

Banks

**Key data**

Price (DKK)	213
Country	Denmark
Bloomberg	SPKSJF DC
Reuters	SPKSJF.CO
Free float	79.0%
Market cap (DKKm)	3,701
No. of shares (m)	17.4
Next event	Q3: 7-Nov

\* Price as at 16:00 CET on 16 August 2024

CEO	Lars Petersson
CFO	Jan Justesen

Company description

Sparekassen Sjælland-Fyn A/S provides banking products and services in Denmark. Its products and services include net banking, commercial insurance, mobile banking, rental of commercial lease, financing, insurance and pension.

Ownership structure

Sydbank A/S	5.3%
AP Pension	5.3%
Købstædernes Forsikring	5.2%

Source: Company data (16 August 2024)

Estimate changes

	24E	25E	26E
NII	-1.1%	-1.8%	-1.1%
PPP	-0.3%	6.5%	7.9%
EPS (adj.)	4.9%	10.8%	11.4%

Source: Danske Bank Equity Research estimates

Analyst(s)

Asbjørn Nicholas Mørk

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Important disclosures and certifications are contained from page 11 of this report

# Sparekassen Sjælland-Fyn

## NII growth while others are derailing

**Sparekassen Sjælland-Fyn delivered a solid Q2 report with continued higher net interest income, solid deposit growth and continued customer inflow. A continued strong cost focus and excellent credit quality left the bank with its second best ever quarterly pre-tax result of DKK189m. While peers have seen lower NII in Q2, Sparekassen Sjælland-Fyn experienced continued NII growth, and the Towards New Goals strategy is delivering on top. Our fair value range is to DKK278-313/share, 30-46% above the current share price.**

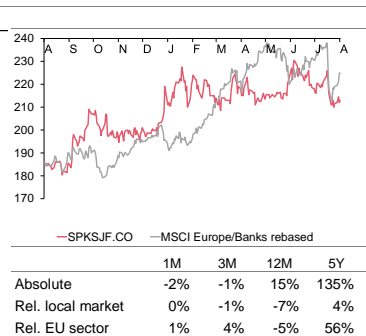
- Strong NII while others are showing NII weakness.** Sparekassen Sjælland-Fyn's Q2 24 saw a 16% y/y increase in NII. Lending slowed in Q2 but still rose 4.6% y/y, while deposit volumes remain very strong and grew a full 16% y/y. Strong customer inflow continues. In addition, the bank benefits from a strong home market driven by the massive expansion of Danish pharma group Novo Nordisk. With very little money-market based lending, we believe Sparekassen Sjælland-Fyn should be able to show more stable NII than peers and grow NII by a full 11% in 2024E, the highest of all banks in our coverage.
- The Towards New Goals strategy leaves tailwinds on other income lines too.** Fee income rose materially, driven by strong AUM and trading, while housing market activity improved too. With higher mortgage refinancing activity in the pipeline for H2 24 and 2025 and customer inflow, we expect higher fee and commission income ahead. Positive jaws for 2024 are driven by income growing much faster than costs. The ambitious cost/income target of below 50% by 2026 compares to 57% in 2023 which leaves additional earnings upside potential. The bank's credit quality remains very strong. 92% of all lending is categorised within the FSA's best classes. We estimate DKK14m (8bp) of net loan loss provisions for 2024, while management assessments were DKK170m at Q2.
- Better outlook than peers.** Looking beyond 2024, we believe Sparekassen Sjælland-Fyn will show its real advantages over peers. We expect DKK903m of NII in 2026E, 4.7% above 2023, due to a strong home market and better net interest margin outlook. We estimate 13% average post-tax ROE for 2024-25 and 2024E pre-tax profits of DKK781m, at the absolute high end of the DKK700-800m guidance range.
- Valuation.** SPKSJF trades at a 2024-26E P/E of 6.5x. We estimate a fair value range of DKK278-313/share (previously DKK277-312), 30-46% above the current share price.

### Key financials

Year-end Dec (DKK)	2022	2023	2024E	2025E	2026E
NII (m)	660	862	953	919	903
Lending growth	-3.1%	8.2%	3.5%	4.1%	3.0%
Total revenues (m)	1,278	1,584	1,697	1,709	1,708
Pre-provision profits (PPP) (m)	455	676	772	765	750
PPP growth	-6.1%	48.7%	14.2%	-1.0%	-2.0%
Loan losses (m)	16.0	-15.6	-13.6	-44.2	-54.7
PTP (m)	482	701	781	741	715
EPS (adj.)	20.1	29.2	33.0	32.9	32.9
DPS	6.00	8.00	9.00	9.00	9.00
Dividend yield	3.1%	4.0%	4.2%	4.2%	4.2%
C/I	64.4%	57.3%	54.5%	55.2%	56.1%
PPP/avg. lending	3.83%	5.56%	6.00%	5.73%	5.42%
Loan loss ratio	-0.13%	0.13%	0.11%	0.33%	0.40%
Equity tier-1 ratio	21.9	18.7	21.3	21.9	22.3
RoNTA	0.0%	0.0%	0.0%	0.0%	0.0%
P/E (adj.) (x)	9.6	6.8	6.5	6.5	6.5
P/NTA	0.95	0.86	0.82	0.75	0.68

Source: Company data, Danske Bank Equity Research estimates

### Price performance



Source: FactSet

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*Investment case*

In our view, Sparekassen Sjælland-Fyn ticks all the boxes of a potentially attractive investment, diverging from the general earnings pressure that the sector is facing.

The bank has a clear niche strategy from its physical presence, with strong 11% customer inflow in recent years and a better ability than peers in converting customer inflow into both business volumes and AUM growth. Its home market is less competitive, and it benefits from Totalcredit's lower mortgage prices. A Bankdata setup makes it a potential takeover target, but with clear financial targets, management is keen to deliver stand-alone.

After the bank successfully delivered on its 'New Ways' strategy, in H1 22 it announced a new strategy for 2022-25 named 'Towards New Goals'. Strong delivery in recent years adds comfort in management, and if Sparekassen Sjælland-Fyn delivers by 2025, we see strong additional upside.

**The new targets are:**

- Cost/income ratio below 50% by 2026
- ROE after tax of >10% for the period
- DPS equal to 25% of net profits with share buybacks on top
- A solvency capital ratio of at least 20% (24.3% at Q3 23)
- 4-8% annual growth to total business volumes.

*Valuation and methodology for deriving 12M target price*

We value Sparekassen Sjælland-Fyn using several valuation approaches, including a Gordon Growth model where we value the bank based on its normalised profitability capacity. We continue to apply 8.5-10.5% cost of capital and 55-75bp of normalised loan loss provisions to determine a fair value range.

*Risks***Macroeconomic exposures**

Like its peers, Sparekassen Sjælland-Fyn is exposed to macroeconomic developments, including economic activity and interest rate levels.

**Higher costs**

Management has a clear ambition of lowering costs in the coming years, while at the same time increasing business volumes and income. The bank has been able to lower full-time employees (FTEs) and hence costs in recent quarters, but general wage inflation and competition for key FTEs could drive costs higher.

**A deterioration in credit quality**

Sparekassen Sjælland-Fyn has grown lending in recent years. Higher growth and new customer inflow could potentially trigger excessive risk taking and as a result higher loan loss provisions. Considering the lending portfolio churn in the past decade to a more residentially dominated lending book, we are not concerned, however.

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*NII outlook remains robust but closer to peak*

NII came in at DKK241m in Q2, slightly higher versus Q1 24. The net interest margin increased to 5.75% boosted by higher average lending rates and only partly offset by higher deposit rates, which rose 3bp q/q to 0.85%.

The bank’s customer base with fewer large corporate clients means it has less money-market linked lending products which until mid-2023 caused fewer NII tailwinds than seen in larger peers. On a positive note, however, the delayed phase-in of announced price hikes means that the bank still has solid NII tailwinds to come through into H2 24.

Volume growth continued to contribute, though in Q2 24 this was driven by higher deposit volumes, which rose 2.5% q/q to DKK21.5bn. Bank lending was largely flat q/q as early redemptions offset new lending to new clients.

Despite slower volume activity in Q2, we still see Sparekassen Sjælland-Fyn benefiting from the sound and stable business the bank is running and the geographic location of the bank’s home market being close to Novo Nordisk production facilities, with strong local employment as a result.

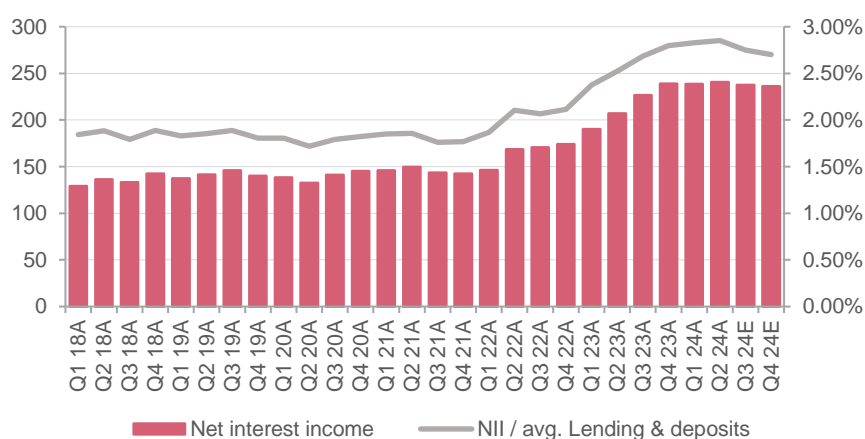
We are pleased to see that solid lending growth is driven by customer inflow, which also drives higher deposit volumes. The deposit surplus grew to DKK8.8bn, though this also means that Sparekassen Sjælland-Fyn is exposed to NII pressure from falling interest rates.

In addition to lending and deposit effects, the bank’s liquidity portfolio also continues to benefit from the rising rates seen in 2022 and 2023 as maturity means repricing is still done at higher rates than the average yield. The DKK10bn HTM should continue to benefit from higher average yields, adding c.DKK50m to NII in 2024 in total.

The above means that while several Danish peers have reported lower sequential NII in recent quarters, Sparekassen Sjælland-Fyn should be able to keep the NII levels for the time being.

We estimate NII to grow from DKK862m in 2023 to DKK953m in 2024E, equal to a material 11% increase versus 2023 and 64% above the DKK582m level in 2021.

Chart 1. Net interest income and margin development (DKKm)



Source: Company data, Danske Bank Equity Research estimates

*Strong underlying fee income*

Fee and commission income came in at DKK200m, including dividend income, of which Sparekassen Sjælland-Fyn received DKK31m in dividends from DLR. This was materially higher than the DKK140m level in Q2 23.

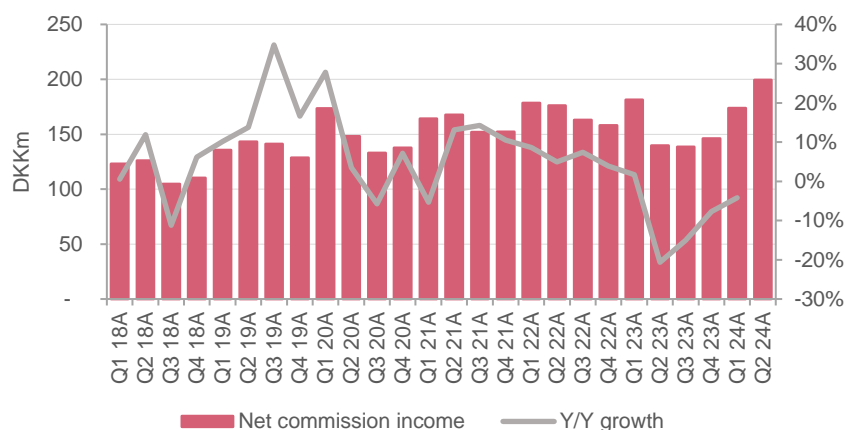
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Fee income was strong and boosted by AUM and investment fees as well as better than expected housing market activity.

With c.80% of total fee income being driven by volumes rather than activity, fee income should continue to be resilient, even in a potential recession. In addition, AUM continues to grow driven by benign market trends in Q2 and customer inflow. We also expect mortgage activity to increase in H2 24 and 2025 especially driven by higher remortgaging activity.

Chart 1. Net fee and commission income, quarterly



Source: Company data, Danske Bank Equity Research

### Underlying costs delivery, but one-offs in 2023

Total costs were DKK235m in Q2 24, up 2.8% y/y due to salary inflation and the bank's growth strategy, mitigated by continued cost focus.

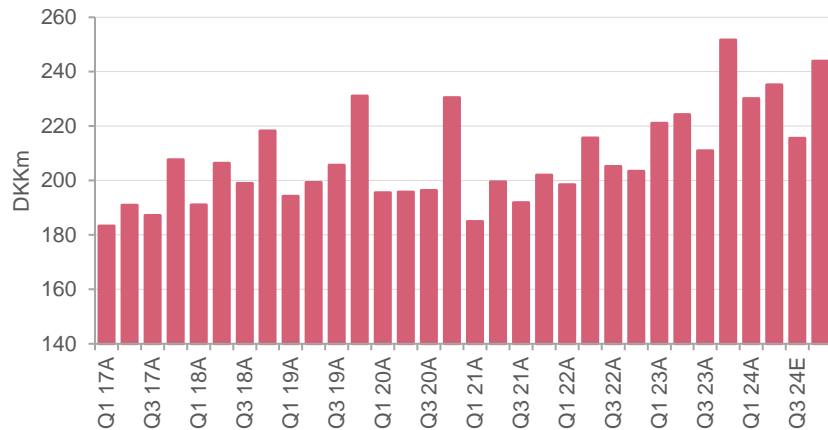
The bank has recently opened a new branch in Gilleleje and an advisory centre in Taastrup while a new advisory and tech centre in Copenhagen is being established. All are driving costs higher.

However, with cost initiatives taken in November 2023, the bank took out DKK45m of costs annually, and as a result, we expect modest cost growth of 1.9% in 2024 as the bank is chasing its new 'Towards New Goals' strategy.

In our view, it is important that Sparekassen Sjælland-Fyn clearly delivered on the cost plans in the former New Ways strategy, and we expect this cost focus to continue. We note that management still targets a cost/income ratio of 50% by end-2025 for the fiscal year 2026.

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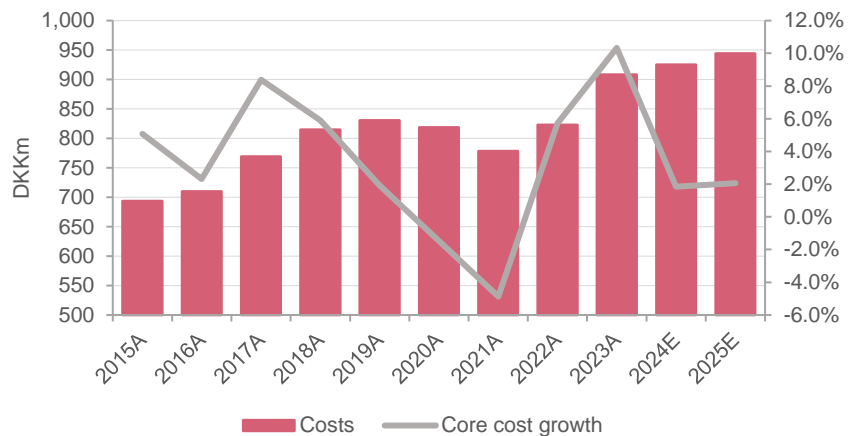
Chart 3. Cost development, quarterly



Source: Company data, Danske Bank Equity Research estimates

Given inflation and rising credit demand, we argue that some rise in costs is expected. We prefer banks to invest in income growth when prudent, and in this case, we see good arguments for investing further. After all, few banks have done as much as Sparekassen Sjælland-Fyn in recent years when it comes to managing income and costs simultaneously.

Chart 4. Cost development, annually



Source: Company data, Danske Bank Equity Research estimates

### Credit quality could provide positive surprises ahead

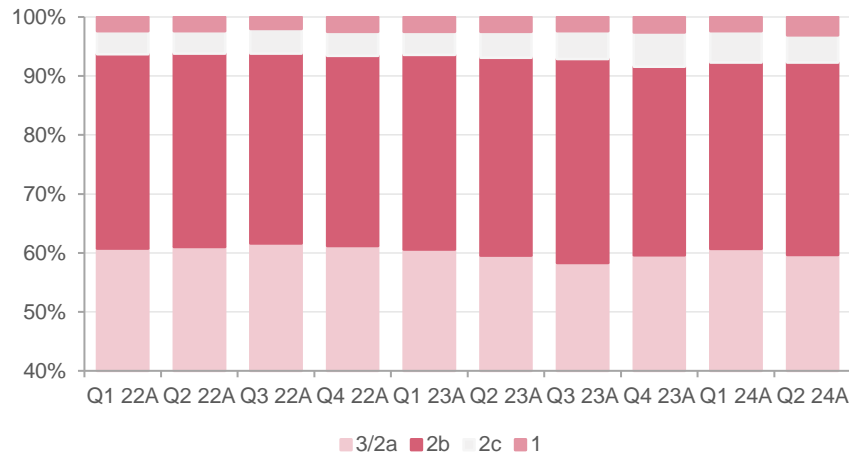
Sparekassen Sjælland-Fyn booked DKK1m (1bp) of loan loss reversals in Q2 24. Realised losses were low and credit quality continues to look strong.

Management assessed provisions were a largely unchanged DKK170m (DKK176m), in order to maintain a prudent buffer towards potential future risks.

Measured on the FSA's rating scale, categories '3' and '2a' make up 60% of the total lending book, which is very close to the highest ever recorded, which was in Q3 22. We note that employment remains high in the bank's home markets and the economic activity continues to be supportive.

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Chart 5. Lending book composition by Danish FSA criteria



Source: Company data, Danske Bank Equity Research

*Capital position remains strong.*

CET-1 stood at 17.6% at Q2 24, while the solvency capital ratio was a full 23.0%, well above the target of >20% solvency. Even after the introduction of CRE risk buffers, the combined buffer capital surplus was 7.9%.

With such a strong capital position and a very solid credit book, we consider it only prudent that management is now actively increasing capital distribution. The DKK100m current buyback programme is in our view an efficient way of distributing excess capital to shareholders.

*2024 guidance indicates a potential record year and could even be conservative*

Sparekassen Sjælland-Fyn expects pre-tax profits of DKK700-800m for 2024. This compares to DKK701m in 2023.

We estimate that Sparekassen Sjælland-Fyn will deliver at the upper end and estimate DKK781m, driven by strong 11% NII growth, customer inflow, strong fee income and excellent credit quality.

*Rising core earnings remains key*

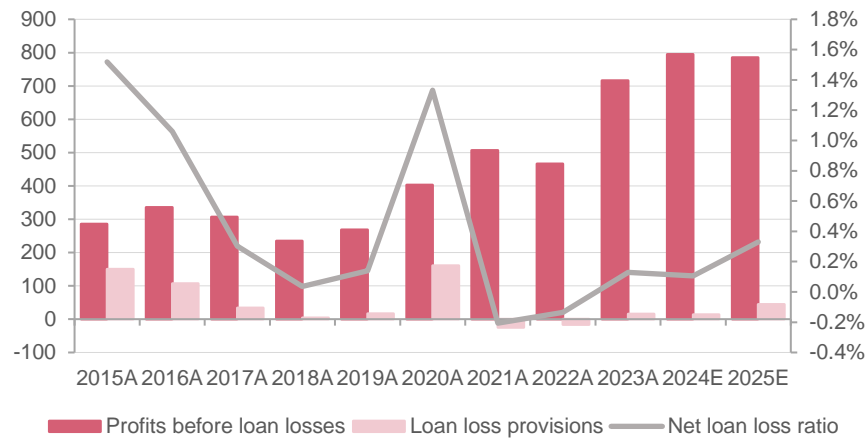
In our view, the Sparekassen Sjælland-Fyn investment case revolves around a low valuation combined with substantial improvements to core earnings and profits in the coming years. Very few banks have been able to deliver similar improvements to core operations, and the combined improvement since 2018 is impressive.

With the new strategy for 2025-26, we expect the bank to continue to demonstrate positive jaws on income versus costs going forward. In our view, it is key that management has set its own independent strategy for profitability improvements and does not simply rely on rising rates. That said, we see the rising rates in 2022 and 2023 adding income tailwind to the underlying management improvements despite rates cuts expected for 2024 and 2025. The combination of the two is important, and as a result we estimate post-tax ROE of 13% on average for 2024-25E.

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Chart 6. Core earnings development (DKKm)



Source: Company data, Danske Bank Equity Research estimates

Fair value range largely unchanged

Our capital- and risk-adjusted Gordon Growth model returns a fair value range of DKK278-313/share with mid-range at DKK295. This is 30-46% above the current share price. In the range, we continue to apply a cost of capital range of 10.5-11.5% and 70-90bp of normalised loan losses.

Figure 1. Sparekassen Sjælland-Fyn Gordon's Growth valuation range

Cost of Equity	Normalised loan loss ratio						
	0.50%	0.60%	0.70%	0.80%	0.90%	1.00%	1.10%
9.5%	355	349	343	337	330	324	318
10.0%	339	333	327	321	315	310	304
10.5%	324	319	313	307	302	296	291
11.0%	311	306	300	295	290	284	279
11.5%	299	294	289	283	278	273	268
12.0%	288	283	278	273	268	263	258
12.5%	277	273	268	263	259	254	249

Cost of Equity	Upside/downside vs. current share price						
	0.50%	0.60%	0.70%	0.80%	0.90%	1.00%	1.10%
9.5%	66%	63%	60%	57%	54%	51%	49%
10.0%	58%	56%	53%	50%	47%	45%	42%
10.5%	52%	49%	46%	44%	41%	38%	36%
11.0%	45%	43%	40%	38%	35%	33%	30%
11.5%	40%	37%	35%	32%	30%	28%	25%
12.0%	34%	32%	30%	28%	25%	23%	21%
12.5%	30%	27%	25%	23%	21%	19%	16%

Source: Danske Bank Equity Research estimates. Prices as at 15:50 CET on 16 August 2024.

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Table 1. Sparekassen Sjælland-Fyn, annual data

DKKm	2018 A	2019 A	2020 A	2021 A	2022 A	2023 A	2024 E	2025 E	2026 E
Net interest income	541	565	557	582	660	862	953	919	903
Net commission income	464	549	592	636	676	606	669	690	705
NII and net fee income	1,005	1,113	1,149	1,218	1,335	1,468	1,622	1,609	1,608
Core capital gains	21	-44	16	30	-73	98	56	80	80
Other income	16	27	21	16	16	18	19	20	20
Total core income	1,042	1,097	1,186	1,263	1,278	1,584	1,697	1,709	1,708
Core banking costs	-815	-830	-818	-779	-823	-908	-925	-944	-958
Profits, associated companies	8	2	35	22	11	40	22	20	20
Profits before loan losses	235	268	403	506	466	716	794	785	770
Loan loss provisions	-4	-17	-161	25	16	-16	-14	-44	-55
Core earnings after loan losses	230	251	242	531	482	701	781	741	715
Net Extraordinary	0	0	0	0	0	0	0	0	0
Pretax profits	230	251	242	531	482	701	781	741	715
Tax	-22	-25	-13	-87	-110	-142	-177	-163	-157
Net profits before AT-1 costs	208	227	229	444	372	558	604	578	558
Minority interests / AT-1	-60	-24	-24	-25	-26	-43	-34	-24	-24
Net profits	148	202	204	419	346	515	570	554	534
Normalised profits	107	208	167	395	350	504	544	524	505
EPS, net profits	10.4	11.6	11.8	24.1	19.9	29.9	34.6	34.8	34.7
EPS, adj.	7.5	12.0	9.6	22.7	20.1	29.2	33.0	32.9	32.9
BV/Share	155	164	172	196	208	238	265	291	317
NTA/share	148	159	167	191	203	232	260	285	311
No. of shares, year-end	17.4	17.4	17.4	17.4	17.4	16.9	16.5	15.9	15.4
No. of shares, average	14.2	17.4	17.4	17.4	17.4	17.3	16.5	15.9	15.4
Tier-1 ratio	15.1%	16.2%	18.4%	19.7%	21.9%	18.7%	21.3%	21.9%	22.3%
CET-1 ratio	13.0%	14.0%	16.1%	17.5%	18.9%	16.4%	19.0%	19.7%	20.2%
RoNAV	6.4%	7.6%	7.2%	13.5%	10.1%	13.8%	13.9%	12.6%	11.5%
Return on Equity	6.0%	7.3%	7.0%	13.1%	9.8%	13.5%	13.6%	12.3%	11.2%
Return on Equity, before tax	8.5%	8.8%	8.1%	15.6%	13.3%	17.4%	17.8%	16.0%	14.7%
Cost/Income ratio	78%	76%	69%	62%	64%	57%	54%	55%	56%
Lending	12,174	12,217	11,951	12,067	11,690	12,645	13,091	13,623	14,036
Deposits from customers	18,223	18,700	20,001	19,766	20,673	21,399	21,905	22,794	23,253
NII / avg. Lending & deposits	184%	184%	177%	182%	2.05%	2.60%	2.76%	2.57%	2.45%
Loan loss ratio, lending +guarantees	0.03%	0.09%	0.84%	-0.13%	-0.09%	0.09%	0.08%	0.25%	0.30%
REA	17,639	17,343	16,799	17,017	16,443	17,105	18,032	18,579	19,143
Buyback announcement	0	0	0	0	0	100	100	150	150
Dividend per share	2.5	3.0	0.0	6.0	6.0	8.0	9.0	9.0	9.0
Total cash distribution (div + buybacks com)	43	52	0	104	104	235	248	293	288
Total pay-out-ratio (incl. buyback)	29%	26%	0%	25%	59%	46%	52%	53%	54%

Note: per share data in DKK

Source: Company data, Danske Bank Equity Research estimates

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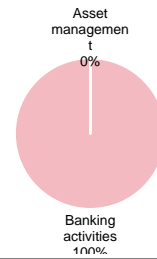


## Company summary

### Income breakdown by geographical area



### Income breakdown by segment



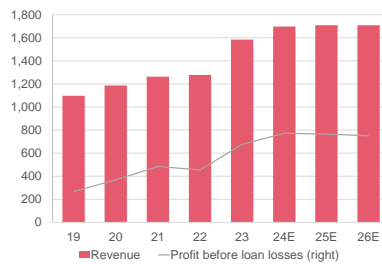
### Company information

Sparekassen Sjælland-Fyn  
 Isefjord Allé 5, 3200 Holbæk  
 Denmark  
 www.spks.dk

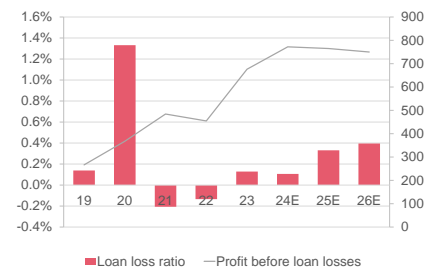
### Main shareholders

Name	Votes (%)	Capital (%)
Sydbank A/S	0.1%	5.3%
AP Pension	0.1%	5.3%
Købstædernes Forsikring	0.1%	5.2%

### Revenue and profit before loan losses (DKKm)



### Loan loss ratio and profit before loan losses (DKKm)



Source: FactSet, Company data, Danske Bank Equity Research estimates

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## Summary tables

### INCOME STATEMENT

Year end Dec, DKKm	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E
Net interest income	551	542	541	565	557	582	660	862	953	919
Commissions	421	457	464	549	592	636	676	606	669	690
<b>Total revenues</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>1,278</b>	<b>1,584</b>	<b>1,697</b>	<b>1,709</b>
Costs	-710	-769	-815	-830	-818	-779	-823	-908	-925	-944
<b>Pre-provision profits (PPP)</b>	<b>333</b>	<b>304</b>	<b>227</b>	<b>267</b>	<b>368</b>	<b>484</b>	<b>455</b>	<b>676</b>	<b>772</b>	<b>765</b>
Loan losses	-107	-33.4	-4.4	-16.9	-161	24.8	16.0	-15.6	-13.6	-44.2
<b>Pre-tax profit</b>	<b>228</b>	<b>273</b>	<b>230</b>	<b>251</b>	<b>242</b>	<b>531</b>	<b>482</b>	<b>701</b>	<b>781</b>	<b>741</b>
<b>Net profit</b>	<b>159</b>	<b>201</b>	<b>148</b>	<b>202</b>	<b>204</b>	<b>419</b>	<b>346</b>	<b>515</b>	<b>570</b>	<b>554</b>
<b>Net profit (adj.)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

### BALANCE SHEET

DKKk	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E
Lending	10,474	11,681	12,174	12,217	11,951	12,067	11,690	12,645	13,091	13,623
Other interest bearing assets	7,209	7,127	8,442	9,573	11,444	11,517	13,784	14,648	13,914	14,194
Goodwill	150	138	125	91.3	91.3	91.2	91.2	91.2	91.2	91.2
<b>Total assets</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>29,631</b>	<b>31,700</b>	<b>31,646</b>	<b>32,535</b>
Deposits from public	15,647	16,589	18,223	18,700	20,001	19,766	20,673	21,399	21,905	22,794
Wholesale funding	0.0	0.0	0.0	0.0	199	378	378	612	619	632
Subordinated debt	466	403	454	673	570	670	571	555	561	572
Equity	2,058	2,228	2,697	2,851	2,996	3,410	3,621	4,016	4,375	4,630
<b>NTA</b>	<b>1,908</b>	<b>2,090</b>	<b>2,572</b>	<b>2,760</b>	<b>2,905</b>	<b>3,318</b>	<b>3,530</b>	<b>3,925</b>	<b>4,284</b>	<b>4,539</b>

### PER SHARE DATA

	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E
No. of shares, fully diluted YE (m)	12.9	13.2	17.4	17.4	17.4	17.4	17.4	16.9	16.5	15.9
No. of shares, fully diluted avg. (m)	12.9	13.0	14.2	17.4	17.4	17.4	17.4	17.3	16.5	15.9
EPS (reported) (DKK)	12.3	15.4	10.4	11.6	11.8	24.1	19.9	29.9	34.6	34.8
EPS (adj.) (DKK)	10.5	13.2	7.51	12.0	9.58	22.7	20.1	29.2	33.0	32.9
DPS (DKK)	3.10	0.00	2.50	3.00	0.00	6.00	6.00	8.00	9.00	9.00
Book value per share (DKK)	159	169	155	164	172	196	208	238	265	291

### MARGINS AND GROWTH

	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E
C/I, adjusted	71.7%	78.2%	75.7%	69.0%	61.7%	64.4%	57.3%	54.5%	55.2%	56.1%
Nil/avg. lending	4.9%	4.5%	4.6%	4.6%	4.8%	5.6%	7.1%	7.4%	6.9%	6.5%
Loan loss ratio	0.30%	0.04%	0.14%	1.33%	-0.21%	-0.13%	0.13%	0.11%	0.33%	0.40%
Nil growth	-1.6%	-0.3%	4.4%	-1.4%	4.4%	13.4%	30.8%	10.5%	-3.5%	-1.8%
Revenue growth	2.9%	-2.9%	5.3%	8.1%	6.5%	1.2%	24.0%	7.1%	0.7%	-0.0%
Cost growth	-8.4%	-5.9%	-1.9%	1.5%	4.9%	-5.7%	-10.3%	-1.9%	-2.1%	-1.5%
PPP growth	-8.8%	-25.3%	17.3%	38.0%	31.7%	-6.1%	48.7%	14.2%	-1.0%	-2.0%
RWA growth	7.0%	3.9%	-1.7%	-3.1%	1.3%	-3.4%	4.0%	5.4%	3.0%	3.0%

### PROFITABILITY

	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E
RoE, reported profits	8.0%	9.4%	6.0%	7.3%	7.0%	13.1%	9.8%	13.4%	13.7%	12.5%
RoNTA, adj. profits	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Tier-1	9.9%	10.7%	13.0%	14.0%	16.1%	17.5%	18.9%	16.4%	19.0%	19.7%
Equity tier-1	12.9%	14.0%	15.1%	16.2%	18.4%	19.7%	21.9%	18.7%	21.3%	21.9%
RWA	15,858	16,973	17,639	17,343	16,799	17,017	16,443	17,105	18,032	18,579

### VALUATION

	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E
Share price (DKK)	106	114	80.4	89.6	90.0	165	194	200	213	213
Market cap (DKKk)	1,376	1,497	1,397	1,557	1,564	2,867	3,362	3,378	3,510	3,387
P/E (reported) (x)	8.6	7.4	7.7	7.7	7.7	6.8	9.7	6.7	6.2	6.1
P/E (adj.) (x)	10.1	8.6	10.7	7.5	9.4	7.3	9.6	6.8	6.5	6.5
P/BV (x)	0.67	0.67	0.52	0.55	0.52	0.84	0.93	0.84	0.80	0.73
P/NTA (x)	0.72	0.72	0.54	0.56	0.54	0.86	0.95	0.86	0.82	0.75
Dividend yield	2.9%		3.1%	3.3%		3.6%	3.1%	4.0%	4.2%	4.2%
Total yield (incl. buybacks)	2.9%		3.1%	3.3%		3.6%	3.1%	6.9%	7.1%	8.7%

Source: Company data, Danske Bank Equity Research estimates

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