

Banks

Key data

|                   |           |
|-------------------|-----------|
| Price (DKK)       | 330       |
| Country           | Denmark   |
| Bloomberg         | SPKSJF DC |
| Reuters           | SPKSJF.CO |
| Free float        | 79.0%     |
| Market cap (DKKm) | 5,734     |
| No. of shares (m) | 17.4      |
| Next event        | Q4: 6-Feb |

\* Price as at close on 7 November 2025

|     |                |
|-----|----------------|
| CEO | Lars Petersson |
| CFO | Jan Justesen   |

Company description

Sjælland-Fyn Bank 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             | 10.0% |
| Jyske bank              | 7.1%  |
| AP Pension              | 6.6%  |
| Købstædernes Forsikring | 5.5%  |
| Nykredit Realkredit A/S | 5.3%  |

Source: Company data (7 November 2025)

Estimate changes

|            | 25E   | 26E  | 27E  |
|------------|-------|------|------|
| NII        | -1.3% | 2.9% | 4.0% |
| PPP        | -2.2% | 5.2% | 6.5% |
| EPS (adj.) | -0.6% | 5.6% | 7.0% |

Source: Danske Bank Equity Research estimates

Analyst(s)

Amina Ashraf  
Asbjørn Nicholas Mørk

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<https://research.danskebank.com>

Important disclosures and certifications are contained from page 13 of this report

# SJF Bank

*It's a growth game – the question is, organic or inorganic?*

**SJF Bank delivered a strong Q3 with core income growth +2% y/y and q/q. NII benefited from volume growth across all core business areas, and from impressive control over NIM. SJF Bank's capability to generate stable core income underpins a strong competitive advantage. As the market awaits the new financial strategy, the strong capital position creates opportunities in a sector reliant on growth.**

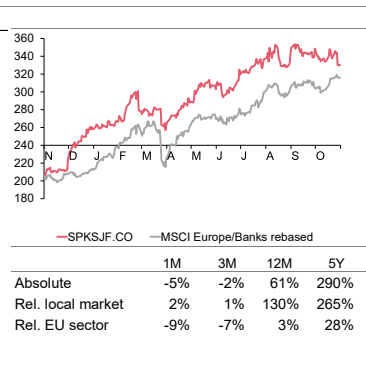
- **NII largely stable.** NII declined by 0.3%q/q and 4%y/y in Q3, marking one of the most controlled annual decreases among the Danish banks within our coverage in the quarter. New customer inflow and increased business with existing customers drove volume growth, providing NII support. Sequential growth in core lending and deposits was impressive, with both at 2%, outperforming the sector average. Notably, for the past three quarters, SJF Bank has consistently delivered higher lending growth than its Danish peers. Furthermore, the bank has maintained resilient interest spreads and net interest margin (NIM), securing its position as a leader in the Danish banking sector with the highest NIM. The power horse here is the impressive rate of growth coupled with the high NIM.
- **Fee income in good momentum.** Looking at fee income (excluding dividends, to minimise uncontrolled volatility), growth was solid at 8% y/y and 2% q/q. SJF Bank has the highest ratio of fee income to total income among the peers in our coverage, averaging 42% over Q1 21 to Q3 25. This enables the institution to benefit from growth in capital-light income, allowing capital to be allocated to growth (organic or inorganic), rather than it being tied up in meeting stringent regulatory requirements. As a result, SJF Bank has significant potential to generate high ROE (post capital optimisation). Meanwhile, the institution's ability to maintain a high core income results in a leading income-to-asset ratio in the sector.
- **Costs weighing heavily.** SJF Bank has a target of reaching a C/I ratio of lower than 50% by the end of FY2026. The institution has been intensively investing in the move to the new Carlsberg Byen domicile, rebranding, and hiring FTEs in key strategic areas, leaving C/I at 53% in FY2024, 58% in FY2025E (56% adjusted for non-recurring costs), and 55% in FY2026E. However, management appears committed to reaching this target.
- **Valuation.** Our fair value range is DKK370-452/sh (prev.313-386); 12-37%upside potential.

Key financials

| Year-end Dec (DKK)              | 2023  | 2024  | 2025E | 2026E | 2027E |
|---------------------------------|-------|-------|-------|-------|-------|
| NII (m)                         | 862   | 961   | 924   | 968   | 994   |
| Lending growth                  | 8.2%  | 1.2%  | 11.3% | 7.4%  | 3.0%  |
| Total revenues (m)              | 1,584 | 1,729 | 1,720 | 1,789 | 1,831 |
| Pre-provision profits (PPP) (m) | 676   | 805   | 726   | 804   | 826   |
| PPP growth                      | 48.7% | 19.1% | -9.8% | 10.8% | 2.7%  |
| Loan losses (m)                 | -15.6 | -44.6 | -36.1 | -80.1 | -83.5 |
| PTP (m)                         | 701   | 815   | 758   | 744   | 763   |
| EPS (adj.)                      | 29.2  | 33.3  | 32.6  | 33.5  | 35.4  |
| DPS                             | 8.00  | 10.0  | 10.0  | 10.0  | 10.0  |
| Dividend yield                  | 4.0%  | 4.0%  | 3.0%  | 3.0%  | 3.0%  |
| C/I                             | 57.3% | 53.4% | 57.8% | 55.0% | 54.9% |
| PPP/avg. lending                | 5.56% | 6.33% | 5.37% | 5.45% | 5.32% |
| Loan loss ratio                 | 0.13% | 0.35% | 0.27% | 0.54% | 0.54% |
| Equity tier-1 ratio             | 21.7  | 22.2  | 21.6  | 22.0  | 22.4  |
| RoNTA                           | 13.5% | 13.6% | 11.8% | 11.1% | 10.8% |
| P/E (adj.) (x)                  | 6.8   | 7.5   | 10.1  | 9.8   | 9.3   |
| P/NTA                           | 0.86  | 0.96  | 1.15  | 1.06  | 0.98  |

Source: Company data, Danske Bank Equity Research estimates

Price performance



Source: FactSet

Not for US distribution

Table 1 : Deviation table

| DKK m   | Q3 25A       | Q3 24A       | Y/Y         | Q2 25A       | Q/Q        | DBER       |             |            | 2025E        |
|---|--------------|--------------|-------------|--------------|------------|------------|-------------|------------|--------------|
|   |              |              |             |              |            | Q3 25E     | Diff        | %          |              |
| Net interest income                                 | 231          | 241          | -4%         | 232          | -0.3%      | 237        | -6          | -2%        | 924          |
| Net commission income (incl dividends)              | 156          | 146          | 7%          | 214          | -27%       | 154        | 2           | 2%         | 702          |
| NII and net fee income                              | 387          | 388          | 0%          | 446          | -13%       | 391        | -3          | -1%        | 1,626        |
| Core capital gains                                  | 41           | 31           | 30%         | -27          |            | 20         | 21          |            | 73           |
| Other income  | 5            | 5            | 5%          | 5            | 7%         | 5          | 0           | 5%         | 21           |
| <b>Total core income (including Trading income)</b> | <b>433</b>   | <b>424</b>   | <b>2%</b>   | <b>424</b>   | <b>2%</b>  | <b>416</b> | <b>18</b>   | <b>4%</b>  | <b>1,720</b> |
| Core banking costs                                  | -251         | -222         | 13%         | -242         | 4%         | -232       | -19         | 8%         | -994         |
| <b>Core earnings (Profits before loan losses)</b>   | <b>182</b>   | <b>202</b>   | <b>-10%</b> | <b>182</b>   | <b>0%</b>  | <b>183</b> | <b>-1</b>   | <b>-1%</b> | <b>726</b>   |
| Loan loss provisions                                | -10          | -11          |             | -26          |            | -9         | -1          |            | -36          |
| <b>Core earnings after loan losses</b>              | <b>172</b>   | <b>192</b>   | <b>-10%</b> | <b>157</b>   | <b>10%</b> | <b>175</b> | <b>-3</b>   | <b>-1%</b> | <b>690</b>   |
| Other Capital gains                                 | 17           | 20           |             | 15           | 14%        | 0          | 17          |            | 45           |
| Investments in associated companies                 | 5            | 9            | -45%        | 7            | -28%       | 5          |             |            | 23           |
| <b>Pretax profits</b>                               | <b>195</b>   | <b>220</b>   | <b>-12%</b> | <b>179</b>   | <b>9%</b>  | <b>180</b> | <b>15</b>   | <b>8%</b>  | <b>758</b>   |
| Tax   | -38          | -53          | -28%        | -38          | 0%         | -40        | 1           | -3%        | -160         |
| <b>Net profits before AT-1 costs</b>                | <b>156</b>   | <b>167</b>   | <b>-6%</b>  | <b>141</b>   | <b>11%</b> | <b>140</b> | <b>16</b>   | <b>11%</b> | <b>598</b>   |
| Minority interests / AT-1                           | -9           | -11          | n.a.        | -9           | n.a.       | -6         | -3          | n.a.       | -34          |
| Net profits   | 147          | 156          | -6%         | 131          | 12%        | 134        | 13          | 10%        | 564          |
| NII+Fee-costs                                       | 136          | 166          | -18%        | 204          | -33%       | 158        | -22         | -14%       | 632          |
| Pre-provision profits ex trading                    | 141          | 171          | -17%        | 209          | -32%       | 163        | -22         | -13%       | 653          |
| EPS, net profits                                    | 9.00         | 9.22         | -2%         | 8.04         | 12%        | 8.14       | 0.86        | 11%        | 34.86        |
| Tier-1 ratio  | 19.8%        | 19.5%        | 1%          | 19.8%        | 0%         | 19.4%      | 0.4%        | 2%         | 21.6%        |
| CET-1 ratio   | 17.7%        | 17.2%        | 3%          | 17.8%        | 0%         | 17.4%      | 0.3%        | 2%         | 19.5%        |
| Lending   | 13,985       | 12,872       | 9%          | 13,741       | 2%         | 13,940     | 45          | 0%         | 14,237       |
| Loan loss ratio, lending +guarantees                | 0.21%        | 0.25%        |             | 0.55%        |            | 0.18%      | 0.03%       |            | 0.19%        |
| <b>Cost/income</b>                                  | <b>58.0%</b> | <b>52.3%</b> | <b>5.7%</b> | <b>57.0%</b> | <b>1%</b>  | <b>56%</b> | <b>2.1%</b> |            | <b>57.8%</b> |
| REA   | 19,431       | 17,721       | 10%         | 19,622       | -1%        | 19,819     | -388        | -2%        | 19,625       |

**Guidance 2025:**

11/4/2025: PTP DKK750-800m (precision to the upper half of the range)

9/7/2025: Profit before tax DKK 700-800 m (previously DKK 625-750 m)

9/1/2025: Profit before tax: DKK 625-750 m (based on 3 x 0.25 bps rate cuts during the year and higher loan impairments vs 2024)

Source: Company data, Danske Bank Equity Research (DBER) estimates

## *Investment case*

In our view, Sjælland-Fyn Bank 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 due to its physical presence, with a strong 11% customer inflow in recent years and 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 Totalkredit's lower mortgage prices.

A Bankdata setup makes it a potential takeover target, in our view, but with clear financial targets, management is keen to deliver stand-alone.

After the bank successfully delivered 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 confidence in management, and if SJF Bank delivers by 2025, we see strong additional upside potential.

Furthermore, SJF Bank's strong capital position provides the flexibility to grow and optimise its capital. With the current financial strategy, 'Towards New Goals', concluding by the end of FY2025, the market anticipates the introduction of a new strategy in FY2026. We expect this new strategy to focus on growth and include plans for capital optimisation, unlocking further potential.

### **The 'Towards New Goals' targets are as follows:**

- Cost/income ratio below 50% by 2026 (58% at Q3 25, and 56% adjusted for special costs).
- 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% (21.9% at Q3 25).
- 4-8% annual growth in total business volumes.

## *Methodology for deriving our valuation range*

We value SJF Bank using several valuation approaches, including a Gordon Growth model where we value the bank based on its normalised profitability capacity. We apply 9.5-10.5% cost of capital and 37-57bp of normalised loan loss provisions to determine a fair value range.

## *Risks*

**Macroeconomic exposures.** Like its peers, SJF Bank 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 selectively increased the number of full-time employees (FTEs) and hence costs in recent quarters. On top of that, general wage inflation and competition for key FTEs could drive costs higher.

**A deterioration in credit quality.** SJF Bank 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.

## *Not for US distribution*

### Fair value range increased

Based on our new estimates, our capital- and risk-adjusted Gordon Growth model returns a fair value range of DKK370-452 per share (previously DKK313-386 per share), with the mid-range at DKK411. This suggests 12% to 37% upside from the current share price. In the range, we continue to apply a cost of capital range of 9.5-10.5% and 37-57bp of normalised loan losses.

Figure 1: SJF bank valuation

|                |       | Avg. Loan losses 25-34E |       |       |       |       |       |       |       |
|----------------|-------|-------------------------|-------|-------|-------|-------|-------|-------|-------|
|                |       | 408                     | 0.17% | 0.27% | 0.37% | 0.47% | 0.57% | 0.67% | 0.77% |
| Cost of Equity | 9.0%  | 520                     | 502   | 484   | 466   | 448   | 430   | 412   |       |
|                | 9.5%  | 485                     | 469   | 452   | 435   | 418   | 402   | 385   |       |
|                | 10%   | 455                     | 440   | 424   | 408   | 393   | 377   | 361   |       |
|                | 10.5% | 429                     | 415   | 400   | 385   | 370   | 356   | 341   |       |
|                | 11.0% | 407                     | 393   | 379   | 365   | 351   | 337   | 323   |       |
|                | 408   |                         |       |       |       |       |       |       |       |

|                |       | Upside/downside vs current share price |       |       |       |       |       |       |
|----------------|-------|--|-------|-------|-------|-------|-------|-------|
|                |       | 0.17%                                  | 0.27% | 0.37% | 0.47% | 0.57% | 0.67% | 0.77% |
| Cost of Equity | 9.0%  | 58%                                    | 52%   | 47%   | 41%   | 36%   | 30%   | 25%   |
|                | 9.5%  | 47%                                    | 42%   | 37%   | 32%   | 27%   | 22%   | 17%   |
|                | 10%   | 38%                                    | 33%   | 28%   | 24%   | 19%   | 14%   | 9%    |
|                | 10.5% | 30%                                    | 26%   | 21%   | 17%   | 12%   | 8%    | 3%    |
|                | 11.0% | 23%                                    | 19%   | 15%   | 11%   | 6%    | 2%    | -2%   |
|                | 408   |  |       |       |       |       |       |       |

Source: Company data, Danske Bank Equity Research estimates

### Q3 25 review: strong quarter and ample potential ahead

#### NII supported by volume growth and impressive NIM

SJF Bank demonstrated high control over net interest income margins (net interest income/average lending and deposits) and interest income spreads (lending rate-deposit rate).

Indeed, SJF Bank has one of the highest NIMs in the Danish banking sector, at 2.46pp as of end-Q3 25. This is 16bp more than the bank with the second highest NIM in the sector.

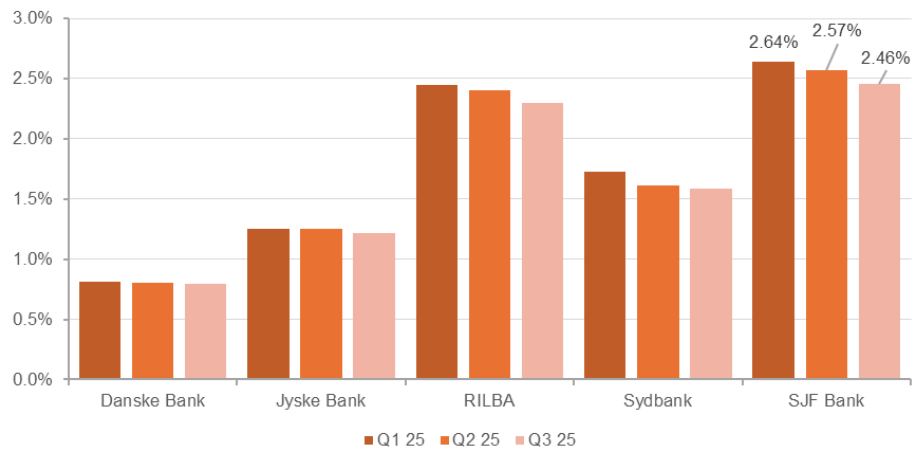
In our view, there are two main drivers of the high NIM.

Firstly, SJF Bank's tail-dominated lending book. Sector data shows that residential lending margins are historically higher than corporate lending margins. As of September, residential lending margins were 43bp higher than corporate lending margins. Furthermore, residential lending margins increased 44bp y/y, compared to a drop in corporate lending margins of 5bp y/y.

Secondly, SJF Bank has a portfolio of Hold to Maturity bonds, totalling DKK5,964m as of Q3. The HTM portfolio acts as a NII hedge in the current decreasing interest rate environment, allowing for NIM support.

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Chart 1: Net interest income margins

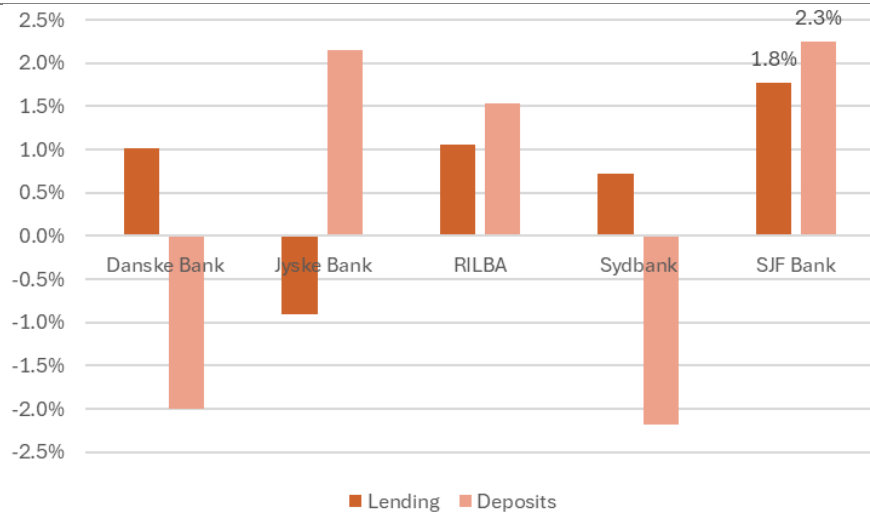


Source: Company data, Danske Bank Equity Research estimates

Volume growth was reported across all core business lines that benefitted from the relatively high NIM.

Core lending saw increases of 8.6% y/y and 1.8% q/q (vs sector average: total bank lending +7.5%/y/y or +0.4% q/q, and private bank lending +6%/y/y or +2% q/q). Deposits increased 9.4% y/y and 2.3% q/q (vs sector: total deposits +5%/y/y or +1.5% q/q, and private deposits +6.4% y/y or -0.4% q/q).

Chart 2: Lending and deposit growth q/q



Source: Company data, Danske Bank Equity Research estimates

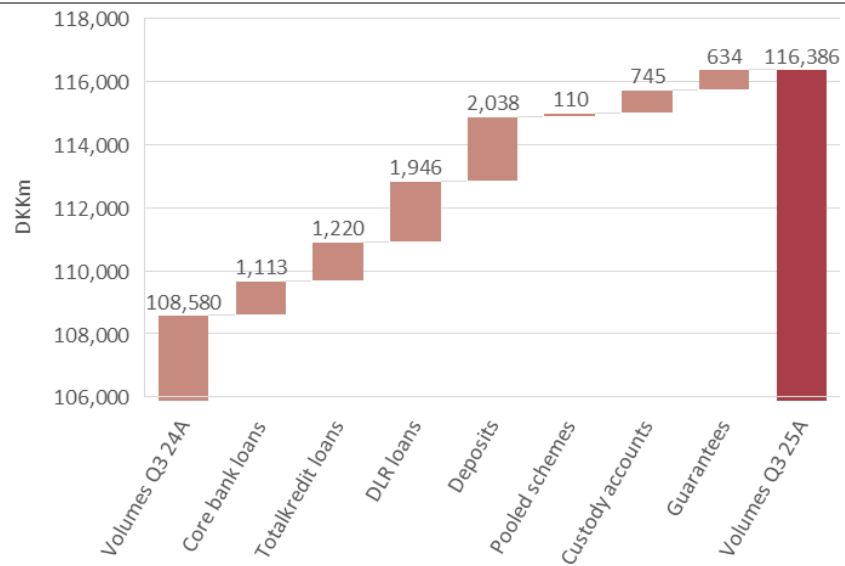
SJF Bank is growing at a pace exceeding the sector average, driven by an influx of new customers and increased business with existing ones.

Momentum in DLR lending was particularly strong in Q3, at +13%/y/y and 4% q/q. This marks the highest increase in any of SJF Bank's business areas. Management expects this momentum to continue in FY2026E.

AUM has been a strategic focus area for SJF Bank, and this is reflected in its growth. Management has hired more FTEs, and lowered investment fees to drive more business.

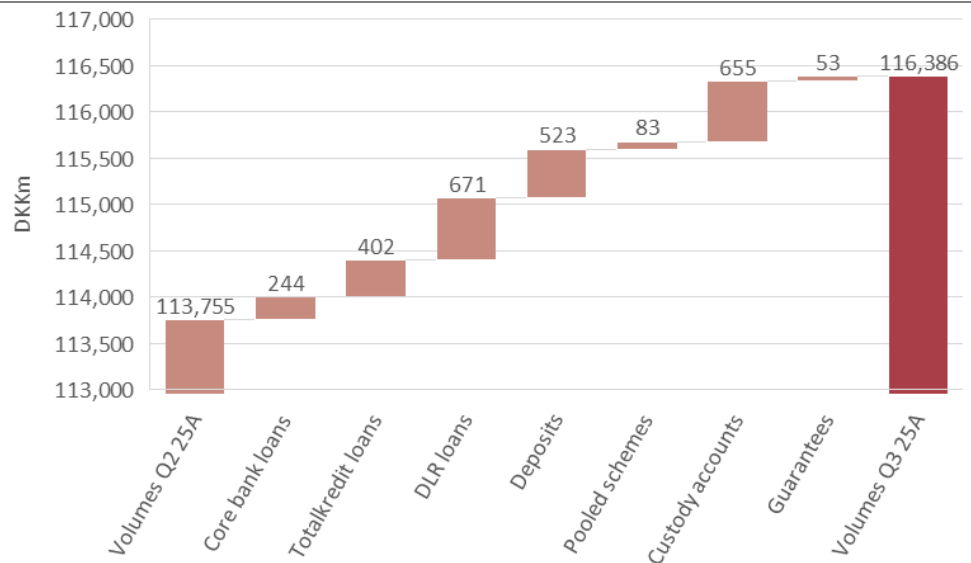
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Chart 3: Business volumes bridge y/y



Source: Company data, Danske Bank Equity Research

Chart 4: Business volumes bridge q/q



Source: Company data, Danske Bank Equity Research

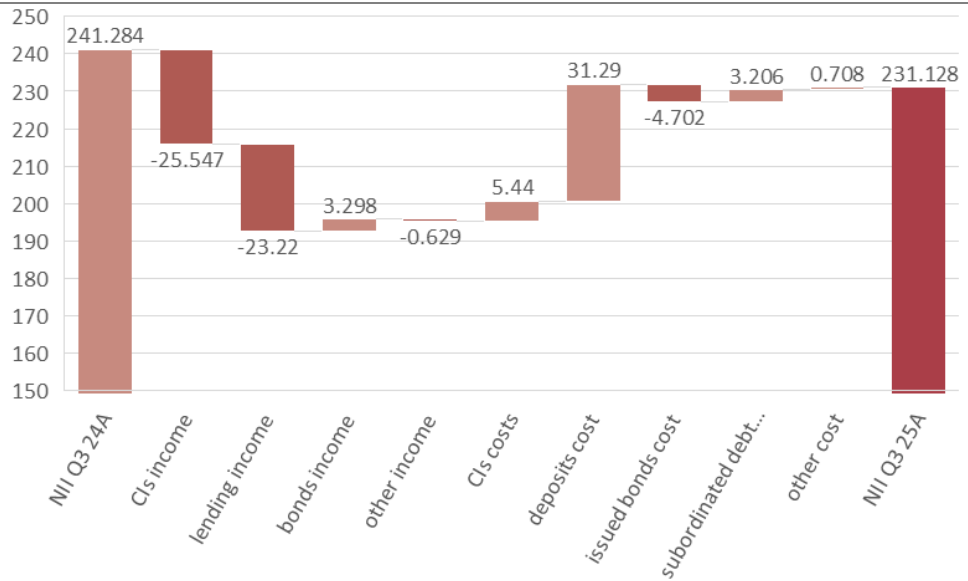
As a result of the volume growth and high NIMs, SJF Bank reported a mild y/y drop in NII in Q3 relative to the average decrease for peers in our coverage at -7%/y/y.

SJF Bank reported NII growth at -4%/y/y and -0.3%q/q in Q3 25. We consider this a controlled decrease considering the DKK9.7bn in excess liquidity (an increase of DKK0.2bn during the quarter), and the 10bp q/q decrease in market rates.

On average, net interest income (NII) accounts for 52% of SJF Bank's total revenue as of Q3 25, while fee income contributes 42%. This marks one of the highest fee income contributions in the sector, allowing for a relatively higher percentage of capital-light income. This allows capital to be used for growth rather than tied up for regulatory requirements.

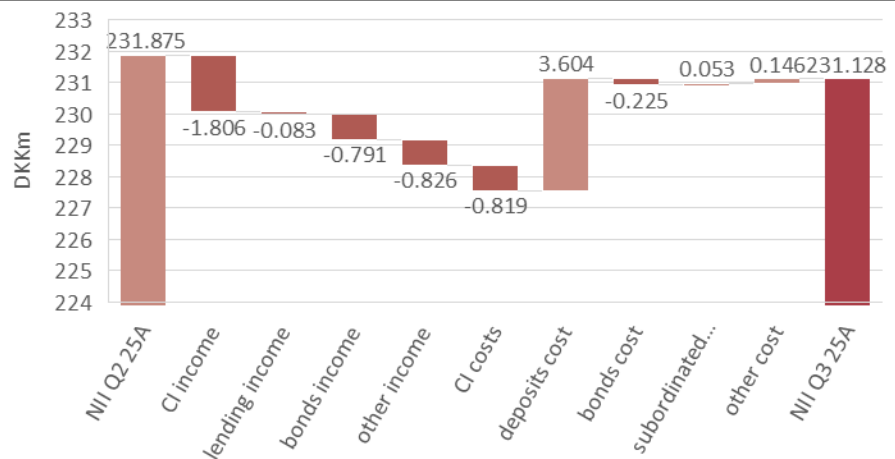
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Chart 5: NII bridge y/y



Source: Company data, Danske Bank Equity Research estimates \*CI= Credit Institution

Chart 6: NII bridge q/q



Source: Company data, Danske Bank Equity Research estimates \*CI= Credit Institution

We expect lending and deposit volume growth to continue over our forecast period. We believe NII has troughed for SJF Bank. We forecast 0.7% q/q NII growth for Q4, suggesting a decrease in NII of -4%/y for the full year.

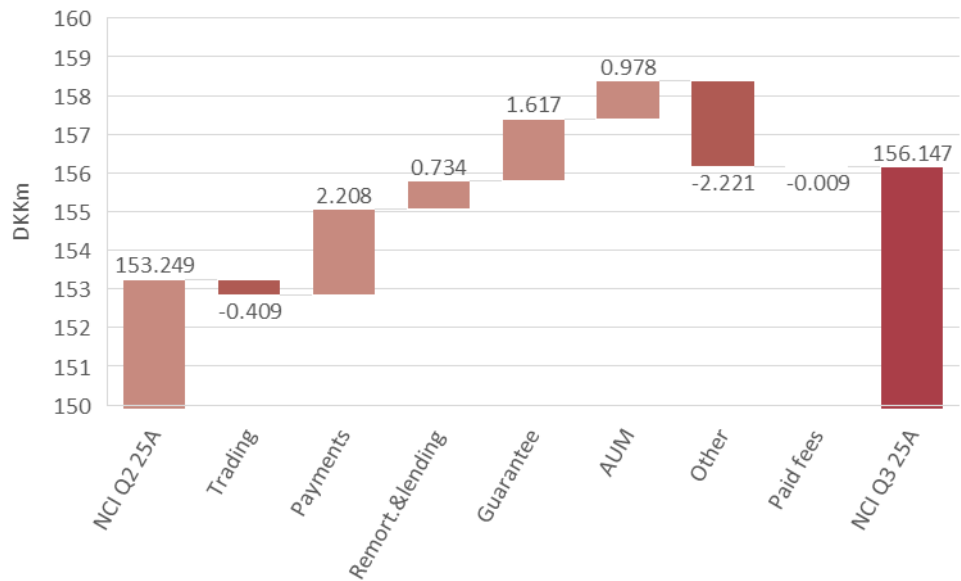
### Solid momentum in fee income

Fee income including dividends grew 7% y/y and decreased 27% q/q in Q3, due to dividends amounting to DKK61m in Q2 and DKK0 in Q3. To adjust for this volatility, we look at fee income excluding dividends, and this increased 8.4% y/y and 1.9% q/q, showing solid underlying momentum.

Payment fees recorded a solid 10% q/q increase, providing tailwinds. Remortgaging and lending fees rose by 6% q/q, while trading and custody fee income declined by 3% q/q due to seasonality and negative value adjustments in key stock names within custody accounts. Assets under management (AUM) fees increased by 4% q/q. Y/y tailwinds were primarily driven by a 24% increase in mortgage activities.

### Not for US distribution

Chart 7: Fee income bridge q/q



Source: Company data, Danske Bank Equity Research estimates

The Danish economy is robust, despite the uncertainties resulting from trade wars and geopolitical pressures. Employment rates are high, the housing market is robust, and there are potential spillover effects from the German fiscal policy. Therefore, we have a positive view on the bank sector in Denmark, and we see potential for improving consumer spending.

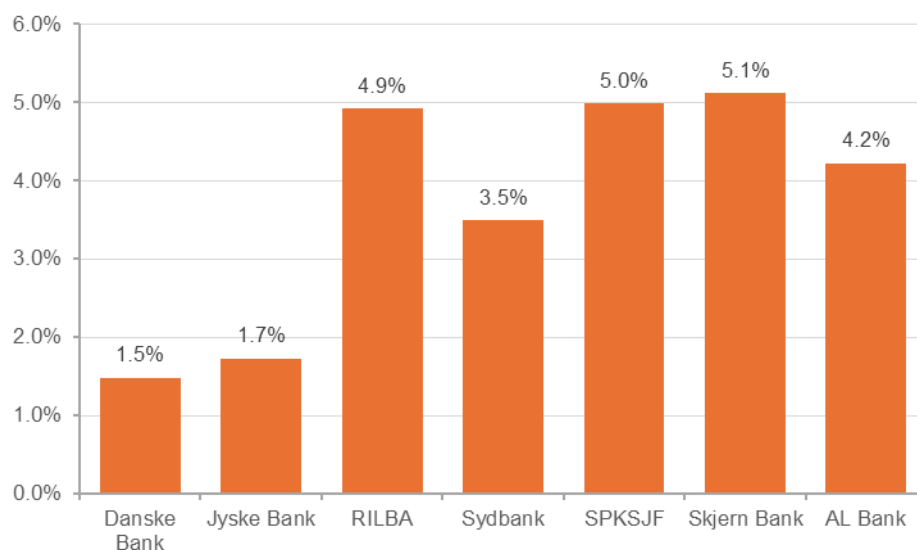
We therefore expect SJF Bank to report continued positive fee income momentum from general activities in FY2026E, particularly driven by mortgage activities, AUM, and payments. We forecast a 4% y/y increase in fee income excluding dividends in Q4, bringing full-year fee income to 4% higher y/y.

### Costs weighing heavily

Top line momentum is strong, with a stable NII+Fee income y/y, despite a drop of 1.36pp in market rates (Sep 25 vs 24) and 1.5pp drop in the Danish central bank's CD rates. This leaves core income at an impressive +2% y/y, deviating from the pressure in the industry resulting from declining rates.

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Chart 8: Income to assets FY2025E (except Skjern Bank and AL Bank, FY2024)



Source: Company data, Danske Bank Equity Research estimates

Higher costs, however, weighed heavily, leading to a weaker bottom line in Q3. In Q3, costs increased 13% y/y and 4% q/q.

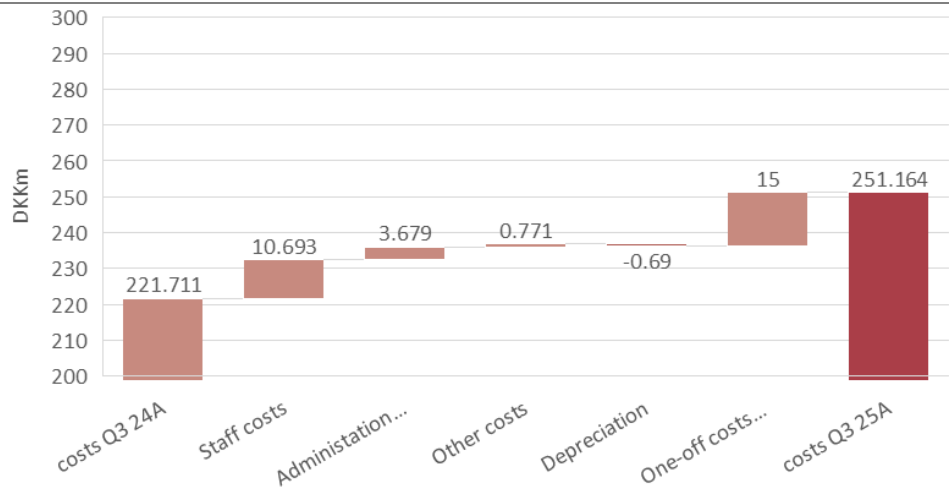
SJF Bank has been investing heavily in moving to its new domicile in Carlsberg Byen and in rebranding. We believe this will drive further growth to the institution eventually, but for now this is creating a challenge to the cost base, and more importantly to the C/I target ratio.

As part of "Towards New Goals", the management has set a target of bringing the C/I ratio down to below 50% by the end of FY2026.

The cost-to-income (C/I) ratio stood at 58% in Q3 25 and 54% adjusted for special costs. For Q4, we forecast a 12% y/y increase in staff costs due to higher FTEs and severance pay, along with a 3% y/y rise in other administrative costs. This leaves our FY2025E cost estimate 8% higher y/y, resulting in a C/I ratio of 58%. Adjusting for the special costs related to the move to the new domicile, rebranding, and severance pay, we estimate a C/I ratio for FY2025E at 56%, which is 6pp above the 2026 target.

The management is confident in reaching the goal of lower than 50%, however. In our view, this will require further cost-cutting initiatives, and if achieved without impairing the income momentum, it should propel SJF Bank to new heights.

Chart 9: Costs bridge y/y



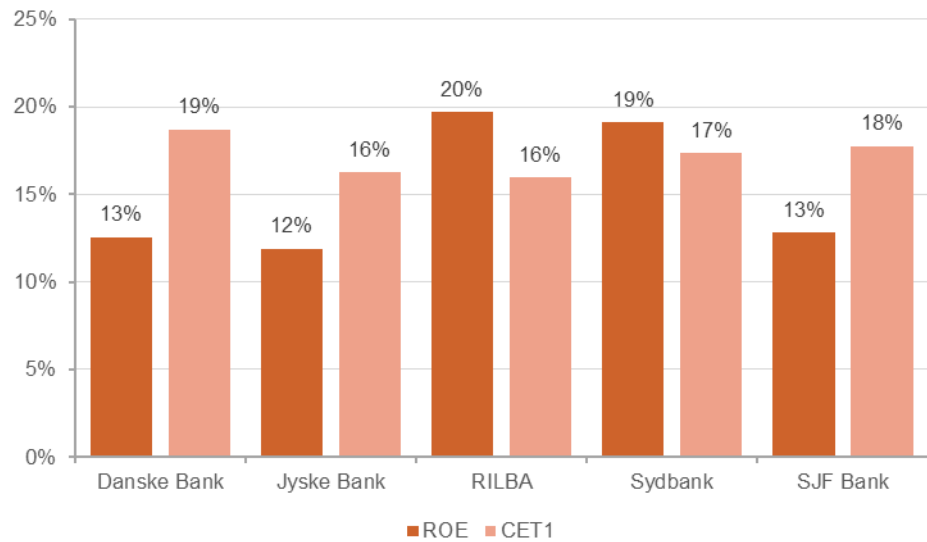
Source: Company data, Danske Bank Equity Research estimates

*Over capitalisation gives growth opportunities (organic and inorganic)*

SJF Bank benefits from a strong contribution from capital-light fee income. This frees up some capital that would otherwise be tied up in meeting interest income regulatory requirements.

SJF Bank has one of the highest CET1 ratios in the sector, standing at 18% as per Q3. This excess capital provides opportunities for growth, both organic and inorganic. Despite the high CET1 ratio, SJF Bank maintained a relatively solid ROE at 13% at Q3, which could increase further following capital optimisation.

Chart 10: ROE and CET1 ratios as per Q3 25

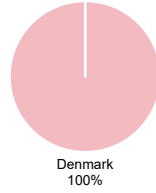


Source: Company data, Danske Bank Equity Research

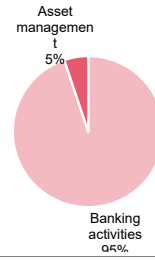
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## Company summary

### Income breakdown by geographical area



### Income breakdown by segment



### Company information

SJF Bank  
 Isefjord Allé 5, 3200 Holbæk  
 Denmark  
 www.spks.dk

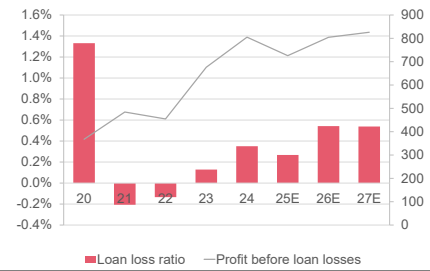
### Main shareholders

| Name                    | Votes (%) | Capital (%) |
|-------------------------|-----------|-------------|
| Sydbank A/S             | 7.5%      | 10.0%       |
| Jyske bank              | 7.1%      | 7.1%        |
| AP Pension              | 6.6%      | 6.6%        |
| Købstædernes Forsikring | 5.5%      | 5.5%        |
| Nykredit Realkredit A/S | 5.3%      | 5.3%        |

### 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

[Click here for link to ESG webpage for all companies under coverage.](#)

**Summary tables**
**INCOME STATEMENT**

| Year end Dec, DKKm                 | 2018         | 2019         | 2020         | 2021         | 2022         | 2023         | 2024         | 2025E        | 2026E        | 2027E        |
|------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Net interest income                | 541          | 565          | 557          | 582          | 660          | 862          | 961          | 924          | 968          | 994          |
| Commissions                        | 464          | 549          | 592          | 636          | 676          | 606          | 668          | 702          | 720          | 737          |
| <b>Total revenues</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>1,729</b> | <b>1,720</b> | <b>1,789</b> | <b>1,831</b> |
| Costs                              | -815         | -830         | -818         | -779         | -823         | -908         | -924         | -994         | -984         | -1,005       |
| <b>Pre-provision profits (PPP)</b> | <b>227</b>   | <b>267</b>   | <b>368</b>   | <b>484</b>   | <b>455</b>   | <b>676</b>   | <b>805</b>   | <b>726</b>   | <b>804</b>   | <b>826</b>   |
| Loan losses                        | -4.4         | -16.9        | -161         | 24.8         | 16.0         | -15.6        | -44.6        | -36.1        | -80.1        | -83.5        |
| <b>Pre-tax profit</b>              | <b>230</b>   | <b>251</b>   | <b>242</b>   | <b>531</b>   | <b>482</b>   | <b>701</b>   | <b>815</b>   | <b>758</b>   | <b>744</b>   | <b>763</b>   |
| <b>Net profit</b>                  | <b>148</b>   | <b>202</b>   | <b>204</b>   | <b>419</b>   | <b>346</b>   | <b>515</b>   | <b>580</b>   | <b>564</b>   | <b>557</b>   | <b>571</b>   |
| <b>Net profit (adj.)</b>           | <b>107</b>   | <b>208</b>   | <b>167</b>   | <b>395</b>   | <b>350</b>   | <b>504</b>   | <b>560</b>   | <b>527</b>   | <b>526</b>   | <b>541</b>   |

**BALANCE SHEET**

| DKKm                          | 2018          | 2019          | 2020          | 2021          | 2022          | 2023          | 2024          | 2025E         | 2026E         | 2027E         |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Lending                       | 12,174        | 12,217        | 11,951        | 12,067        | 11,690        | 12,645        | 12,790        | 14,237        | 15,290        | 15,754        |
| Other interest bearing assets | 8,442         | 9,573         | 11,444        | 11,517        | 13,784        | 14,648        | 14,483        | 15,165        | 15,471        | 15,782        |
| Goodwill                      | 125           | 91.3          | 91.3          | 91.2          | 91.2          | 91.2          | 91.2          | 91.2          | 91.2          | 91.2          |
| <b>Total assets</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>32,107</b> | <b>34,496</b> | <b>35,937</b> | <b>36,797</b> |
| Deposits from public          | 18,223        | 18,700        | 20,001        | 19,766        | 20,673        | 21,399        | 22,049        | 24,075        | 24,805        | 25,305        |
| Wholesale funding             | 0.0           | 0.0           | 199           | 378           | 378           | 612           | 712           | 835           | 852           | 869           |
| Subordinated debt             | 454           | 673           | 570           | 670           | 571           | 555           | 404           | 406           | 414           | 422           |
| Equity                        | 2,697         | 2,851         | 2,996         | 3,410         | 3,621         | 4,016         | 4,397         | 4,718         | 4,963         | 5,227         |
| <b>NTA</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>4,305</b>  | <b>4,627</b>  | <b>4,872</b>  | <b>5,136</b>  |

**PER SHARE DATA**

|                                       | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025E | 2026E | 2027E |
|---------------------------------------|------|------|------|------|------|------|------|-------|-------|-------|
| No. of shares, fully diluted YE (m)   | 17.4 | 17.4 | 17.4 | 17.4 | 17.4 | 16.9 | 16.5 | 16.2  | 15.7  | 15.3  |
| No. of shares, fully diluted avg. (m) | 14.2 | 17.4 | 17.4 | 17.4 | 17.4 | 17.3 | 16.8 | 16.2  | 15.7  | 15.3  |
| EPS (reported) (DKK)                  | 10.4 | 11.6 | 11.8 | 24.1 | 19.9 | 29.9 | 34.5 | 34.9  | 35.4  | 37.4  |
| EPS (adj.) (DKK)                      | 7.51 | 12.0 | 9.58 | 22.7 | 20.1 | 29.2 | 33.3 | 32.6  | 33.5  | 35.4  |
| DPS (DKK)                             | 2.50 | 3.00 | 0.00 | 6.00 | 6.00 | 8.00 | 10.0 | 10.0  | 10.0  | 10.0  |
| Book value per share (DKK)            | 155  | 164  | 172  | 196  | 208  | 238  | 266  | 292   | 316   | 342   |

**MARGINS AND GROWTH**

|                  | 2018   | 2019  | 2020  | 2021   | 2022   | 2023   | 2024  | 2025E | 2026E | 2027E |
|------------------|--------|-------|-------|--------|--------|--------|-------|-------|-------|-------|
| C/I, adjusted    | 78.2%  | 75.7% | 69.0% | 61.7%  | 64.4%  | 57.3%  | 53.4% | 57.8% | 55.0% | 54.9% |
| NII/avg. lending | 4.5%   | 4.6%  | 4.6%  | 4.8%   | 5.6%   | 7.1%   | 7.6%  | 6.8%  | 6.6%  | 6.4%  |
| Loan loss ratio  | 0.04%  | 0.14% | 1.33% | -0.21% | -0.13% | 0.13%  | 0.35% | 0.27% | 0.54% | 0.54% |
| NII growth       | -0.3%  | 4.4%  | -1.4% | 4.4%   | 13.4%  | 30.8%  | 11.5% | -3.9% | 4.7%  | 2.7%  |
| Revenue growth   | -2.9%  | 5.3%  | 8.1%  | 6.5%   | 1.2%   | 24.0%  | 9.1%  | -0.5% | 4.0%  | 2.4%  |
| Cost growth      | -5.9%  | -1.9% | 1.5%  | 4.9%   | -5.7%  | -10.3% | -1.7% | -7.6% | 1.0%  | -2.1% |
| PPP growth       | -25.3% | 17.3% | 38.0% | 31.7%  | -6.1%  | 48.7%  | 19.1% | -9.8% | 10.8% | 2.7%  |
| RWA growth       | 3.9%   | -1.7% | -3.1% | 1.3%   | -3.4%  | 4.0%   | 6.3%  | 7.9%  | 3.0%  | 3.0%  |

**PROFITABILITY**

|                       | 2018   | 2019   | 2020   | 2021   | 2022   | 2023   | 2024   | 2025E  | 2026E  | 2027E  |
|-----------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| RoE, reported profits | 6.0%   | 7.3%   | 7.0%   | 13.1%  | 9.8%   | 13.4%  | 13.7%  | 12.5%  | 11.7%  | 11.4%  |
| RoNTA, adj. profits   | 4.6%   | 7.8%   | 5.9%   | 12.7%  | 10.2%  | 13.5%  | 13.6%  | 11.8%  | 11.1%  | 10.8%  |
| Tier-1                | 13.0%  | 14.0%  | 16.1%  | 17.5%  | 18.9%  | 19.3%  | 20.0%  | 19.5%  | 20.0%  | 20.5%  |
| Equity tier-1         | 15.1%  | 16.2%  | 18.4%  | 19.7%  | 21.9%  | 21.7%  | 22.2%  | 21.6%  | 22.0%  | 22.4%  |
| RWA                   | 17,639 | 17,343 | 16,799 | 17,017 | 16,443 | 17,105 | 18,189 | 19,625 | 20,221 | 20,834 |

**VALUATION**

|                              | 2018  | 2019  | 2020  | 2021  | 2022  | 2023  | 2024  | 2025E | 2026E | 2027E |
|------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Share price (DKK)            | 80.4  | 89.6  | 90.0  | 165   | 194   | 200   | 250   | 330   | 330   | 330   |
| Market cap (DKKm)            | 1,397 | 1,557 | 1,564 | 2,867 | 3,362 | 3,378 | 4,123 | 5,338 | 5,182 | 5,039 |
| P/E (reported) (x)           | 7.7   | 7.7   | 7.7   | 6.8   | 9.7   | 6.7   | 7.2   | 9.5   | 9.3   | 8.8   |
| P/E (adj.) (x)               | 10.7  | 7.5   | 9.4   | 7.3   | 9.6   | 6.8   | 7.5   | 10.1  | 9.8   | 9.3   |
| P/BV (x)                     | 0.52  | 0.55  | 0.52  | 0.84  | 0.93  | 0.84  | 0.94  | 1.13  | 1.04  | 0.96  |
| P/NTA (x)                    | 0.54  | 0.56  | 0.54  | 0.86  | 0.95  | 0.86  | 0.96  | 1.15  | 1.06  | 0.98  |
| Dividend yield               | 3.1%  | 3.3%  |       | 3.6%  | 3.1%  | 4.0%  | 4.0%  | 3.0%  | 3.0%  | 3.0%  |
| Total yield (incl. buybacks) | 3.1%  | 3.3%  |       | 3.6%  | 3.1%  | 6.9%  | 6.4%  | 4.9%  | 5.9%  | 6.0%  |

Source: Company data, Danske Bank Equity Research estimates

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Report completed: 10 November 2025 at 09:35 CET

Report disseminated: 10 November 2025 at 10:45 CET

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