

+12K Estonians cannot be wrong

Q1 Revenues and Profits beat estimates on double-digit growth for all key lines. The company is entering a 2-year investment phase but expected ROE is still at attractive levels. The valuation below book is so attractive that more than 12,000 Estonians have bought into the share despite the usual friendly rivalry between the Baltic states.

Key lines grew strongly

Q1/24 Operating income was 14% above our forecast on double-digit y-on-y growth for key performance lines (loan book +13%, NII +12%, Net fee & Comm. Income +43%). As it is early in the year, we do not raise our full-year 2024 forecast after the Q1 but recognize that there is margin for error for a slowdown during 2024.

Investments period with solid ROE

The company is entering a 2-year investment period into a new IT system and re-branding. Despite the est. extraordinary costs of EUR 19m during 2024-25, we expect the ROE to stay at 13-14% (inline w/ guidance) with attractive dividends (est. net div. yield around 4.5%).

Valuation below 1x book unjustified

We believe SAB's 2024E P/BV of 0.89x is unjustified given the forecast 2024-26 ROE of 13-15%. We believe a well-managed bank should trade around 1.1x book value, implying a SAB share price of EUR 0.98, which is our Base case Fair value.

Key figures (MEUR)

	2022	2023	2024E	2025E	2026E
Net interest income	106.8	156.9	159.8	165.0	192.9
Commissions	18.7	20.3	27.4	29.3	33.0
Total operating income	142.6	198.2	202.2	210.8	242.9
Profit before loan losses	81.5	111.0	112.7	114.1	141.8
Loan losses	-4.9	-15.2	-18.1	-15.5	-16.4
Profit after loan losses	76.5	95.7	94.5	98.6	125.4
Tier 1 ratio excl. hybrids	18.14%	19.89%	20.16%	19.76%	19.57%
Loan loss ratio	0.21%	0.59%	0.58%	0.44%	0.42%
Coverage ratio	43.4%	41.4%	40.0%	40.0%	40.0%
P/E	6.5	5.8	6.0	5.7	4.5
P/NAV	0.9	0.9	0.9	0.8	0.7
EPS	0.11	0.12	0.12	0.12	0.16
EPS growth %	15.19%	12.65%	-2.00%	4.32%	27.16%
Div. per share	0.03	0.05	0.04	0.04	0.05
Dividend yield	3.86%	7.00%	5.02%	5.23%	6.66%
ROE %	15.19%	15.29%	13.70%	13.10%	15.00%

Source: Company data, Enlight Research estimates

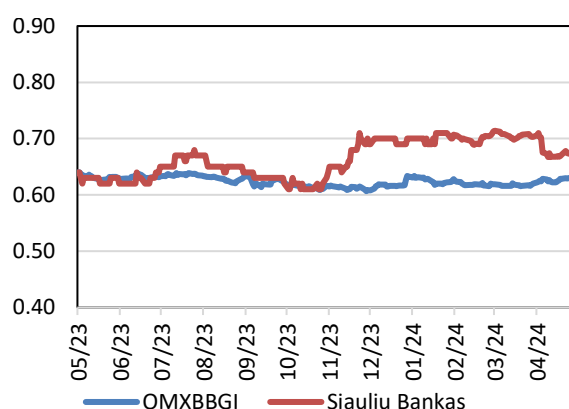
Fair value range

Bull (P/BV 1.3x)	1.15
Base (P/BV 1.1x)	0.98
Bear (P/BV 0.9x)	0.80

Key Data

Price (EUR)	0.70
Ticker	SAB1L
Country	Lithuania
Listed	Vilnius (Lithuania)

Market Cap	463
Net debt	na
Shares (m)	663
Free float	74%



Price range

52-week high	0.71
52-week low	0.61

Analyst

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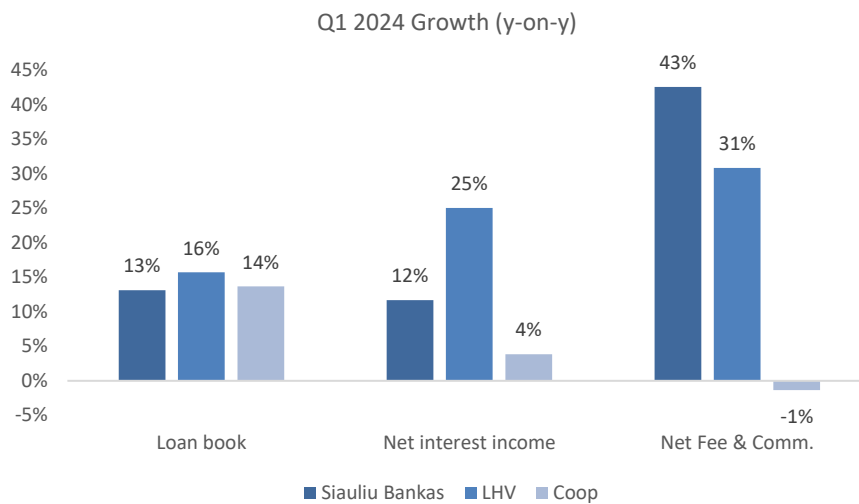
Coverage frequency

4x per year

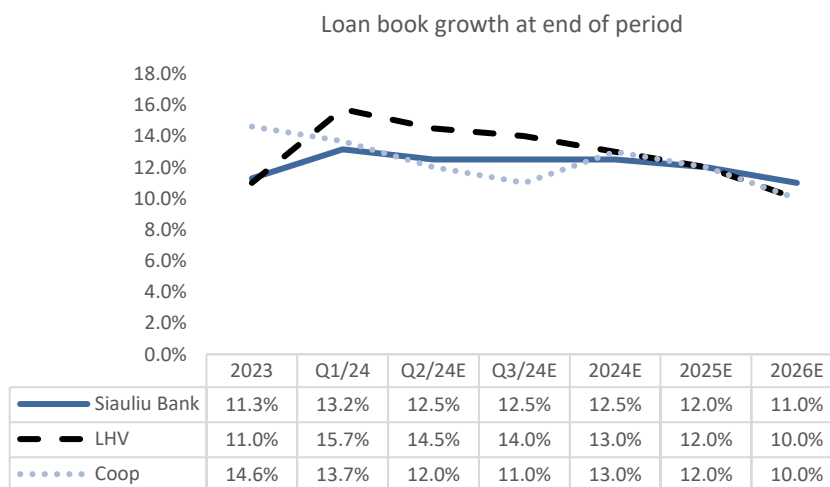
Key takeaways

Double-digit growth

Siauliu Bankas posted double digit Q1/24 y-on-y growth for its Loan book (+13%), Net interest income (12%), and Net fee & commission income (+43%). The Net fee & commission income growth was boosted by the acquisition of INVL retail (asset management), while the Loan book and Net interest income growth was organic. Baltic banking is still a good place to be with Q1/24 double-digit y-on-y loan growth for all three listed banks while the Net interest income (NII) and Net fee & commission income grew by double-digits for Siauliu Bankas and LHV (Coop lagged with a 4% NII growth and a 1% decline in Net fee & commission income). For the full-year 2024, we expect Siauliu Bankas to grow its loan book by 12.5% (guidance 13.0%) vs. 13.0% for LHV (guidance 13.3%) and 13.0% for Coop Bank (no guidance given).



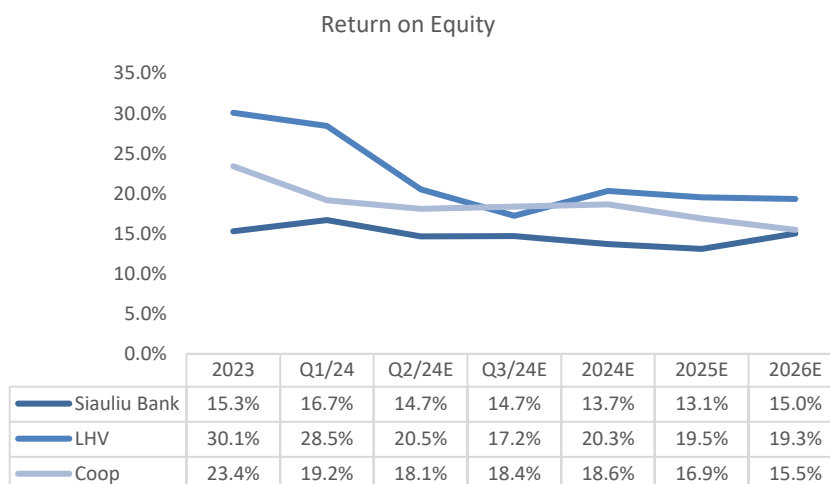
Source: Company reports



Source: Company reports (historic), Enlight Research (estimates)

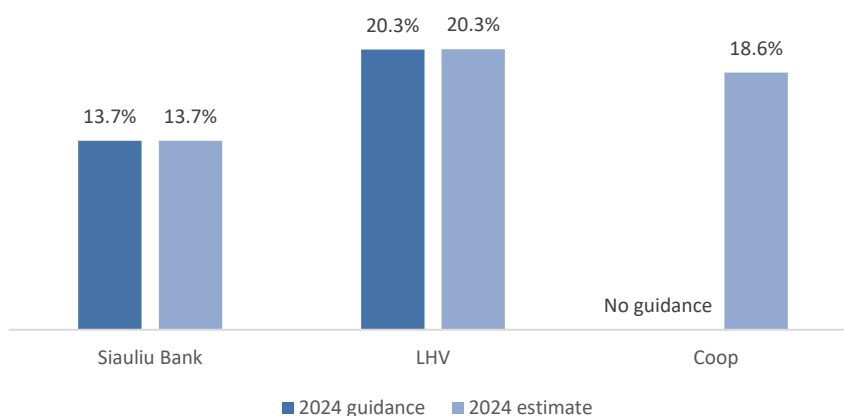
Return on Equity still at attractive levels

Siauliu Bank's (SAB) Q1/24 ROE was 16.7% which is higher than the 2023 ROE of 15.3% and the 2024 guidance of 13.7%. We believe the ROE will decrease for the remainder of the year as the already announced IT and re-branding expenses will be started (estimated at around EUR 19m in 2024-25). Excluding these one-off expenses, we believe SAB's 2024, and 2025 ROEs would be 15.0% i.e. in-line with the 2026 ROE guidance (rather than 13.1-13,7%). The Estonian peers LHV and Coop also posted strong Q1/24 ROEs of 28.5%, and 19.2%, respectively, albeit both lower than their 2023 ROEs.



Source: Company reports (historic), Enlight Research (estimates)

2024 ROE Guidance vs. Enlight forecast

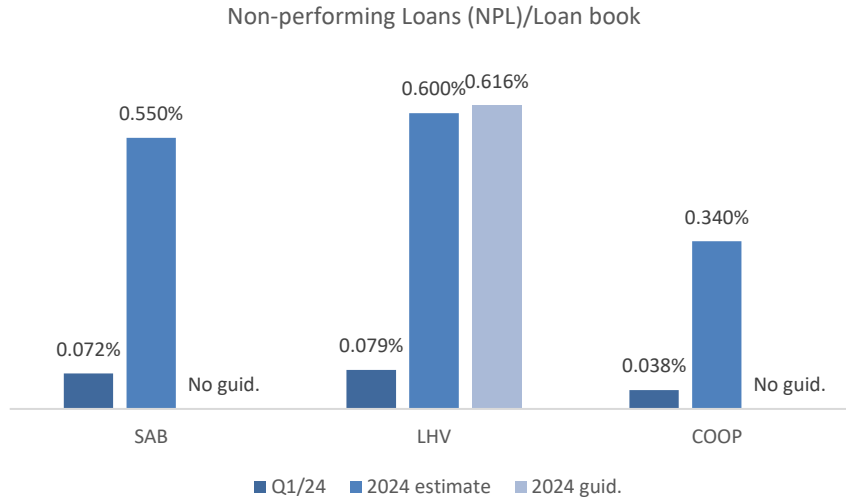


Source: Company (guidance), Enlight Research (estimates)

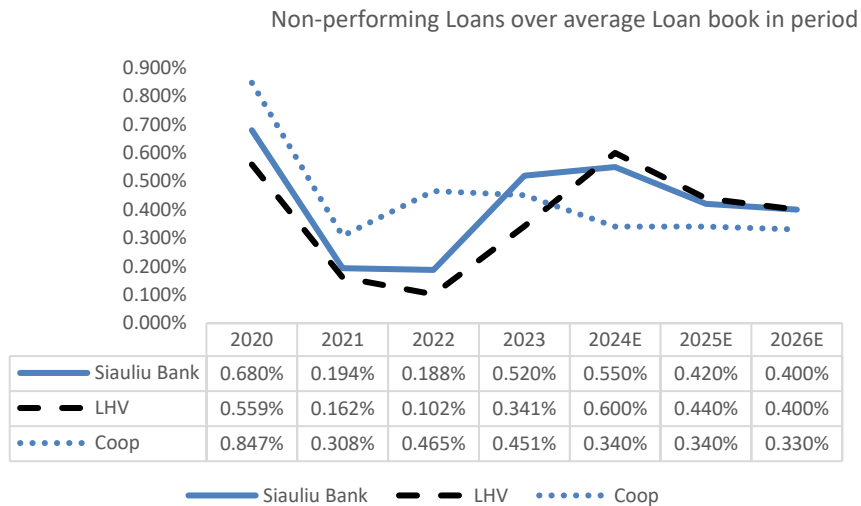
Non-performing Loans (NPL) still at low levels

Despite the sluggish economy, the non-performing loans are not increasing drastically. In Q1/24, all three listed banks had non-performing loans in relation to the loan book below 0.100% i.e., below 0.400% on an annualized basis. We expect the full-year 2024 NPL ratio to be above 0.400% for Siauliu Bank (0.550%) and LHV (0.600%), while we see Coop's NPL at 0.340%. The big question when it comes to banks is if the NPL will increase later in the economic cycle or if banks will manage through the bottom without a major spike in the bad loans. Our base scenario is that

there will not be major spike in NPLs. The threat to this scenario would be a significant increase in the unemployment from current 7-8% to above 10%, in our view.



Source: Company (historic, guidance), Enlight Research (estimates)



Source: Company (historic), Enlight Research (estimates)

Attractive dividends despite investment years

This year, our forecast dividend yield is 5.0% (net 4.3%) followed by 5.2% (net 4.4%) next year and 6.7% (net 5.7%) in 2026. On 12 May 2024, the company announced that it has applied to the ECB for share buyback program of up to EUR 11.5m whereof up to EUR 10m (up to 12m shrs) will be cancelled (remainder will be used for employee remuneration program). If approved by the ECB, the buyback program could add 1.8 percentage points of yield within 12 months from the date of the approval. Assuming half of the EUR 10m trench is executed in 2024 and half in 2025, the Total net yield including buybacks would be 5.2% in 2024 and 5.4% in 2025. We have not reduced the number of shares in our model yet but will do so upon approval from the ECB.

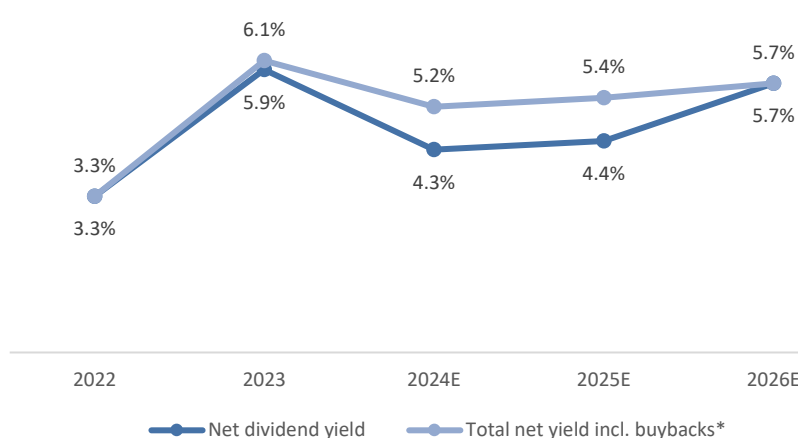
Yield forecast

(EUR)	2022	2023	2024E	2025E	2026E
Dividend per share	0.027	0.049	0.035	0.037	0.047
Payout ratio	25%	43%	30%	30%	30%
Dividend yield (gross)	3.9%	7.0%	5.0%	5.2%	6.7%
Dividend yield (net after 15% tax)	3.3%	5.9%	4.3%	4.4%	5.7%
Buyback amount per share		0.001	0.008	0.008	0.000
Buyback yield		0.2%	0.9%	0.9%	0.0%
Total net yield	3.3%	6.1%	5.2%	5.4%	5.7%
Share price		0.693	0.699	0.699	0.699

Source: Company report (2022, 2023), Enlight (2024-26E)

*Buyback program for 2024-25 is awaiting approval from ECB

Dividend net yield & Total net yield incl. buybacks*



Source: Company report (2022, 2023), Enlight (2024-26E)

*Buyback program for 2024-25 is awaiting approval from ECB

P/BV below 1x unjustified

Based on 2024 estimated book value and the current share price, SAB is trading at a P/BV of 0.89 while still expected to show a ROE of 13-15% in the forecast period 2024-26. We believe a bank with an ROE around 13-15% should be valued at a P/BV of 1.1x, which implies a SAB share price of EUR 0.98, equal to an upside of around 40%.

Motivated share price (EUR)	Bear	Base	Bull
BV/Share 2024E	0.89	0.89	0.89
P/BV 2024E	0.79	0.79	0.79
Motivated P/BV 2024E	0.90	1.10	1.30
Motivated share price	0.80	0.98	1.15
Upside/downside	14%	40%	65%
Share price (EUR)	0.70	0.70	0.70

Source: Enlight Research

Estimate deviations

The Q1/24 Net interest income (NII) was roughly in-line with our forecast, while the Net fee and commission income was 6.9% or EUR 0.4m above our estimate. The Q1/24 Total operating income was 13.8% or EUR 7.0m above our estimate mainly due to better than expected Other operating income.

The Q1/24 Pre-provision Operating profit of EUR 30.0m was 7.4% or EUR 2.1m above our forecast of EUR 28.0m. The Q1/24 Loan provisions of EUR 2.2m were EUR 2.3m better than estimated. The Q1/24 Pre-tax profit (after provisions) was 18.4% or EUR 4.3m above estimate. The Q1/24 Net profit was EUR 16.6% or EUR 3.2m above forecast as the Income tax expense came in EUR 1.1m higher than forecast.

Forecast deviation table Group

Group forecast	Q1/24	Q1/24	Deviation	
Income statement	Estimate	Outcome	EURm	%
Net interest income	39.5	39.6	0.1	0.3%
Net fee and commission income	6.1	6.5	0.4	6.9%
Other operating income	4.9	11.4	6.4	130.8%
Total operating income	50.4	57.4	7.0	13.8%
Salaries and related expenses	-10.5	-11.3	-0.8	7.8%
Depreciation & Amortization	-1.5	-1.8	-0.3	16.4%
Expenses related to insurance activities	-2.3	-7.6	-5.3	232.7%
Other operating expenses	-8.2	-6.8	1.4	-17.6%
<i>Total Operating expenses</i>	<i>-22.5</i>	<i>-27.4</i>	<i>-4.9</i>	<i>21.9%</i>
Pre-provision operating profit	28.0	30.0	2.1	7.4%
Provisions	-4.5	-2.2	2.3	-50.7%
Pre-tax profit	23.5	27.8	4.3	18.4%
Income tax expense	-4.2	-5.4	-1.1	26.5%
Net profit	19.3	22.5	3.2	16.6%

	Q1/24	Q1/24	Deviation	
Growth y-on-y	Estimate	Outcome	EURm	%-points
Net interest income	11.3%	11.7%	na	0.4
Net fee and commission income	33.3%	42.6%	na	9.2
Other operating income	-24.9%	73.4%	na	98.3
Total operating income	8.4%	23.4%	na	15.0

	Q1/24	Q1/24	Deviation	
Margins	Estimate	Outcome	EURm	%-points
Profit bef. Provisions margin	55.4%	52.3%	na	-3.2
PTP margin	46.6%	48.4%	na	1.8
Net profit margin	38.2%	39.1%	na	0.9

Source: Company report (outcome), Enlight (estimate)

Estimate changes

We lower our Total Revenues by 2-3% in the forecast period 2024-25E but raise our estimate by 2% for 2026. Minor changes are made to Pre-provisions Operating profit estimates. Pre-tax profit, EPS and Dividend forecasts are unchanged.

Estimate changes			
Total Revenues (EURm)	2024E	2025E	2026E
Old estimate	207.1	216.8	238.1
New estimate	202.2	210.8	242.9
Change	-4.9	-6.0	4.8
Change (pct)	-2.4%	-2.8%	2.0%
Pre-provisions Operating profit (EURm)	2024E	2025E	2026E
Old estimate	112.2	113.5	140.9
New estimate	112.7	114.1	141.8
Change	0.4	0.6	0.8
Change (pct)	0.4%	0.5%	0.6%
Pre-tax Profit (EURm)	2024E	2025E	2026E
Old estimate	94.5	98.6	125.3
New estimate	94.5	98.6	125.4
Change	0.0	0.0	0.1
Change (pct)	0.0%	0.0%	0.0%
EPS (EUR)	2024E	2025E	2026E
Old estimate	0.12	0.12	0.16
New estimate	0.12	0.12	0.16
Change	0.00	0.00	0.00
Change (pct)	0.0%	0.0%	0.0%
Dividend (EUR)	2024E	2025E	2026E
Old estimate	0.035	0.037	0.047
New estimate	0.035	0.037	0.047
Change	0.000	0.000	0.000
Change (pct)	0.0%	0.0%	0.0%

Source: Enlight Research

Forecast

Group P&L (EURm)	Q1/24	Q2/24E	Q3/24E	Q4/24E	2023	2024E	2025E	2026E
Interest revenue	59.5	57.2	54.4	54.7	195.7	225.8	234.2	261.1
Other similar income	5.9	6.1	6.4	6.5	21.2	24.9	19.2	19.5
Interest expense and similar charges	-25.9	-24.7	-20.8	-19.5	-60.1	-91.0	-88.4	-87.7
Net interest income	39.6	38.6	39.9	41.7	156.9	159.8	165.0	192.9
Net interest income margin	66.5%	67.5%	73.5%	76.1%	80.1%	70.8%	70.4%	73.9%
Fee and commission income	8.7	9.3	9.3	10.8	28.6	38.1	40.3	45.2
Fee and commission expense	-2.2	-2.6	-2.6	-3.2	-8.4	-10.7	-11.0	-12.2
Net fee and commission income	6.5	6.7	6.7	7.5	20.3	27.4	29.3	33.0
Total interest & fee income	46.1	45.3	46.6	49.2	177.1	187.2	194.3	225.9
Net gain from trading activities	7.2	2.0	2.0	-3.2	13.7	8.0	8.5	9.0
Net gain (loss) FV subordinated loan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net gain (loss) derecognition financial assets	0.0	0.1	0.1	-0.2	0.8	0.0	0.0	0.0
Net gain (loss) disposal tangible assets	0.0	0.0	0.0	-0.1	0.9	0.0	0.0	0.0
Revenue related to insurance activities	4.0	4.0	4.0	-5.0	5.7	7.0	8.0	8.0
Other operating income	0.2	0.2	0.2	-0.5	0.0	0.0	0.0	0.0
Total non-interest & non-fee income	11.4	6.3	6.3	-9.0	21.1	15.0	16.5	17.0
Total revenues	57.4	51.6	52.9	40.2	198.2	202.2	210.8	242.9
Salaries and related expenses	-11.3	-10.4	-10.3	-10.1	-36.2	-42.1	-43.1	-49.9
Depreciation & Amortisation	-1.8	-1.5	-1.6	-1.4	-5.5	-6.3	-6.6	-7.7
Expenses related to insurance activities	-7.6	-2.3	-2.3	2.8	-14.2	-9.4	-10.0	-11.4
Other operating expenses	-6.8	-8.2	-8.4	-8.4	-31.2	-31.7	-36.9	-32.1
<i>Total operating expenses</i>	<i>-27.4</i>	<i>-22.4</i>	<i>-22.6</i>	<i>-17.2</i>	<i>-87.2</i>	<i>-89.5</i>	<i>-96.7</i>	<i>-101.1</i>
Operating profit before impairments	30.0	29.2	30.4	23.1	111.0	112.7	114.1	141.8
Allowance impairment losses on loans	-2.2	-4.6	-4.7	-6.7	-15.2	-18.1	-15.5	-16.4
Allowance impairment losses on subsidiaries	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Total impairments</i>	<i>-2.2</i>	<i>-4.6</i>	<i>-4.7</i>	<i>-6.7</i>	<i>-15.2</i>	<i>-18.1</i>	<i>-15.5</i>	<i>-16.4</i>
Pre-tax profit	27.8	24.7	25.6	16.4	95.7	94.5	98.6	125.4
Income tax expense	-5.4	-4.7	-4.9	-2.0	-20.4	-17.0	-17.7	-22.6
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	22.5	19.9	20.7	14.4	75.4	77.5	80.9	102.8

Growth y-on-y	Q1/24	Q2/24E	Q3/24E	Q4/24E	2023	2024E	2025E	2026E
Net interest income	12%	-4%	-2%	2%	47%	2%	3%	17%
Net fee and commission income	15%	0%	2%	6%	8%	35%	7%	12%
Total revenues	23%	6%	8%	-25%	39%	2%	4%	15%

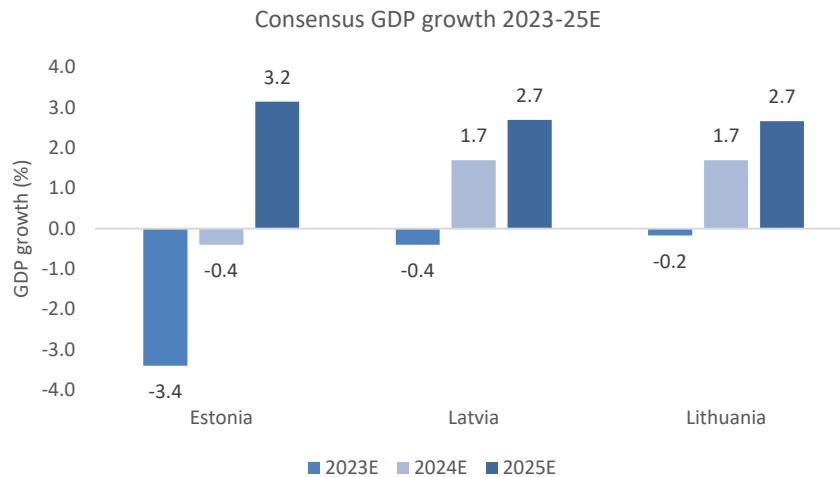
Margin	Q1/24	Q2/24E	Q3/24E	Q4/24E	2023	2024E	2025E	2026E
Operating margin bef. Loan prov.	52.3%	56.6%	57.4%	57.3%	56.0%	55.7%	54.1%	58.4%
Pre-tax profit margin	48.4%	47.8%	48.4%	40.8%	48.3%	46.7%	46.8%	51.6%
Net profit margin	39.1%	38.6%	39.1%	35.8%	38.0%	38.3%	38.3%	42.3%

Source: Company reports (historic), Enlight Research (estimates)

Risk factors

Macro risk

The banking sector in general is exposed to macroeconomic factors such as GDP growth, salary growth, unemployment etc. Siauliu Bankas is not exception and hence a sharp downturn in e.g., the GDP growth will most likely mean that our forecast is too optimistic.



Source: Consensus (Swedbank, SEB, Siauliu Bank)

Interest rate and liquidity risk

Siauliu Bankas as all commercial banks face an interest rate risk, with its core business reliant on generating a spread between lending and borrowing activities. Rapidly declining interest rates can potentially lead to a contraction in this spread and vice versa. Therefore, a sharp drop in interest rates could mean our Net interest margin forecast is too optimistic.

Non-performing loan risk

The majority of the SAB's assets consist of loans to corporations, government, and households. The bank needs to see consistent servicing of these loans to remain viable. If a large proportion of these loans are not repaid concurrently, the bank can be forced to write down its loan base, resulting in losses.

New IT systems and re-branding risk

SAB has announced that it will invest into a new IT system and re-branding project. There is no guarantee that these initiatives will go smoothly and there could be financial implications if problems arise.

Income Statement	2022	2023	2024E	2025E	2026E
Net interest income	106.8	156.9	159.8	165.0	192.9
Commissions	18.7	20.3	27.4	29.3	33.0
Result financial items	1.0	0.8	0.0	0.0	0.0
Trading income	4.4	13.7	8.0	8.5	9.0
Capital gains	0.8	0.9	0.0	0.0	0.0
Insurance	9.3	5.7	7.0	8.0	8.0
Other income	1.7	0.0	0.0	0.0	0.0
Total operating income	142.6	198.2	202.2	210.8	242.9
Costs	-61.2	-87.2	-89.5	-96.7	-101.1
Profit before loan losses	81.5	111.0	112.7	114.1	141.8
Loan losses	-4.9	-15.2	-18.1	-15.5	-16.4
Ass. companies' profit/loss	0.0	0.0	0.0	0.0	0.0
Life profit	0.0	0.0	0.0	0.0	0.0
Profit after loan losses	76.5	95.7	94.5	98.6	125.4
Core earnings	0.0	0.0	0.0	0.0	0.0
Investm. portfolio income	0.0	0.0	0.0	0.0	0.0
Other items	0.0	0.0	0.0	0.0	0.0
Non-recurring items	0.0	0.0	0.0	0.0	0.0
Pre-tax profit	76.5	95.7	94.5	98.6	125.4
Taxes on cont. operations	-12.9	-20.4	-17.0	-17.7	-22.6
Net income from disc. Op.	0.0	0.0	0.0	0.0	0.0
Minority interest	0.0	0.0	0.0	0.0	0.0
Net earnings	63.6	75.4	77.5	80.9	102.8
Adjusted net earnings	63.6	75.4	77.5	80.9	102.8

Balance Sheet	2022	2023	2024E	2025E	2026E
ASSETS					
Deposits with fin. instit.	2.7	3.0	3.3	3.5	3.8
Debt securities	1,059.3	825.7	896.4	969.3	1,032.3
Lending to the public (net)	2,634.1	2,931.6	3,298.1	3,693.9	4,100.2
Investment assets	0.0	0.0	0.0	0.0	0.0
Tangible assets	18.0	16.8	18.3	19.7	20.9
Goodwill	1.4	4.3	4.3	4.3	4.3
Other intangible rights	6.9	40.8	44.5	47.9	51.0
Other assets	460.3	987.0	977.3	896.8	789.2
Total assets	4,182.7	4,809.3	5,242.2	5,635.3	6,001.6
LIABILITIES					
Deposits from fin. inst.	685.1	570.0	621.2	667.8	711.2
Deposits from the public	2,785.0	3,162.7	3,302.6	3,606.6	4,003.1
Wholesale funding	14.2	276.5	301.4	324.0	345.0
Subordinated debt	171.2	15.7	17.3	18.6	19.8
Provisions (insurance)	36.2	179.3	195.5	210.1	223.8
Other liabilities	48.1	62.0	215.8	162.2	-25.9
Total liabilities (banks)	3,739.8	4,266.2	4,653.7	4,989.2	5,277.0
Share capital	174.2	192.3	192.3	192.3	192.3
Retained earnings	213.2	262.0	307.3	364.9	443.5
Other equity	55.5	88.9	88.9	88.9	88.9
Equity total	442.9	543.1	588.5	646.1	724.6
Total equity and liabilities	4,182.7	4,809.3	5,242.2	5,635.3	6,001.6

Key figures	2022	2023	2024E	2025E	2026E
CET1 ratio	18.14%	19.89%	20.16%	19.76%	19.57%
Tier 1 ratio	18.14%	19.89%	20.16%	19.76%	19.57%
Capital ratio	20.20%	22.43%	22.36%	21.72%	21.35%
ROE	15.19%	15.29%	13.70%	13.10%	15.00%
ROE Tangible	15.21%	16.16%	14.94%	14.26%	16.28%
RORWA	2.81%	3.10%	2.94%	2.70%	3.10%
ROA	1.56%	1.68%	1.54%	1.49%	1.77%
Loan loss ratio	0.21%	0.59%	0.58%	0.44%	0.42%
C/I	0.43	0.44	0.44	0.46	0.42
Loan loss res./lending	1.30%	1.49%	2.00%	2.00%	2.00%
NPL/lending	3.00%	3.59%	5.00%	5.00%	5.00%
Coverage ratio	43.38%	41.35%	40.00%	40.00%	40.00%

Share data	2022	2023	2024E	2025E	2026E
EPS, unadjusted	0.11	0.12	0.12	0.12	0.16
EPS diluted	0.11	0.12	0.12	0.12	0.16
BV/share	0.74	0.82	0.89	0.97	1.09
Tangible equity/Share	0.72	0.75	0.81	0.90	1.01
Div. per share	0.03	0.05	0.04	0.04	0.05

Pricing and key ratios	2022	2023	2024E	2025E	2026E
Share price	0.69	0.69	0.70	0.70	0.70
Market cap	412.10	459.46	463.43	463.43	463.43
P/E diluted	6.48	5.81	5.98	5.73	4.51
P/BV	0.93	0.85	0.79	0.72	0.64
P/Tangible equity	0.95	0.92	0.86	0.78	0.69
Payout ratio	25.02%	42.66%	30.00%	30.00%	30.00%
Dividend yield	3.86%	7.00%	5.02%	5.23%	6.66%

Shareholders	Capital	Votes
Invalda INVL	92.687	20.00 %
ME Investicija	41.709	9.00 %
EBRD	33.831	7.30 %
Tesonet Global	24.562	5.30 %
Gintaras Kateiva	22.708	4.90 %
Algirdas Butkus	22.245	4.80 %

Key people	
CEO	Vytautas Sinius
CFO	Donatas Savickas
IR	Donatas Savickas
Chairman	Valdas Vitkauskas

P/E	$\frac{\text{Price per share}}{\text{Earnings per share}}$	EPS	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes} + \text{minority interest}}{\text{Number of shares}}$
P/Sales	$\frac{\text{Market cap}}{\text{Sales}}$	DPS	Dividend for financial period per share
P/BV	$\frac{\text{Price per share}}{\text{Shareholders' equity} + \text{taxed provisions per share}}$	CEPS	$\frac{\text{Gross cash flow from operations}}{\text{Number of shares}}$
P/CF	$\frac{\text{Price per share}}{\text{Operating cash flow per share}}$	EV/Share	$\frac{\text{Enterprise value}}{\text{Number of shares}}$
Div yield, %	$\frac{\text{Dividend per share}}{\text{Price per share}}$	Total assets	Balance sheet total
Payout ratio, %	$\frac{\text{Total dividends}}{\text{Earnings before extraordinary items and taxes} - \text{income taxes} + \text{minority interest}}$	Interest coverage (x)	$\frac{\text{Operating profit}}{\text{Financial items}}$
Net cash/Share	$\frac{\text{Financial assets} - \text{interest-bearing debt}}{\text{Number of shares}}$	Asset turnover (x)	$\frac{\text{Turnover}}{\text{Balance sheet total (average)}}$
ROA, %	$\frac{\text{Operating profit} + \text{financial income} + \text{extraordinary items}}{\text{Balance sheet total} - \text{interest-free short-term debt} - \text{long-term advances received and accounts payable (average)}}$	Debt/Equity, %	$\frac{\text{Interest-bearing debt}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}$
ROCE, %	$\frac{\text{Profit before extraordinary items} + \text{interest expenses} + \text{other financial costs}}{\text{Balance sheet total} - \text{non-interest-bearing debt (average)}}$	Equity ratio, %	$\frac{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}{\text{Total assets} - \text{interest-free loans}}$
ROE, %	$\frac{\text{Profit before extraordinary items} - \text{income taxes}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions (average)}}$	CAGR, %	Cumulative annual growth rate = Average growth rate per year
P/Tangible equity	$\frac{\text{Share price}}{\text{Book value per share} - \text{intangible assets}}$	CET1 Ratio	$\frac{\text{CET1 capital}}{\text{Risk-weighted assets}}$
Loan loss ratio	$\frac{\text{Loan losses}}{\text{Lending to public}}$	Coverage ratio	$\frac{\text{Loan loss reserve}}{\text{Non-performing loans}}$
ROE Tangible	$\frac{\text{ROE Tangible}}{\text{Tangible equity}}$	RORWA	$\frac{\text{Net earnings}}{\text{Risk-weighted assets, average}}$
C/I	$\frac{\text{Costs}}{\text{Total income}}$	Loan loss reserve / lending	$\frac{\text{Loan loss reserve}}{\text{Lending to public}}$
NPL/lending	$\frac{\text{Non-performing loans}}{\text{Lending to public}}$		

Disclaimer

Enlight Research OÜ's main valuation methods are discounted cash flow valuation and peer valuation with common multiples such as Price to Earnings, Enterprise Value to EBITDA, dividend yield etc. Aforementioned methods are used to estimate a company's fair value according to the following three scenarios: Bull (positive), Base (main scenario), and Bear (negative).

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