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	58	58	60
Other income	31	46	49	24	34	38	32	42	43	44
<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>526</b>	<b>499</b>	<b>512</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>271</b>	<b>275</b>	<b>277</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>255</b>	<b>224</b>	<b>234</b>
Loan losses	60	111	106	5	77	47	10	-10	-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>383</b>	<b>269</b>	<b>274</b>
Taxes	-44	-66	-54	-40	-67	-55	-72	-74	-51	-52
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>310</b>	<b>218</b>	<b>222</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	9,145	9,472	9,812
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>14,128</b>	<b>14,455</b>	<b>14,795</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	2,075	1,941	1,946
<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>14,128</b>	<b>14,455</b>	<b>14,795</b>
Loans to deposits	73%	72%	65%	98%	96%	97%	102%	97%	101%	104%
Non-mortg. loans to deposits	73%	72%	65%	98%	96%	97%	102%	97%	101%	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%	-1%	-7%	2%
Net commission income	-3%	-7%	10%	-68%	32%	11%	-13%	-6%	4%	4%
<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>0%</b>	<b>-5%</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>4%</b>	<b>1%</b>	<b>1%</b>
Profit before loan losses	4%	-4%	3%	-19%	15%	19%	33%	-5%	-12%	5%
Operating profit	13%	4%	7%	-21%	64%	-39%	83%	1%	-30%	2%
<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>1%</b>	<b>-29%</b>	<b>2%</b>
Loans to the public (rep)	4%	4%	0%	-23%	0%	6%	10%	3%	4%	4%
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%	4%

Source: Company data and Nordea estimates

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**Completion Date**

28 Jan 2025, 00:15 CET

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