

Nordic Big Picture

Banking and Capital Market Trends in the Nordics: Spring 2013*

■ Industry Overview

- **Soft First Quarter** — Falling interest rates in Sweden in combination seasonal weakness and limited volume growth are likely to result in modest core revenue progress. Emphasis on cost control and efficiency is expected to remain in focus. We expect asset quality to remain benign (except in Denmark and Shipping). We expect the market will focus on NII progress, cost control, and pre-provision profitability.
- **Lower Rates and Seasonal Headwinds for NII** — Lower short-term interest rates in Sweden (average 3m STIBOR rates -24bps qoq), is likely to weigh on deposit margins. In combination with moderate volume growth, lower day-count and capitalization effects, we expect this will result in soft NII quarter-on-quarter for the banks.
- **Low Credit Demand** — We expect the relatively healthy economic sentiment to support volume growth which we expect will translate to low single digits in 2013. We expect corporate lending demand to remain subdued as economic uncertainty remains. We expect retail mortgage lending to show low single digit growth this year.
- **EPS Trends Mixed** — In the last three months, we have seen 2013E consensus EPS changes for Swedbank (+5%), DNB (+5%), SEB (+5%), Nordea (+3%), SHB (-0%) and Danske (-9%). We see limited scope for EPS to maintain momentum as weaker credit demand and slowing volume growth in combination with weaker fundamentals look set to weigh on earnings growth.
- **Fairly Valued Banks** — As a group, the Nordic banks appear to us fairly valued and we prefer Danske as a turn-around case. To reflect our updated models we make minor adjustments to estimates. For our full financial forecasts see pages 25 to 37.
- **Buy Danske** — We believe Danske offers most potential upside with the benefit of an improving provision cycle, tightening credit spreads, potential for capital returns and the positive risk premium impact that should follow. We expect the underlying improvement in profitability in combination with declining provisions will make the capital return story more visible as we move through 2013. We have a target price of DKr140 per share, equivalent to 1.1x '13E TBV, offering an ETR of 34%.

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Figure 1. Nordic Banks — Financial Forecasts

| | | | | | Target | | 13E EPS | | 14E EPS | | 15E EPS | |
|-------------|---------|-----|-----|--------|--------|------|---------|-------|---------|-------|---------|-------|
| | | | | | New | Old | New | Old | New | Old | New | Old |
| Danske Bank | Buy | DKr | 34% | 106.40 | 140 | 140 | 9.18 | 9.37 | 14.00 | 14.21 | 15.62 | 15.84 |
| DNB | Neutral | NKr | 3% | 85.10 | 85 | 85 | 8.21 | 9.34 | 10.23 | 10.85 | 10.92 | 11.58 |
| Nordea | Neutral | € | 7% | 9.01 | 9.25 | 9.25 | 0.81 | 0.83 | 0.90 | 0.92 | 0.99 | 1.00 |
| SEB | Neutral | SKr | 1% | 67.65 | 65 | 65 | 5.91 | 5.94 | 6.42 | 6.47 | 6.83 | 6.89 |
| SHB | Neutral | SKr | -1% | 280.40 | 265 | 265 | 21.82 | 22.32 | 23.29 | 23.82 | 25.21 | 25.77 |
| Swedbank | Neutral | SKr | 12% | 150.60 | 158 | 158 | 12.04 | 13.49 | 14.89 | 14.65 | 15.83 | 15.65 |

Source: Powered by dataCentral. Note: Prices as of 12 April 2013.

See Appendix A-1 for Analyst Certification, Important Disclosures and non-US research analyst disclosures.

*CORRECTION: In our original note, the 1Q13 pre-tax and net profit numbers for DNB in Figure 67 were incorrect due to model linkage errors. The full year estimates were not impacted by this error.

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Figure 2. Nordic Banks — Valuation Summary

| | Rec | | Share Price | | | Adj PE | | Rep 13 | | M Cap \$ bn | Absolute | | | |
|-------------|---------|-----|-------------|--------|------|--------|-------|--------|-----|----------------|----------|-----|-----|-----|
| | | | Current | Target | +/-% | 2013E | 2014E | P/B | ROE | | YTD | 1m | 3m | 12m |
| Danske Bank | Buy | DKr | 106.40 | 140 | 32% | 11.6x | 7.6x | 0.7x | 6% | 19 | 11% | -3% | 0% | 16% |
| DNB | Neutral | NKr | 85.10 | 85 | 0% | 10.4x | 8.3x | 1.0x | 10% | 24 | 21% | -9% | 15% | 23% |
| Nordea | Neutral | € | 9.01 | 9.25 | 3% | 11.2x | 10.0x | 1.2x | 11% | 48 | 24% | -3% | 17% | 42% |
| SEB | Neutral | SKr | 67.65 | 65 | -4% | 11.4x | 10.5x | 1.3x | 11% | 23 | 22% | -2% | 13% | 53% |
| SHB | Neutral | SKr | 280.40 | 265 | -5% | 12.8x | 12.0x | 1.6x | 12% | 28 | 21% | -1% | 14% | 38% |
| Swedbank | Neutral | SKr | 150.60 | 158 | 5% | 10.7x | 10.1x | 1.5x | 12% | 27 | 19% | -6% | 11% | 52% |

Source: Powered by dataCentral. Note: Prices as of 12 April 2013.

Figure 3. Nordic Banks — Reporting Dates, 1Q13

| Bank | Date | Access |
|-------------|--------|--|
| SEB | 23 Apr | www.sebgroup.com |
| Swedbank | 23 Apr | www.swedbank.com |
| Nordea | 24 Apr | www.nordea.com |
| SHB | 24 Apr | www.handelsbanken.se |
| DNB | 26 Apr | www.dnb.no |
| Danske Bank | 2 May | www.danskebank.com |

Source: Company data

Valuation, Earnings and Liquidity

Consensus Earnings Estimates

- Consensus earnings forecasts have been mixed, with Danske and Handelsbanken being revised down and the other Swedish banks and DNB seeing meaningful upgrades (2.5-5%).

Figure 4. Danske — Consensus EPS & Share Price, Apr 10–Apr 13

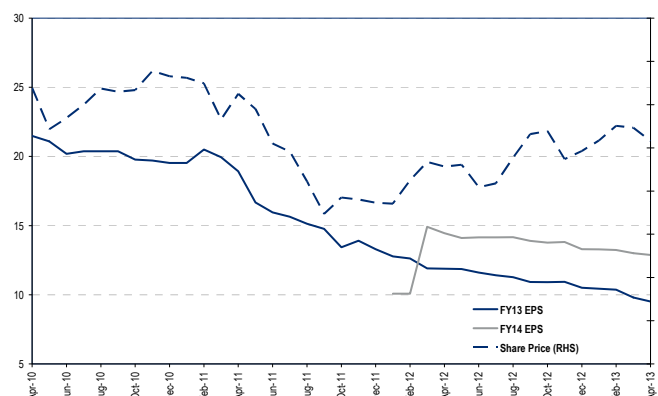


Figure 5. SEB — Consensus EPS & Share Price, Apr 10–Apr 13

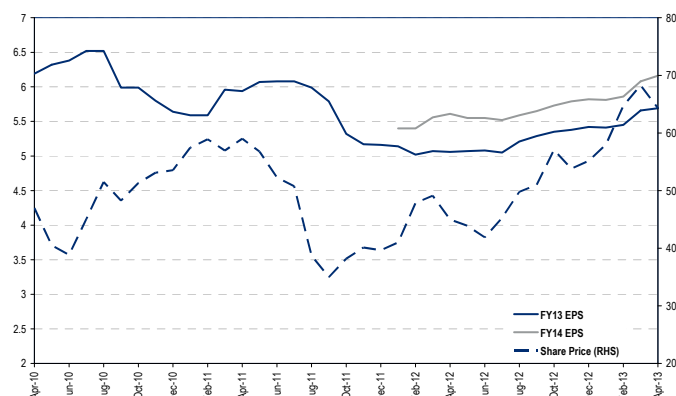


Figure 6. Nordea — Consensus EPS & Share Price, Apr 10–Apr 13

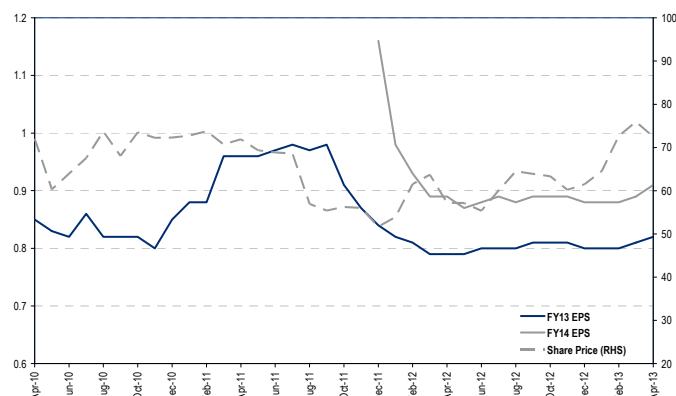


Figure 7. SHB — Consensus EPS & Share Price, Apr 10–Apr 13

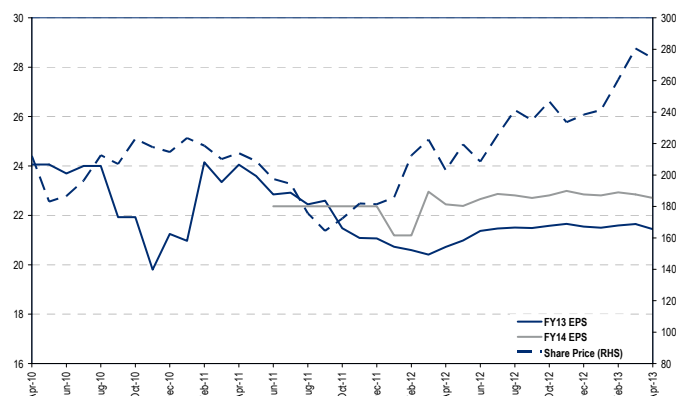


Figure 8. DnB — Consensus EPS & Share Price, Apr 10–Apr 13

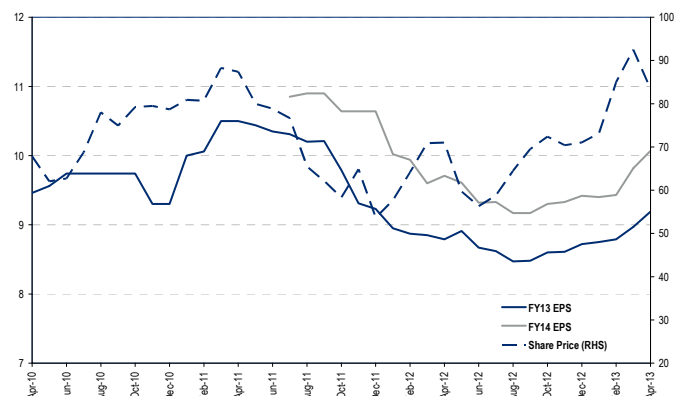
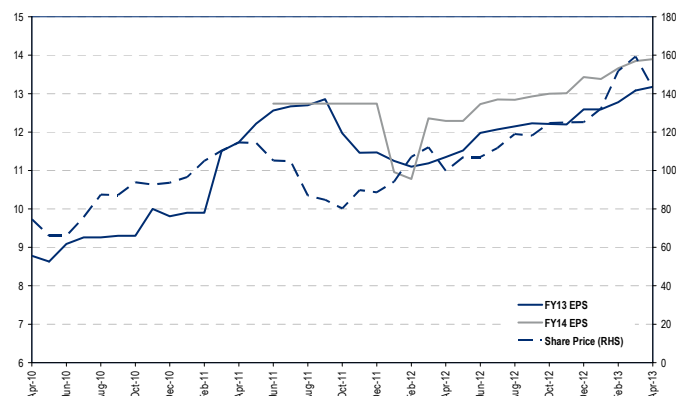


Figure 9. Swedbank — Consensus EPS & Share Price, Apr 10–Apr 13



Source for all charts: DataStream

Liquidity

- Short-term interest rates fell across in Sweden while remained broadly unchanged in the rest of the region during the quarter. Averaging effects should weigh on deposit margins in Sweden in the first quarter.

Figure 10. Sweden — 3M Interbank Spread over 3M T-Bills, 2007-13 (Bps)

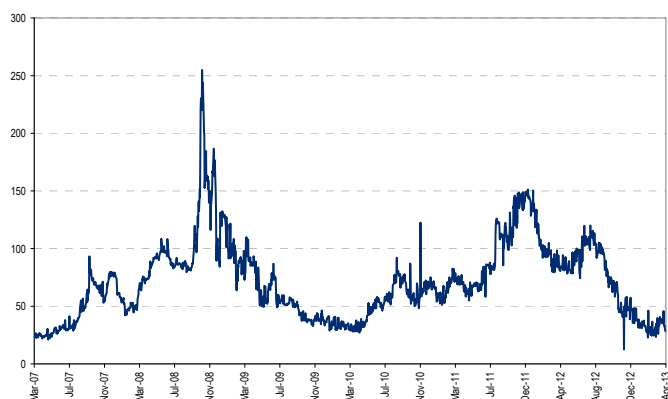


Figure 12. Norway — 3M Interbank Spread over 3M T-Bills, 2007-13 (Bps)

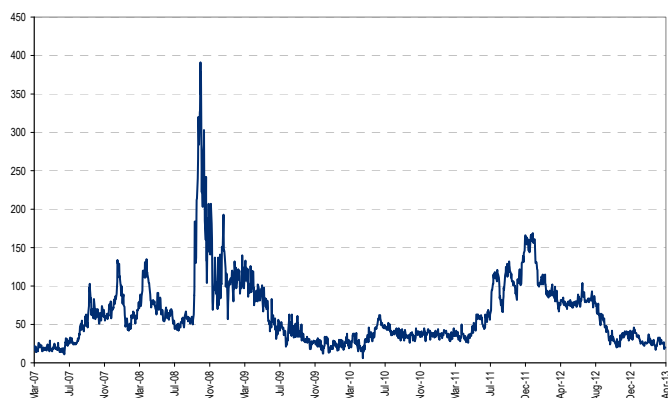


Figure 11. Sweden — Central Bank, T-Bill and Interbank Rates, 2007-13 (Bps)

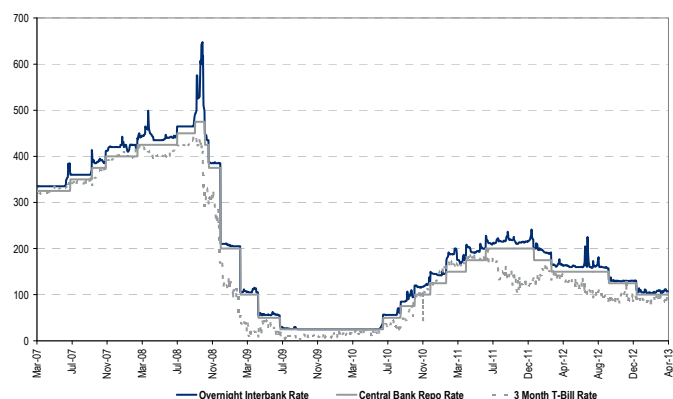


Figure 13. Norway — Central Bank, T-Bill and Interbank Rates, 2007-13 (Bps)

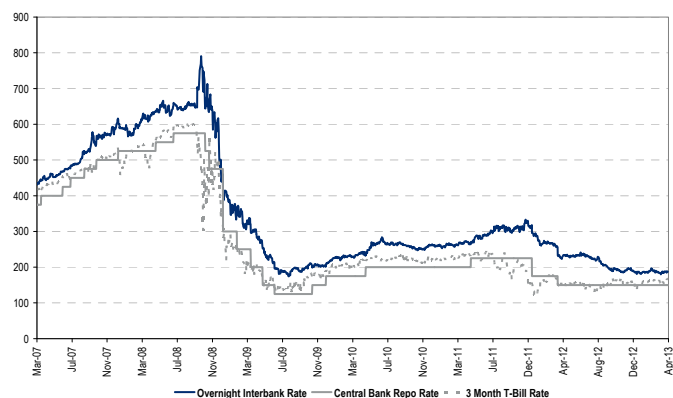


Figure 14. Denmark — Central Bank, T-Bill and Interbank Rates, 2007-13 (Bps)



Source for all charts: DataStream

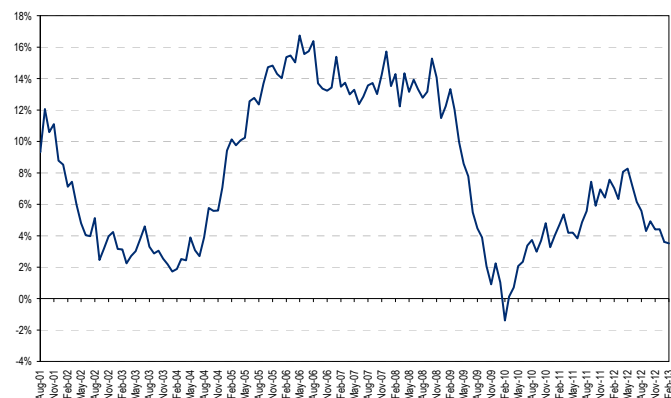
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Volumes and Asset Quality

Loan volumes

- Overall lending volume growth continued to decelerate across the Nordic countries as the economic activity remained muted and initiatives to slow mortgage lending continues to bite.

Figure 15. Sweden — Loan Volume Growth, 2001-13 (Percent YoY)



Note: Includes foreign lending by domestic MFIs

Figure 16. Norway — Loan Volume Growth, 2001-13 (Percent YoY)

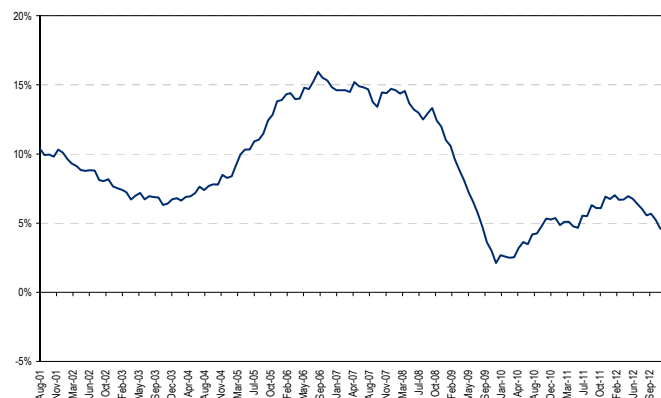


Figure 17. Denmark — Loan Volume Growth, 2001-13 (Percent YoY)

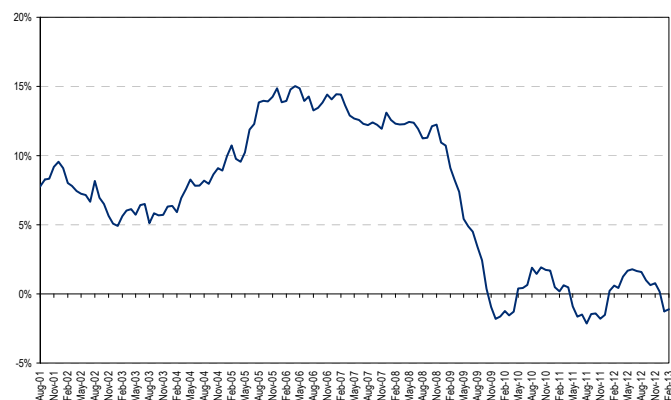
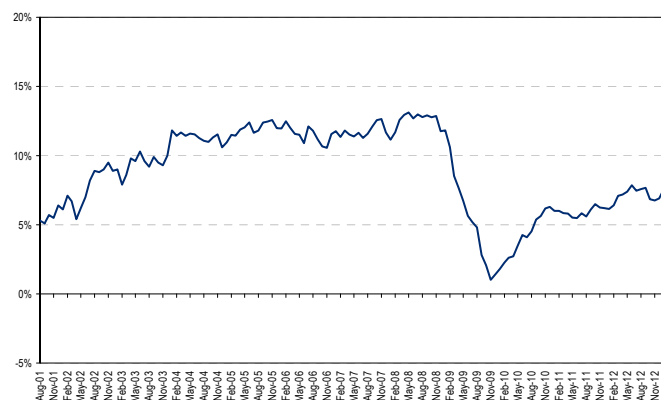


Figure 18. Finland — Loan Volume Growth, 2001-13 (Percent YoY)

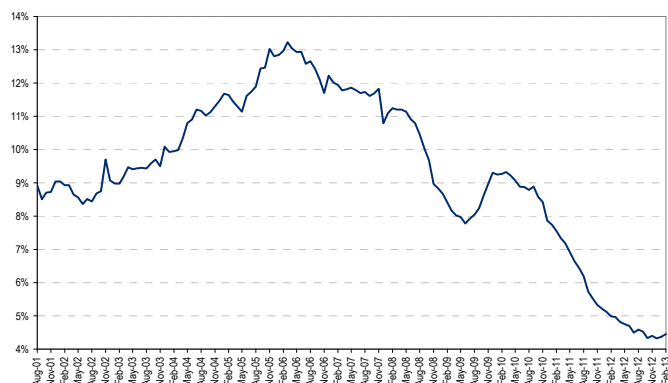


Source for all charts: Central Bank data

Household and Corporate Loans

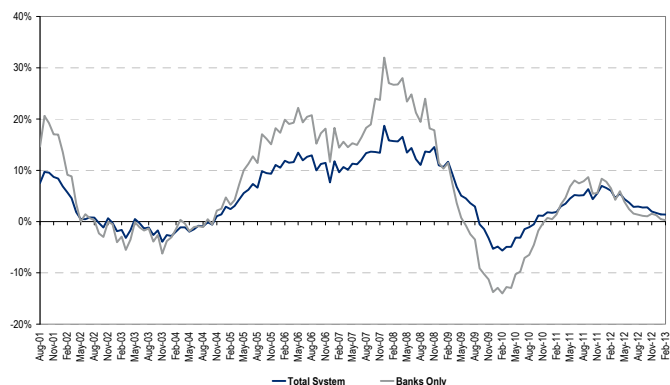
- Household loan growth, currently between 1% and 7%, showed a broadly stable trend in Sweden, Denmark and Norway in the quarter.
- Corporate lending growth during the quarter slowed in Norway, Sweden, and Denmark.

Figure 19. Sweden — Household Lending Growth, 2001-13



Note: 'Domestic Lending Only' excludes foreign lending

Figure 20. Sweden — Corporate Lending Growth, 2001-13



Note: SEB Bolan was merged with the parent company in October 2007, hence the spike on 'Banks Only' data. 'Domestic Lending Only' excludes foreign lending.

Figure 21. Norway — Household Lending Growth, 2001-13



Figure 22. Norway — Corporate Lending Growth, 2001-12



Figure 23. Denmark — Household Lending Growth, 2002-13

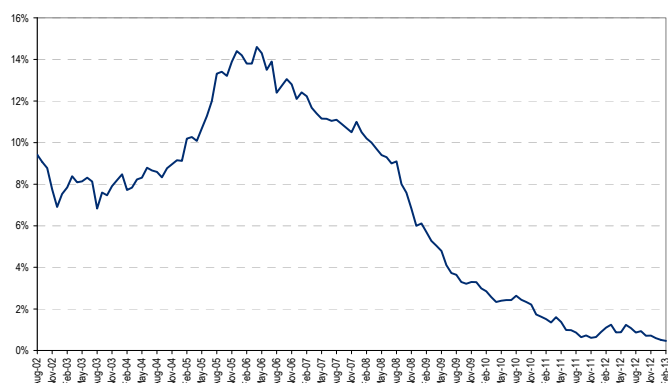
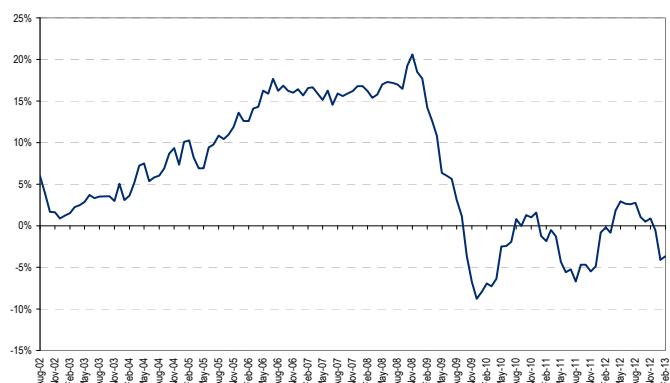


Figure 24. Denmark — Corporate Lending Growth, 2002-13



Source for all charts: Central Bank data

Deposit Volumes

- Deposit growth continues to outpace GDP growth in Sweden and Norway, while it remained unchanged in Denmark.

Figure 25. Sweden — Deposit Volume Growth, 2003-13

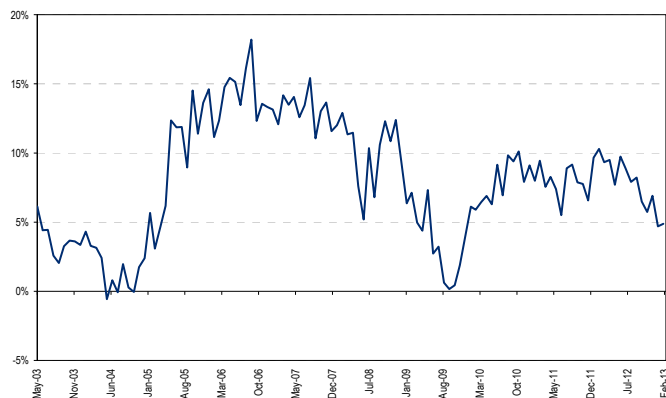


Figure 26. Norway — Deposit Volume Growth, 2003-13



Figure 27. Denmark — Deposit Volume Growth, 2003-13

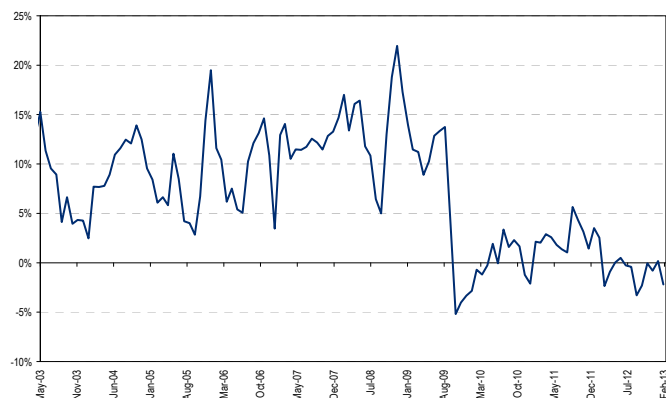
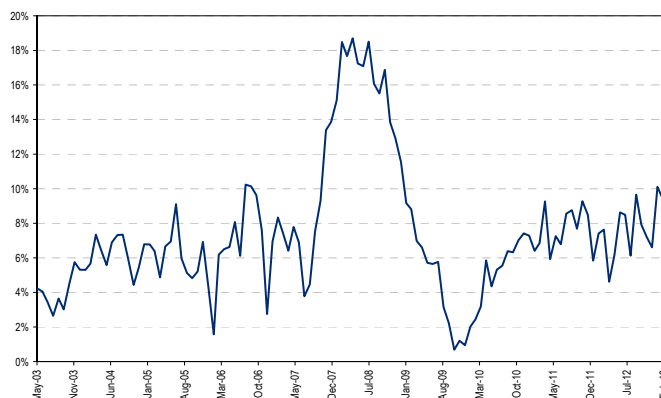


Figure 28. Finland — Deposit Volume Growth, 2003-13

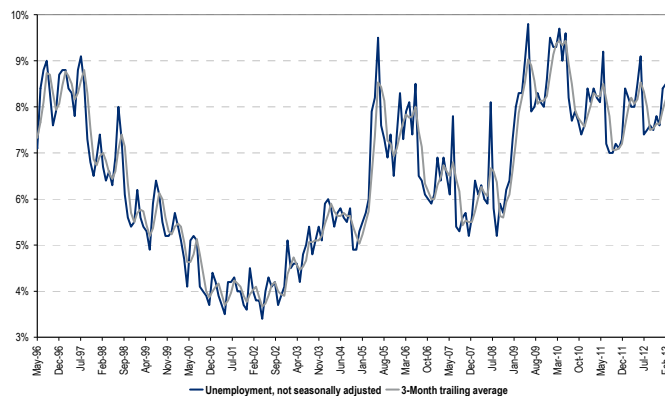


Source for all charts: Central Bank data

Credit Risk — Unemployment

- Unemployment trends remained largely unchanged in Norway, Finland and Sweden.

Figure 29. Sweden — Unemployment Rate, 1996-2013



Note: After April 2005 the labour population includes people in the age group ranging from 15 to 74 and full-time students who are seeking work and are ready to work.

Figure 31. Denmark — Unemployment Rate, 1996-2013

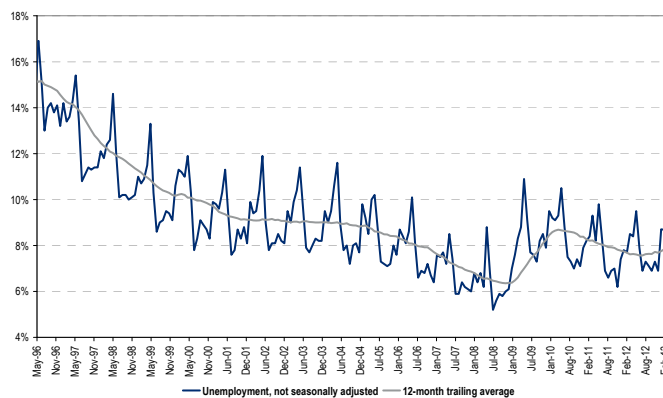


Source for all charts: DataStream

Figure 30. Norway — Unemployment Rate, 1996-2013



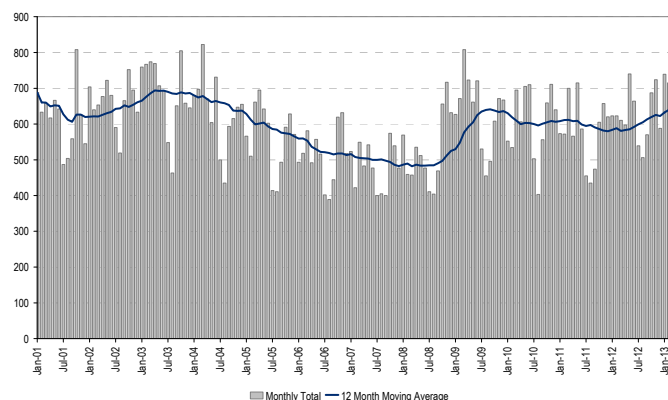
Figure 32. Finland — Unemployment Rate, 1996-2013



Credit Risk — Bankruptcies

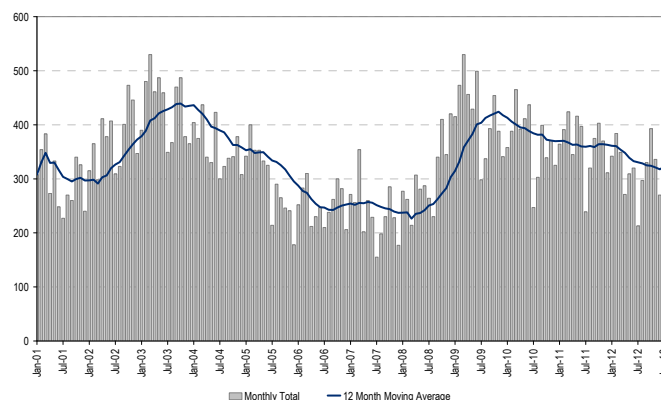
- The number of bankruptcies remained at elevated levels in Sweden, Denmark and Finland, while it trended downwards in Norway.

Figure 33. Sweden — Gross New Bankruptcies (No./Month), 2001-13



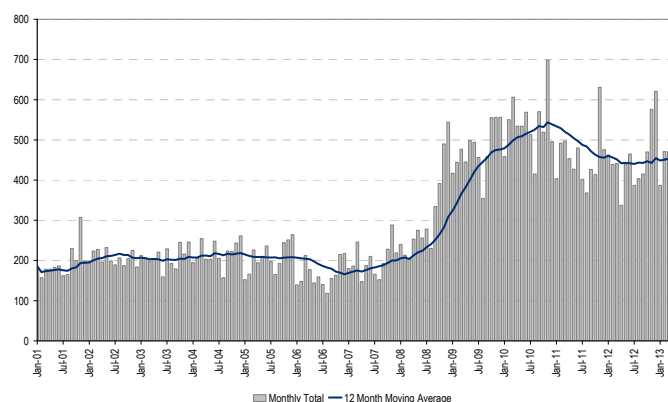
Source: DataStream

Figure 34. Norway — Gross New Bankruptcies (No./Month), 2001-13



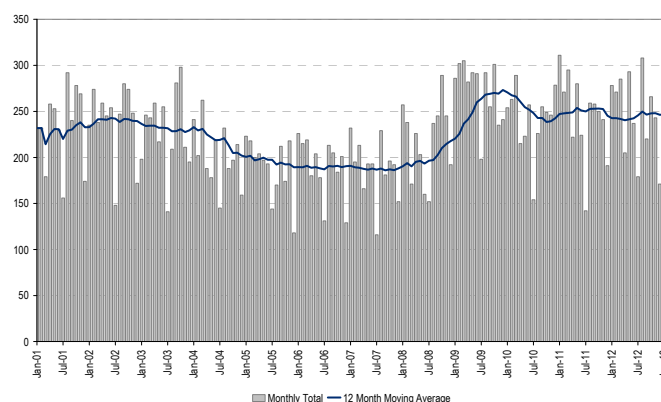
Source: DataStream

Figure 35. Denmark — Gross New Bankruptcies (No./Month), 2001-13



Source: DataStream

Figure 36. Finland — Gross New Bankruptcies (No./Month), 2001-13



Source: Statistics Finland

Market-Related Revenues

Market Indices

- Nordic equity markets rose 4-9% in the first quarter of 2013, with Sweden and Denmark outpacing the other Nordic countries.

Figure 37. Sweden — Market Index (Jan 05= 100), 2005-13

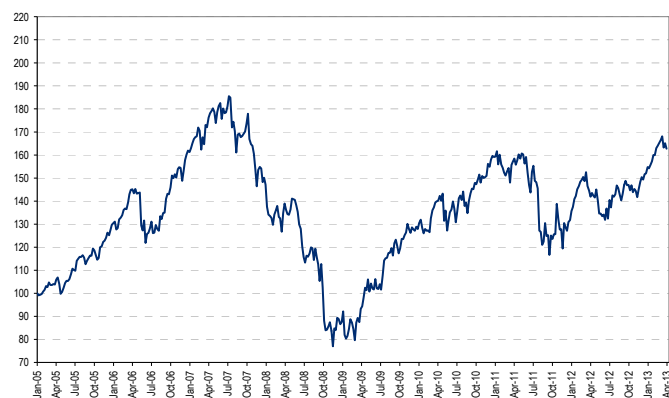


Figure 38. Norway — Market Index (Jan 05= 100), 2005-13

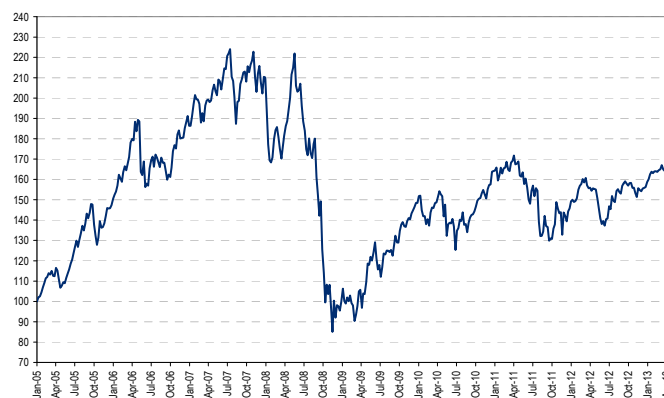


Figure 39. Denmark — Market Index (Jan 05= 100), 2005-13



Figure 40. Finland — Market Index (Jan 05= 100), 2005-13



Source for all charts: DataStream

Exchange Turnover

- Equity market turnover rebounded with 3m average increasing by 10-35% in 1Q13 in Denmark, Sweden and Finland, while turnover in Norway fell 12%. Volumes remain significantly below peak levels in 2007.

Figure 41. Sweden — Turnover Volume, Apr 99-Mar 13 (SKr in Millions)

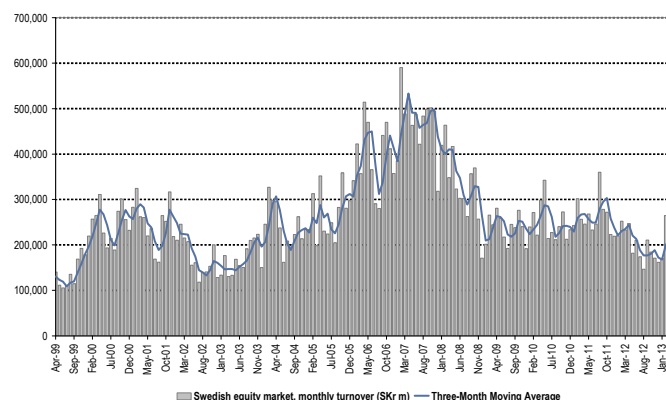


Figure 42. Norway — Turnover Volume, Apr 99-Mar 13 (Nkr in Millions)

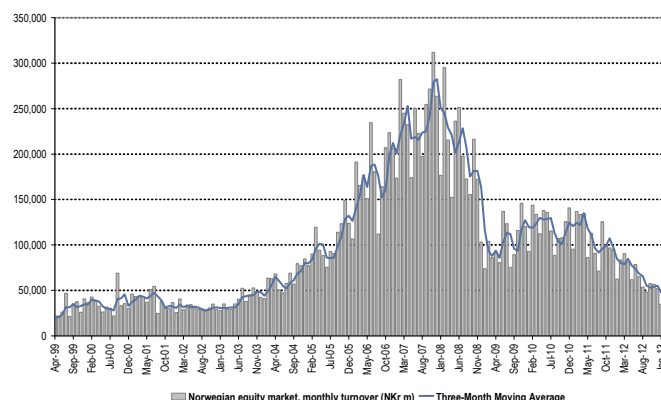


Figure 43. Denmark — Turnover Volume, Apr 99-Mar 13 (DKr in Millions)

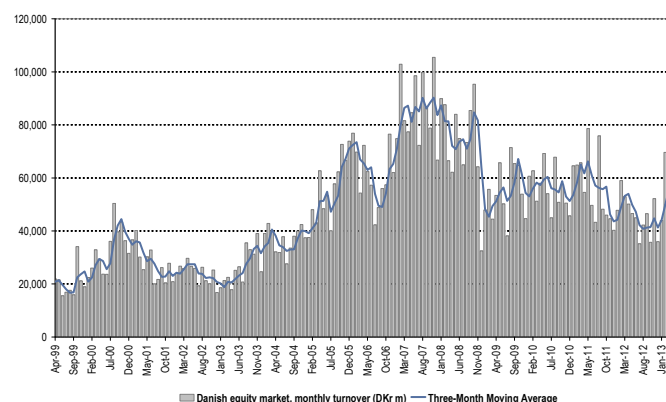
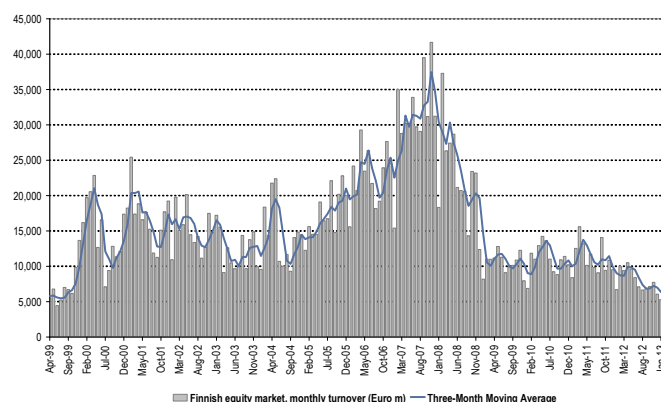


Figure 44. Finland — Turnover Volume, Apr 99-Mar 13 (Euros in Millions)



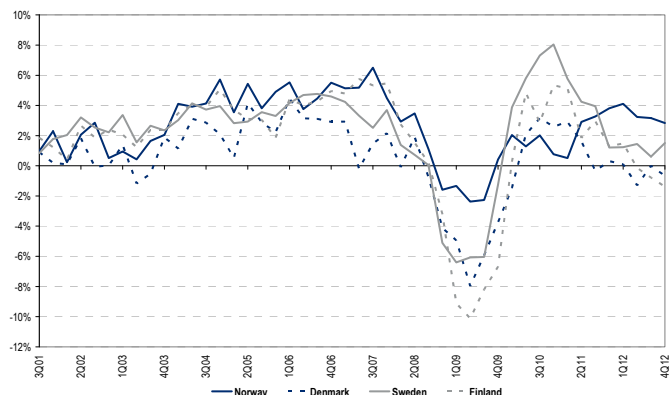
Source for all charts: DataStream

The Economic Context

Growth and Outlook

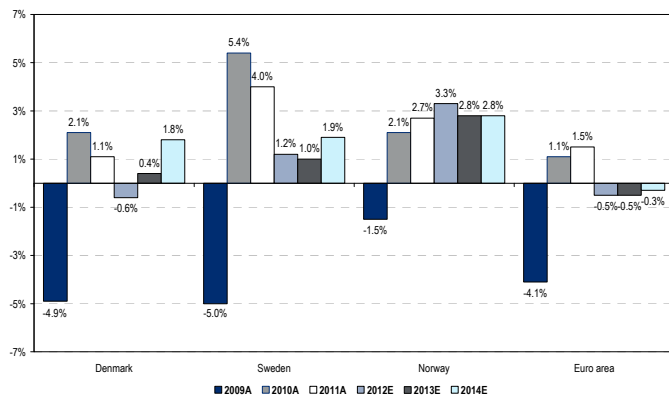
- GDP growth continues to outpace most of Western Europe. Denmark remains the weakest part of the Nordic countries, which we expect will keep provision levels elevated for banks with Danish exposure.

Figure 45. Nordics — Real GDP Growth, 3Q01-4Q12 (%)



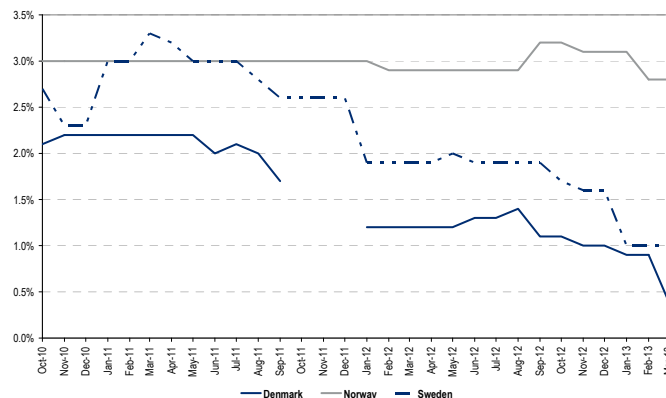
Source: DataStream

Figure 47. Nordics — Real GDP Growth, 2009-14E (%)



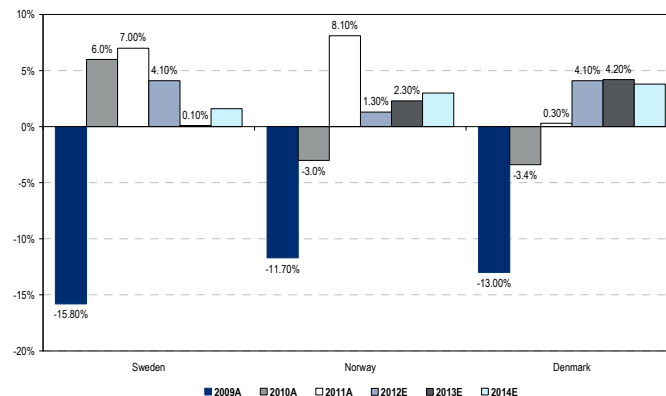
Source: DataStream, Citi Economist Forecasts

Figure 46. Nordics — 2013 Real GDP Growth Forecast, 2010-12 (%)



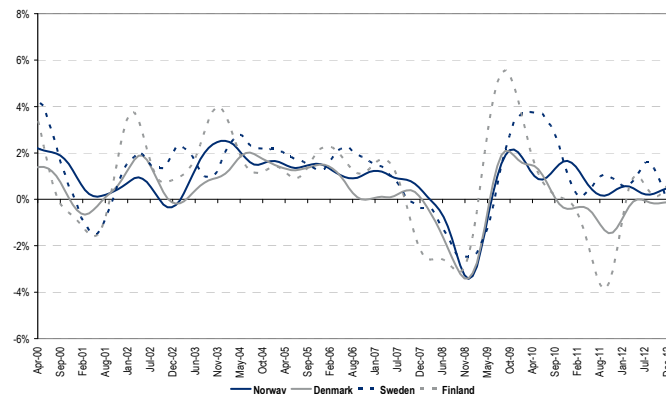
Source: Citi Economist Forecasts

Figure 48. Nordics — Investment Growth, 2009-14E (%)



Source: DataStream, Citi Economist Forecasts

Figure 49. Nordics — OECD Leading Indicator, 2000-12 (Twelve-Month Percentage Change in Index)



Source: DataStream

Interest Rates

- Short-term interest rates decreased in Sweden in the fourth quarter of 2012, which we expect will weigh on deposit margins for the banks in the upcoming quarter.
- 10-year interest rates also trended downwards during the quarter.

Figure 50. Sweden — Interest Rates, 2002-13

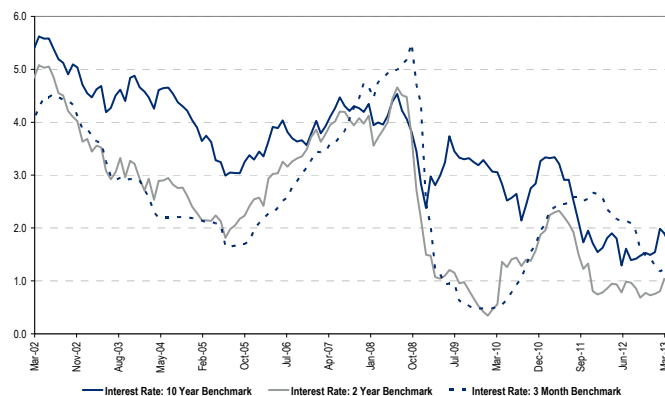


Figure 51. Norway — Interest Rates, 2002-13

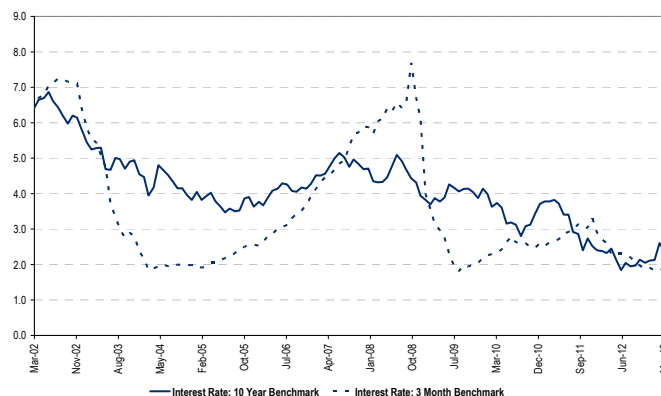


Figure 52. Denmark — Interest Rates, 2002-13

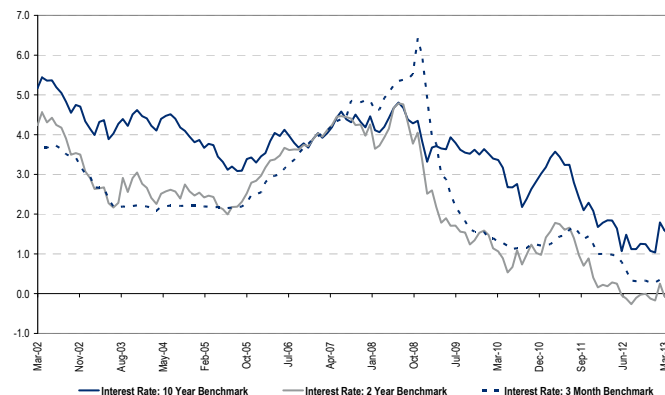
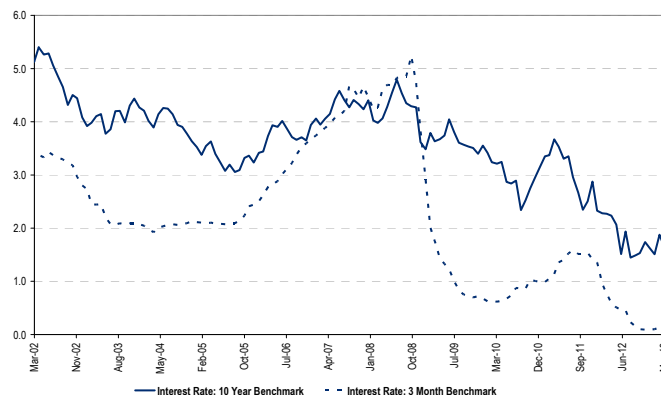


Figure 53. Finland — Interest Rates, 2002-13



Source for all charts: DataStream

Currencies and Commodities

- The oil price is down 5% YTD, and the volatile Baltic Dry Index has recovered by 25% in the same period. Shipping rates however remain at historically low levels which we expect will drive provision levels for banks with shipping exposure.
- Versus the euro, the Swedish Krona has strengthened by 3.0% with FX translations will impact mainly Nordea (reporting in EUR) but also DNB where weakness vs USD is likely to increase RWAs on international portfolios..

Figure 54. Swedish Krona vs. Euro, 2003-13 (Inverted Scale)

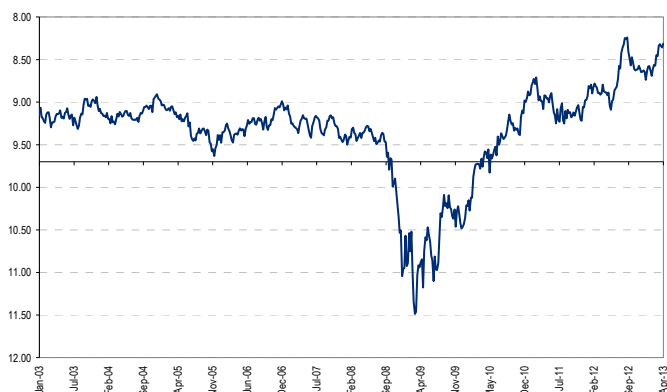


Figure 55. Norwegian Krone vs. Euro, 2003-13 (Inverted Scale)

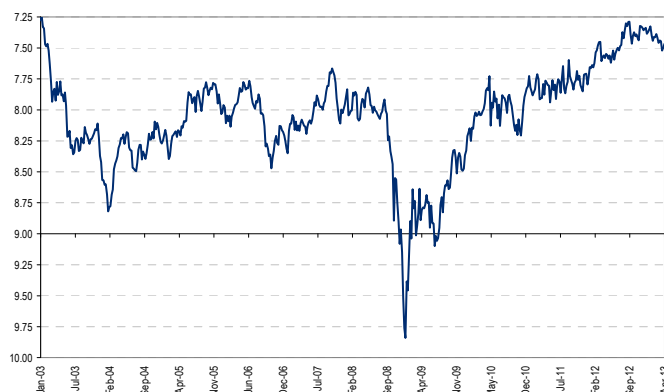


Figure 56. Danish Krone vs. Euro, 2003-13 (Inverted Scale)

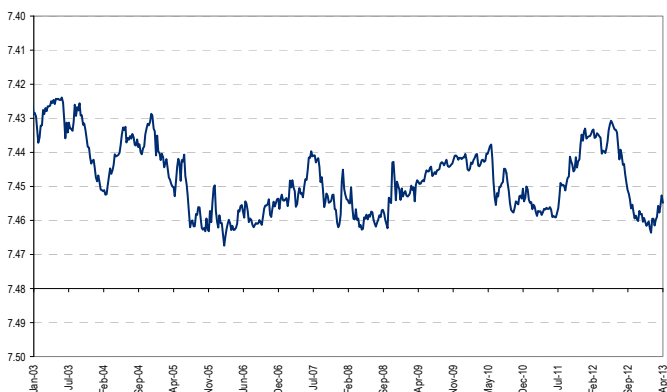


Figure 57. US Dollar vs. Euro, 2003-13



Figure 58. Brent Oil Price, 2003-13 (USD/bbl)

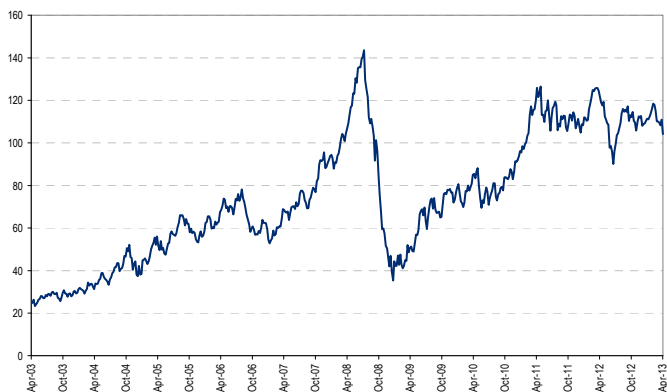


Figure 59. Baltic Dry Index, 2003-13



Source for all charts: DataStream

Swedish Corporate Sector

- Swedish utilization continued to fall in 4Q12. The business tendency and manufacturing confidence surveys have rebounded somewhat in 1Q13.

Figure 60. Sweden — Manufacturing Confidence Index, 1997-2013

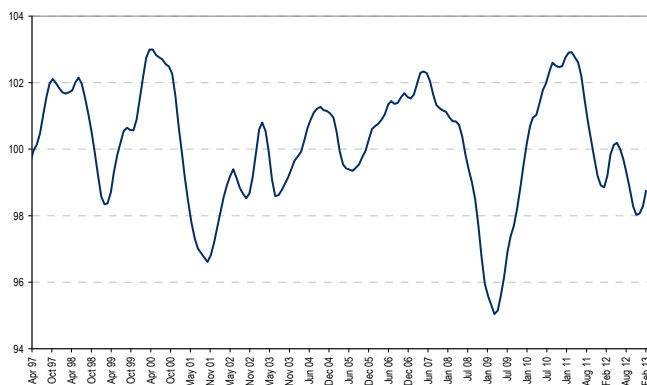


Figure 61. Sweden — Capacity Utilization in Mining and Manufacturing, 1997-2012

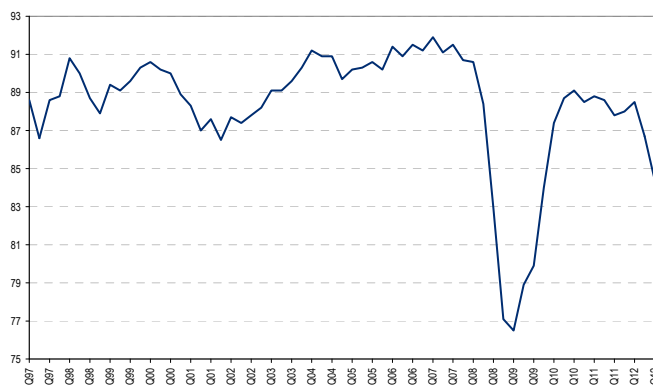
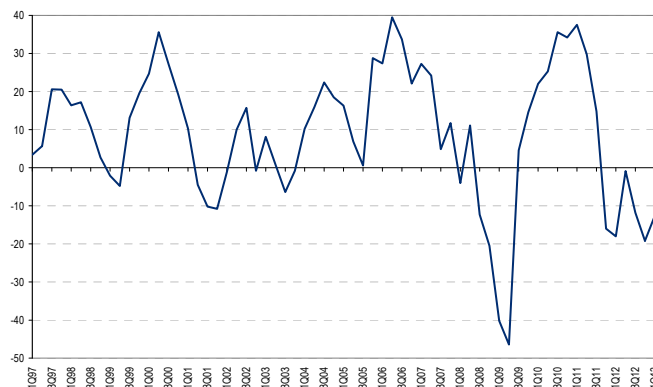


Figure 62. Sweden — Business Tendency Survey, Orders Inflow, 1997-2013



Source for all charts: DataStream

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Financial Forecasts

Danske Bank

Figure 63. Danske Bank — Changes to Our Financial Forecasts, 2013E-15E (DKr in Millions)

| | 2013E Old | 2013E New | % Chg | 2014E Old | 2014E New | % Chg | 2015E Old | 2015E New | % Chg |
|--------------------------|---------------|---------------|--------------|---------------|---------------|--------------|---------------|---------------|--------------|
| Net Interest Income | 22,891 | 22,643 | -1.1% | 24,695 | 24,439 | -1.0% | 25,805 | 25,542 | -1.0% |
| Fee Income | 9,212 | 9,198 | -0.1% | 9,667 | 9,653 | -0.1% | 10,148 | 10,133 | -0.1% |
| Trading Income | 7,782 | 7,775 | -0.1% | 9,793 | 9,785 | -0.1% | 10,195 | 10,187 | -0.1% |
| Revenues | 42,917 | 42,647 | -0.6% | 47,459 | 47,179 | -0.6% | 49,703 | 49,414 | -0.6% |
| Total Op. Expenses | -24,022 | -24,022 | 0.0% | -24,295 | -24,295 | 0.0% | -24,394 | -24,394 | 0.0% |
| Operating Income | 18,896 | 18,625 | -1.4% | 23,164 | 22,884 | -1.2% | 25,308 | 25,020 | -1.1% |
| Prov. Loan Losses (Net) | -5,494 | -5,494 | 0.0% | -3,935 | -3,935 | 0.0% | -3,876 | -3,876 | 0.0% |
| Income Before Tax | 13,401 | 13,131 | -2.0% | 19,228 | 18,949 | -1.5% | 21,433 | 21,144 | -1.3% |
| Net Income | 9,384 | 9,195 | -2.0% | 14,232 | 14,025 | -1.5% | 15,863 | 15,650 | -1.3% |
| EPS | 9.37 | 9.18 | -2.0% | 14.21 | 14.00 | -1.5% | 15.84 | 15.62 | -1.3% |

Source: Citi Research

We make minor changes to our 2013-15 EPS estimates to reflect current market conditions.

Figure 64. Danske Bank — Group Profit and Loss Account, 2010-15E (DKr in Millions)

| | 2010 | % Chg | 2011 | % Chg | 2012 | % Chg | 2013E | % Chg | 2014E | % Chg | 2015E | % Chg |
|---|---------------|-------------|---------------|-------------|---------------|-------------|---------------|------------|---------------|-------------|---------------|-------------|
| Net interest income | 23,843 | -13% | 23,537 | -1% | 24,788 | 5% | 22,643 | -1% | 24,439 | 8% | 25,542 | 5% |
| Net fee income | 8,510 | 11% | 8,298 | -2% | 8,782 | 6% | 9,198 | 4% | 9,653 | 5% | 10,133 | 5% |
| Net trading income | 7,921 | -57% | 7,325 | -8% | 8,901 | 22% | 9,549 | -9% | 9,886 | 4% | 10,233 | 4% |
| Insurance Income | 2,146 | NM | 569 | NM | 2,263 | 298% | 1,643 | -27% | 1,792 | 9% | 1,917 | 7% |
| Other Income | 3,857 | 25% | 3,648 | -5% | 2,951 | -19% | 1,388 | 8% | 1,510 | 9% | 1,636 | 8% |
| Total income | 46,277 | -22% | 43,377 | -6% | 47,685 | 10% | 44,421 | -3% | 47,280 | 6% | 49,460 | 5% |
| Operating expenses | -26,010 | -10% | -25,987 | 0% | -26,588 | 2% | -24,022 | -2% | -24,295 | 1% | -24,394 | 0% |
| Operating Income | 20,267 | -33% | 17,390 | -14% | 21,097 | 21% | 20,399 | -3% | 22,985 | 13% | 25,066 | 9% |
| Prov. loan losses (Net) | -13,817 | -46% | -13,185 | -5% | -12,529 | -5% | -5,494 | -28% | -3,935 | -28% | -3,876 | -2% |
| Profit before tax, Non-Core | | | | | | | -1,774 | | -101 | | -46 | |
| Income Before Tax | 6,450 | 36% | 4,205 | -35% | 8,568 | 104% | 13,131 | 54% | 18,949 | 44% | 21,144 | 12% |
| Taxes | -2,786 | | -2,482 | | -3,819 | | -3,939 | | -4,927 | 0 | -5,498 | 0 |
| - Implied Tax Rate | 43% | | 59% | | 45% | | 30.0% | | 26.0% | 0 | 26.0% | 0 |
| Net Attributed Group Income | 3,664 | 114% | 1,723 | -53% | 4,749 | 176% | 9,192 | 95% | 14,022 | 53% | 15,647 | 12% |
| Minority Interest | -20 | | -11 | | -4 | | 3 | | 3 | 0 | 3 | 0 |
| Available Income to Shareholder | 3,644 | 111% | 1,712 | -53% | 4,745 | 177% | 9,195 | 94% | 14,025 | 53% | 15,650 | 12% |
| Per Share Data (DKr) | | | | | | | | | | | | |
| EPS | 4.83 | 111% | 1.95 | -60% | 5.05 | 160% | 9.18 | 82% | 14.00 | 53% | 15.62 | 12% |
| Dividend | 0.0 | 0% | 0.0 | NM | 0.0 | 0% | 2.3 | nm | 5.8 | 156% | 6.3 | 9% |
| Payout ratio | 0.0% | | 0.0% | | 0.0% | | 24.5% | | 41.1% | 0 | 40.0% | 0 |
| BVPS per share | 138.7 | 4% | 135.7 | -2% | 138.0 | 2% | 146.7 | 6% | 157.2 | 7% | 166.4 | 6% |
| Tangible BVPS per share | 108.3 | 5% | 111.6 | 3% | 116.5 | 4% | 125.9 | 8% | 137.3 | 9% | 147.3 | 7% |
| Number of shares (avg) | 755 | 0% | 879 | 16% | 939 | 7% | 1,002 | 7% | 1,002 | 0% | 1,002 | 0% |
| Operating Ratios | | | | | | | | | | | | |
| Net interest margin (Citi Calculation) | 0.76% | | 0.71% | | 0.72% | | 0.64% | | 0.68% | | 0.69% | |
| Cost / income ratio | 56% | | 60% | | 56% | | 54% | | 51% | | 49% | |
| Provision charge / customer loans (bps) | 75 | | 71 | | 67 | | 29 | | 20 | | 19 | |
| ROA | 0.12% | | 0.05% | | 0.14% | | 0.26% | | 0.39% | | 0.42% | |
| Return on Equity | 3.5% | | 1.5% | | 3.6% | | 6.4% | | 9.2% | | 9.7% | |
| Return on Tangible Equity | 4.6% | | 1.8% | | 4.3% | | 7.5% | | 10.6% | | 10.9% | |
| Capital Ratios (DKr in bn) | | | | | | | | | | | | |
| Total capital | 150 | 1% | 162 | 8% | 174 | 8% | 180 | 3% | 193 | 7% | 202 | 5% |
| Tier 1 capital | 125 | 6% | 145 | 16% | 159 | 10% | 161 | 1% | 174 | 8% | 183 | 5% |
| Risk-weighted assets | 844 | 1% | 906 | 7% | 819 | -10% | 819 | 0% | 828 | 1% | 844 | 2% |
| Total capital ratio (B2) | 17.7% | | 17.9% | | 21.3% | | 22.0% | | 23.3% | 0 | 24.0% | 0 |
| Tier 1 ratio (B2) | 14.8% | | 16.0% | | 19.4% | | 19.7% | | 21.0% | 0.0% | 21.7% | 0.0% |
| Core Tier 1 ratio (B2) | 9.8% | | 11.8% | | 14.5% | | 15.3% | | 16.1% | 0.0% | 16.9% | 0.0% |
| Balance Sheet Summary (DKr bn) | | | | | | | | | | | | |
| Lending - general public | 1,848 | 2% | 1,847 | 0% | 1,895 | 3% | 1,924 | 2% | 1,976 | 3% | 2,042 | 3% |
| Total deposits | 861 | 0% | 849 | -1% | 929 | 9% | 929 | 3% | 965 | 4% | 1,011 | 5% |
| Total assets | 3,214 | 4% | 3,424 | 7% | 3,485 | 2% | 3,540 | 2% | 3,635 | 3% | 3,757 | 3% |
| Shareholders' equity | 105 | 4% | 126 | 20% | 138 | 10% | 147 | 6% | 158 | 7% | 167 | 6% |

Source: Company Reports and Citi Research Estimates

DNB

Figure 65. DNB — Changes to Our Financial Forecasts, 2013E-15E (Nkr in Millions)

| | 2013E Old | 2013E New | % Chg | 2014E Old | 2014E New | % Chg | 2015E Old | 2015E New | % Chg |
|--------------------------|---------------|---------------|---------------|---------------|---------------|--------------|---------------|---------------|--------------|
| Net Interest Income | 29,795 | 29,047 | -2.5% | 32,755 | 31,913 | -2.6% | 34,392 | 33,502 | -2.6% |
| Fee Income | 7,484 | 7,484 | 0.0% | 7,858 | 7,858 | 0.0% | 8,251 | 8,251 | 0.0% |
| Trading Income | 4,250 | 3,017 | -29.0% | 4,378 | 4,341 | -0.8% | 4,509 | 4,471 | -0.8% |
| Revenues | 45,238 | 43,490 | -3.9% | 48,790 | 47,859 | -1.9% | 51,134 | 50,160 | -1.9% |
| Total Op. Expenses | -21,317 | -21,582 | 1.2% | -21,854 | -21,715 | -0.6% | -22,358 | -22,216 | -0.6% |
| Operating Income | 23,921 | 21,908 | -8.4% | 26,936 | 26,145 | -2.9% | 28,776 | 27,944 | -2.9% |
| Prov. Loan Losses (Net) | -3,625 | -3,625 | 0.0% | -3,345 | -3,345 | 0.0% | -3,602 | -3,602 | 0.0% |
| Income Before Tax | 20,321 | 18,308 | -9.9% | 23,616 | 22,825 | -3.4% | 25,199 | 24,367 | -3.3% |
| Net Income | 15,207 | 13,365 | -12.1% | 17,677 | 16,662 | -5.7% | 18,864 | 17,788 | -5.7% |
| EPS | 9.34 | 8.21 | -12.1% | 10.85 | 10.23 | -5.7% | 11.58 | 10.92 | -5.7% |

Source: Citi Research

Figure 66. DNB — Quarterly Profit and Loss Account, 1Q11-1Q13E (Nkr in Millions)

| | 1Q11 | 2Q11 | 3Q11 | 4Q11 | 1Q12 | 2Q12 | 3Q12 | 4Q12 | 1Q13E |
|---|--------------|---------------|---------------|---------------|--------------|---------------|---------------|---------------|--------------|
| Net interest income and credit commissions | 6,018 | 6,048 | 6,394 | 6,792 | 6,653 | 6,634 | 6,828 | 7,113 | 6,805 |
| Net profit/(loss) from life insurance | 493 | 314 | -871 | 175 | 279 | 98 | 210 | 154 | 227 |
| Net commissions | 1,782 | 1,813 | 1,788 | 1,495 | 1,667 | 1,797 | 1,698 | 1,800 | 1,700 |
| Trading | 662 | 1,351 | 2,250 | 3,397 | -1,006 | 2,646 | 906 | 1,363 | -133 |
| Other Income | 530 | 506 | 536 | 532 | 667 | 663 | 814 | 779 | 650 |
| Total Revenues | 9,485 | 10,032 | 10,097 | 12,391 | 8,260 | 11,838 | 10,456 | 11,209 | 9,249 |
| Total operating expenses | -4,793 | -4,931 | -4,862 | -5,586 | -5,105 | -5,149 | -5,192 | -5,528 | -5,401 |
| Pre-tax operating profit before losses | 4,692 | 5,101 | 5,235 | 6,805 | 3,155 | 6,689 | 5,264 | 5,681 | 3,848 |
| Net losses on loans etc. | -892 | -457 | -1,170 | -926 | -784 | -685 | -502 | -1,190 | -821 |
| Pre-tax operating profit | 3,805 | 4,652 | 4,071 | 5,878 | 2,378 | 6,041 | 4,783 | 4,405 | 3,033 |
| Taxes | -913 | -1,116 | -1,604 | -1,790 | -618 | -1,553 | -1,256 | -601 | -819 |
| Profit for the period | 2,851 | 3,547 | 2,492 | 4,089 | 1,760 | 4,580 | 3,527 | 3,808 | 2,214 |

Source: Company Reports and Citi Research Estimates

We reduce our EPS estimates for 2013-15 EPS estimates to reflect weaker NII (lower base in 1Q13) partly offset by lower costs in 14-15E to reflect lower pension costs. We also increase our assumed tax rate to 27% to move it in-line with company guidance.

For 2013E trading income has been reduced by 29% to reflect pre-announced basis swap impact in 1Q13 of Nkr-233m, and our estimated Nkr-1bn from accounting mark-to-market of fixed income mortgages following higher lending spreads for this product.

Figure 67. DnB — Group Profit and Loss Account, 2010-15E (Nkr in Millions)

| | 2010 | % Chg | 2011 | % Chg | 2012 | % Chg | 2013E | % Chg | 2014E | % Chg | 2015E | % Chg |
|---|----------------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|------------|
| Net Interest Income | 23,436 | 4% | 25,252 | 8% | 27,248 | 8% | 29,047 | 7% | 31,913 | 10% | 33,502 | 5% |
| Net Profit/(Loss) from Life Insurance | 1,313 | 61% | 111 | -92% | 897 | 708% | 978 | 9% | 852 | -13% | 877 | 3% |
| Net Commissions | 7,040 | 6% | 6,879 | -2% | 6,962 | 1% | 7,484 | 8% | 7,858 | 5% | 8,251 | 5% |
| Trading | 4,961 | -21% | 7,661 | 54% | 3,910 | -49% | 3,017 | -23% | 4,341 | 44% | 4,471 | 3% |
| Other Income | 2,842 | 130% | 2,103 | -26% | 2,509 | 19% | 2,964 | 18% | 2,896 | -2% | 3,059 | 6% |
| Total Revenues | 39,592 | 5% | 42,006 | 6% | 41,526 | -1% | 43,490 | 5% | 47,859 | 10% | 50,160 | 5% |
| Total Operating Expenses | -18,510 | -2% | -20,173 | 9% | -20,947 | 4% | -21,582 | 3% | -21,715 | 1% | -22,216 | 2% |
| Pre-tax Operating Profit Before Losses | 21,082 | 13% | 21,833 | 4% | 20,579 | -6% | 21,908 | 6% | 26,145 | 19% | 27,944 | 7% |
| Net Losses on Loans etc. | -2,997 | -61% | -3,445 | 15% | -3,179 | -8% | -3,625 | 14% | -3,345 | -8% | -3,602 | 8% |
| Net Gain/(Loss) on Long-term Securities | 24 | NM | 19 | NM | -1 | -105% | 25 | NM | 25 | NM | 25 | NM |
| Pre-tax Operating Profit | 18,109 | 64% | 18,407 | 2% | 17,589 | -4% | 18,308 | 4% | 22,825 | 25% | 24,367 | 7% |
| Taxes | -4,121 | 1% | -5,423 | 32% | -4,028 | -26% | -4,943 | 23% | -6,163 | 25% | -6,579 | 7% |
| Minorities | 75 | | -5 | | 0 | | 0 | | 0 | | 0 | |
| Profit for the Period | 14,062 | 64% | 12,979 | -8% | 13,561 | 4% | 13,365 | -1% | 16,662 | 25% | 17,788 | 7% |
| Per Share Data | | | | | | | | | | | | |
| Earnings per Share | 8.63 | 43% | 7.97 | -8% | 8.33 | 4% | 8.21 | -1% | 10.23 | 25% | 10.92 | 7% |
| Dividend per Share | 4.00 | NM | 2.00 | NM | 2.10 | 5% | 2.25 | 7% | 2.50 | 11% | 3.00 | 20% |
| Pay Out Ratio | 0.46 | | 0.25 | | 0.25 | | 0.27 | | 0.24 | | 0.27 | |
| Book Value per Share | 68.3 | 10% | 72.3 | 6% | 78.61 | 9% | 84.71 | 8% | 92.69 | 9% | 101.11 | 9% |
| Tangible BVPS | 63.9 | 11% | 68.0 | 7% | 74.48 | 9% | 80.59 | 8% | 88.57 | 10% | 96.99 | 10% |
| Share count, Average | 1,628,799 | 15% | 1,628,799 | 0% | 1,628,799 | 0% | 1,628,799 | 0% | 1,628,799 | 0% | 1,628,799 | 0% |
| Operating Ratios | | | | | | | | | | | | |
| Net Interest Margin | 1.27% | | 1.27% | | 1.24% | | 1.26% | | 1.33% | | 1.35% | |
| Cost / Income Ratio | 47% | | 48% | | 50% | | 50% | | 45% | | 44% | |
| Provision Charge / Customer Loans | 0.26% | | 0.28% | | 0.25% | | 0.27% | | 0.24% | | 0.25% | |
| ROA | 0.76% | | 0.65% | | 0.62% | | 0.58% | | 0.70% | | 0.72% | |
| ROE | 13.2% | | 11.3% | | 11.0% | | 10.0% | | 11.5% | | 11.3% | |
| Return on Tangible Equity | 14.2% | | 12.1% | | 11.7% | | 10.6% | | 12.1% | | 11.8% | |
| Balance Sheet | | | | | | | | | | | | |
| Gross Lending to Customers | 1,181,486 | 5% | 1,291,002 | 9% | 1,309,685 | 1% | 1,357,649 | 4% | 1,417,217 | 4% | 1,479,509 | 4% |
| Net lending to Customers | 1,170,341 | 5% | 1,279,259 | 9% | 1,297,892 | 1% | 1,345,424 | 4% | 1,404,456 | 4% | 1,466,187 | 4% |
| Deposits from Customers | 641,914 | 9% | 740,036 | 15% | 810,959 | 10% | 852,475 | 5% | 897,795 | 5% | 945,553 | 5% |
| Total Equity | 111,196 | 10% | 117,815 | 6% | 128,035 | 9% | 137,979 | 8% | 150,977 | 9% | 164,692 | 9% |
| Total Liabilities and Equity | 1,861,620 | 2% | 2,126,098 | 14% | 2,264,845 | 7% | 2,355,439 | 4% | 2,435,231 | 3% | 2,517,916 | 3% |
| Capital Ratios | | | | | | | | | | | | |
| Tier 1 Capital | 103,368 | 5% | 110,350 | 7% | 118,790 | 8% | 128,490 | 8% | 141,080 | 10% | 153,981 | 9% |
| Total Capital | 127,500 | | 126,916 | | 135,068 | | 144,768 | | 157,358 | | 170,259 | |
| RWAs | 1,028,404 | -2% | 1,111,574 | 8% | 1,075,672 | -3% | 1,115,066 | 4% | 1,163,990 | 4% | 1,215,152 | 4% |
| Tier 1 ratio | 10.1% | | 9.9% | | 11.0% | | 11.5% | | 12.1% | | 12.7% | |
| Equity Tier 1 Ratio | 9.2% | | 9.4% | | 10.7% | | 11.2% | | 11.8% | | 12.4% | |
| Tier 1 ratio (B2) | 12.0% | | 11.4% | | 12.4% | | 12.9% | | 13.6% | | 14.2% | |
| Equity Tier 1 Ratio (B2) | 11.0% | | 10.8% | | 12.1% | | 12.6% | | 13.3% | | 13.9% | |
| Total capital ratio | 12.4% | | 11.4% | | 12.6% | | 13.0% | | 13.5% | | 14.0% | |
| TCE/Tangible Assets | 5.6% | | 5.2% | | 5.4% | | 5.6% | | 5.9% | | 6.3% | |

Source: Company Reports and Citi Research Estimates

Nordea

Figure 68. Nordea — Changes to Our Financial Forecasts, 2013E-15E (Euros in Millions)

| | 2013E Old | 2013E New | % Chg | 2014E Old | 2014E New | % Chg | 2015E Old | 2015E New | % Chg |
|--------------------------|---------------|---------------|--------------|---------------|---------------|--------------|---------------|---------------|--------------|
| Net Interest Income | 5,906 | 5,837 | -1.2% | 6,156 | 6,084 | -1.2% | 6,449 | 6,375 | -1.1% |
| Fee Income | 2,584 | 2,558 | -1.0% | 2,696 | 2,669 | -1.0% | 2,820 | 2,793 | -1.0% |
| Trading Income | 1,791 | 1,770 | -1.2% | 1,866 | 1,844 | -1.2% | 1,946 | 1,923 | -1.2% |
| Revenues | 10,467 | 10,351 | -1.1% | 10,910 | 10,790 | -1.1% | 11,415 | 11,290 | -1.1% |
| Total Op. Expenses | -5,190 | -5,183 | -0.1% | -5,223 | -5,216 | -0.1% | -5,297 | -5,290 | -0.1% |
| Operating Income | 5,278 | 5,168 | -2.1% | 5,688 | 5,574 | -2.0% | 6,118 | 6,000 | -1.9% |
| Prov. Loan Losses (Net) | -870 | -870 | 0.0% | -788 | -788 | 0.0% | -780 | -780 | 0.0% |
| Income Before Tax | 4,408 | 4,298 | -2.5% | 4,900 | 4,786 | -2.3% | 5,338 | 5,220 | -2.2% |
| Net Income | 3,346 | 3,263 | -2.5% | 3,720 | 3,658 | -1.7% | 4,053 | 3,989 | -1.6% |
| EPS | 0.83 | 0.81 | -2.5% | 0.92 | 0.90 | -1.7% | 1.00 | 0.99 | -1.6% |

Source: Citi Research

Figure 69. Nordea — Quarterly Profit and Loss Account, 1Q11-1Q13E (Euros in Millions)

| | 1Q11 | 2Q11 | 3Q11 | 4Q11 | 1Q12 | 2Q12 | 3Q12 | 4Q12 | 1Q13E |
|----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Net Interest Income | 1,327 | 1,330 | 1,376 | 1,428 | 1,420 | 1,462 | 1,441 | 1,429 | 1,414 |
| Commissions - Net | 602 | 623 | 582 | 587 | 596 | 611 | 605 | 692 | 611 |
| Trading Income | 544 | 355 | 115 | 505 | 469 | 494 | 377 | 444 | 425 |
| Other Income | 41 | 38 | 16 | 37 | 46 | 39 | 46 | 65 | 46 |
| Total Income | 2,514 | 2,346 | 2,089 | 2,557 | 2,531 | 2,606 | 2,469 | 2,630 | 2,496 |
| Total Expenses | -1,267 | -1,275 | -1,415 | -1,264 | -1,276 | -1,290 | -1,293 | -1,327 | -1,287 |
| Profit Before Loan Losses | 1,247 | 1,071 | 674 | 1,293 | 1,255 | 1,316 | 1,176 | 1,303 | 1,209 |
| Net Loan Loss Provisions | -242 | -117 | -112 | -263 | -218 | -217 | -254 | -244 | -222 |
| Profit Before Taxes | 1,005 | 954 | 562 | 1,030 | 1,037 | 1,099 | 922 | 1,059 | 987 |
| Taxes | -261 | -249 | -160 | -243 | -262 | -278 | -234 | -217 | -237 |
| Tax Rate | 26% | 26% | 28% | 24% | 25% | 25% | 25% | 20% | 24% |
| Net Income | 742 | 705 | 402 | 787 | 775 | 820 | 688 | 842 | 750 |

Source: Company Reports and Citi Research Estimates

We make minor adjustments to our 2013-15 EPS estimates to reflect current market conditions.

Figure 70. Nordea — Group Profit and Loss Account, 2010-15E (Euros in Millions)

| | 2010 | % Chg | 2011 | % Chg | 2012 | % Chg | 2013E | % Chg | 2014E | % Chg | 2015E | % Chg |
|---------------------------------------|---------------|------------|---------------|------------|---------------|------------|---------------|-----------|---------------|------------|---------------|-----------|
| Net Interest Income | 5,157 | -2% | 5,456 | 6% | 5,752 | 5% | 5,837 | 1% | 6,084 | 4% | 6,375 | 5% |
| Commissions - Net | 2,159 | 28% | 2,395 | 11% | 2,504 | 5% | 2,558 | 2% | 2,669 | 4% | 2,793 | 5% |
| Trading Income | 1,835 | -6% | 1,517 | -17% | 1,784 | 18% | 1,770 | -1% | 1,844 | 4% | 1,923 | 4% |
| Other Income | 182 | 73% | 133 | -27% | 196 | 47% | 186 | -5% | 192 | 4% | 199 | 4% |
| Total Income | 9,333 | 3% | 9,501 | 2% | 10,236 | 8% | 10,351 | 1% | 10,790 | 4% | 11,290 | 5% |
| Total Expenses | -4,816 | 7% | -5,219 | 8% | -5,186 | -1% | -5,183 | 0% | -5,216 | 1% | -5,290 | 1% |
| Profit Before Loan Losses | 4,517 | 0% | 4,282 | -5% | 5,050 | 18% | 5,168 | 2% | 5,574 | 8% | 6,000 | 8% |
| Net Loan Loss Provisions | -879 | -41% | -735 | -16% | -933 | 27% | -870 | -7% | -788 | -9% | -780 | -1% |
| Equity Method | 0 | NM | 0 | NM | 0 | NM | 0 | NM | 0 | NM | 0 | NM |
| Profit Before Taxes | 3,638 | 18% | 3,547 | -2% | 4,117 | 16% | 4,298 | 4% | 4,786 | 11% | 5,220 | 9% |
| Taxes | -976 | 29% | -913 | -6% | -991 | 9% | -1,032 | 4% | -1,125 | 9% | -1,227 | 9% |
| Tax Rate | 27% | 0% | 26% | 0% | 24% | 0% | 24% | 0% | 24% | 0% | 24% | 0% |
| Minority Interests | -5 | 25% | -7 | 40% | -7 | 0% | -4 | -43% | -4 | 0% | -4 | 0% |
| Net Income | 2,657 | 15% | 2,627 | -1% | 3,119 | 19% | 3,263 | 5% | 3,658 | 12% | 3,989 | 9% |
| Per Share Data (EURm) | | | | | | | | | | | | |
| EPS - Basic, as Reported | 0.66 | 10% | 0.65 | -1% | 0.77 | 19% | 0.81 | 5% | 0.90 | 12% | 0.99 | 9% |
| Dividend Per Share | 0.29 | 16% | 0.26 | -10% | 0.34 | 31% | 0.36 | 6% | 0.40 | 11% | 0.44 | 10% |
| Payout Ratio | 44% | 0% | 40% | 0% | 44% | 0% | 45% | 0% | 44% | 0% | 45% | 0% |
| Book Value per Share | 6.05 | 9% | 6.43 | 6% | 6.97 | 8% | 7.43 | 7% | 7.98 | 7% | 8.56 | 7% |
| Tangible BVPS | 5.25 | 9% | 5.61 | 7% | 6.12 | 9% | 6.59 | 8% | 7.13 | 8% | 7.71 | 8% |
| Operating Ratios | | | | | | | | | | | | |
| Net Interest Margin | 0.95% | | 0.84% | | 0.83% | | 0.86% | | 0.88% | | 0.90% | |
| Cost / Income Ratio | 52% | | 55% | | 51% | | 50% | | 48% | | 47% | |
| Provision Charge / Customer Loans | 0.29% | | 0.23% | | 0.27% | | 0.25% | | 0.22% | | 0.21% | |
| Return on Equity (as Reported) | 11.3% | | 10.4% | | 11.2% | | 11.2% | | 11.7% | | 11.9% | |
| Return on Tangible Equity | 13.1% | | 11.9% | | 12.8% | | 12.7% | | 13.2% | | 13.3% | |
| Basic (Period End m) | 4,043 | 0% | 4,047 | 0% | 4,050 | 0% | 4,050 | 0% | 4,050 | 0% | 4,050 | 0% |
| Capital Ratios | | | | | | | | | | | | |
| Total Risk-Weighted Amount | 185,131 | 8% | 185,200 | 0% | 167,892 | -9% | 167,892 | 0% | 163,321 | 1% | 166,396 | 2% |
| Tier 1 Capital | 21,049 | 8% | 22,641 | 8% | 23,953 | 6% | 25,760 | 8% | 27,960 | 9% | 30,329 | 8% |
| Total Capital | 24,734 | 8% | 24,838 | 0% | 27,274 | 10% | 29,081 | 7% | 31,281 | 8% | 33,650 | 8% |
| Tier 1 Ratio | 11.4% | | 12.2% | | 14.3% | | 15.3% | | 17.1% | | 18.2% | |
| Equity Tier 1 Ratio | 10.3% | | 11.2% | | 13.1% | | 14.2% | | 15.8% | | 16.9% | |
| Total Ratio | 13.4% | | 13.4% | | 16.2% | | 17.3% | | 19.2% | | 20.2% | |
| Balance Sheet (EURm) | | | | | | | | | | | | |
| Total Assets | 580,839 | 6% | 716,204 | 23% | 677,420 | 0% | 687,127 | 1% | 699,856 | 2% | 715,175 | 2% |
| Lending - General Public | 314,211 | 11% | 337,203 | 7% | 346,251 | 1% | 356,174 | 3% | 369,370 | 4% | 385,541 | 4% |
| Depos & Funding - General Public | 176,390 | 15% | 190,092 | 8% | 200,678 | 6% | 208,795 | 4% | 218,424 | 5% | 229,205 | 5% |
| Shareholders' Equity | 24,538 | 9% | 26,120 | 6% | 28,216 | 8% | 30,106 | 7% | 32,305 | 7% | 34,675 | 7% |

Source: Company Reports and Citi Research Estimates

SEB

Figure 71. SEB — Changes To Our Financial Forecasts, 2013-2015E (SKr in Millions)

| | 2013E Old | 2013E New | % Chg | 2014E Old | 2014E New | % Chg | 2015E Old | 2015E New | % Chg |
|--------------------------|---------------|---------------|--------------|---------------|---------------|--------------|---------------|---------------|--------------|
| Net Interest Income | 18,283 | 18,126 | -0.9% | 19,044 | 18,880 | -0.9% | 19,841 | 19,669 | -0.9% |
| Fee Income | 14,046 | 14,046 | 0.0% | 14,649 | 14,649 | 0.0% | 15,312 | 15,312 | 0.0% |
| Trading Income | 4,260 | 4,260 | 0.0% | 4,489 | 4,489 | 0.0% | 4,732 | 4,732 | 0.0% |
| Revenues | 40,259 | 40,102 | -0.4% | 41,976 | 41,811 | -0.4% | 43,808 | 43,636 | -0.4% |
| Total Op. Expenses | -22,522 | -22,522 | 0.0% | -22,634 | -22,634 | 0.0% | -23,110 | -23,110 | 0.0% |
| Operating Income | 17,737 | 17,579 | -0.9% | 19,341 | 19,177 | -0.9% | 20,698 | 20,526 | -0.8% |
| Prov. Loan Losses (Net) | -1,270 | -1,184 | -6.8% | -1,550 | -1,531 | -1.2% | -1,753 | -1,753 | 0.0% |
| Income Before Tax | 16,462 | 16,391 | -0.4% | 17,787 | 17,641 | -0.8% | 18,940 | 18,768 | -0.9% |
| Net Income | 13,030 | 12,974 | -0.4% | 14,202 | 14,085 | -0.8% | 15,123 | 14,985 | -0.9% |
| EPS | 5.94 | 5.91 | -0.4% | 6.47 | 6.42 | -0.8% | 6.89 | 6.83 | -0.9% |

Source: Citi Research

Figure 72. SEB — Quarterly Profit and Loss Account, 1Q11-1Q13E (SKr in Millions)

| | 1Q11 | 2Q11 | 3Q11 | 4Q11 | 1Q12 | 2Q12 | 3Q12 | 4Q12 | 1Q13E |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Net Interest Income | 4,246 | 4,215 | 4,122 | 4,318 | 4,181 | 4,530 | 4,466 | 4,458 | 4,447 |
| Commissions - Net | 3,495 | 3,554 | 3,489 | 3,637 | 3,264 | 3,449 | 3,192 | 3,715 | 3,371 |
| Financial Transactions - Net | 1,231 | 825 | 903 | 589 | 1,379 | 1,127 | 1,091 | 982 | 1,143 |
| Net life insurance | 782 | 764 | 659 | 992 | 915 | 821 | 861 | 831 | 882 |
| Other Income | -110 | 143 | 34 | -202 | -150 | -11 | 71 | -349 | -24 |
| Total Income | 9,644 | 9,501 | 9,207 | 9,334 | 9,589 | 9,916 | 9,681 | 9,637 | 9,820 |
| Total Expenses | -5,806 | -5,854 | -5,533 | -5,928 | -5,735 | -5,754 | -5,639 | -6,524 | -5,616 |
| Profit Before Provisions | 3,838 | 3,647 | 3,674 | 3,406 | 3,854 | 4,162 | 4,042 | 3,113 | 4,204 |
| Net Loan Loss Provisions | 427 | 558 | 33 | -240 | -206 | -269 | -186 | -276 | -260 |
| Profit Before Taxes | 4,271 | 4,200 | 3,709 | 3,165 | 3,650 | 3,889 | 3,857 | 2,839 | 3,945 |
| Tax Rate | 20% | 18% | 22% | 16% | 22% | 21% | 23% | -14% | 21% |
| Taxes | -839 | -765 | -834 | -504 | -793 | -833 | -868 | 401 | -816 |
| Minorities | -14 | -6 | -7 | -10 | -5 | -6 | -4 | -7 | -6 |
| Discontinued Operations | -790 | -41 | -24 | -300 | -246 | -86 | -155 | -1 | 0 |
| Net Income | 2,628 | 3,388 | 2,844 | 2,351 | 2,606 | 2,964 | 2,830 | 3,232 | 3,123 |

Source: Company Reports and Citi Research Estimates

We make minor adjustments to our 2013-15 EPS estimates to reflect current market conditions.

Figure 73. SEB — Group Profit and Loss Account, 2010-15E (SKr in Millions)

| | 2010 | % Chg | 2011 | % Chg | 2012 | % Chg | 2013E | % Chg | 2014E | % Chg | 2015E | % Chg |
|--|------------------|-------------|------------------|------------|------------------|------------|------------------|------------|------------------|-----------|------------------|-----------|
| Net Interest Income | 15,930 | NM | 16,901 | 6% | 17,635 | 4% | 18,126 | 3% | 18,880 | 4% | 19,669 | 4% |
| Commissions - Net | 14,120 | NM | 14,175 | 0% | 13,620 | -4% | 14,046 | 3% | 14,649 | 4% | 15,312 | 5% |
| Financial Transactions - Net | 3,148 | NM | 3,548 | 13% | 4,579 | 29% | 4,260 | -7% | 4,489 | 5% | 4,732 | 5% |
| Net life insurance | 3,255 | NM | 3,197 | -2% | 3,428 | 7% | 3,531 | 3% | 3,637 | 3% | 3,746 | 3% |
| Other Income | 282 | NM | -135 | NM | -439 | NM | 139 | 0% | 158 | 13% | 177 | 12% |
| Total Income | 36,735 | NM | 37,686 | 3% | 38,823 | 3% | 40,102 | 3% | 41,811 | 4% | 43,636 | 4% |
| Total Expenses | -23,751 | NM | -23,513 | -1% | -23,652 | 1% | -22,522 | -5% | -22,634 | 0% | -23,110 | 2% |
| Profit Before Provisions | 12,984 | NM | 14,173 | 9% | 15,171 | 7% | 17,579 | 16% | 19,177 | 9% | 20,526 | 7% |
| Net Loan Loss Provisions | -1,755 | NM | 778 | NM | -937 | NM | -1,184 | 26% | -1,531 | 29% | -1,753 | 14% |
| Other | 14 | NM | 2 | -86% | 1 | -50% | -5 | -610% | -5 | 2% | -5 | 2% |
| Profit Before Taxes | 11,243 | NM | 14,953 | 33% | 14,235 | -5% | 16,391 | 15% | 17,641 | 8% | 18,768 | 6% |
| Taxes | -2,569 | NM | -2,942 | 15% | -2,093 | -29% | -3,391 | 62% | -3,528 | 4% | -3,754 | 6% |
| Minorities | -53 | -17% | -37 | -30% | -22 | -41% | -25 | 15% | -27 | 8% | -29 | 6% |
| Net Income | 6,599 | NM | 10,819 | 64% | 11,632 | 8% | 12,974 | 12% | 14,085 | 9% | 14,985 | 6% |
| Per Share Data | | | | | | | | | | | | |
| Shares Outstanding, Average (Millions) | 2,194.2 | 11% | 2,194.2 | 0% | 2,194.2 | 0% | 2194.2 | 0% | 2194.2 | 0% | 2194.2 | 0% |
| Earnings Per Share | 3.01 | NM | 4.93 | NM | 5.30 | 8% | 5.91 | 12% | 6.42 | 9% | 6.83 | 6% |
| Payout Ratio | 0.50 | NM | 0.35 | NM | 0.52 | 46% | 0.55 | 6% | 0.55 | -1% | 0.55 | 1% |
| Dividend Per Share | 1.50 | NM | 1.75 | NM | 2.75 | 57% | 3.25 | 18% | 3.50 | 8% | 3.75 | 7% |
| Book Value Per Share | 45.37 | 0% | 49.75 | 10% | 49.91 | 0% | 53.08 | 6% | 56.25 | 6% | 59.58 | 6% |
| Tangible BVPS | 37.65 | 0% | 41.59 | 10% | 42.03 | 1% | 45.20 | 8% | 48.37 | 7% | 51.70 | 7% |
| Operating Ratios | | | | | | | | | | | | |
| Net interest margin (NII/ATA) | 0.71% | | 0.74% | | 0.73% | | 0.73% | | 0.74% | | 0.74% | 0.00 |
| Cost/Income Ratio | 64.7% | | 62.4% | | 60.9% | | 56.2% | | 54.1% | | 53.0% | 0.00 |
| Loan Losses/Average Customer Loans | 0.16% | | -0.07% | | 0.08% | | 0.09% | | 0.12% | | 0.13% | 0.00 |
| ROA | 0.29% | | 0.48% | | 0.48% | | 0.52% | | 0.55% | | 0.57% | 0.00 |
| ROE | 6.6% | | 10.4% | | 10.6% | | 11.5% | | 11.7% | | 11.8% | 0 |
| RoTangible Equity | 8.0% | | 12.5% | | 12.6% | | 13.6% | | 13.7% | | 13.7% | 0 |
| Capital | | | | | | | | | | | | |
| Total Risk-Weighted Amount (Full B2) | 716,136 | -2% | 678,841 | -5% | 879,237 | 6% | 908,200 | 3% | 938,774 | 3% | 970,997 | 3% |
| Tier 1 Ratio (B2) | 14.2% | | 15.9% | | 17.5% | | 18.2% | | 19.0% | | 19.8% | 0 |
| Equity Tier 1 Ratio (B2) | 12.2% | | 13.7% | | 15.1% | | 15.8% | | 16.6% | | 17.5% | 0 |
| Total Capital | 13.8% | | 15.2% | | 17.2% | | 17.9% | | 18.7% | | 19.6% | 0 |
| Tangible Equity/Assets | 3.8% | | 3.9% | | 3.8% | | 3.9% | | 4.1% | | 4.2% | 0 |
| Balance Sheet | | | | | | | | | | | | |
| Lending - General Public | 1,074,879 | -10% | 1,186,223 | 10% | 1,236,088 | 4% | 1,276,806 | 3% | 1,319,789 | 3% | 1,365,091 | 3% |
| Total Assets | 2,179,821 | -6% | 2,362,653 | 8% | 2,453,456 | 4% | 2,527,060 | 3% | 2,602,872 | 3% | 2,680,958 | 3% |
| Depos & Funding - General Public | 711,541 | -11% | 861,682 | 21% | 862,260 | 0% | 891,049 | 3% | 923,095 | 4% | 957,205 | 4% |
| Shareholders' Equity | 99,543 | 0% | 109,161 | 10% | 109,513 | 0% | 116,459 | 6% | 123,413 | 6% | 130,719 | 6% |

Source: Company Reports and Citi Research Estimates

SHB

Figure 74. SHB — Changes to Our Financial Forecasts, 2013-2015E (SKr in Millions)

| | 2013E Old | 2013E New | % Chg | 2014E Old | 2014E New | % Chg | 2015E Old | 2015E New | % Chg |
|--------------------------|---------------|---------------|--------------|---------------|---------------|--------------|---------------|---------------|--------------|
| Net Interest Income | 27,160 | 26,767 | -1.4% | 28,622 | 28,209 | -1.4% | 30,383 | 29,946 | -1.4% |
| Fee Income | 7,552 | 7,548 | -0.1% | 7,783 | 7,779 | -0.1% | 8,039 | 8,034 | -0.1% |
| Trading Income | 1,189 | 1,189 | 0.0% | 1,250 | 1,250 | 0.0% | 1,312 | 1,312 | 0.0% |
| Revenues | 36,415 | 36,018 | -1.1% | 38,178 | 37,761 | -1.1% | 40,267 | 39,825 | -1.1% |
| Total Op. Expenses | -16,727 | -16,739 | 0.1% | -17,245 | -17,259 | 0.1% | -17,834 | -17,850 | 0.1% |
| Operating Income | 19,687 | 19,278 | -2.1% | 20,933 | 20,502 | -2.1% | 22,433 | 21,975 | -2.0% |
| Prov. Loan Losses (Net) | -1,286 | -1,286 | 0.0% | -1,298 | -1,298 | 0.0% | -1,274 | -1,274 | 0.0% |
| Income Before Tax | 18,398 | 17,989 | -2.2% | 19,632 | 19,201 | -2.2% | 21,156 | 20,698 | -2.2% |
| Net Income | 14,107 | 13,792 | -2.2% | 15,057 | 14,725 | -2.2% | 16,290 | 15,937 | -2.2% |
| EPS | 22.32 | 21.82 | -2.2% | 23.82 | 23.29 | -2.2% | 25.77 | 25.21 | -2.2% |

Source: Citi Research

Figure 75. SHB — Quarterly Profit and Loss Account, 1Q11-1Q13E (SKr in Millions)

| | 1Q11 | 2Q11 | 3Q11 | 4Q11 | 1Q12 | 2Q12 | 3Q12 | 4Q12 | 1Q13E |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Net Interest Income | 5,507 | 5,683 | 6,066 | 6,357 | 6,560 | 6,575 | 6,462 | 6,484 | 6,516 |
| Commissions - Net | 1,944 | 1,949 | 1,903 | 1,877 | 1,892 | 1,825 | 1,742 | 1,910 | 1,860 |
| Financial Transactions - Net | 361 | 308 | 284 | 63 | 344 | 219 | 191 | 366 | 280 |
| Risk Result - Insurance | 81 | 38 | 52 | 38 | 36 | 39 | 33 | 88 | 50 |
| Other Income | 45 | 192 | 23 | 38 | 34 | 181 | 38 | 43 | 39 |
| Total Income | 7,938 | 8,170 | 8,328 | 8,373 | 8,866 | 8,839 | 8,466 | 8,891 | 8,746 |
| Total Expenses | -3,764 | -3,862 | -3,816 | -4,022 | -4,004 | -4,023 | -3,783 | -4,434 | -4,095 |
| Profit Before Loan Losses | 4,174 | 4,308 | 4,512 | 4,351 | 4,862 | 4,816 | 4,683 | 4,457 | 4,651 |
| Net Loan Loss Provisions | -244 | -172 | -157 | -243 | -291 | -288 | -277 | -395 | -323 |
| Profit Before Taxes | 3,930 | 4,136 | 4,360 | 4,110 | 4,571 | 4,528 | 4,405 | 4,060 | 4,327 |
| Taxes | -1,047 | -1,048 | -1,181 | -1,096 | -1,272 | -1,143 | -1,167 | 544 | -995 |
| <i>Tax Rate</i> | 27% | 25% | 27% | 27% | 28% | 25% | 26% | -13% | 23% |
| Net Income from Continuing Operations | 2,883 | 3,088 | 3,179 | 3,014 | 3,299 | 3,385 | 3,238 | 4,604 | 3,332 |
| Discontinued Operations (net of tax) | 49 | 48 | 30 | 32 | 49 | 29 | 8 | -64 | -15 |
| Net Income | 2,932 | 3,136 | 3,209 | 3,046 | 3,348 | 3,414 | 3,246 | 4,540 | 3,317 |

Source: Company Reports and Citi Research Estimates

We make minor adjustments to our 2013-15 EPS estimates to reflect current market conditions.

Figure 76. SHB — Group Profit and Loss Account, 2010-15E (SKr in Millions)

| | 2010 | % Chg | 2011 | % Chg | 2012 | % Chg | 2013E | % Chg | 2014E | % Chg | 2015E | % Chg |
|--|------------------|------------|------------------|------------|------------------|------------|------------------|------------|------------------|-----------|------------------|-----------|
| Net Interest Income | 21,337 | -3% | 23,613 | 11% | 26,081 | 10% | 26,767 | 3% | 28,209 | 5% | 29,946 | 6% |
| Commissions - Net | 8,022 | 9% | 7,673 | -4% | 7,369 | -4% | 7,548 | 2% | 7,779 | 3% | 8,034 | 3% |
| Trading - Net | 1,377 | -44% | 1,016 | -26% | 1,120 | 10% | 1,189 | 6% | 1,250 | 5% | 1,312 | 5% |
| Risk Result - Insurance | 205 | 20% | 209 | 2% | 196 | -6% | 196 | 0% | 202 | 3% | 208 | 3% |
| Other Income | 355 | 13% | 298 | -16% | 296 | -1% | 317 | 7% | 321 | 1% | 325 | 1% |
| Total Income | 31,296 | -3% | 32,809 | 5% | 35,062 | 7% | 36,018 | 3% | 37,761 | 5% | 39,825 | 5% |
| Total Expenses | -15,018 | -1% | -15,464 | 3% | -16,244 | 5% | -16,739 | 3% | -17,259 | 3% | -17,850 | 3% |
| Profit Before Loan Losses | 16,278 | -5% | 17,345 | 7% | 18,818 | 8% | 19,278 | 2% | 20,502 | 6% | 21,975 | 7% |
| Net Loan Loss Provisions | -1,507 | -56% | -816 | -46% | -1,251 | 53% | -1,286 | 3% | -1,298 | 1% | -1,274 | -2% |
| Fixed Asset Write Down | -1 | 0% | 7 | 0% | -3 | 0% | -3 | 0% | -3 | 0% | -3 | 0% |
| Profit Before Taxes | 14,770 | 8% | 16,536 | 12% | 17,564 | 6% | 17,989 | 2% | 19,201 | 7% | 20,698 | 8% |
| Taxes | -3,962 | 13% | -4,372 | 10% | -3,038 | -31% | -4,137 | 36% | -4,416 | 7% | -4,761 | 8% |
| Tax Rate | 27% | | 26% | | 17% | | 23% | | 23% | | 23% | |
| Net Income from Continuing Operations | 10,808 | 6% | 12,164 | 13% | 14,526 | 19% | 13,852 | -5% | 14,785 | 7% | 15,937 | 8% |
| Discontinued Operations (net of tax) | 217 | | 159 | | 22 | | -60 | | -60 | | 0 | |
| Net Income | 11,025 | 8% | 12,323 | 12% | 14,548 | 18% | 13,792 | -5% | 14,725 | 7% | 15,937 | 8% |
| Per Share Data (SKr) | | | | | | | | | | | | |
| Average Shares (Millions) | 623.3 | 0% | 623.6 | 0% | 628.0 | 1% | 632.1 | 1% | 632.1 | 0% | 632.1 | 0% |
| Earnings Per Share | 17.69 | 8% | 19.76 | 12% | 23.17 | 17% | 21.82 | -6% | 23.29 | 7% | 25.21 | 8% |
| Dividend Per Share | 9.00 | 13% | 9.75 | 8% | 10.75 | 10% | 11.50 | 7% | 12.25 | 7% | 13.25 | 8% |
| BVPS | 141.8 | 6% | 151.5 | 7% | 169.1 | 12% | 180.2 | 7% | 192.0 | 7% | 204.9 | 7% |
| tangible BVPS | 130.7 | 8% | 140.2 | 7% | 157.7 | 13% | 168.8 | 7% | 180.5 | 7% | 193.4 | 7% |
| Operating Ratios | | | | | | | | | | | | |
| Net interest margin (NII/ATA) | 1.00% | | 1.02% | | 1.08% | | 1.10% | | 1.12% | | 1.14% | |
| Cost/income ratio | 48% | | 47% | | 46% | | 46% | | 46% | | 45% | |
| Loan Losses/Average Customer Loans | 0.10% | | 0.05% | | 0.05% | | 0.05% | | 0.05% | | 0.05% | |
| ROA | 0.52% | | 0.53% | | 0.60% | | 0.57% | | 0.58% | | 0.61% | |
| ROE | 12.9% | | 13.5% | | 14.4% | | 12.5% | | 12.5% | | 12.7% | |
| ROTE | 14.0% | | 14.6% | | 15.6% | | 13.4% | | 13.3% | | 13.5% | |
| Capital | | | | | | | | | | | | |
| Tier 1 ratio (Basel 2 from 2008) | 16.5% | | 18.4% | | 21.0% | | 21.7% | | 22.3% | | 22.8% | |
| Equity Tier 1 | 13.8% | | 15.6% | | 18.4% | | 19.2% | | 19.9% | | 20.6% | |
| Total Capital Ratio | 20.9% | | 20.9% | | 20.9% | | 21.6% | | 22.3% | | 22.9% | |
| Balance Sheet | | | | | | | | | | | | |
| Lending - General Public | 1,513,687 | 2% | 1,591,128 | 5% | 1,680,479 | 6% | 1,748,546 | 4% | 1,818,259 | 4% | 1,898,239 | 4% |
| Total Assets | 2,153,530 | 1% | 2,454,366 | 14% | 2,387,858 | -3% | 2,476,269 | 4% | 2,567,042 | 4% | 2,668,824 | 4% |
| Depos & Funding - General Public | 564,142 | 3% | 724,888 | 28% | 682,223 | -6% | 715,843 | 5% | 756,152 | 6% | 798,792 | 6% |
| Shareholders' Equity | 88,391 | 6% | 94,524 | 7% | 106,897 | 13% | 113,893 | 7% | 121,348 | 7% | 129,542 | 7% |

Source: Company Reports and Citi Research Estimates

Swedbank

Figure 77. Swedbank — Changes to Our Financial Forecasts, 2013-2015E (SKr in Millions)

| | 2013E Old | 2013E New | % Chg | 2014E Old | 2014E New | % Chg | 2015E Old | 2015E New | % Chg |
|--------------------------|---------------|---------------|---------------|---------------|---------------|--------------|---------------|---------------|--------------|
| Revenues | 37,078 | 37,065 | 0.0% | 38,796 | 38,649 | -0.4% | 40,425 | 40,242 | -0.5% |
| Total Op. Expenses | -16,981 | -16,642 | -2.0% | -17,176 | -16,874 | -1.8% | -17,419 | -17,147 | -1.6% |
| Operating Income | 20,096 | 20,423 | 1.6% | 21,620 | 21,775 | 0.7% | 23,006 | 23,095 | 0.4% |
| Prov. Loan Losses (Net) | -1,577 | -1,327 | -15.8% | -1,569 | -1,569 | 0.0% | -1,603 | -1,603 | 0.0% |
| Income Before Tax | 18,519 | 19,096 | 3.1% | 20,051 | 20,206 | 0.8% | 21,403 | 21,492 | 0.4% |
| Net Income | 14,806 | 13,217 | -10.7% | 16,088 | 16,347 | 1.6% | 17,181 | 17,383 | 1.2% |
| EPS | 13.49 | 12.04 | -10.7% | 14.65 | 14.89 | 1.6% | 15.65 | 15.83 | 1.2% |

Source: Citi Research

Figure 78. Swedbank — Quarterly Profit and Loss Account, 1Q11-1Q13E (SKr in Millions)

| | 1Q11 | 2Q11 | 3Q11 | 4Q11 | 1Q12 | 2Q12 | 3Q12 | 4Q12 | 1Q13E |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Net Interest Income | 4,501 | 4,714 | 4,832 | 4,967 | 4,895 | 5,035 | 5,085 | 5,346 | 5,282 |
| Commissions - Net | 2,456 | 2,412 | 2,438 | 2,291 | 2,398 | 2,339 | 2,375 | 2,502 | 2,394 |
| Financial Transactions - Net | 255 | 511 | 259 | 559 | 979 | 577 | 687 | 830 | 667 |
| Other Income | 1,369 | 860 | 782 | 839 | 800 | 837 | 824 | 759 | 807 |
| Total Income | 8,581 | 8,497 | 8,311 | 8,656 | 9,072 | 8,788 | 8,971 | 9,437 | 9,150 |
| Total Expenses | -4,513 | -4,487 | -4,452 | -4,947 | -4,327 | -4,171 | -3,920 | -4,142 | -4,116 |
| Profit Before Provisions | 4,068 | 4,010 | 3,859 | 3,709 | 4,745 | 4,617 | 5,051 | 5,295 | 5,034 |
| Provisions/Property Write-downs | 970 | 309 | 454 | 4 | 56 | -79 | -137 | -82 | -232 |
| Profit Before Taxes | 5,038 | 4,319 | 4,313 | 1,753 | 4,801 | 4,538 | 4,914 | 5,213 | 4,802 |
| Taxes | -1,182 | -863 | -834 | -790 | -1,108 | -1,047 | -1,216 | -786 | -862 |
| <i>Tax Rate</i> | 23% | 20% | 19% | 45% | 23% | 23% | 25% | 15% | 18% |
| Net Income | 3,856 | 3,456 | 3,479 | 963 | 3,693 | 3,491 | 3,698 | 4,427 | 3,940 |
| Attributable Income | 3,852 | 3,452 | 3,475 | 965 | 3,410 | 3,147 | 3,495 | 4,252 | 3,597 |

Source: Company Reports and Citi Research Estimates. Re-stated for the new group structure from 1Q12.

We make minor adjustments to our 2013-15 EPS estimates to reflect current market conditions. Our 2013 estimates drop 10.7% due to costs related to exit of Ukrainian and Russian operations, which we expect will impact earnings negatively by SKr2.2bn (in-line with company guidance and including SKr1.9bn when transaction is completed). Our estimates have been re-stated to reflect the new group reporting structure.

Figure 79. Swedbank — Group Profit and Loss Account, 2010-15E (SKr in Millions)

| | 2010 | % Chg | 2011 | % Chg | 2012 | % Chg | 2013E | % Chg | 2014E | % Chg | 2015E | % Chg |
|--|---------------|--------------|---------------|-------------|----------------|-------------|----------------|-------------|----------------|-------------|----------------|-------------|
| Net Interest Income | 16,228 | -22% | 19,014 | 17% | 21,188 | 11% | 21,410 | 5% | 22,569 | 5% | 23,508 | 4% |
| Commissions - Net | 10,116 | 20% | 9,597 | -5% | 9,636 | 0% | 9,661 | 0% | 10,111 | 5% | 10,582 | 5% |
| Financial Transactions - Net | 2,400 | -12% | 1,584 | -34% | 2,534 | 60% | 2,744 | -11% | 2,640 | -4% | 2,739 | 4% |
| Other Income | 2,790 | -2% | 3,850 | 38% | 3,262 | -15% | 3,250 | 1% | 3,330 | 2% | 3,413 | 2% |
| Total Income | 31,534 | -9% | 34,045 | 8% | 36,620 | 8% | 37,065 | 2% | 38,649 | 4% | 40,242 | 4% |
| Total Expenses | -18,132 | -5% | -18,399 | 1% | -16,949 | -8% | -16,642 | 0% | -16,874 | 1% | -17,147 | 2% |
| Profit Before Provisions | 13,365 | -15% | 13,686 | 2% | 19,671 | 44% | 20,423 | 4% | 21,775 | 7% | 23,095 | 6% |
| Provisions/Property Write-downs | -3,410 | -86% | 1,737 | -151% | -1,153 | NM | -1,327 | 449% | -1,569 | 18% | -1,603 | 2% |
| Associates | 0 | NM | 0 | NM | 0 | NM | 0 | NM | 0 | NM | 0 | NM |
| Operating Profit | 9,955 | -205% | 15,423 | NM | 18,518 | 20% | 19,096 | -2% | 20,206 | 6% | 21,492 | 6% |
| Taxes | -2,472 | 152% | -3,669 | 48% | -4,039 | 10% | -3,631 | -13% | -3,851 | 6% | -4,101 | 6% |
| <i>Tax Rate</i> | <i>25%</i> | | <i>24%</i> | | <i>21.8%</i> | <i>0.0%</i> | <i>19.0%</i> | <i>0.0%</i> | <i>19.1%</i> | <i>0.0%</i> | <i>19.1%</i> | <i>0.0%</i> |
| Net Income | 7,483 | -172% | 11,754 | NM | 14,479 | 23% | 15,464 | 1% | 16,354 | 6% | 17,391 | 6% |
| Minorities | -39 | -43% | -14 | -64% | -8 | -43% | -7 | -8% | -8 | 6% | -8 | 7% |
| Attributable Income | 7,444 | -171% | 11,744 | NM | 14,471 | 23% | 13,217 | -8% | 16,347 | 24% | 17,383 | 6% |
| Per Share Data | | | | | | | | | | | | |
| Shares Outstanding - period end (Millions) | 1,158.5 | 0% | 1,097.9 | -5% | 1,097.4 | 0% | 1,097.9 | 0% | 1,097.9 | 0% | 1,097.9 | 0% |
| Earnings Per Share | 6.42 | -151% | 10.40 | 62% | 13.18 | 27% | 12.04 | -9% | 14.89 | 24% | 15.83 | 6% |
| Payout Ratio | 0.33 | | 0.51 | | 0.75 | 0% | 0.83 | 0% | 0.75 | 0% | 0.75 | 0% |
| Dividend Per Share | 2.10 | NM | 5.30 | 152% | 9.90 | 87% | 10.00 | 1% | 11.17 | 12% | 11.87 | 6% |
| BVPS | 81.9 | 6% | 89.3 | 9% | 96.7 | 8% | 100.7 | 4% | 105.6 | 5% | 110.2 | 4% |
| Tangible BVPS | 68.4 | 10% | 76.7 | 12% | 84.5 | 10% | 89.0 | 5% | 93.9 | 6% | 98.5 | 5% |
| Operating Ratios | | | | | | | | | | | | |
| Cost/Income Ratio | 57.5 | | 54.0 | | 46.3 | | 44.9 | | 43.7 | | 42.6 | |
| Net Interest Margin (ATA) | 0.92% | | 1.06% | | 1.14% | | 1.14% | | 1.16% | | 1.17% | |
| Return on Tangible Equity | 9.6% | | 13.8% | | 16.0% | | 13.6% | | 16.0% | | 16.2% | |
| ROE | 8.0% | | 12.2% | | 14.2% | | 12.2% | | 14.4% | | 14.6% | |
| Return on Tangible Equity | 9.6% | | 13.8% | | 16.0% | | 13.6% | | 16.0% | | 16.2% | |
| Capital Ratios | | | | | | | | | | | | |
| Total Risk-Weighted Assets (Basel 2) | 541,327 | -10% | 492,337 | -9% | 464,339 | 3% | 448,982 | 1% | 446,942 | 4% | 464,819 | 4% |
| Tier 1 ratio | 15.2% | | 17.2% | | 18.7% | | 19.4% | | 20.4% | | 20.6% | |
| Core Tier 1 ratio | 13.9% | | 15.7% | | 17.4% | | 18.0% | | 19.0% | | 19.2% | |
| Total capital ratio | 18.4% | | 18.9% | | 19.6% | | 20.3% | | 21.2% | | 21.1% | |
| Balance Sheet | | | | | | | | | | | | |
| Lending - General Public | 1,187,226 | -8% | 1,211,454 | 2% | 1,238,864 | 3% | 1,276,030 | 3% | 1,327,071 | 4% | 1,380,154 | 4% |
| Depos & Funding - General Public | 534,237 | 6% | 561,696 | 5% | 579,663 | 6% | 614,443 | 6% | 651,309 | 6% | 690,388 | 6% |
| Common Equity | 95,035 | 6% | 98,133 | 3% | 106,224 | 8% | 110,824 | 4% | 116,200 | 5% | 121,331 | 4% |

Source: Company Reports and Citi Research Estimates

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Investment Thesis

Danske Bank A/S

Investment strategy

Danske Bank has faced relative headwinds from a slow Danish economy and contracting housing market, as well as concerns in respect of its Irish exposures. We expect loan-loss provisions will improve from here and forecast a notable improvement in provisions in 2014 following better trends in Danske's core markets (Ireland and Denmark). In addition, management is executing a number of initiatives to improve underlying profitability, including changing distribution channels, considering how to charge various client segments, and reducing staff and branches. We expect improved underlying profitability and normalising provisions will reduce the risk premium and result in a re-rating of Danske's shares. We rate the shares Buy.

Valuation

We value the bank by using splitting the capital into three components:

Required capital is valued by calculating the terminal value of the capital by end of 2015 based on our forecasted returns on equity (adjusting Core Tier 1 capital to 13.0%) and an expected normalised cost of equity at 10%. We estimate an underlying sustainable ROE in 2015 of 10.6% for Danske Bank.

Surplus capital is valued as though it will be paid in a lump sum to shareholders end of 2015.

Dividends are assumed to be paid in spring each year and are in-line with our forecasts with no extraordinary dividends assumed.

We add the components and discount the forecasted components at a cost of equity of 11.25%. We then cross-check this valuation using: (1) comparable P/TB relative to the banks sector and peers; (2) comparable multiple valuation relative to the bank's historical trading range, peers and growth prospects.

Using this approach we set a target price of DKK140 per share, equivalent to 0.95x 2013E book value.

Risks

There are a number of risks that could cause the share price to deviate from our target price. These include: (1) a slowdown in Danish banking growth or materially adverse developments in other markets where Danske Bank is active; (2) continued asset quality deterioration and high loan loss provisions, in particular on Ireland; and (3) adverse conditions in the Markets and Insurance division. If the impact on the company from any of these factors proves to be greater or less than we anticipate, the stock may undershoot or outperform our financial forecasts and target price.

DNB ASA

Investment strategy

We have a Neutral rating on DNB. DNB is the national champion in a strong economy and we believe will benefit from improving margins going forward. In addition, the corporate investment cycle appears to be maintaining momentum and DNB should capture a good portion of the growth. Having said that, the lack of clarity on regulation is a major headwind for the stock. Additionally, dividend yields could be under pressure over the next few years, as the company prepares to conserve capital to satisfy higher potential regulatory requirements.

Valuation

We use a two-stage dividend discount model (DDM) to value DNB, including the present value of 2012-15E dividends and a terminal value assuming zero growth at a sustainable RoE of 11.3%. We use a 10.75% cost of equity. We cross-check this valuation using: (1) justified price to book valuation; (2) comparable P/E and P/GOP valuation relative to the banks sector; and (3) comparable valuation relative to DNB's historical trading range and growth prospects. We set a target price of NOK85 based on this methodology, equivalent to 1.0x '13E book value.

Risks

There are a number of risks and factors that could cause the share price to deviate from our target price. These include: (1) a slowdown in Norwegian banking growth or materially adverse developments in specialist markets such as shipping; (2) the Norwegian economy is an oil economy and thus exposed to price fluctuations which may impact the banking market; (3) adverse conditions in their markets division; and (4) regulatory risks relating to the implementation of capital adequacy rules for the bank and the bank's insurance operations. If the impact on the company from any of these factors proves to be greater or less than we anticipate, the stock may undershoot or outperform our financial forecasts and target price.

Nordea

Investment strategy

We have a Neutral rating on Nordea. Nordea offers broad exposure to the Nordic region, with a retail and corporate banking focus. Revenue growth has been driven by retail and corporate banking. We expect the relatively stronger fundamentals across the Nordic region to continue to support revenue and volume growth, albeit at a slower pace than previously expected. Nordea looks well-placed in the market and with the focus on returns and cost efficiency, we believe the bank will continue to deliver a relatively strong operational performance. The shares trade close to our fair value and don't offer enough upside, in our view, to warrant a Buy rating. Hence, we rate Nordea Neutral.

Valuation

We value the bank by using splitting the capital into three components: Required capital is valued by calculating the terminal value of the capital by end of 2015 based on our forecasted returns on equity (adjusting Core Tier 1 capital to 13.0%) and an expected normalised cost of equity at 10%. We estimate an underlying sustainable ROE in 2015 of 13.3% for Nordea. Surplus capital is valued as though it will be paid in a lump sum to shareholders end of 2015. Dividends 2013-15E are assumed to be paid in spring each year and are in-line with our forecasts with no extraordinary dividends assumed. We discount our forecasted justified value with a cost of equity of 10.25% for Nordea. We then cross-check this valuation using: (1) comparable P/TB relative to the banks sector and peers; (2) comparable multiple valuation relative to the bank's historical trading range, peers and growth prospects. From this method we arrive at a target price of €9.25 per share (SKr78), equivalent to 1.25x 2013E book value.

Risks

The following factors could cause the share price to deviate from our target price: (1) M&A transactions, including Nordea as acquirer and target; (2) the asset quality development and schedule for provisions; and (3) strength of the economic recovery path in Nordea's core markets; (4) the success of achieving cost efficiencies; and (5) the potential sale of shareholdings by significant shareholders (such as the Swedish state). If the impact of these risk factors is more or less significant than we anticipate, then the share price may fail to reach or rise above our target price.

Skandinaviska Enskilda Banken AB

Investment strategy

We have a Neutral rating on SEB. The group is exposed to financial risks in its Baltic banking business and its large Nordic corporate and investment banking franchise. SEB's corporate loan book is geared towards large corporates, which should benefit proportionally more from a recovering economy which for now, however, seems to be at a standstill. SEB has, however, set out ambitious targets to achieve a 15% ROE on 13% CT1 which will be driven by increased revenue generation and strict cost control. We believe this will be challenging for SEB with the current activity levels and as such rate the shares Neutral.

Valuation

We value the bank by using splitting the capital into three components: Required capital is valued by calculating the terminal value of the capital by end of 2015 based on our forecasted returns on equity (adjusting Core Tier 1 capital to 13.0%) and an expected normalised cost of equity at 10%. We estimate an underlying sustainable ROE in 2015 of 13.2% for SEB. Surplus capital is valued as though it will be paid in a lump sum to shareholders end of 2015. Dividends 2013-15E are assumed to be paid in spring each year and are in-line with our forecasts with no extraordinary dividends assumed. We sum the components and discount the justified value end of 2015 with a cost of equity of 10.25% for SEB. We then cross-check this valuation using: (1) comparable P/TB relative to the banks sector and peers; (2) comparable multiple valuation relative to the bank's historical trading range, peers and growth prospects. Based on this approach we set a target price of SKr65 per share, equivalent to 1.2x 2013E book value.

Risks

The following factors could cause the share price to deviate from our target price: (1) A slowdown in the corporate segment; (2) asset quality development and schedule for provisions; (3) strength of the economic recovery path in SEB's core markets; and (4) adverse conditions in SEB's market activities; (5) underestimation of re-pricing potential; (6) achievement of financial targets. If the impact of these risk factors is more or less significant than we anticipate, then the share price may fail to reach or rise above our target price.

Svenska Handelsbanken AB

Investment strategy

We have a Neutral rating on SHB. The group is geared to mature, slow-growth Swedish branch banking and growing foreign operations. The franchise is of high quality, the bank continues to deliver strong operational performance, and the stock has a defensive profile. The stock trades at a meaningful premium to the Nordic and European sector, and will continue to be a safe haven bank, in our view. The stock is trading at c.1.5x book value, which is in-line with our fair value assuming the bank will return its excess capital to shareholders in the next three years.

Valuation

We value the bank by using splitting the capital into three components: Required capital is valued by calculating the terminal value of the capital by end of 2015 based on our forecasted returns on equity (adjusting Core Tier 1 capital to 13.0%) and an expected normalised cost of equity at 10%. We estimate an underlying sustainable ROE in 2015 of 17.0% for Handelsbanken. Surplus capital is valued as though it will be paid in a lump sum to shareholders end of 2015. Dividends 2013-15E are assumed to be paid in spring each year and are in-line with our forecasts with no extraordinary dividends assumed. We discount our forecasted justified value with a cost of equity of 10.0% for Handelsbanken. We then cross-check this valuation using: (1) comparable P/TB relative to the banks sector and peers; (2) comparable multiple valuation relative to the bank's historical trading range, peers and growth prospects. From this method we arrive at a target price of SKr265 per share, equivalent to 1.5x 2013E book value.

Risks

The following factors could cause the share price to deviate from our target price: (1) A slowdown of the core Swedish market and economy; (2) contagion effect from Southern Europe (although SHB does not operate directly in these markets); (3) an increase in impaired loans or provisions that would put SHB's track record of low loan losses into question and as such the valuation premium vs. peers; (4) increased competitive pressures both in domestic and international markets. If the impact of these risk factors is more or less significant than we anticipate, then the share price may fail to reach or rise above our target price.

Swedbank AB

Investment strategy

We rate Swedbank Neutral. The bank has de-risked and restructured following the problems in the Baltic, and now benefits from the recovering Baltic economies and a relatively strong, but weakening, domestic Sweden. A strong balance sheet with capital ratios at the high end of the bank's assumed capital range and a high yield supports valuation. Current valuation relative to our fair value offers limited upside, in our view, and as such we rate the shares Neutral.

Valuation

We value the bank by using splitting the capital into three components: Required capital is valued by calculating the terminal value of the capital by end of 2015 based on our forecasted returns on equity (adjusting Core Tier 1 capital to 13.0%) and an expected normalised cost of equity at 10%. We estimate an underlying sustainable ROE in 2015 of 18.1% for Swedbank. Surplus capital is valued as though it will be paid in a lump sum to shareholders end of 2015. Dividends 2013-15E are assumed to be paid in spring each year and are in-line with our forecasts with no extraordinary dividends assumed. We discount our forecasted justified value with a cost of equity of 10.0% for Swedbank. We then cross-check this valuation using: (1) comparable P/TB relative to the banks sector and peers; (2) comparable multiple valuation relative to the bank's historical trading range, peers and growth prospects. From this method we arrive at a target price of SKr158, equivalent to 1.6x 2013E book value.

Risks

The following factors could cause the share price to deviate from our target price: (1) A slowdown of the core Swedish retail and/or SME franchise; (2) contagion effect from Southern Europe (although Swedbank does not operate directly in these markets); (3) M&A with Swedbank as the potential acquirer or target; and (4) adverse developments in the Swedish housing market. If the impact of these risk factors is more or less significant than we anticipate, then the share price may fail to reach or rise above our target price.

Appendix A-1

Analyst Certification

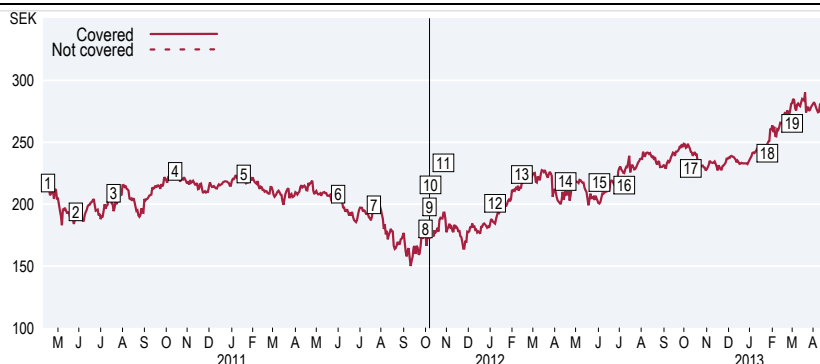
The research analyst(s) primarily responsible for the preparation and content of this research report are named in bold text in the author block at the front of the product except for those sections where an analyst's name appears in bold alongside content which is attributable to that analyst. Each of these analyst(s) certify, with respect to the section(s) of the report for which they are responsible, that the views expressed therein accurately reflect their personal views about each issuer and security referenced and were prepared in an independent manner, including with respect to Citigroup Global Markets Inc and its affiliates. No part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendation(s) or view(s) expressed by that research analyst in this report.

IMPORTANT DISCLOSURES

Svenska Handelsbanken AB (SHBa.ST)

Ratings and Target Price History Fundamental Research

Analyst: Henrik Christiansson



| | Date | Rating | Target Price | Closing Price |
|---|-----------|--------|--------------|---------------|
| 1 | 15-Apr-10 | 3M | *190.00 | 216.60 |
| 2 | 27-May-10 | *1L | *215.00 | 192.20 |
| 3 | 20-Jul-10 | 1L | *210.00 | 194.30 |
| 4 | 14-Oct-10 | *2L | *230.00 | 226.50 |
| 5 | 19-Jan-11 | *1L | *245.00 | 222.20 |
| 6 | 1-Jun-11 | *2L | *225.00 | 206.30 |
| 7 | 21-Jul-11 | *2M | *215.00 | 199.50 |

* Indicates change

| | Date | Rating | Target Price | Closing Price |
|----|-----------|-----------------------------|--------------|---------------|
| 8 | 3-Oct-11 | *1M | *195.00 | 174.90 |
| 9 | 7-Oct-11 | Stock rating system changed | | |
| 10 | 8-Oct-11 | *1 | 195.00 | 172.30 |
| 11 | 27-Oct-11 | *2 | *205.00 | 193.10 |
| 12 | 9-Jan-12 | 2 | *200.00 | 184.30 |
| 13 | 15-Feb-12 | 2 | *210.00 | 218.10 |
| 14 | 17-Apr-12 | 2 | *213.00 | 213.70 |

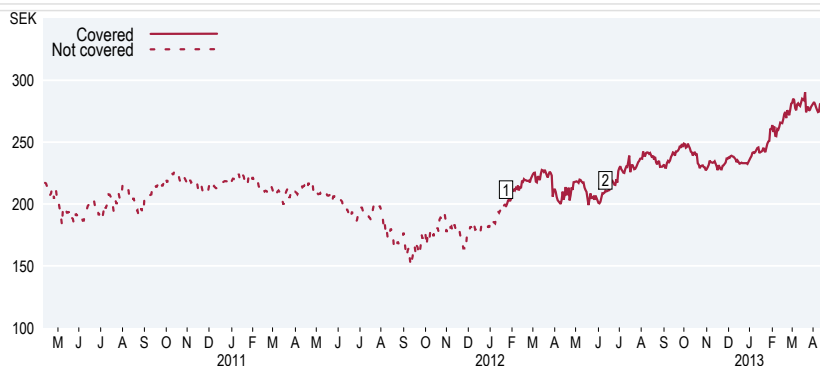
| | Date | Rating | Target Price | Closing Price |
|----|-----------|--------|--------------|---------------|
| 15 | 4-Jun-12 | 2 | *220.00 | 200.50 |
| 16 | 9-Jul-12 | 2 | *225.00 | 225.10 |
| 17 | 10-Oct-12 | 2 | *235.00 | 242.30 |
| 18 | 25-Jan-13 | 2 | *250.00 | 248.70 |
| 19 | 1-Mar-13 | 2 | *265.00 | 281.70 |

Rating/target price changes above reflect Eastern Standard Time

Svenska Handelsbanken AB (SHBa.ST)

Ratings and Target Price History Best Ideas Research Relative Call (3 Month)

Analyst: Henrik Christiansson



| | Date | Rating | Target Price | Closing Price |
|---|-----------|---------|--------------|---------------|
| 1 | 24-Jan-12 | *ADD LP | - | 198.10 |

* Indicates change

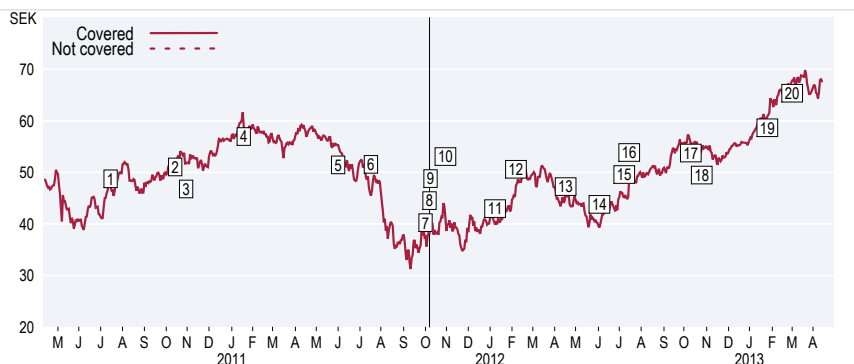
| | Date | Rating | Target Price | Closing Price |
|---|-----------|---------|--------------|---------------|
| 2 | 12-Jun-12 | *REM LP | - | 210.70 |

Rating/target price changes above reflect Eastern Standard Time

Skandinaviska Enskilda Banken AB (SEBa.ST)

Ratings and Target Price History Fundamental Research

Analyst: Henrik Christiansson



| | Date | Rating | Target Price | Closing Price |
|---|-----------|--------|--------------|---------------|
| 1 | 15-Jul-10 | 2H | *47.00 | 47.12 |
| 2 | 14-Oct-10 | 2H | *50.00 | 51.95 |
| 3 | 29-Oct-10 | 2H | *52.00 | 51.75 |
| 4 | 19-Jan-11 | 2H | *58.00 | 59.00 |
| 5 | 1-Jun-11 | *2M | 58.00 | 55.30 |
| 6 | 18-Jul-11 | 2M | *52.00 | 45.47 |
| 7 | 3-Oct-11 | *1M | *45.00 | 37.50 |

* Indicates change

| | Date | Rating | Target Price | Closing Price |
|----|-----------|-----------------------------|--------------|---------------|
| 8 | 7-Oct-11 | Stock rating system changed | | |
| 9 | 8-Oct-11 | *1 | 45.00 | 38.17 |
| 10 | 31-Oct-11 | *2 | *47.00 | 41.17 |
| 11 | 9-Jan-12 | 2 | *45.00 | 39.87 |
| 12 | 7-Feb-12 | 2 | *47.00 | 47.45 |
| 13 | 17-Apr-12 | 2 | *48.00 | 46.33 |
| 14 | 4-Jun-12 | 2 | *43.00 | 39.31 |

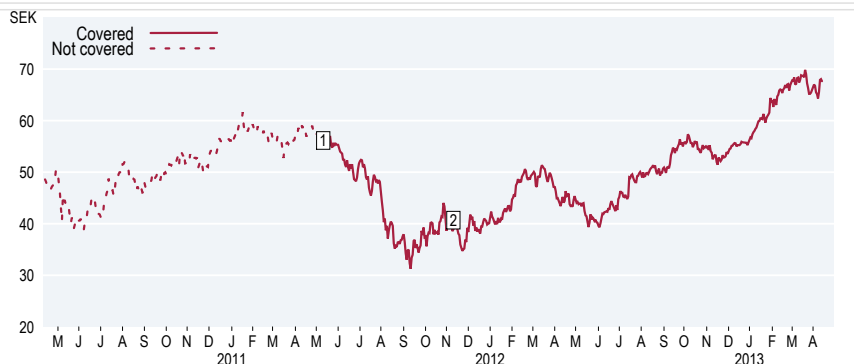
| | Date | Rating | Target Price | Closing Price |
|----|-----------|--------|--------------|---------------|
| 15 | 9-Jul-12 | 2 | *46.00 | 45.17 |
| 16 | 16-Jul-12 | 2 | *48.00 | 49.00 |
| 17 | 10-Oct-12 | *3 | *51.00 | 55.55 |
| 18 | 25-Oct-12 | 3 | *50.00 | 54.60 |
| 19 | 25-Jan-13 | 3 | *55.00 | 60.85 |
| 20 | 1-Mar-13 | *2 | *65.00 | 67.80 |

Rating/target price changes above reflect Eastern Standard Time

Skandinaviska Enskilda Banken AB (SEBa.ST)

Ratings and Target Price History Best Ideas Research Relative Call (3 Month)

Analyst: Henrik Christiansson



| | Date | Rating | Target Price | Closing Price |
|---|-----------|---------|--------------|---------------|
| 1 | 11-May-11 | *ADD LP | - | 57.15 |

* Indicates change

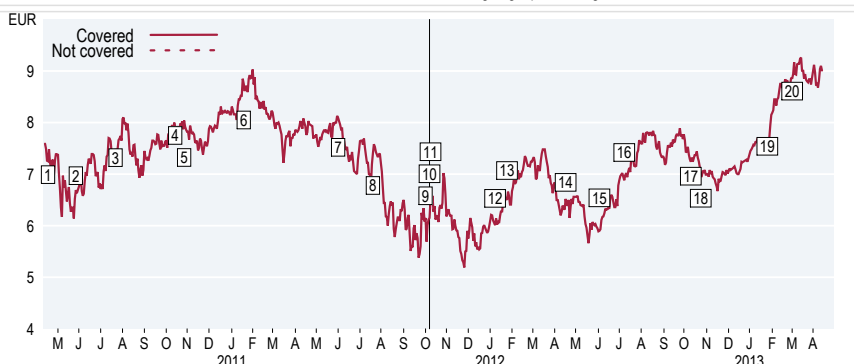
| | Date | Rating | Target Price | Closing Price |
|---|-----------|---------|--------------|---------------|
| 2 | 10-Nov-11 | *REM LP | - | 38.89 |

Rating/target price changes above reflect Eastern Standard Time

Nordea (NDA1V.HE)

Ratings and Target Price History Fundamental Research

Analyst: Henrik Christiansson



| | Date | Rating | Target Price | Closing Price |
|---|-----------|--------|--------------|---------------|
| 1 | 15-Apr-10 | 3M | *6.50 | 7.49 |
| 2 | 27-May-10 | *2M | *7.00 | 6.69 |
| 3 | 22-Jul-10 | 2M | *7.40 | 7.49 |
| 4 | 14-Oct-10 | 2M | *7.80 | 7.92 |
| 5 | 27-Oct-10 | 2M | *8.20 | 8.04 |
| 6 | 19-Jan-11 | 2M | *8.50 | 8.75 |
| 7 | 1-Jun-11 | 2M | *8.75 | 8.09 |

* Indicates change

| | Date | Rating | Target Price | Closing Price |
|----|-----------|-----------------------------|--------------|---------------|
| 8 | 20-Jul-11 | 2M | *8.00 | 7.40 |
| 9 | 3-Oct-11 | *1M | *7.00 | 6.15 |
| 10 | 7-Oct-11 | Stock rating system changed | | |
| 11 | 8-Oct-11 | *1 | 7.00 | 6.15 |
| 12 | 9-Jan-12 | 1 | *6.85 | 6.01 |
| 13 | 25-Jan-12 | *2 | *6.75 | 6.50 |
| 14 | 17-Apr-12 | 2 | *7.00 | 6.52 |

| | Date | Rating | Target Price | Closing Price |
|----|-----------|--------|--------------|---------------|
| 15 | 4-Jun-12 | *1 | *7.15 | 5.90 |
| 16 | 9-Jul-12 | *2 | *7.40 | 6.88 |
| 17 | 10-Oct-12 | 2 | *8.00 | 7.24 |
| 18 | 24-Oct-12 | 2 | *7.60 | 6.96 |
| 19 | 25-Jan-13 | 2 | *8.00 | 7.63 |
| 20 | 1-Mar-13 | 2 | *9.25 | 8.85 |

Rating/target price changes above reflect Eastern Standard Time

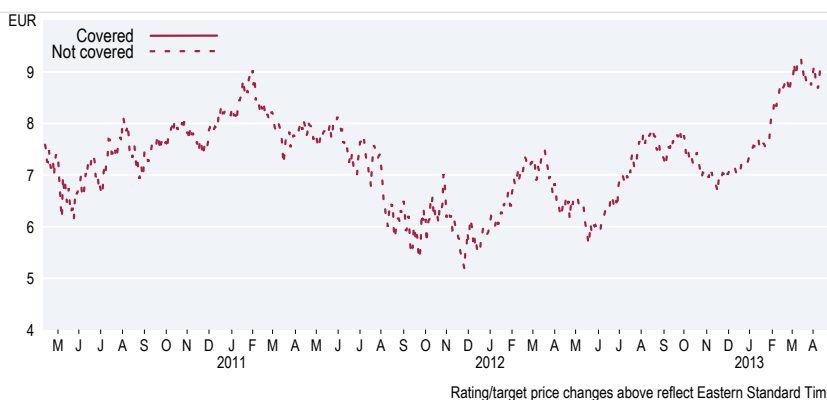
Nordea (NDA1V.HE)

Ratings and Target Price History

Best Ideas Research

Relative Call (3 Month)

Analyst: Henrik Christiansson

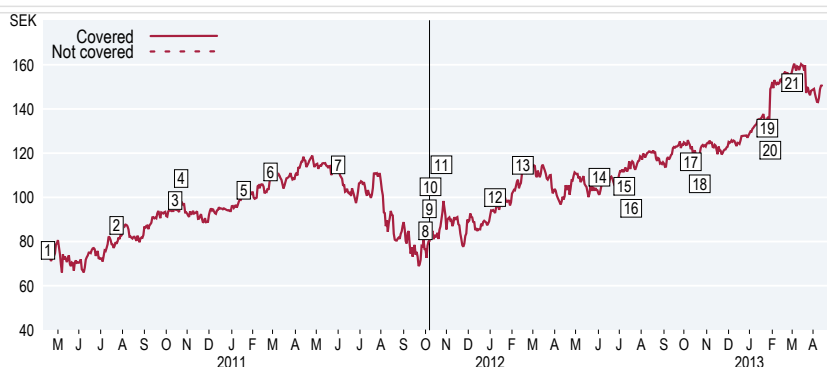


Swedbank AB (SWEDa.ST)

Ratings and Target Price History

Fundamental Research

Analyst: Henrik Christiansson



| | Date | Rating | Target Price | Closing Price |
|---|-----------|--------|--------------|---------------|
| 1 | 15-Apr-10 | 2H | *75.00 | 75.75 |
| 2 | 23-Jul-10 | 2H | *80.00 | 79.00 |
| 3 | 14-Oct-10 | *3H | *85.00 | 95.70 |
| 4 | 22-Oct-10 | 3H | *90.00 | 97.00 |
| 5 | 19-Jan-11 | *2H | *105.00 | 101.40 |
| 6 | 25-Feb-11 | *1M | *125.00 | 110.00 |
| 7 | 1-Jun-11 | *2M | 125.00 | 112.90 |

| | Date | Rating | Target Price | Closing Price |
|----|-----------|-----------------------------|--------------|---------------|
| 8 | 3-Oct-11 | *1M | *95.00 | 76.50 |
| 9 | 7-Oct-11 | Stock rating system changed | | |
| 10 | 8-Oct-11 | *1 | 95.00 | 80.25 |
| 11 | 25-Oct-11 | 1 | *100.00 | 90.05 |
| 12 | 9-Jan-12 | *2 | 100.00 | 92.90 |
| 13 | 16-Feb-12 | 2 | *107.00 | 112.80 |
| 14 | 4-Jun-12 | 2 | *110.00 | 101.20 |

| | Date | Rating | Target Price | Closing Price |
|----|-----------|--------|--------------|---------------|
| 15 | 9-Jul-12 | 2 | *115.00 | 111.80 |
| 16 | 18-Jul-12 | 2 | *117.00 | 115.40 |
| 17 | 10-Oct-12 | 2 | *125.00 | 121.80 |
| 18 | 23-Oct-12 | 2 | *127.00 | 119.80 |
| 19 | 25-Jan-13 | 2 | *140.00 | 135.80 |
| 20 | 30-Jan-13 | 2 | *150.00 | 149.00 |
| 21 | 1-Mar-13 | 2 | *158.00 | 157.30 |

* Indicates change

Rating/target price changes above reflect Eastern Standard Time

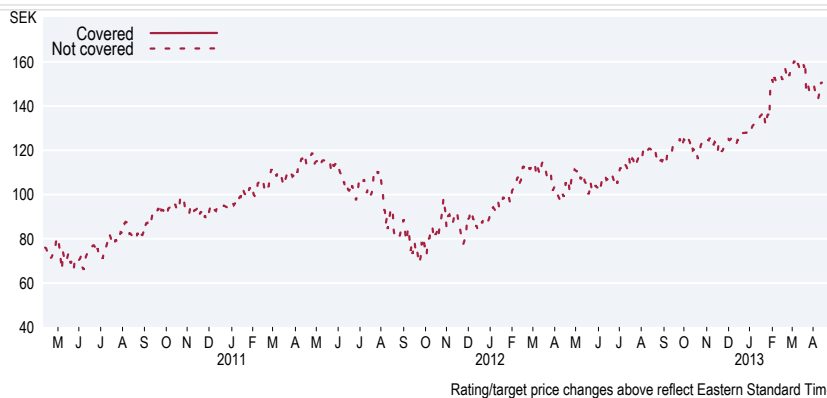
Swedbank AB (SWEDa.ST)

Ratings and Target Price History

Best Ideas Research

Relative Call (3 Month)

Analyst: Henrik Christiansson

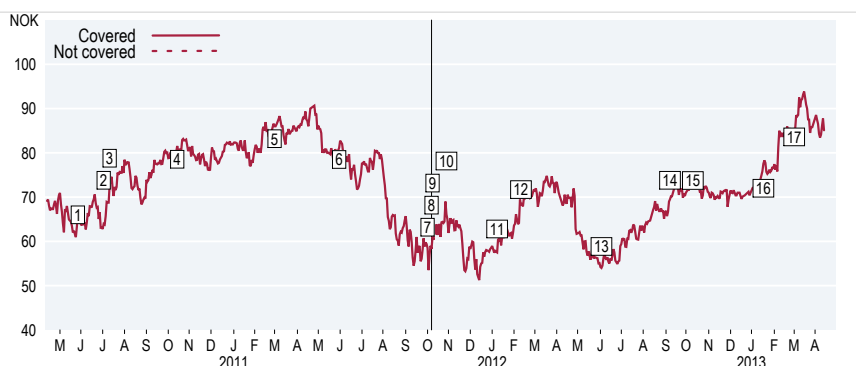


DNB ASA (DNB.OL)

Ratings and Target Price History Fundamental Research

Analyst: Ronit Ghose

Covered since January 18 2013



| | Date | Rating | Target Price | Closing Price |
|---|-----------|--------|--------------|---------------|
| 1 | 27-May-10 | 1M | *85.00 | 66.00 |
| 2 | 2-Jul-10 | 1M | *80.00 | 63.95 |
| 3 | 12-Jul-10 | 1M | *83.00 | 72.70 |
| 4 | 14-Oct-10 | 1M | *90.00 | 81.55 |
| 5 | 1-Mar-11 | 1M | *100.00 | 86.00 |
| 6 | 31-May-11 | 1M | *95.00 | 81.15 |

* Indicates change

| | Date | Rating | Target Price | Closing Price |
|----|-----------|-----------------------------|--------------|---------------|
| 7 | 3-Oct-11 | 1M | *75.00 | 58.50 |
| 8 | 7-Oct-11 | Stock rating system changed | | |
| 9 | 8-Oct-11 | *1 | 75.00 | 58.30 |
| 10 | 28-Oct-11 | 1 | *78.00 | 66.10 |
| 11 | 9-Jan-12 | 1 | *71.00 | 57.50 |
| 12 | 10-Feb-12 | 1 | *77.00 | 68.20 |

| | Date | Rating | Target Price | Closing Price |
|----|-----------|--------|--------------|---------------|
| 13 | 4-Jun-12 | 1 | *75.00 | 54.00 |
| 14 | 7-Sep-12 | 1 | *80.00 | 69.50 |
| 15 | 10-Oct-12 | 1 | *83.00 | 71.70 |
| 16 | 17-Jan-13 | *2 | 83.00 | 77.55 |
| 17 | 1-Mar-13 | 2 | *85.00 | 85.25 |

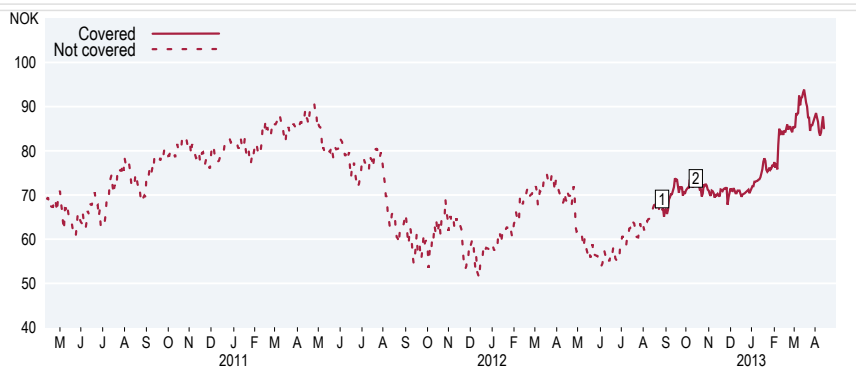
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DNB ASA (DNB.OL)

Ratings and Target Price History Best Ideas Research Relative Call (3 Month)

Analyst: Ronit Ghose

Covered since January 18 2013



| | Date | Rating | Target Price | Closing Price |
|---|-----------|---------|--------------|---------------|
| 1 | 28-Aug-12 | *ADD MP | - | 66.70 |

* Indicates change

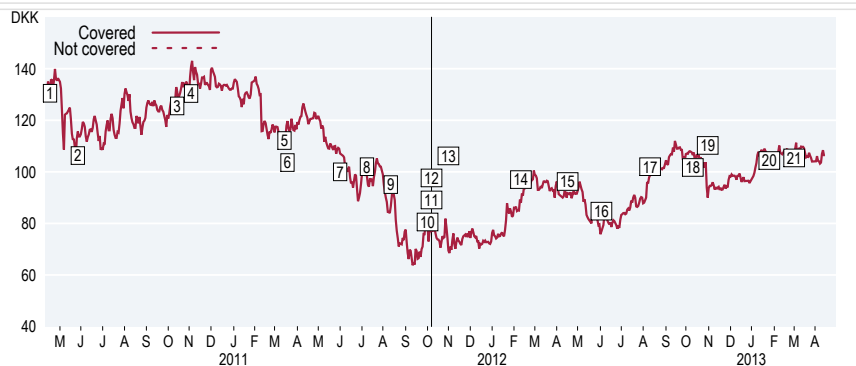
| | Date | Rating | Target Price | Closing Price |
|---|-----------|---------|--------------|---------------|
| 2 | 15-Oct-12 | *REM MP | - | 72.60 |

Rating/target price changes above reflect Eastern Standard Time

Danske Bank A/S (DANSKE.CO)

Ratings and Target Price History Fundamental Research

Analyst: Henrik Christiansson



| | Date | Rating | Target Price | Closing Price |
|---|-----------|--------|--------------|---------------|
| 1 | 15-Apr-10 | 1H | *143.43 | 135.01 |
| 2 | 27-May-10 | 1H | *138.81 | 115.67 |
| 3 | 14-Oct-10 | *1M | *148.06 | 131.12 |
| 4 | 3-Nov-10 | 1M | *157.31 | 140.93 |
| 5 | 15-Mar-11 | 1M | *134.18 | 112.15 |
| 6 | 18-Mar-11 | 1M | *137.00 | 119.70 |
| 7 | 1-Jun-11 | *2M | *125.00 | 107.10 |

* Indicates change

| | Date | Rating | Target Price | Closing Price |
|----|-----------|-----------------------------|--------------|---------------|
| 8 | 8-Jul-11 | *2H | 125.00 | 98.25 |
| 9 | 11-Aug-11 | *1H | *115.00 | 86.60 |
| 10 | 3-Oct-11 | 1H | *100.00 | 79.30 |
| 11 | 7-Oct-11 | Stock rating system changed | | |
| 12 | 7-Oct-11 | *1 | 100.00 | 77.00 |
| 13 | 1-Nov-11 | 1 | *95.00 | 69.45 |
| 14 | 10-Feb-12 | *2 | 95.00 | 88.00 |

| | Date | Rating | Target Price | Closing Price |
|----|-----------|--------|--------------|---------------|
| 15 | 17-Apr-12 | 2 | *100.00 | 91.75 |
| 16 | 4-Jun-12 | *1 | 100.00 | 76.90 |
| 17 | 10-Aug-12 | *2 | 100.00 | 98.60 |
| 18 | 10-Oct-12 | 2 | *110.00 | 106.50 |
| 19 | 31-Oct-12 | 2 | *105.00 | 90.00 |
| 20 | 25-Jan-13 | 2 | *110.00 | 106.70 |
| 21 | 1-Mar-13 | *1 | *140.00 | 108.10 |

Rating/target price changes above reflect Eastern Standard Time

Danske Bank A/S (DANSKE.CO)

Ratings and Target Price History

Best Ideas Research

Relative Call (3 Month)

Analyst: Henrik Christiansson



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|-----------------|------|------|-----------------|------|------|
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| 53% | 49% | 43% | 65% | 49% | 51% |

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